PROJECT PROFILE FOR COCO LAWN MAKING UNIT

PRODUCT	**:**	**COCO LAWN**
PRODUCTION CAPACITY (P.A)		
(100% CAPACITY)	**:**	**10000 SQ.METER**
VALUE	**:**	**RS.25 LAKHS**
MONTH & YEAR OF PREPARATION	**:**	**JUNE 2018**
PREPARED BY	**:**	**COIR BOARD, MINISTRY OF MSME, GOVT OF INDIA**

- **INTRODUCTION**

COCOLAWN™, a lush green readymade lawn of grass made from coir materials only. Grasses of choice can be used to prepare the lawn. The lawn is encased in a composite comprising a single or multiple layers of non-woven coir fabric embedded in a coir netting. A layer of coir pith is placed on the non-woven layers. Grass slips are planted on the coir pith bed so made and C-POM is sprinkled thereon to form a thin layer. 'COCOLAWN' is a natural, eco-friendly lawn and a better substitute to synthetic lawns. The lawn can be used to cover golf and tennis courts, hockey and football grounds and as a roof cover for multi-storey buildings and has vast potential in tourist resort, hotels and as cycle path or footpath.

- **PROCESS OF MANUFACTURE**

PREPARATION OF COCOLAWN ™

The following materials are used for making a readymade lawn of natural grass comprising:

- A layer of coir netting material made of coir

- A single or plurality of non-woven layers (Coir Needled felt) layer / Coir fibre

- A coir pith layer on non-woven layer.

- A layer of fertilizer viz. coir pith organic manure (C-POM) and natural grass on the coir pith layer.

Non-woven layers provide thickness to the lawn and allows grass roots to get entangled in the non-woven material. The layer of coir pith gives a support base for coir pith layer can be treated with other nutrients such as mushroom seeds and urea etc. and allowed to mature till the weight is substantially reduced as lignin is consumed by fungi or mushroom seeds. After making the coir bed using 'coir bhoovastra' and pith, the grass is planted on it. The lawn will become ready for use within one month. Readymade lawn can be made in the form of rolled like blankets which can be laid on any surface.

BASIS AND PRESUMTIONS

- The Project Profile is based on 8 working hours for1shift 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	:	50 sq,meter
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. 250 per sq.meter
Rate of Average cost of raw material	:	Rs.15 per sq.meter
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

		Amount
• Land	:	Lease/owned
• Building	:	Rs.400000/-
• Machinery &Equipments	:	Rs.300000/-
• Working Capital	:	Rs.154000/-
Total	**:**	**Rs. 854000/-**

Sl. No	Description of machines &equipments	Qty	Amount (Rs)
1	Sprinkler	8	50000.00
2	Well , pump set and overhead tank	1	250000.00
3	Lawn Mower	6	45000.00
Total			300000.00

ii) Means of Finance

• Promoters Capital	5%	:	Rs.43000/-
• Bank Term loan	95%	:	Rs.665000/-
• WC Loan from Bank	95%	:	Rs.146000/-
Total		**:**	**Rs.854000/-**

DETAILS OF THE PROFITABILITY OF THE PROJECT

Rs.in Lakhs

Years		**1**	**2**	**3**	**4**	**5**
Installed Production capacity per day	*sq.meter*	50.00	50.00	50.00	50.00	50.00
Number of shift/day		1	1	1	1	1
Working days per annum		200	200	200	200	200
Installed production capacity per annum		10000	10000	10000	10000	10000
Capacity utilization		70%	80%	90%	90%	100%
Annual production quantity		7000	8000	9000	9000	10000
Annual Sales Realization	*Rs. 250*	17.50	20.00	22.50	22.50	25.00
Cost of Production						
Cost of raw material	Rs. 15	1.05	1.20	1.35	1.35	1.50
Electricity & watering charge	Rs. 12	0.84	0.96	1.08	1.08	1.20
Wages & salary		7.31	8.35	9.40	9.40	10.44
Cost of Production		**9.20**	**10.51**	**11.83**	**11.83**	**13.14**
Gross Profit		**8.3**	**9.49**	**10.67**	**10.67**	**11.86**
Administrative & selling expenses	2.00%	0.35	0.40	0.45	0.45	0.50
Interest on Term Loan		0.70	0.74	0.61	0.22	0.09
Interest on Working capital		0.18	0.18	0.18	0.18	0.18
Depreciation of machinery		0.30	0.30	0.30	0.30	0.30
Depreciation of Building		0.20	0.20	0.20	0.20	0.20
Total		**1.73**	**1.82**	**1.74**	**1.35**	**1.27**
Net Profit		**6.57**	**7.67**	**8.93**	**9.32**	**10.58**

- **ESTIMATION OF BREAK EVEN POINT**

Rs in Lakhs

Particulars	1	2	3	4	5
Capacity utilization	70%	80%	90%	90%	100%
Break-even point	34%	31%	25%	18%	14%
Break even Production /sqmetre	2367	2471	2293	1620	1446

- **DEBT SERVICE COVERAGE RATIO**

Rs in Lakhs

Particulars	1	2	3	4	5
Capacity utilization	70%	80%	90%	90%	100%
DSCR	6.31	5.00	6.09	8.05	10.00
Average DSCR	7.09				
DSCR weighted average	6.83				

- **WORKING CAPITAL REQUIREMENTS**

Rs in Lakhs

Particulars	1	2	3	4	5
Capacity utilization	70%	80%	90%	90%	100%
Variable Cost	9.20	10.51	11.83	11.83	13.14
Fixed Cost	1.73	1.82	1.74	1.35	1.27
Working capital Gap	1.54	1.77	2.00	2.03	2.28