

PROJECT REPORT

Of

COIR MOULDED TRAY

PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding **COIR MOULDED TRAY**

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 A GLANCE

- 1 Name of the Entrepreneur : XXXXXXX
- 2 Constitution (legal Status) : XXXXXXX
- 3 Father's/Spouce's Name : XXXXXXX
- 4 Unit Address : XXXXXXX
- Taluk/Block: XXXXX
 District : XXXXX
 Pin: XXXXX State: XXXXX
 E-Mail : XXXXX
 Mobile XXXXX
- 5 Product and By Product : **COIR MOULDED TRAY ROUNDED
(RECTANGLE 12" DIA OR 10"x13")**
- 6 Name of the project / business activity proposed : **COIR MOULDED TRAY ROUNDED**
- 7 Cost of Project : Rs25.00lac
- 8 Means of Finance
 Term Loan Rs.19.76 Lacs
 KVIC Margin Money - As per Project Eligibility
 Own Capital Rs.2.5 Lacs
 Working Capital Rs.2.75 Lacs
- 9 Debt Service Coverage Ratio : 1.54
- 10 Pay Back Period : 5 Years
- 11 Project Implementation Period : 6 Months
- 12 Break Even Point : 47%
- 13 Employment : 11 Persons
- 14 Power Requirement : 12.00 HP
- 15 Major Raw materials : Coir needled felt
- 16 Estimated Annual Sales Turnover : 35.11 Lacs
- 16 Detailed Cost of Project & Means of Finance

COST OF PROJECT

(Rs. In Lacs)

Particulars	Amount
Land	Rented/Owned
Building & Civil Work	5.00
Plant & Machinery	16.61
Furniture & Fixtures	0.34
Pre-operative Expenses	-
Working Capital Requirement	3.05
Total	25.00

MEANS OF FINANCE

(Rs. In Lacs)

Particulars	Amount
Own Contribution @10%	2.50
Term Loan	19.76
Workign Capital Finance	2.75
Total	25.00

	General	Special
Beneficiary's Margin Monery (% of Project Cost)	10%	5%

PROJECT PROFILE FOR COIR DIVERSIFIED PRODUCT

PRODUCTION UNIT



INTRODUCTION

Coir wood made from coir fibre and resin has diversified new uses that will save the tropical forests, increases rural employment opportunities and also promotes agriculture leading to sustainable development. The coir composite material has different properties from their constituents alone. Coir wood composites can be made using coir as reinforcing material with or without plantation timber (Veneers like rubber veneer, bamboo, jute, glass) in between as a secondary reinforcement and then impregnated with polymeric matrix material like phenolic, polyester, epoxy etc. and processed under controlled temperature and pressure. The primary advantage of the coir wood composites is due to the coir, which is natural, eco-friendly and abundantly available material. The coir reinforcement fibre could be of coir felt, coir rope or coir sliver etc.

PROCESS OF MANUFACTURE

Coir needled felt is the raw material and it is a non-woven fabric made from decorticated coir fibre. In the manufacturing process, well cleaned coir fibre of good staple length passes through the cleaning machines by pneumatic suction and is needled by the needle loom on one side to evolve felts of different density, punching intensity, needle penetration and

thickness. The fibres are mechanically bonded (interlocked) to form a continuous length of sheet. No bonding material is used in the manufacture of Coir needled felt.

The Coir needled felt is converted into coir polymer composite boards using the phenol formaldehyde resin with which it is padded, dried and cured in the hydraulic press. The incorporation of controlled amount of resin to coir needled felt is achieved by polymer impregnation process in which a resin carrier fabric is pressed against the needled felt so that a part of the resin is transferred to the needled felt from the resin carrier fabric instantaneously. The resin uptake by the needled felt is controlled mainly by the resin carrying capacity of the fabric, pressure applied on the needled felt over the fabric, speed and the properties of the resin such as viscosity and solid content. Composite products from prepreg sheets are prepared by hot press moulding. The prepreg sheets are cut into the required size and stacked one over the other. The number of layers is dependent on the requirement of thickness of the component and the pressure applied for moulding varies depending on the density and surface finish of the product. The overall mechanical strength of the fibre reinforced plastic depends on the combined effect of the amount and kind of reinforcement and on its arrangement in the finished article.

