

**PROJECT PROFILE FOR COIR PAPER/PAPER PRODUCTS**  
**MAKING UNIT**

<b>PRODUCT</b>	<b>:</b>	<b>COIR PAPER BOARD</b>
<b>PRODUCTION CAPACITY (P.A)</b>		
<b>(100% CAPACITY)</b>	<b>:</b>	<b>300 TON</b>
<b>VALUE</b>	<b>:</b>	<b>RS.67.80 LAKHS</b>
<b>MONTH &amp; YEAR OF PREPARATION</b>	<b>:</b>	<b>JUNE 2018</b>
<b>PREPARED BY</b>	<b>:</b>	<b>COIR BOARD, MINISTRY OF MSME, GOVT OF INDIA</b>

- **INTRODUCTION**

Coir paper is manufactured from waste of coir fiber collected from coir processing unit and waste paper (corrugated board waste) from local market. The product finds its application in calendar, binding covers and note book covers.

- **PROCESS OF MANUFACTURE**

The fiber and paper strips are put into a treatment vessel and then fed into a beater along with water and sized additives to form a pulp type mixture from coir fibre/coir pith. The pulp mixture is spread on a net which enables the water to settle down and form paper sheet. These paper sheets are blotted on a woolen / gada cloth. Water is drawn out from these sheets with the help of a hydraulic press and these sheets are detached from cloth and to let dry in sunlight. After drying these sheets are passed through two heavy rollers and calendaring in between two metal sheets for

polishing the papers or boards. Lastly the sheet is cut into the required size and shape as required for marketing.

### **BASIS AND PRESUMPTIONS**

- The Project Profile is based on 8 working hours for 1 shift in a day and 25 days in a month and the Break Even efficiency has been calculated on 80%, 85%, 90%, 90% and 100% capacity utilization.
- The rate of interest both for fixed asset and working capital have been taken as 12.5% p.a.

### **• TECHNICAL ASPECTS**

Installed Production capacity per day	:	1 ton
Number of Shift per day	:	1
Working days p.a	:	300 days
Capacity Utilization		
-First year	:	80%
-Second year	:	85%
-Third year	:	90%
-Fourth year	:	90%
-Fifth year	:	100%
Rate of Average Sales Realization	:	Rs. 22600 per ton
Rate of Average cost of raw material	:	Rs.17500 per ton

Raw material requirement

- i) Coir waste fiber : 0.5 ton per ton of output
- ii) Waste paper : 0.5 ton per ton of output

Interest on term Loan : 12.50%

Interest on working capital : 12.50%

**Manpower requirement**

Supervisor : 1

Skilled worker : 4

Unskilled worker : 8

Total HP required : 60 HP

• **FINANCIAL ASPECTS**

**i) Cost of Project**

	<b>Amount</b>
• Land	: Lease/owned
• Building	: Lease/owned
• Machinery & Equipments	: Rs.1997000/-
• Working Capital	: Rs. 503000/-
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<b>Total</b>	<b>: Rs. 2500000/-</b>
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<b>Sl. No</b>	<b>Description of machines &amp; equipments</b>	<b>Qty</b>
1	Coir fiber Shredder 10 HP	1
2	Hollender beater 10 HP	1
3	Hydro pulper 15 HP	1
4	TDR refiner 5 HP	1
5	Cylinder mould board machine 3 HP Drive 30:*36: size one ton per 8 hrs capacity	1
6	Hydraulic power presser 5 HP	1
7	Pulp agitator 2 HP drive	2
8	Pulp pumps	3
9	Calendaring machine 5 HP drive	1
10	Cutting machine 3 HP drive	1
11	Trolley, Balance and tools	
<b>Total</b>		Rs.1997000/-

## ii) Means of Finance

• Promoters Capital	5%	:	Rs. 125000/-
• Bank Term loan	95%	:	Rs.1897000/-
• WC Loan from Bank	95%	:	Rs .478000/-
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<b>Total</b>		<b>:</b>	<b>Rs.2500000/-</b>
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## DETAILS OF THE PROFITABILITY OF THE PROJECT

Rs.in Lakhs

<b>Years</b>		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Installed Production capacity per day	<i>Ton</i>	1.00	1.00	1.00	1.00	1.00
Number of shift/day		1	1	1	1	1
Working days per annum		300	300	300	300	300
Installed production capacity per annum	<i>Tons</i>	300	300	300	300	300
Capacity utilization		80%	85%	90%	90%	100%
Annual production quantity	<i>Tons</i>	240	255	270	270	300
<b>Annual Sales Realization</b>	<i>Rs. 22,600</i>	<b>54.24</b>	<b>57.63</b>	<b>61.02</b>	<b>61.02</b>	<b>67.80</b>

Cost of Production						
Cost of raw material	Rs. 17,500	21.00	22.31	23.63	23.63	26.25
Power cost		2.13	2.26	2.39	2.39	2.66
Wages & salary		16.03	17.03	18.04	18.04	20.04
<b>Cost of Production</b>		<b>39.16</b>	<b>41.61</b>	<b>44.05</b>	<b>44.05</b>	<b>48.95</b>
<b>Gross Profit</b>		<b>15.08</b>	<b>16.02</b>	<b>16.97</b>	<b>16.97</b>	<b>18.85</b>
Administrative & selling expenses	2.00%	1.08	1.15	1.22	1.22	1.36
Rent		0.15	0.15	0.15	0.15	0.15
Insurance		0.15	0.15	0.15	0.15	0.15
Interest on Term Loan		1.98	2.11	1.75	0.62	0.27
Interest on Working capital		0.60	0.60	0.60	0.60	0.60
Depreciation of machinery		2.00	2.00	2.00	2.00	2.00
<b>Total</b>		<b>5.96</b>	<b>6.16</b>	<b>5.87</b>	<b>4.74</b>	<b>4.53</b>
<b>Net Profit</b>		<b>9.12</b>	<b>9.87</b>	<b>11.10</b>	<b>12.23</b>	<b>14.34</b>

#### ESTIMATION OF BREAK EVEN POINT

Rs in Lakhs

Particulars	1	2	3	4	5
Capacity utilization	80%	85%	90%	90%	100%
Break-even point	64%	63%	55%	41%	34%
Break even Production	155	160	149	111	102

- DEBT SERVICE COVERAGE RATIO**

Rs in Lakhs

Particulars	1	2	3	4	5
Capacity utilization	80%	85%	90%	90%	100%

DSCR	3.86	2.83	3.24	4.31	5.37
Average DSCR	3.92				
DSCR weighted average	3.77				

- WORKING CAPITAL REQUIREMENTS**

Rs in Lakhs

<b>Particulars</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Capacity utilization	80%	85%	90%	90%	100%
Variable Cost	39.16	41.61	44.05	44.05	48.95
Fixed Cost	5.96	6.16	5.87	4.74	4.53
Working capital Gap	5.03	5.37	5.70	5.74	6.39