

# **PROJECT REPORT**

## **Of**

# **COIR GARDEN POT**

## **PURPOSE OF THE DOCUMENT**

This particular pre-feasibility is regarding Coir garden pot Manufacturing unit.

The objective of the pre-feasibility report is primarily to facilitate potential entrepreneurs in project identification for investment and in order to serve his objective; the document covers various aspects of the project concept development, start-up, marketing, finance and management.

[We can modify the project capacity and project cost as per your requirement. We can also prepare project report on any subject as per your requirement.]



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## PROJECT AT GLANCE

<b>1 Name of Proprietor/Director</b>	XXXXXXXXXX
<b>2 Firm Name</b>	XXXXXXXXXX
<b>3 Registered Address</b>	XXXXXXXXXX
<b>4 Nature of Activity</b>	XXXXXXXXXX
<b>5 Category of Applicant</b>	XXXXXXXXXX
<b>6 Location of Unit</b>	XXXXXXXXXX
<b>7 Cost of Project</b>	19.34 Rs. In Lakhs
<b>8 Means of Finance</b>	
<b>i) Own Contribution</b>	1.93 Rs. In Lakhs
<b>ii) Term Loan</b>	13.99 Rs. In Lakhs
<b>iii) Working Capital</b>	3.42 Rs. In Lakhs
<b>9 Debt Service Coverage Ratio</b>	2.76
<b>10 Break Even Point</b>	39%
<b>11 Power Requiremnet</b>	20 KW
<b>12 Employment</b>	10 Persons
<b>13 Major Raw Materials</b>	Coir fibre with natural rubber latex
<b>14 Details of Cost of Project &amp; Means of Finance</b>	

<b>Cost of Project</b>	<b>Amount in Lacs</b>
<b>Particulars</b>	<b>Amount</b>
Land and building	Owned/Leased
Plant & Machinery	14.04
Furniture & Fixture	-
Other Misc Assets	1.50
Working Capital Requirement	3.80
<b>Total</b>	<b>19.34</b>

<b>Means of Finance</b>	<b>Amount</b>
<b>Particulars</b>	<b>Amount</b>
Own Contribution	1.93
Term Loan	13.99
Working capital Loan	3.42
<b>Total</b>	<b>19.34</b>

## **1. INTRODUCTION**



Coconut fibre, is a natural fibre extracted from the outer husk of coconut and used in products such as, garden pots, floor mats, doormats, brushes and mattresses. Coir is the fibrous material found between the hard, internal shell and the outer coat of a coconut. Brown coir (made from ripe coconut) are in upholstery padding, sacking and horticulture & White coir harvested from unripe coconuts, is used for making finer brushes, string, rope and fishing nets. Coir must not be confused with coir pith, which is the powdery and spongy material resulting from the processing of the coir fibre. The coir fibre is relatively waterproof, and is one of the few natural fibres resistant to damage by salt water. Coir pots are biodegradable planting containers made from the fibrous husk of the coconut. Coir pot are soft, flexible pots are ideal for transplanting new plants as they can be placed directly in the ground. Coconut coir is an excellent growing medium for new plant.

## **2. PRODUCT DESCRIPTION**

### **2.1 PRODUCT USES**

- Coir pots are biodegradable planting containers made from the fibrous husk of the coconut used for plantation of new plant.
- Coir pot are used as an insert pot for the ceramic pot to increase its life.
- Coir hanging pots can serve gardening needs in a better way compared to plastic or earthen pots.
- Coir pot are used as a decorative item for holding some artificial flower plant.

## 2.2 MANUFACTURING PROCESS

This process can be broken down into the following steps-

### **Raw material procurement**

### **Production Process**

#### **Raw Material Procurement**

Procurement is the connection process of purchasing and arranging in bound movement of all items, supplies, materials, parts, finished inventory and general support services from the suppliers into manufacturing process or assembly plants or warehouses.