BASIS AND PRESUMPTIONS

- The Project Profile is based on 8 working hours for 2 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 11.5% p.a.

TECHNICAL ASPECTS

Installed Production capacity per shift	:	80 pieces
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. 110/-per piece
Rate of Average cost of raw material	:	Rs.45/- per piece
Interest on term Loan	:	11.50%
Interest on working capital	:	11.50%
Manpower requirement		
Skilled worker	:	1
Unskilled worker	:	8
Total HP required	:	12 HP

PLANT & MACHINERY

PARTICULARS	QTY.	RATE	AMOUNT IN RS.
Coir mat impregnating machine		1,50,000.00	1,50,000.00
Hot compression moulding machine	1.00	7,00,000.00	7,00,000.00
Humidity oven	1.00	2,25,000.00	2,25,000.00
Edge trimming machine	1.00	2,00,000.00	2,00,000.00
Dies	1.00	2,00,000.00	2,00,000.00
Testing equipments	1.00	5,000.00	5,000.00
Weighing balance	1.00	7,500.00	7,500.00
Electrical fittings & accessories	1.00	1,73,500.00	1,73,500.00
TOTAL			16,61,000.00

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	3.60	8.63	15.11	21.46	29.53
Term Loan	19.76	14.82	9.88	4.94	0.00
Cash Credit	2.75	2.75	2.75	2.75	2.75
Sundry Creditors	0.35	0.40	0.45	0.45	0.50
Provisions & Other Liab	0.36	0.40	0.44	0.48	0.53
TOTAL :	29.31	29.50	31.12	32.57	35.81
<u>APPLICATION OF FUND</u>					
Fixed Assets (Gross)	21.95	21.95	21.95	21.95	21.95
Gross Dep.	3.01	5.61	7.84	9.76	11.42
Net Fixed Assets	18.94	16.34	14.11	12.19	10.53
Current Assets					
Sundry Debtors	1.17	1.40	1.58	1.58	1.75
Stock in Hand	2.23	2.55	2.87	2.87	3.19
Cash and Bank	4.47	6.45	9.54	12.60	16.67
Deposits & Advances	2.50	2.75	3.03	3.33	3.66
TOTAL :	29.31	29.50	31.12	32.57	35.81

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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	4.00	5.59	8.10	7.93	10.09
Depriciation & Exp. W/off	3.01	2.60	2.23	1.92	1.65
Increase in Cash Credit	2.75	-	-	-	-
Increase In Term Loan	19.76	-	-	-	-
Increase in Creditors	0.35	0.05	0.05	-	0.05
Increase in Provisions	0.36	0.04	0.04	0.04	0.05
TOTAL :	32.72	8.28	10.42	9.90	11.84
<u>APPLICATION OF FUND</u>					
Increase in Fixed Assets	21.95	-	-	-	-
Increase in Stock	2.23	0.32	0.32	-	0.32
Increase in Debtors	1.17	0.23	0.18	0.01	0.17
Increase in Deposits & Adv	2.50	0.25	0.28	0.30	0.33
Repayment of Term Loan	-	4.94	4.94	4.94	4.93
Taxation	0.40	0.56	1.62	1.59	2.02
TOTAL :	28.25	6.30	7.33	6.84	7.77
Opening Cash & Bank Balance	-	4.47	6.45	9.54	12.60
Add : Surplus	4.47	1.99	3.09	3.06	4.07
Closing Cash & Bank Balance	4.47	6.45	9.54	12.60	16.67

