



MODEL PROJECT REPORT



PROJECT REPORT ON CURLED COIR ROPE

SWAVALAMBI BHARAT ABHIYAN

PROJECT AT A GLANCE

- 1 Name of the Entrepreneur : XXXXXXXX
- 2 Constitution (legal Status) : XXXXXXXX
- 3 Father's/Spouce's Name : XXXXXXXX
- 4 Unit Address : XXXXXXXX
- Taluk / Block: XXXXX
 District : XXXXX
 Pin: XXXXX State: XXXXX
 E-Mail : XXXXX
 Mobile XXXXX
- 5 Product and By Product : **Curled Coir Rope**
- 6 Name of the project / business activity proposed : **Curled Coir Rope**
- 7 Cost of Project : Rs25.00lac
- 8 Means of Finance
 Term Loan Rs.16.41 Lacs
 KVIC Margin Money - As per Project Eligibility
 Own Capital Rs.2.5 Lacs
 Working Capital Rs.6.09 Lacs
- 9 Debt Service Coverage Ratio : 1.77
- 10 Pay Back Period : 5 Years
- 11 Project Implementation Period : 6 Months
- 12 Break Even Point : 50%
- 13 Employment : 15 Persons
- 14 Power Requirement : 24.00 HP
- 15 Major Raw materials : Coconut Husk
- 16 Estimated Annual Sales Turnover : 60.35 Lacs
- 16 Detailed Cost of Project & Means of Finance

COST OF PROJECT

(Rs. In Lacs)

Particulars	Amount
Land	Rented / Owned
Building & Civil Work (1200 Sq Ft)	3.00
Plant & Machinery	14.85
Furniture & Fixtures	0.38
Pre-operative Expenses	-
Working Capital Requirement	6.77
Total	25.00

MEANS OF FINANCE

Particulars	Amount
Own Contribution @10%	2.50
Term Loan	16.41
Workign Capital Finance	6.09
Total	25.00

Beneficiary's Margin Monery
 (% of Project Cost)

General
 10%

Special
 5%

PROJECT PROFILE FOR CURLED COIR PRODUCTION UNIT



INTRODUCTION

Curled coir rope is a product made out of mechanically extracted coir fibre by regulated and even feeding of the fibres with the help of a mechanical arrangement in curling machines to form a thick strand of evenly distributed parallelized fibers which is processed further to form twisted curled rope of continuous length. The texture of machine twisted curled fibre shall be hard twisted with curls evenly distributed along the length. Curled coir ropes are used in Coir mattress, Sofa, Couches in automobile and locomotive seats.

PROCESS OF MANUFACTURE

Coir curling unit consist of a set of machineries used to produce curled coir rope out of Coir fiber. The coconuts are de-husked and the husks are soaked in water for a few days and then beaten in a Disintegrator and Decorticator set to remove the coir fibre. This fibre is then cleaned in Turbo Cleaner and spread out under the sun for drying. The dry fibre is then sieved in Revolving Screener to remove any pith, dust and baby fibre.

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These curled coir rolls are stored for 2 months in a dry, moisture-free and cool place. The 2 month long storage period helps to set the curl in the coir, thus making coir springs, to give springy effect in the mattress.

BASIS AND PRESUMPTIONS

The Project Profile is based on 8 working hours in a day and 25 days in a month and the Break Even efficiency has been calculated on 70%, 75%, 80%, 90% and 100% capacity utilization.

The rate of interest both for fixed asset and working capital have been taken as 11.5% p.a.