#### **Production Process**

#### **Steps involved in the manufacturing of Coir Garden pot**

- ✓ **Collection of Coconut Fibre:** The coconut fibres were obtained after processing of Coconut husk.
- ✓ **Remove moisture from fibre:** The moisture from the coconut fibres removes before next process of pot manufacturing.
- ✓ **Mixing of dried coconut fibre with latex:** The coconut fibre mixed with the latex to obtained the desired shape of pot.
- ✓ **Pressing coconut fibre:** The dried and mixed coconut fibre are placed on the die where punch shaped into the desired structure.
- ✓ **Removal of unwanted fibre from pot:** The removal of some unwanted fibre on the edge of the corner of the pot.
- ✓ **Packaging of Coir Garden pot:** The packaging of the Coir Garden pot required proper care so that product free from scratch.

### **3. PROJECT COMPONENTS**

#### **3.1 Land & Building**

The land required for this manufacturing unit will be approx. around 600 square feet. Land Purchase and Building Civil Work Cost have not been considered as part of the cost of project. It is expected that the premises will be on rental and approximate rentals assumed of the same will be Rs.10,000 per month.

- Workshop Area- This area includes the setup and foundation space for all equipment's, work floor area, etc. Total workshop area is approx.300 Sqft.
- Inventory Area- This area includes the storage space for all the raw materials and finished goods. Total inventory area is approx. 100 Sqft.
- Office Area – This space includes staff working region, their accommodation space. Total workshop area is approx. 100 Sqft. This may be considered above the ground floor.
- Parking Space, Electric Mounting Space, and Others. This could be approx. 100 Sqft.

Land and building requirement may vary depending on the size of project.

#### **3.2 Plant & Machinery**

- **Coconut fibre dryer machine:** The coconut fibre dryer machine is used to remove moisture from the fibre before mixing with the latex.



- **Mixing Chamber:** The mixing chamber are used to proper mixed coconut fibre with the latex before proceed for pressing process.



- **Press Machine:** The press machine is used to produce the coir garden pot. The shape and size depend upon the die and punch dimension.



- **Trimming Machine:** The machine is used to remove unwanted fibres from top and side of Coir pot.



Machine	Quantity	Price
Drying Machine	1	4,00,000
Mixing Chamber	1	2,00,000
Press Machine	1	8,00,000
Surface Finishing Machine	1	4,000
<b>TOTAL</b>		<b>14,04,000</b>

**Note:** Total Machinery cost shall be Rs 14.04 lakhs (Approx.) including GST and Transportation Cost.

#### **4 LICENSE & APPROVALS**

Basic registration required in this project:

- MSME Udyam registration
- GST registration
- NOC for fire safety board and Pollution Control Board
- BIS Certification
- ISO Certification
- Trade License
- Factory License (Optional)
- Choice of a Brand Name of the product and secure the name with Trademark if required.

