

## **PROJECT PROFILE FOR COCO LOG MAKING UNIT**

<b>PRODUCT</b>	<b>:</b>	<b>COCO LOG</b>
<b>PRODUCTION CAPACITY (P.A)</b>		
<b>(100% CAPACITY)</b>	<b>:</b>	<b>14400 ROLL</b>
<b>SIZE &amp; QUALITY</b>	<b>:</b>	<b>30 CMx 6MTS (48 KG WEIGHT)</b>
<b>VALUE</b>	<b>:</b>	<b>RS. 138.24LAKHS</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**

Non-woven tubular form of coir products made from coir fibre bunches in pressed condition with varying diameter; length and mass in enclosures of knotted coir yarn are termed as Cocolog.

Cocologs are mainly used for vulnerable streams, rivers or Lake Bank to protect scour. The rolls are attached at the edges of the bank and secured by wooden stakes/ pegs. The pegs may be used on alternate sides of the log. For high embankment areas with variable water level, several Cocologs can be applied as a stack.

### **• PROCESS OF MANUFACTURE**

Cocologs are made from coir fibre bunches under pressed condition in tubular enclosures of knotted coir yarn. They are having a shape similar to a wooden log. They vary in diameter, length and weight. The diameter varies

from 30 cm to 50 cm, weight from 60 kg to 180 kg, usually produced with a length of 6 metre

### **BASIS AND PRESUMPTIONS**

- The Project Profile is based on 8 working hours for 1 shift in a day and 200 days in a year 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	:	72 roll
Number of Shift per day	:	1
Working days p.a	:	200 days

#### Capacity Utilization

-First year	:	70%
-Second year	:	80%
-Third year	:	90%
-Fourth year	:	90%
-Fifth year	:	100%

Rate of Average Sales Realization	:	Rs. 1000 (48 kg)
Rate of Average cost of raw material	:	Rs.13000/- per ton of Bit fibre including coir

yarn for making coir  
net

Interest on term Loan : 12.50%

Interest on working capital : 12.50%

### Manpower requirement

Supervisor : 1

Unskilled worker : 22

## • FINANCIAL ASPECTS

### i) Cost of Project

#### Amount

• Land : Lease/owned

• Building : Rs.500000/-

• Machinery & Equipments : Rs.1132000/-

• Working Capital : Rs.368000/-

**Total : Rs. 2000000/-**

Sl. No	Description of machines & equipments	Qty	Amount (Rs)
1	Coco Log machine 5 HP	3	1100000.00
2	Other equipments	q.s.	32000.00
<b>Total</b>			1132000.00

## ii) Means of Finance

• Promoters Capital	5%	:	Rs.100000/-
• Bank Term loan	95%	:	Rs.1550000/-
• WC Loan from Bank	95%	:	Rs.350000/-
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<b>Total</b>		<b>:</b>	<b>Rs.200000/-</b>
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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	<i>roll</i>	72	72	72	72	72
Number of shift/day		1	1	1	1	1
Working days per annum		200	200	200	200	200
Installed production capacity per annum		14400	14400	14400	14400	14400
Capacity utilization		70%	80%	90%	90%	100%
Annual production quantity		10080	11520	12960	12960	14400
<b>Annual Sales Realization</b>	<i>Rs. 1000 per roll of 30 cm*6m</i>	100.64	115.02	129.39	129.39	143.77
Cost of Production						
Cost of raw material	Rs. 13,000	66.04	75.48	84.91	84.91	94.35

Repairs and Maintenance	2.00%	0.23	0.25	0.27	0.30	0.33
Power cost		0.99	1.14	1.28	1.28	1.42
Wages & salary		22.57	25.79	29.02	29.02	32.24
<b>Cost of Production</b>		<b>89.83</b>	<b>102.66</b>	<b>115.48</b>	<b>115.51</b>	<b>128.34</b>
<b>Gross Profit</b>		<b>10.81</b>	<b>12.36</b>	<b>13.91</b>	<b>13.88</b>	<b>15.43</b>
Insurance		0.10	0.10	0.10	0.10	0.10
Administrative & selling expenses	2.00%	2.01	2.30	2.59	2.59	2.88
Interest on Term Loan		1.63	1.72	1.43	0.51	0.22
Interest on Working capital		0.44	0.44	0.44	0.44	0.44
Depreciation of machinery		1.13	1.13	1.13	1.13	1.13
Depreciation of Building		0.25	0.25	0.25	0.25	0.25
<b>Total</b>		<b>5.56</b>	<b>5.94</b>	<b>5.94</b>	<b>5.02</b>	<b>5.02</b>
<b>Net Profit</b>		<b>5.25</b>	<b>6.42</b>	<b>7.98</b>	<b>8.87</b>	<b>10.42</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	56%	53%	46%	38%	34%
Break even Production	271	293	289	236	233

- **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	2.34	1.87	2.29	3.05	3.82
Average DSCR	2.67				
DSCR weighted average	2.57				

- **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 utilisation	70%	80%	90%	90%	100%
Variable Cost	89.83	102.66	115.48	115.51	128.34
Fixed Cost	5.56	5.94	5.94	5.02	5.02
Working capital Gap	3.68	4.21	4.74	4.78	5.33