TECHNICAL ASPECTS

Installed production capacity per shift/machine	:	0.28 MT per shift
Number of curling machine	:	2
Number of shift per day	:	2
Working days p.a	:	300 days
Yield wastage	:	5%
Capacity Utilization		
-First year	:	70%
-Second year	:	75%
-Third year	:	80%
-Fourth year	:	90%
-Fifth year	:	100%
Rate of Average Sales Realization	:	Rs. 27500/- per ton

Rate of average cost of raw material	:	Rs.15,000
Interest on term loan	:	11.50%
Interest on working capital	:	11.50%

Manpower requirement

Supervisor	:	1
Skilled worker	:	8
Indirect workers	:	12
Total HP required	:	24 HP

Note: All the machineries and equipments mentioned in the Project profile are of indigenous make and are of medium price.

PLANT & MACHINERY

PARTICULARS	QTY.	RATE	AMOUNT IN RS.
Hackling Machine (Single shaft) - 5 HP	1.00	100000	100000
Curling machine - 7 HP (5 HP+ 2 HP)	2.00	650000	1300000
Winding machine - 2 HP	1.00	50000	50000
Electrical fitting & Panel board		35000	35000
Sub- Total			14,85,000.00

PROJECTED CASH FLOW STATEMENT

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
<u>SOURCES OF FUND</u>					
Share Capital	2.50	-			
Reserve & Surplus	4.46	4.64	5.61	9.30	11.49
Depreciation & Exp. W/off	2.55	2.20	1.88	1.62	1.39
Increase in Cash Credit	6.09	-	-	-	-
Increase In Term Loan	16.41	-	-	-	-
Increase in Creditors	1.73	0.12	0.12	0.25	0.25
Increase in Provisions	0.36	0.04	0.04	0.04	0.05
TOTAL :	34.09	7.00	7.66	11.21	13.17
<u>APPLICATION OF FUND</u>					
Increase in Fixed Assets	18.23	-	-	-	-
Increase in Stock	4.27	0.31	0.31	0.70	0.70
Increase in Debtors	4.22	0.52	0.32	0.72	0.64
Increase in Deposits & Adv	2.50	0.25	0.28	0.30	0.33
Repayment of Term Loan	-	4.10	4.10	4.10	4.10
Taxation	-	0.46	1.12	1.86	2.30
TOTAL :	29.23	5.65	6.12	7.69	8.07
Opening Cash & Bank Balance	-	4.86	6.22	7.76	11.28
Add : Surplus	4.86	1.36	1.54	3.52	5.10
Closing Cash & Bank Balance	4.86	6.22	7.76	11.28	16.38

PROJECTED BALANCE SHEET

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
<u>SOURCES OF FUND</u>					
Capital Account	2.50	2.50	2.50	2.50	2.50
Retained Profit	4.46	8.64	13.12	20.57	29.76
Term Loan	16.41	12.31	8.20	4.10	0.00
Cash Credit	6.09	6.09	6.09	6.09	6.09
Sundry Creditors	1.73	1.86	1.98	2.23	2.48
Provisions & Other Liab	0.36	0.40	0.44	0.48	0.53
TOTAL :	31.55	31.78	32.33	35.96	41.35
<u>APPLICATION OF FUND</u>					
Fixed Assets (Gross)	18.23	18.23	18.23	18.23	18.23
Gross Dep.	2.55	4.75	6.63	8.25	9.63
Net Fixed Assets	15.68	13.48	11.60	9.98	8.60
Current Assets					
Sundry Debtors	4.22	4.75	5.07	5.79	6.43
Stock in Hand	4.27	4.58	4.88	5.59	6.28
Cash and Bank	4.86	6.22	7.76	11.28	16.38
Deposits & Advances	2.50	2.75	3.03	3.33	3.66
TOTAL :	31.54	31.78	32.33	35.96	41.35

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PROJECTED PROFITABILITY STATEMENT

