

## **PROJECT PROFILE FOR COIR SPINNING UNIT WITH ELECTRONIC DEVICE**

<b>PRODUCT</b>	<b>:</b>	<b>COIR YARN (VYCOME TYPE-200M/KG)</b>
<b>PRODUCTION CAPACITY (P.A) (100% CAPACITY)</b>	<b>:</b>	<b>113 TONS</b>
<b>VALUE</b>	<b>:</b>	<b>RS.65.25 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**

The coir spinning ratt with electronic device is one in which the spindle is run by a separate motor of 10 watt capacity. Each strand need one motor will be fixed and the rotation of the strand is given by the motor. It is maintenance free, handy equipment and it can be moved to anywhere. The speed can be adjusted from 300 to 1500 rpm using a 6 speed variable regulator

### **• 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 80%, 85%, 90%, 95% 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 shift/machine : 0.015 MT per shift

Number of Electronic devices with stand : 25

Number of Shift per day : 1

Working days p.a : 300 days

Yield wastage : 10%

**Capacity Utilization**

-First year : 800%

-Second year : 85%

-Third year : 90%

-Fourth year : 95%

-Fifth year : 100%

Rate of Average Sales Realization : Rs. 58000 per ton

Rate of Average cost of raw material : Rs.25000

Interest on term Loan : 12.50%

Interest on working capital : 12.50%

**Manpower requirement**

Supervisor : 1

Skilled worker : 25

Semi/unskilled workers : 4

Total HP required : 8 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**

		<b>Amount</b>
• Land	:	Lease/owned
• Work shed	:	Rs. 517000/-
• Machinery & Equipments	:	Rs.1432000/-
• Working Capital		Rs. 551000/-
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<b>Total</b>	<b>:</b>	<b>Rs. 2500000/-</b>
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**Electronic devices with stand 25 nos, Willowing machine 1no and Motorized re-hanking frames**

**ii) Means of Finance**

• Promoters Capital	5%	:	Rs. 125000/-
• Bank Term Loan	95%	:	Rs.1852000/-
• WC Loan from Bank	95%	:	Rs .523000/-
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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/machine/shift	Tons	0.015	0.015	0.015	0.015	0.015
Number of machines		25	25	25	25	25
Number of shift/day		1	1	1	1	1
Working days per annum		300	300	300	300	300
Installed production capacity per annum		113	113	113	113	113
Capacity utilization		80%	85%	90%	95%	100%
Annual production quantity	Tons	90	96	101	107	113
<b>Annual Sales Realization</b>	Rs. 58000	<b>52.20</b>	<b>55.46</b>	<b>58.73</b>	<b>61.99</b>	<b>65.25</b>
<b>Cost of Production</b>						
Raw material requirement	Tons	99	105.19	111.38	117.56	123.75
Cost of raw material	Rs. 25000	24.75	26.30	27.84	29.39	30.94
Power cost		0.22	0.23	0.24	0.26	0.27
Spares, Repairs & maintenance	2%	0.29	0.32	0.35	0.38	0.42
Wages & salary		17.42	18.51	19.60	20.69	21.78
<b>Cost of Production</b>		<b>42.68</b>	<b>45.36</b>	<b>48.04</b>	<b>50.72</b>	<b>53.41</b>
<b>Gross Profit</b>		<b>9.52</b>	<b>10.1</b>	<b>10.69</b>	<b>11.27</b>	<b>11.84</b>
Administrative & selling expenses	1%	0.52	0.55	0.59	0.62	0.65
Interest on Term Loan		1.92	2.06	1.72	0.60	0.26
Interest on Working capital		0.65	0.65	0.65	0.65	0.65
Depreciation of machinery		1.43	1.43	1.43	1.43	1.43
Depreciation of building		0.26	0.26	0.26	0.26	0.26
<b>Total</b>		<b>4.78</b>	<b>4.95</b>	<b>4.65</b>	<b>3.56</b>	<b>3.25</b>
<b>Net Profit</b>		<b>4.74</b>	<b>5.15</b>	<b>6.04</b>	<b>7.71</b>	<b>8.59</b>

- **ESTIMATION OF BREAK EVEN POINT**

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%	95%	100%
Break-even point	42%	41%	36%	23%	20%
Break even Production	38	40	36	25	22

- **DEBT SERVICE COVERAGE RATIO**

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%	95%	100%
DSCR	2.46	1.81	2.07	2.93	3.45
Average DSCR	2.54				
DSCR weighted average	2.44				

- **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%	95%	100%
Variable Cost	42.68	45.36	48.04	50.72	53.41
Fixed Cost	4.78	4.95	4.65	3.56	3.25
Working capital Gap	5.51	5.87	6.23	6.61	6.99