**PROJECT PROFILE AUTOMATIC COIR FIBRE DRIER UNIT**

**PRODUCT : DRIED COIR FIBRE**

**PRODUCTION CAPACITY (P.A)**

**(100% CAPACITY) : 1200 TON**

**VALUE : RS. 312.00 LAKHS**

**MONTH & YEAR OF PREPARATION : JUNE 2018**

**PREPARED BY : COIR BOARD, MINISTRY OF MSME,**

 **GOVT OF INDIA**

**INTRODUCTION**

The extracted coir fibres from coconut husks are dried by blowing hot air for

 reducing the moisture content as per customer requirement .

**PROCESS OF MANUFACTURE**

The coir fibre extracted by mechanical means are fed to the automatic conveyor in a sheet form and the fibre is dried by blowing hot air .It is then tied to bundles and baled for transportation.

* **BASIS AND PRESUMTIONS**
* The Project Profile is based on 8 working hours for2 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 : 2 Ton per day

Number of Shift per day : 2

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. 26000

Rate of Average cost of raw material : Rs. 20000

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. 600000/-
* Machinery &Equipments : Rs.1348000/-
* Working Capital Rs. 552000/-

 **-------------------- Total : Rs. 2500000/-**

|  |  |  |  |
| --- | --- | --- | --- |
| **Sl.****No** | **Description of machines &equipments** | **Qty** | **Amount (Rs)** |
| 1 | Coir fiber Drier 15 HP (including heat exchanger, Drier, Blower, piping etc.) |  | 1348000.00 |
| **Total** |  | **13480000.00** |

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**ii) Means of Finance**

* Promoters Capital 5% : Rs. 125000/-
* Bank Term loan 95% : Rs.1851000/-
* WC Loan from Bank 95% : Rs. 524000/- -------------------

**Total : Rs.2500000/-**

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* **DETAILS OF THE PROFITABILITY OF THE PROJECT**

 Rs.in Lakhs

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Years** |  | **1** | **2** | **3** | **4** | **5** |
| Installed Production capacity/shift |  | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 |
| Number of shift/day |  | 2 | 2 | 2 | 2 | 2 |
| Working days per annum |  | 300 | 300 | 300 | 300 | 300 |
| Installed production capacity per annum |  | 1200 | 1200 | 1200 | 1200 | 1200 |
| Capacity utilization |  | 70% | 80% | 90% | 90% | 100% |
| Annual production quantity |  | 840 | 960 | 1080 | 1080 | 1200 |
| **Annual Sales Realization** | Rs. 26000 | **218.40** | **249.60** | **280.80** | **280.80** | **312.00** |
| Cost of Production  |
| Raw material requirement | Tons | 966 | 1104 | 1242 | 1242 | 1380 |
| Cost of raw material | Rs. 20000 | 193.20 | 220.80 | 248.40 | 248.40 | 276.00 |
| Spares, Repairs & maintenance | 1% | 0.13 | 0.15 | 0.16 | 0.18 | 0.20 |
| Cost of Fire wood |  | 10.50 | 12.00 | 13.50 | 13.50 | 15.00 |
| Wages & salary |  | 7.06 | 8.06 | 9.07 | 9.07 | 10.08 |
| Power Cost |  | 0.71 | 0.81 | 0.91 | 0.91 | 1.02 |
| **Cost of Production** |  | **211.60** | **241.82** | **272.05** | **272.07** | **302.29** |
| **Gross Profit** |  | **6.80** | **7.78** | **8.75** | **8.73** | **9.71** |
| Interest on Term Loan |  | 1.92 | 2.06 | 1.72 | 0.60 | 0.26 |
| Interest on Working capital |  | 0.66 | 0.66 | 0.66 | 0.66 | 0.66 |
| Depreciation of machinery |  | 1.35 | 1.35 | 1.35 | 1.35 | 1.35 |
| Depreciation of building |  | 0.30 | 0.30 | 0.30 | 0.30 | 0.30 |
| **Total** |  | **4.23** | **4.36** | **4.02** | **2.90** | **2.56** |
| **Net Profit** |  | **2.57** | **3.42** | **4.73** | **5.83** | **7.15** |

* **ESTIMATION OF BREAK EVEN POINT**

Rs in Lakhs

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Particulars** | **1** | **2** | **3** | **4** | **5** |
|  | 70% | 80% | 90% | 90% | 100% |
| Break-even point | 58% | 52% | 42% | 28% | 21% |
| Break even Production (Ton) | 488 | 500 | 449 | 300 | 252 |

* **DEBT SERVICE COVERAGE RATIO**

Rs in Lakhs

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Particulars** | **1** | **2** | **3** | **4** | **5** |
|  | 70% | 80% | 90% | 90% | 100% |
| DSCR | 1.78 | 1.43 | 1.76 | 2.34 | 2.94 |
| Average DSCR | 2.05 |  |  |  |  |
| DSCR weighted average | 1.97 |  |  |  |  |

* **WORKING CAPITAL REQUIREMENTS**

Rs in Lakhs

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Particulars** | **1** | **2** | **3** | **4** | **5** |
|  | 70% | 80% | 90% | 90% | 100% |
| Variable Cost | 211.60 | 241.82 | 272.05 | 272.07 | 302.29 |
| Fixed Cost | 4.23 | 4.36 | 4.02 | 2.90 | 2.56 |
| Working capital gap | 5.52 | 6.31 | 7.11 | 7.15 | 7.96 |