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
A) SALES					
Gross Sale	60.35	67.84	72.37	82.66	91.84
Total (A)	60.35	67.84	72.37	82.66	91.84
B) COST OF SALES					
Raw Mateiral Consumed	34.65	37.13	39.60	44.55	49.50
Electricity Expenses	4.92	5.27	5.62	6.32	7.03
Repair & Maintenance	-	0.68	0.72	0.83	0.92
Labour & Wages	9.24	10.16	11.18	12.30	13.53
Depreciation	2.55	2.20	1.88	1.62	1.39
Consumables and Other Expenses	1.21	1.36	1.45	1.65	1.84
Cost of Production	52.56	56.79	60.46	67.27	74.20
Add: Opening Stock /WIP	-	2.54	2.72	2.90	3.36
Less: Closing Stock /WIP	2.54	2.72	2.90	3.36	3.81
Cost of Sales (B)	50.02	56.61	60.28	66.81	73.75
C) GROSS PROFIT (A-B)	10.33	11.22	12.10	15.84	18.09
	17%	17%	17%	19%	20%
D) Bank Interest (Term Loan)	1.42	1.71	1.24	0.77	0.29
Bank Interest (C.C. Limit)	0.61	0.61	0.61	0.61	0.61
E) Salary to Staff	2.64	2.90	3.19	3.51	3.87
F) Selling & Adm Expenses Exp.	1.21	1.36	1.45	1.65	1.84
TOTAL (D+E)	5.87	6.58	6.49	6.54	6.61
H) NET PROFIT	4.46	4.64	5.61	9.30	11.49
I) Taxation	-	0.46	1.12	1.86	2.30
J) PROFIT (After Tax)	4.46	4.18	4.49	7.44	9.19

COMPUTATION OF MANUFACTURING OF CURLED COIR ROPE

Items to be Manufactured

CURLED COIR ROPE

Manufacturing Capacity per machine per day	-	0.275	MT
	-		
No. of Working Hour		8	
No of Shift per day		2	
No of curling Machines		2	
No of Working Days per month		25	
No. of Working Day per annum		300	
Total Production per Annum		330.00	MT
Year		Capacity	Curled Rope MT
		Utilisation	
IST YEAR		70%	231
IIND YEAR		75%	248
IIIRD YEAR		80%	264
IVTH YEAR		90%	297
VTH YEAR		100%	330

COMPUTATION OF RAW MATERIAL

Item Name		Quantity of Raw Material	Recovery	Unit Rate of / MT	Total Cost Per Annum (100%)
Raw Material	100%	330.00	95%	15,000.00	49.50
Total (Rounded off in lacs)					
					49.50
Annual Consumption cost (In Lacs)		49.50			
Raw Material Consumed		Capacity Utilisation	Amount (Rs.)		
IST YEAR		70%	34.65		
IIND YEAR		75%	37.13		
IIIRD YEAR		80%	39.60		
IVTH YEAR		90%	44.55		
VTH YEAR		100%	49.50		

COMPUTATION OF SALE

Particulars	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
Op Stock	-	12	12	13	15
Production	231	248	264	297	330
	231	259	276	310	345
Less : Closing Stock	12	12	13	15	17
Net Sale	219	247	263	295	328
Sale Price per MT	27,500.00	27,500.00	27,500.00	28,000.00	28,000.00
Sale (in Lacs)	60.35	67.84	72.37	82.66	91.84

COMPUTATION OF ELECTRICITY

(A) POWER CONNECTION				
Total Working Hour per day		Hours	8	
Electric Load Required		HP	24	
Load Factor			0.7460	
Electricity Charges		per unit	8.00	
Total Working Days			300	
Electricity Charges (8 Hrs Per day)				3,43,756.80
Add : Minimim Charges (@ 10%)				
(B) D.G. SET				
No. of Working Days			300	days
No of Working Hours			2	Hour per day
Total no of Hour			600	
Diesel Consumption per Hour			8	
Total Consumption of Diesel			4,800	
Cost of Diesel			65.00	Rs. / Ltr
Total cost of Diesel			3.12	
Add : Lube Cost @15%			0.47	
Total			3.59	
Total cost of Power & Fuel at 100%				7.03
Year		Capacity		Amount
				(in Lacs)
IST YEAR		70%		4.92
IIND YEAR		75%		5.27
IIIRD YEAR		80%		5.62
IVTH YEAR		90%		6.32
VTH YEAR		100%		7.03

