

PROJECT PROFILE FOR SEMI AUTOMATIC COIR MATTING UNIT

PRODUCT	:	COIR MATTING (4SHAFT FANCY)
PRODUCTION CAPACITY (P.A) (100% CAPACITY)	:	33000Sq.meter
VALUE	:	RS.89.10 LAKHS
MONTH & YEAR OF PREPARATION	:	JUNE 2018
PREPARED BY	:	COIR BOARD, MINISTRY OF MSME, GOVT OF INDIA

• INTRODUCTION

The main problem of weaving on hand loom is the high force needed to operate the pedal for lifting the shed and the force to beat the slay. Usually healthy male workers are engaged for weaving. In power loom, both this operation is done by motor but the high cost of the loom is restricting the user to purchase the power loom.

• PROCESS OF MANUFACTURE

In the semi-automatic loom, beating, shedding and winding are carried by motor and the picking is done manually and high force is not needed to operate the pedal for lifting the shed and the force to beat the slay. The quality of the matting woven in this loom is good. The picks also can be changed depending on thickness of weft yarn. The cost is less compared to power loom.

• BASIS AND PRESUMPTIONS

- The Project Profile is based on 8 working hours in a day and 25 days in a month and the Break Even efficiency has been calculated on 70%, 80%, 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 machine/shift	:	110 Sq. meter
Number of machine	:	1
Number of Shift per day	:	1
Working days p.a	:	300 days
Yield wastage	:	10%
Capacity Utilization		
-First year	:	70%
-Second year	:	80%
-Third year	:	90%
-Fourth year	:	90%
-Fifth year	:	100%
Rate of Average Sales Realization	:	Rs.270/-per sq,m
Rate of Average cost of raw material	:	Rs. 62000/-
Interest on term Loan	:	12.50%
Interest on working capital	:	12.50%
Manpower requirement		
Skilled worker	:	2
Unskilled workers	:	4
Total HP required	:	10 HP

All the machineries and equipments mentioned in the Project profile are of indigenous make and are of medium price.

- **FINANCIAL ASPECTS**

i) Cost of Project

	Amount
• Land	Lease/owned
• Work shed	Rs. 400000/-
• Machinery & Equipments	Rs. 1693000/-
• Working Capital	Rs. 407000/-

Sl. No	Description of machines & equipments	Qty	Amount (Rs)
1	Semi-Automatic loom 1.50 meter width (7 HP)	1	1400000.00
2	Bobbin winding machine 2 head	1	180000.00
3	Dying equipments		113000.00
Total			1693000.00

Total : **Rs. 2500000/-**

ii) Means of Finance

• Promoters Capital	5%	:	Rs. 125000/-
• Bank Term loan	95%	:	Rs.1988000/-
• WC Loan from Bank	95%	:	Rs. 387000/-
Total			Rs.2500000/-

• **DETAILS OF THE PROFITABILITY OF THE PROJECT**

Rs.in Lakhs

Years		1	2	3	4	5
Installed Production capacity/machine/shift	Sq.meter	110	110	110	110	110
Number of machines		1	1	1	1	1
Number of shift/day		1	1	1	1	1
Working days per annum		300	300	300	300	300
Installed production capacity per annum	Sq.meter	33000	33000	33000	33000	33000
Capacity utilization		70%	80%	90%	90%	100%
Annual production quantity		23100	26400	29700	29700	33000
Annual Sales Realization	Rs. 270 per sq.meter	62.37	71.28	80.19	80.19	89.10
Cost of Production						
Raw material requirement	Tons	50.82	58.08	65.34	65.34	72.60
Cost of raw material	Rs. 62000	31.51	36.01	40.51	40.51	45.01
Dying Charges		6.93	7.92	8.91	8.91	9.90
Power cost		0.32	0.37	0.41	0.41	0.46
Spares, Repairs & maintenance	1%	0.17	0.19	0.20	0.23	0.25
Wages & salary		9.58	10.94	12.31	12.31	13.68
Cost of Production		48.50	55.43	62.35	62.37	69.30
Gross Profit		13.87	15.85	17.84	17.82	19.8
Administrative & Selling expense	2%	1.25	1.43	1.60	1.60	1.78
Interest on Term Loan		2.09	2.20	1.82	0.66	0.28
Interest on Working capital		0.48	0.48	0.48	0.48	0.48
Depreciation of machinery		1.69	1.69	1.69	1.69	1.69
Depreciation of building		0.20	0.20	0.20	0.20	0.20
Total		5.71	6.00	5.79	4.63	4.43
Net Profit		8.16	9.85	12.05	13.19	15.37

- **ESTIMATION OF BREAK EVEN POINT**

Rs in Lakhs

Particulars	1	2	3	4	5
Capacity utilization	70%	80%	90%	90%	100%
Break-even point	39%	36%	31%	24%	20%
Break even Production	18	19	18	14	14

- **DEBT SERVICE COVERAGE RATIO**

Rs in Lakhs

Particulars	1	2	3	4	5
Capacity utilization	70%	80%	90%	90%	100%
DSCR	3.31	2.63	3.21	4.21	5.23
Average DSCR	3.72				
DSCR weighted average	3.58				

- **WORKING CAPITAL REQUIREMENTS**

Rs in Lakhs

Particulars	1	2	3	4	5
Capacity utilization	70%	80%	90%	90%	100%
Variable Cost	48.50	55.43	62.35	62.37	69.30
Fixed Cost	5.71	6.00	5.79	4.63	4.43
Working capital Gap	4.07	4.66	5.26	5.29	5.90