

PROJECT PROFILE FOR COIR MAT BLEACHING UNIT

PRODUCT	:	BLEACHED COIR MAT
QUALITY & STANDARD	:	VC 1 NO 3 SIZE (EXPORT QUALITY)
PRODUCTION CAPACITY (P.A)		
(100% CAPACITY)	:	432000 PIECES
VALUE	:	RS. 1425.60 LAKHS
MONTH & YEAR OF PREPARATION	:	JUNE 2018
PREPARED BY	:	COIR BOARD, MINISTRY OF MSME, GOVT OF INDIA

• INTRODUCTION

3-chain creel mat with the base fabric composed of jute twine and pile structure formed by thin vycome coir yarn of soft twist is termed as “Carnatic mat” in coir trade.. Carnatic mats have a special appeal due to low pile height, lightness and other refinements in product structure. To enable the mat to possess the low pile the base fabric of the carnatic mat is formed out of jute twines. Normally 5ply jute for tight warp and 2ply for binding chain or 3ply jute for weft and vycome carnatic yarn as slack (brush) warp are being used in the mat.

• PROCESS OF MANUFACTURE

Bleaching of coir mat is essential for improving the colour. The required quantity of VC 1 NO 3 size (export quality) mats are purchased from the market and bleached with hydrogen peroxide based solution by spray bleaching process and dried.

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 machine per day	:	480 piece
Number of bleaching machine	:	3
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. 330 per mats
Rate of Average cost of natural mat		
After conducting all the finishing operation	:	Rs. 290 per piece

Interest on term Loan : 12.50%

Interest on working capital : 12.50%

Manpower requirement

Supervisor : 1

Skilled worker : 9

Unskilled workers : 4

• **FINANCIAL ASPECTS**

i) Cost of Project

	Amount
• Land	: Lease/owned
• Work shed	: Rs.650000/-
• Machinery & Equipments	: Rs.900000/-
• Working Capital	Rs.649000/-

Total	: Rs. 2199000/-

Sl. No	Description of machines & equipments	Qty	Amount (Rs)
1	Bleaching Machine	3	750000.00
2	Accessories such as Cable, Mixing tank, Compressor		150000.00-
Total			900000.00

ii) Means of Finance

• Promoters Capital	5%	:	Rs. 110000/-
• Bank Term loan	95%	:	Rs.1473000/-
• WC Loan from Bank	95%	:	Rs. 616000/-

Total		:	Rs.2199000/-

DETAILS OF THE PROFITABILITY OF THE PROJECT

Rs.in Lakhs

Years		1	2	3	4	5
Installed Production capacity per machine/day	Nos	480.00	480.00	480.00	480.00	480.00
Number of achines		3	3	3	3	3
Number of shift/day		1	1	1	1	1
Working days per annum		300	300	300	300	300
Installed production capacity per annum	Nos	432000	432000	432000	432000	432000
Capacity utilization		70%	80%	90%	90%	100%
Annual production quantity		302400	345600	388800	388800	432000
Annual Sales Realization	Rs.330	997.92	1140.48	1283.04	1283.04	1425.60
Cost of Production						

Raw material requirement		317520.00	362880.00	408240.00	408240.00	453600.00
Cost of raw material	Rs. 290	920.81	1052.35	1183.90	1183.90	1315.44
Bleaching cost		51.41	58.75	66.10	66.10	73.44
Spares, Repairs & maintenance	1%	0.09	0.10	0.11	0.12	0.13
Power cost		0.71	0.81	0.91	0.91	1.02
Wages & salary		17.89	20.45	23.00	23.00	25.56
Cost of Production		990.91	1132.46	1274.02	1274.03	1415.59
Gross Profit		7.01	8.02	9.02	9.01	10.01
Interest on Term Loan		1.50	1.65	1.39	0.45	0.19
Interest on Working capital		0.77	0.77	0.77	0.77	0.77
Depreciation of machinery		0.90	0.90	0.90	0.90	0.90
Depreciation of building		0.33	0.33	0.33	0.33	0.33
Total		3.5	3.65	3.39	2.45	2.19
Net Profit		3.52	4.37	5.63	6.57	7.82

- ESTIMATION OF BREAK EVEN POINT**

Rs in Lakhs

Particulars	1	2	3	4	5
Capacity utilization	70%	80%	90%	90%	100%
Break-even point	44%	40%	32%	20%	15%
Break even Production	131903	137049	123329	78968	66245

- **DEBT SERVICE COVERAGE RATIO**

Rs in Lakhs

Particulars	1	2	3	4	5
Capacity utilization	70%	80%	90%	90%	100%
DSCR	2.35	1.87	2.30	3.17	3.98
Average DSCR	2.73				
DSCR weighted average	2.61				

- **WORKING CAPITAL REQUIREMENTS**

Rs in Lakhs

Particulars	1	2	3	4	5
Capacity utilization	70%	80%	90%	90%	100%
Variable Cost	990.91	1132.46	1274.02	1274.03	1415.59
Fixed Cost	3.5	3.65	3.39	2.45	2.19
Working capital Gap	6.49	7.43	8.37	8.40	9.35