## Projected Profitability

<b><u>PROJECTED PROFITABILITY STATEMENT</u></b>					<b>(in Lacs)</b>
<b>PARTICULARS</b>	<b>1st year</b>	<b>2nd year</b>	<b>3rd year</b>	<b>4th year</b>	<b>5th year</b>
Capacity Utilisation %	<b>60%</b>	<b>65%</b>	<b>70%</b>	<b>75%</b>	<b>80%</b>
<b><u>SALES</u></b>					
<b>Gross Sale</b>					
Coir Garden Pot	58.79	68.05	76.48	85.37	94.71
<b>Total</b>	<b>58.79</b>	<b>68.05</b>	<b>76.48</b>	<b>85.37</b>	<b>94.71</b>
<b><u>COST OF SALES</u></b>					
Raw Material Consumed	35.57	38.53	41.50	44.46	47.42
Electricity Expenses	2.30	2.50	2.69	2.88	3.07
Depreciation	2.33	1.98	1.68	1.43	1.22
Wages & labour	6.72	9.74	12.86	16.46	20.09
Repair & maintenance	0.18	0.20	0.23	0.26	0.28
Packaging	0.06	0.08	0.09	0.10	0.11
<b>Cost of Production</b>	<b>47.16</b>	<b>53.04</b>	<b>59.05</b>	<b>65.59</b>	<b>72.20</b>
<b>Add: Opening Stock</b>	<b>-</b>	<b>1.10</b>	<b>1.24</b>	<b>1.38</b>	<b>1.53</b>
<b>Less: Closing Stock</b>	<b>1.10</b>	<b>1.24</b>	<b>1.38</b>	<b>1.53</b>	<b>1.68</b>
Cost of Sales	46.06	52.90	58.91	65.44	72.04
<b>GROSS PROFIT</b>	<b>12.73</b>	<b>15.15</b>	<b>17.57</b>	<b>19.93</b>	<b>22.67</b>
	<b>21.65%</b>	<b>22.26%</b>	<b>22.97%</b>	<b>23.34%</b>	<b>23.93%</b>
Salary to Staff	3.96	4.75	5.61	6.45	7.61
Interest on Term Loan	1.37	1.21	0.87	0.53	0.19
Interest on working Capital	0.38	0.38	0.38	0.38	0.38
Rent	1.20	1.38	1.59	1.83	2.10
Selling & Administrative Exp.	0.71	1.02	1.15	1.28	1.42
<b>TOTAL</b>	<b>7.62</b>	<b>8.74</b>	<b>9.59</b>	<b>10.46</b>	<b>11.69</b>
NET PROFIT	5.11	6.41	7.98	9.47	10.98
	<b>8.70%</b>	<b>9.42%</b>	<b>10.44%</b>	<b>11.09%</b>	<b>11.59%</b>
Taxation	0.02	0.29	0.62	1.05	0.62
PROFIT (After Tax)	5.09	6.11	7.36	8.41	10.36

## Projected Balance Sheet

<b><u>PROJECTED BALANCE SHEET</u></b>					<b>(in Lacs)</b>
<b>PARTICULARS</b>	<b>1st year</b>	<b>2nd year</b>	<b>3rd year</b>	<b>4th year</b>	<b>5th year</b>
<b><u>Liabilities</u></b>					
<b>Capital</b>					
Opening balance		3.42	5.24	7.65	9.96
Add:- Own Capital	1.93				
Add:- Retained Profit	5.09	6.11	7.36	8.41	10.36
Less:- Drawings	3.60	4.30	4.95	6.10	7.60
<b>Closing Balance</b>	<b>3.42</b>	<b>5.24</b>	<b>7.65</b>	<b>9.96</b>	<b>12.73</b>
Term Loan	12.43	9.32	6.22	3.11	-
Working Capital Limit	3.42	3.42	3.42	3.42	3.42
Sundry Creditors	0.83	0.90	0.97	1.04	1.11
Provisions & Other Liability	0.40	0.48	0.58	0.80	0.96
<b>TOTAL :</b>	<b>20.51</b>	<b>19.36</b>	<b>18.83</b>	<b>18.33</b>	<b>18.21</b>
<b><u>Assets</u></b>					
<b>Fixed Assets ( Gross)</b>	15.54	15.54	15.54	15.54	15.54
Gross Dep.	2.33	4.31	6.00	7.43	8.64
<b>Net Fixed Assets</b>	<b>13.21</b>	<b>11.23</b>	<b>9.54</b>	<b>8.11</b>	<b>6.90</b>
<b>Current Assets</b>					
Sundry Debtors	2.94	3.40	3.82	4.27	4.74
Stock in Hand	1.69	1.88	2.07	2.27	2.47
Cash and Bank	0.17	0.15	0.20	0.18	0.11
Loans & Advances /Other Current Assets	2.50	2.70	3.20	3.50	4.00
<b>TOTAL :</b>	<b>20.51</b>	<b>19.36</b>	<b>18.83</b>	<b>18.33</b>	<b>18.21</b>