COMPUTATION OF CLOSING STOCK & WORKING CAPITAL

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
Finished Goods					
(15 Days requirement)	2.54	2.72	2.90	3.36	3.81
Raw Material					
(15 Days requirement)	1.73	1.86	1.98	2.23	2.48
Closing Stock	4.27	4.58	4.88	5.59	6.28

COMPUTATION OF WORKING CAPITAL REQUIREMENT

Particulars			Total
			Amount
Stock in Hand			4.27
Sundry Debtors			4.22
		Total	8.50
Sundry Creditors			1.73
Working Capital Requirement			6.77
Margin			0.68
Working Capital Finance			6.09

BREAK UP OF LABOUR

Particulars		Wages	No of	Total
		Per Month	Employees	Salary
Skilled Worker		7,500.00	4	30,000.00
Unskilled Worker		5,000.00	8	40,000.00
				70,000.00
Add: 10% Fringe Benefit				7,000.00
Total Labour Cost Per Month				77,000.00
Total Labour Cost for the year (In Rs. Lakhs)				9.24

BREAK UP OF SALARY

Particulars		Salary	No of	Total
		Per Month	Employees	Salary
Manager		12,000.00	1	12,000.00
Accountant		8,000.00	1	8,000.00
Total Salary Per Month				20,000.00
Add: 10% Fringe Benefit				2,000.00
Total Salary for the month				22,000.00
Total Salary for the year (In Rs. Lakhs)				2.64

COMPUTATION OF DEPRECIATION

Description	Land	Building/shed	Plant &	Furniture	TOTAL
			Machinery		
Rate of Depreciation		10.00%	15.00%	10.00%	
Opening Balance	Leased	-	-	-	-
Addition	-	3.00	14.85	0.38	18.23
	-	3.00	14.85	0.38	18.23
Less : Depreciation	-	0.30	2.23	0.02	2.55
WDV at end of Ist year	-	2.70	12.62	0.36	15.68
Additions During The Year	-	-	-	-	-
	-	2.70	12.62	0.36	15.68
Less : Depreciation	-	0.27	1.89	0.04	2.20
WDV at end of IInd Year	-	2.43	10.73	0.32	13.48
Additions During The Year	-	-	-	-	-
	-	2.43	10.73	0.32	13.48
Less : Depreciation	-	0.24	1.61	0.03	1.88
WDV at end of IIIrd year	-	2.19	9.12	0.29	11.60
Additions During The Year	-	-	-	-	-
	-	2.19	9.12	0.29	11.60
Less : Depreciation	-	0.22	1.37	0.03	1.62
WDV at end of IV year	-	1.97	7.75	0.26	9.98
Additions During The Year	-	-	-	-	-
	-	1.97	7.75	0.26	9.98
Less : Depreciation	-	0.20	1.16	0.03	1.39
WDV at end of Vth year	-	1.77	6.59	0.24	8.60

