

## **PROJECT PROFILE AUTOMATIC COIR FIBRE DRIER UNIT**

|  |          |  |
|--|----------|--|
| <b>PRODUCT</b>                                       | <b>:</b> | <b>DRIED COIR FIBRE</b>                                |
| <b>PRODUCTION CAPACITY (P.A)<br/>(100% CAPACITY)</b> | <b>:</b> | <b>1200 TON</b>  |
| <b>VALUE</b>   | <b>:</b> | <b>RS. 312.00 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,<br/>GOVT OF INDIA</b> |

### **INTRODUCTION**

The extracted coir fibres from coconut husks are dried by blowing hot air for reducing the moisture content as per customer requirement .

### **PROCESS OF MANUFACTURE**

The coir fibre extracted by mechanical means are fed to the automatic conveyor in a sheet form and the fibre is dried by blowing hot air .It is then tied to bundles and baled for transportation.

#### **• BASIS AND PRESUMPTIONS**

- The Project Profile is based on 8 working hours for 2 shifts 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 day : 2 Ton per day

Number of Shift per day : 2

Working days p.a : 300 days

**Capacity Utilization**

-First year : 70%

-Second year : 80%

-Third year : 90%

-Fourth year : 90%

-Fifth year : 100%

Rate of Average Sales Realization : Rs. 26000

Rate of Average cost of raw material : Rs. 20000

Interest on term Loan : 12.50%

Interest on working capital : 12.50%

**Manpower requirement**

Supervisor : 1

Unskilled worker : 6

- **FINANCIAL ASPECTS**

**i) Cost of Project**

|                          |          | <b>Amount</b>        |
|--------------------------|----------|----------------------|
| • Land                   | :        | Lease/owned          |
| • Building               | :        | Rs.600000/-          |
| • Machinery & Equipments | :        | Rs.1348000/-         |
| • Working Capital        |          | Rs.552000/-          |
|                          |          | -----                |
| <b>Total</b>             | <b>:</b> | <b>Rs. 2500000/-</b> |
|                          |          | -----                |

| <b>Sl. No</b> | <b>Description of machines &amp; equipments</b>                               | <b>Qty</b> | <b>Amount (Rs)</b> |
|---------------|---|------------|--------------------|
| 1             | Coir fiber Drier 15 HP (including heat exchanger, Drier, Blower, piping etc.) |            | 1348000.00         |
| <b>Total</b>  |   |            | <b>13480000.00</b> |

**ii) Means of Finance**

|                     |     |          |                     |
|---------------------|-----|----------|---------------------|
| • Promoters Capital | 5%  | :        | Rs.125000/-         |
| • Bank Term loan    | 95% | :        | Rs.1851000/-        |
| • WC Loan from Bank | 95% | :        | Rs.524000/-         |
|                     |     |          | -----               |
| <b>Total</b>        |     | <b>:</b> | <b>Rs.2500000/-</b> |
|                     |     |          | -----               |

• **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/shift     |           | 2.00          | 2.00          | 2.00          | 2.00          | 2.00          |
| Number of shift/day                     |           | 2             | 2             | 2             | 2             | 2             |
| Working days per annum                  |           | 300           | 300           | 300           | 300           | 300           |
| Installed production capacity per annum |           | 1200          | 1200          | 1200          | 1200          | 1200          |
| Capacity utilization                    |           | 70%           | 80%           | 90%           | 90%           | 100%          |
| Annual production quantity              |           | 840           | 960           | 1080          | 1080          | 1200          |
| <b>Annual Sales Realization</b>         | Rs. 26000 | <b>218.40</b> | <b>249.60</b> | <b>280.80</b> | <b>280.80</b> | <b>312.00</b> |
| <b>Cost of Production</b>               |           |               |               |               |               |               |
| Raw material requirement                | Tons      | 966           | 1104          | 1242          | 1242          | 1380          |
| Cost of raw material                    | Rs. 20000 | 193.20        | 220.80        | 248.40        | 248.40        | 276.00        |
| Spares, Repairs & maintenance           | 1%        | 0.13          | 0.15          | 0.16          | 0.18          | 0.20          |
| Cost of Fire wood                       |           | 10.50         | 12.00         | 13.50         | 13.50         | 15.00         |
| Wages & salary                          |           | 7.06          | 8.06          | 9.07          | 9.07          | 10.08         |
| Power Cost                              |           | 0.71          | 0.81          | 0.91          | 0.91          | 1.02          |
| <b>Cost of Production</b>               |           | <b>211.60</b> | <b>241.82</b> | <b>272.05</b> | <b>272.07</b> | <b>302.29</b> |
| <b>Gross Profit</b>                     |           | <b>6.80</b>   | <b>7.78</b>   | <b>8.75</b>   | <b>8.73</b>   | <b>9.71</b>   |
| Interest on Term Loan                   |           | 1.92          | 2.06          | 1.72          | 0.60          | 0.26          |
| Interest on Working capital             |           | 0.66          | 0.66          | 0.66          | 0.66          | 0.66          |
| Depreciation of machinery               |           | 1.35          | 1.35          | 1.35          | 1.35          | 1.35          |
| Depreciation of building                |           | 0.30          | 0.30          | 0.30          | 0.30          | 0.30          |
| <b>Total</b>                            |           | <b>4.23</b>   | <b>4.36</b>   | <b>4.02</b>   | <b>2.90</b>   | <b>2.56</b>   |
| <b>Net Profit</b>                       |           | <b>2.57</b>   | <b>3.42</b>   | <b>4.73</b>   | <b>5.83</b>   | <b>7.15</b>   |

- ESTIMATION OF BREAK EVEN POINT**

Rs in Lakhs

| Particulars                 | 1   | 2   | 3   | 4   | 5    |
|-----------------------------|-----|-----|-----|-----|------|
|                             | 70% | 80% | 90% | 90% | 100% |
| Break-even point            | 58% | 52% | 42% | 28% | 21%  |
| Break even Production (Ton) | 488 | 500 | 449 | 300 | 252  |

- DEBT SERVICE COVERAGE RATIO**

Rs in Lakhs

| Particulars           | 1    | 2    | 3    | 4    | 5    |
|-----------------------|------|------|------|------|------|
|                       | 70%  | 80%  | 90%  | 90%  | 100% |
| DSCR                  | 1.78 | 1.43 | 1.76 | 2.34 | 2.94 |
| Average DSCR          | 2.05 |      |      |      |      |
| DSCR weighted average | 1.97 |      |      |      |      |

- WORKING CAPITAL REQUIREMENTS**

Rs in Lakhs

| Particulars         | 1      | 2      | 3      | 4      | 5      |
|---------------------|--------|--------|--------|--------|--------|
|                     | 70%    | 80%    | 90%    | 90%    | 100%   |
| Variable Cost       | 211.60 | 241.82 | 272.05 | 272.07 | 302.29 |
| Fixed Cost          | 4.23   | 4.36   | 4.02   | 2.90   | 2.56   |
| Working capital gap | 5.52   | 6.31   | 7.11   | 7.15   | 7.96   |