## Projected Cash Flow Statement

<b><u>PROJECTED CASH FLOW STATEMENT</u></b>					<b>(in Lacs)</b>
<b>PARTICULARS</b>	<b>1st year</b>	<b>2nd year</b>	<b>3rd year</b>	<b>4th year</b>	<b>5th year</b>
<b><u>SOURCES OF FUND</u></b>					
Own Margin	1.93				
Net Profit	5.11	6.41	7.98	9.47	10.98
Depreciation & Exp. W/off	2.33	1.98	1.68	1.43	1.22
Increase in Cash Credit	3.42	-	-	-	-
Increase In Term Loan	13.99	-	-	-	-
Increase in Creditors	0.83	0.07	0.07	0.07	0.07
Increase in Provisions & Oth labilities	0.40	0.08	0.10	0.22	0.16
	-				
<b>TOTAL :</b>	<b>28.02</b>	<b>8.54</b>	<b>9.83</b>	<b>11.19</b>	<b>12.42</b>
<b><u>APPLICATION OF FUND</u></b>					
Increase in Fixed Assets	15.54				
Increase in Stock	1.69	0.19	0.19	0.20	0.20
Increase in Debtors	2.94	0.46	0.42	0.44	0.47
Repayment of Term Loan	1.55	3.11	3.11	3.11	3.11
Loans & Advances /Other Current Assets	2.50	0.20	0.50	0.30	0.50
Drawings	3.60	4.30	4.95	6.10	7.60
Taxation	0.02	0.29	0.62	1.05	0.62
<b>TOTAL :</b>	<b>27.85</b>	<b>8.55</b>	<b>9.79</b>	<b>11.21</b>	<b>12.50</b>
Opening Cash & Bank Balance	-	0.17	0.15	0.20	0.18
Add : Surplus	0.17	(0.01)	0.04	(0.02)	(0.07)
Closing Cash & Bank Balance	<b>0.17</b>	<b>0.15</b>	<b>0.20</b>	<b>0.18</b>	<b>0.11</b>

## DSCR

<b><u>CALCULATION OF D.S.C. R</u></b>					
<b>PARTICULARS</b>	<b>1st year</b>	<b>2nd year</b>	<b>3rd year</b>	<b>4th year</b>	<b>5th year</b>
CASH ACCRUALS	7.42	8.10	9.05	9.85	11.58
Interest on Term Loan	1.37	1.21	0.87	0.53	0.19
<b>Total</b>	<b>8.80</b>	<b>9.31</b>	<b>9.91</b>	<b>10.37</b>	<b>11.76</b>
<b>REPAYMENT</b>					
Instalment of Term Loan	1.55	3.11	3.11	3.11	3.11
Interest on Term Loan	1.37	1.21	0.87	0.53	0.19
Total	2.93	4.32	3.98	3.64	3.29
<b>DEBT SERVICE COVERAGE RATIO</b>	<b>3.00</b>	<b>2.15</b>	<b>2.49</b>	<b>2.85</b>	<b>3.57</b>
<b>AVERAGE D.S.C.R.</b>					<b>2.76</b>

## Repayment schedule

REPAYMENT SCHEDULE OF TERM LOAN							
					Interest	11.00%	
Year	Particulars	Amount	Addition	Total	Interest	Repayment	Closing Balance
<b>1st</b>	Opening Balance						
	1st month	-	13.99	13.99	-	-	13.99
	2nd month	13.99	-	13.99	0.13	-	13.99
	3rd month	13.99	-	13.99	0.13	-	13.99
	4th month	13.99	-	13.99	0.13		13.99
	5th month	13.99	-	13.99	0.13		13.99
	6th month	13.99	-	13.99	0.13		13.99
	7th month	13.99	-	13.99	0.13	0.26	13.73
	8th month	13.73	-	13.73	0.13	0.26	13.47
	9th month	13.47	-	13.47	0.12	0.26	13.21
	10th month	13.21	-	13.21	0.12	0.26	12.95
	11th month	12.95	-	12.95	0.12	0.26	12.69
	12th month	12.69	-	12.69	0.12	0.26	12.43
					<b>1.37</b>	<b>1.55</b>	
<b>2nd</b>	Opening Balance						
	1st month	12.43	-	12.43	0.11	0.26	12.17
	2nd month	12.17	-	12.17	0.11	0.26	11.91
	3rd month	11.91	-	11.91	0.11	0.26	11.66
	4th month	11.66	-	11.66	0.11	0.26	11.40
	5th month	11.40	-	11.40	0.10	0.26	11.14
	6th month	11.14	-	11.14	0.10	0.26	10.88