REPAYMENT SCHEDULE OF TERM LOAN

11.5%

Year	Particulars	Amount	Addition	Total	Interest	Repayment	Cl Balance
IST YEAR	Opening Balance						
	Ist Quarter	-	16.41	16.41	-	-	16.41
	Iind Quarter	16.41	-	16.41	0.47	-	16.41
	IIIrd Quarter	16.41	-	16.41	0.47	-	16.41
	Ivth Quarter	16.41	-	16.41	0.47	-	16.41
					1.42	-	
IIND YEAR	Opening Balance						
	Ist Quarter	16.41	-	16.41	0.47	1.03	15.38
	Iind Quarter	15.38	-	15.38	0.44	1.03	14.36
	IIIrd Quarter	14.36	-	14.36	0.41	1.03	13.33
	Ivth Quarter	13.33		13.33	0.38	1.03	12.31
					1.71	4.10	
IIIRD YEAR	Opening Balance						
	Ist Quarter	12.31	-	12.31	0.35	1.03	11.28
	Iind Quarter	11.28	-	11.28	0.32	1.03	10.25
	IIIrd Quarter	10.25	-	10.25	0.29	1.03	9.23
	Ivth Quarter	9.23		9.23	0.27	1.03	8.20
					1.24	4.10	
IVTH YEAR	Opening Balance						
	Ist Quarter	8.20	-	8.20	0.24	1.03	7.18
	Iind Quarter	7.18	-	7.18	0.21	1.03	6.15
	IIIrd Quarter	6.15	-	6.15	0.18	1.03	5.13
	Ivth Quarter	5.13		5.13	0.15	1.03	4.10
					0.77	4.10	
VTH YEAR	Opening Balance						
	Ist Quarter	4.10	-	4.10	0.12	1.03	3.08
	Iind Quarter	3.08	-	3.08	0.09	1.03	2.05
	IIIrd Quarter	2.05	-	2.05	0.06	1.03	1.02
	Ivth Quarter	1.02		1.02	0.03	1.02	0.00
					0.29	4.10	

CALCULATION OF D.S.C.R

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
<u>CASH ACCRUALS</u>	7.00	6.38	6.37	9.06	10.58
Interest on Term Loan	1.42	1.71	1.24	0.77	0.29
Total	8.42	8.09	7.61	9.82	10.87
<u>REPAYMENT</u>					
Instalment of Term Loan	4.10	4.10	4.10	4.10	4.10
Interest on Term Loan	1.42	1.71	1.24	0.77	0.29
Total	5.52	5.81	5.34	4.87	4.40
DEBT SERVICE COVERAGE RATIO	1.53	1.39	1.43	2.02	2.47
AVERAGE D.S.C.R.			1.77		

BREAK EVEN POINT ANALYSIS

Year	I	II	III	IV	V
Net Sales & Other Income	60.35	67.84	72.37	82.66	91.84
Less : Op. WIP Goods	-	2.54	2.72	2.90	3.36
Add : Cl. WIP Goods	2.54	2.72	2.90	3.36	3.81
Total Sales	62.89	68.02	72.55	83.11	92.29
Variable & Semi Variable Exp.					
Raw Material & Tax	34.65	37.13	39.60	44.55	49.50
Electricity Exp/Coal Consumption at 85%	4.18	4.48	4.78	5.37	5.97
Manufacturing Expenses 80%	0.97	1.63	1.74	1.98	2.20
Wages & Salary at 60%	7.13	7.84	8.62	9.49	10.44
Selling & administrative Expenses 80%	0.97	1.09	1.16	1.32	1.47
Intt. On Working Capital Loan	0.61	0.61	0.61	0.61	0.61
Total Variable & Semi Variable Exp	48.50	52.77	56.51	63.33	70.19
Contribution	14.39	15.25	16.05	19.78	22.10
Fixed & Semi Fixed Expenses					
Manufacturing Expenses 20%	0.24	0.41	0.43	0.50	0.55
Electricity Exp/Coal Consumption at 15%	0.74	0.79	0.84	0.95	1.05
Wages & Salary at 40%	4.75	5.23	5.75	6.32	6.96
Interest on Term Loan	1.42	1.71	1.24	0.77	0.29
Depreciation	2.55	2.20	1.88	1.62	1.39
Selling & administrative Expenses 20%	0.24	0.27	0.29	0.33	0.37
Total Fixed Expenses	9.93	10.61	10.44	10.48	10.61
Capacity Utilization	70%	75%	80%	90%	100%
OPERATING PROFIT	4.46	4.64	5.61	9.30	11.49
BREAK EVEN POINT	48%	52%	52%	48%	48%
BREAK EVEN SALES	43.41	47.30	47.20	44.03	44.31