

## **PROJECT PROFILE FOR COIR MAT/MATTING** **FINISHING/PACKING UNIT**

|  |          |   |
|--|----------|---|
| <b>PRODUCT</b>   | <b>:</b> | <b>MATS (EXPORT QUALITY)</b>  |
| <b>PRODUCTION CAPACITY (P.A)</b><br><b>(100% CAPACITY)</b> | <b>:</b> | <b>12 LAKHS MATS NO.3 SIZE (FINISHED</b><br><b>PRODUCT AND IN PACKED CONDITION)</b> |
| <b>SERVICE CHARGE</b>                                      | <b>:</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,</b><br><b>GOVT OF INDIA</b>                        |

### **• INTRODUCTION**

A final checkup is carried out to the mat in this process. Packing is conducted only after passing the mats. While passing, individual mats are checked up for quality and defects if any are removed. The mats are packed one over the other as bundles during the mat produced.

### **BASIS AND PRESUMPTIONS**

- The Project Profile is based on 8 working hours for single 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 | : | 4000 mat no.3 size |
| Number of Shift per day               | : | 1                  |
| 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. 187 Per mat    |
| Rate of Average cost                  | : | Rs. 181.65 per mat |
| Interest on term Loan                 | : | 12.50%             |
| Interest on working capital           | : | 12.50%             |
| <b>Manpower requirement</b>           |   |                    |
| Supervisor                            | : | 1                  |
| Skilled worker                        | : | 4                  |

## **FINANCIAL ASPECTS**

### **i) Cost of Project**

|             |   |               |
|-------------|---|---------------|
|             |   | <b>Amount</b> |
| • Land      | : | Lease/owned   |
| • Work shed | : | Rs. 600000/-  |

- Machinery & Equipments : Rs.600000/-
- Working Capital : Rs.531000/-

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**Total : Rs. 1731000/-**

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| Sl. No       | Description of machines & equipments                | Qty  | Amount (Rs) |
|--------------|---|------|-------------|
| 1            | Weighing balances, scissors, Needle, Hooks          | q.s. | 100000.00   |
| 2            | Mat bailing Screw press                             | 1    | 250000.00   |
| 3            | Passing tables                                      | 30   | 70000.00    |
| 4            | Other miscellaneous equipments and electrifications |      | 180000.00   |
| <b>Total</b> |   |      | 600000.00   |

## ii) Means of Finance

- Promoters Capital 5% : Rs.87000/-
- Bank Term loan 95% : Rs.1140000/-
- WC Loan from Bank 95% : Rs.504000/-

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**Total : Rs.1731000/-**

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## DETAILS OF THE PROFITABILITY OF THE PROJECT

Rs.in Lakhs

| Years                                   |           | 1              | 2              | 3              | 4              | 5              |
|---|-----------|----------------|----------------|----------------|----------------|----------------|
| Installed Production capacity per day   | No.3 size | 4000           | 4000           | 4000           | 4000           | 4000           |
| Number of /day                          |           | 1              | 1              | 1              | 1              | 1              |
| Working days per annum                  |           | 300            | 300            | 300            | 300            | 300            |
| Installed production capacity per annum | Nos       | 1200000        | 1200000        | 1200000        | 1200000        | 1200000        |
| Capacity utilization                    |           | 70%            | 80%            | 90%            | 90%            | 100%           |
| Annual production quantity              | Nos       | 840000         | 960000         | 1080000        | 1080000        | 1200000        |
| <b>Annual Sales Realization</b>         |           | 1573.71        | 1798.52        | 2023.34        | 2023.34        | 2248.16        |
| <b>Cost of Production</b>               |           |                |                |                |                |                |
| Cost of raw material                    |           | 1524.98        | 1742.83        | 1960.69        | 1960.69        | 2178.54        |
| Spares, Repairs & maintenance           | 1%        | 0.06           | 0.07           | 0.07           | 0.08           | 0.09           |
| Power cost                              |           | 0.18           | 0.20           | 0.23           | 0.23           | 0.25           |
| Miscellaneous expenses                  |           | 7.87           | 8.99           | 10.12          | 10.12          | 11.24          |
| Wages & salary                          |           | 24.53          | 28.03          | 31.54          | 31.54          | 35.04          |
| <b>Cost of Production</b>               |           | <b>1557.61</b> | <b>1780.13</b> | <b>2002.64</b> | <b>2002.65</b> | <b>2225.16</b> |
| <b>Gross Profit</b>                     |           | <b>16.1</b>    | <b>18.39</b>   | <b>20.7</b>    | <b>20.99</b>   | <b>23</b>      |
| Lease rent                              |           | 1.20           | 1.40           | 1.60           | 1.80           | 2.00           |
| Administrative & selling expenses       | 0.50%     | 7.87           | 8.99           | 10.12          | 10.12          | 11.24          |
| Interest on Term Loan                   |           | 1.15           | 1.28           | 1.08           | 0.34           | 0.15           |
| Interest on Working capital             |           | 0.63           | 0.63           | 0.63           | 0.63           | 0.63           |
| Depreciation of machinery               |           | 0.60           | 0.60           | 0.60           | 0.60           | 0.60           |

|                          |  |              |             |              |              |              |
|--------------------------|--|--------------|-------------|--------------|--------------|--------------|
| Depreciation of Building |  | 0.30         | 0.30        | 0.30         | 0.30         | 0.30         |
| <b>Total</b>             |  | <b>11.75</b> | <b>13.2</b> | <b>14.33</b> | <b>13.79</b> | <b>14.92</b> |
| <b>Net Profit</b>        |  | <b>4.34</b>  | <b>5.20</b> | <b>6.37</b>  | <b>6.90</b>  | <b>8.07</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  | 70%      | 80%      | 90%      | 90%      | 100%     |
| Break-even point      | 72%      | 71%      | 68%      | 66%      | 64%      |
| Break even Production | 206163   | 231772   | 251551   | 241768   | 261651   |

- 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  | 70%      | 80%      | 90%      | 90%      | 100%     |
| DSCR                  | 3.14     | 2.48     | 3.04     | 4.10     | 5.13     |
| Average DSCR          | 3.58     |          |          |          |          |
| DSCR weighted average | 3.42     |          |          |          |          |

- 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 | 70%      | 80%      | 90%      | 90%      | 100%     |
| Variable Cost        | 1557.61  | 1780.13  | 2002.64  | 2002.65  | 2225.16  |
| Fixed Cost           | 11.75    | 13.2     | 14.33    | 13.79    | 14.92    |
| Working capital Gap  | 5.31     | 6.08     | 6.85     | 6.88     | 7.67     |