	7th month	10.88	-	10.88	0.10	0.26	10.62
	8th month	10.62	-	10.62	0.10	0.26	10.36
	9th month	10.36	-	10.36	0.09	0.26	10.10
	10th month	10.10	-	10.10	0.09	0.26	9.84
	11th month	9.84	-	9.84	0.09	0.26	9.58
	12th month	9.58	-	9.58	0.09	0.26	9.32
					<b>1.21</b>	<b>3.11</b>	
<b>3rd</b>	Opening Balance						
	1st month	9.32	-	9.32	0.09	0.26	9.06
	2nd month	9.06	-	9.06	0.08	0.26	8.81
	3rd month	8.81	-	8.81	0.08	0.26	8.55
	4th month	8.55	-	8.55	0.08	0.26	8.29
	5th month	8.29	-	8.29	0.08	0.26	8.03
	6th month	8.03	-	8.03	0.07	0.26	7.77
	7th month	7.77	-	7.77	0.07	0.26	7.51
	8th month	7.51	-	7.51	0.07	0.26	7.25
	9th month	7.25	-	7.25	0.07	0.26	6.99
	10th month	6.99	-	6.99	0.06	0.26	6.73
	11th month	6.73	-	6.73	0.06	0.26	6.47
	12th month	6.47	-	6.47	0.06	0.26	6.22
					<b>0.87</b>	<b>3.11</b>	
<b>4th</b>	Opening Balance						
	1st month	6.22	-	6.22	0.06	0.26	5.96
	2nd month	5.96	-	5.96	0.05	0.26	5.70
	3rd month	5.70	-	5.70	0.05	0.26	5.44

	4th month	5.44	-	5.44	0.05	0.26	5.18
	5th month	5.18	-	5.18	0.05	0.26	4.92
	6th month	4.92	-	4.92	0.05	0.26	4.66
	7th month	4.66	-	4.66	0.04	0.26	4.40
	8th month	4.40	-	4.40	0.04	0.26	4.14
	9th month	4.14	-	4.14	0.04	0.26	3.88
	10th month	3.88	-	3.88	0.04	0.26	3.63
	11th month	3.63	-	3.63	0.03	0.26	3.37
	12th month	3.37	-	3.37	0.03	0.26	3.11
					<b>0.53</b>	<b>3.11</b>	
<b>5th</b>	Opening Balance						
	1st month	3.11	-	3.11	0.03	0.26	2.85
	2nd month	2.85	-	2.85	0.03	0.26	2.59
	3rd month	2.59	-	2.59	0.02	0.26	2.33
	4th month	2.33	-	2.33	0.02	0.26	2.07
	5th month	2.07	-	2.07	0.02	0.26	1.81
	6th month	1.81	-	1.81	0.02	0.26	1.55
	7th month	1.55	-	1.55	0.01	0.26	1.29
	8th month	1.29	-	1.29	0.01	0.26	1.04
	9th month	1.04	-	1.04	0.01	0.26	0.78
	10th month	0.78	-	0.78	0.01	0.26	0.52
	11th month	0.52	-	0.52	0.00	0.26	0.26
	12th month	0.26	-	0.26	0.00	0.26	-
					<b>0.19</b>	<b>3.11</b>	
	DOOR TO DOOR MORATORIUM PERIOD	60		MONTHS			
	REPAYMENT PERIOD	6		MONTHS			
		54		MONTHS			

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