PROJECTED PROFITABILITY STATEMENT

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
A) SALES					
Gross Sale	35.11	41.98	47.26	47.52	52.54
Total (A)	35.11	41.98	47.26	47.52	52.54
B) COST OF SALES					
Raw Mateiral Consumed	15.12	17.28	19.44	19.44	21.60
Electricity Expenses	2.11	2.41	2.71	2.71	3.01
Repair & Maintenance	-	0.42	0.47	0.48	0.53
Labour & Wages	6.34	6.97	7.67	8.43	9.28
Depriciation	3.01	2.60	2.23	1.92	1.65
Consumables and Other Expenses	0.70	0.84	0.95	0.95	1.05
Cost of Production	27.27	30.52	33.47	33.93	37.11
Add: Opening Stock /WIP	-	1.48	1.69	1.90	1.90
Less: Closing Stock /WIP	1.48	1.69	1.90	1.90	2.11
Cost of Sales (B)	25.79	30.30	33.25	33.93	36.90
C) GROSS PROFIT (A-B)	9.32	11.67	14.00	13.59	15.63
	27%	28%	30%	29%	30%
D) Bank Interest (Term Loan)	1.70	2.06	1.49	0.92	0.35
Bank Interest (C.C. Limit)	0.27	0.27	0.27	0.27	0.27
E) Salary to Staff	2.64	2.90	3.19	3.51	3.87
F) Selling & Adm Expenses Exp.	0.70	0.84	0.95	0.95	1.05
TOTAL (D+E)	5.32	6.08	5.91	5.66	5.55
H) NET PROFIT	4.00	5.59	8.10	7.93	10.09
I) Taxation	0.40	0.56	1.62	1.59	2.02
J) PROFIT (After Tax)	3.60	5.04	6.48	6.35	8.07

COMPUTATION OF MANUFACTURING OF COIR MOULDED TRAY ROUNDED

Items to be Manufactured

COIR MOULDED TRAY ROUNDED

Manufacturing Capacity shift	-	80.00	Pcs
(RECTANGLE 12" DIA OR 10"x13")	-		
No of Shifts		2	
No. of Working Hour		8	
No of Working Days per month		25	
No. of Working Day per annum		300	
Total Production per Annum		48,000.00	
Year		Capacity	pcs
		Utilisation	
IST YEAR		70%	33,600
IIND YEAR		80%	38,400
IIIRD YEAR		90%	43,200
IVTH YEAR		90%	43,200
VTH YEAR		100%	48,000

COMPUTATION OF RAW MATERIAL

Item Name	Quantity of Raw Material	Recovery	Unit Rate of / MT	Total Cost Per Annum (100%)	
Raw Material	100%	48,000.00	100%	45.00	21.60
Total (Rounded off in lacs)					21.60
Annual Consumption cost	(In Lacs)				21.60

Raw Material Consumed	Capacity Utilisation	Amount (Rs.)
IST YEAR	70%	15.12
IIND YEAR	80%	17.28
IIIRD YEAR	90%	19.44
IVTH YEAR	90%	19.44
VTH YEAR	100%	21.60

COMPUTATION OF SALE

Particulars	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
Op Stock	-	1,680	1,920	2,160	2,160
Production	33,600	38,400	43,200	43,200	48,000
	33,600	40,080	45,120	45,360	50,160
Less : Closing Stock	1,680	1,920	2,160	2,160	2,400
Net Sale	31,920	38,160	42,960	43,200	47,760
Sale Price per piece	110.00	110.00	110.00	110.00	110.00
Sale (in Lacs)	35.11	41.98	47.26	47.52	52.54

COMPUTATION OF ELECTRICITY

(A) POWER CONNECTION				
Total Working Hour per day		Hours	16	
Electric Load Required			12	
Load Factor			0.7460	
Electricity Charges		per unit	7.00	
Total Working Days			300	
Electricity Charges (8 Hrs Per day)				3,00,787.20
Add : Minimim Charges (@ 10%)				
(B) D.G. SET				
No. of Working Days			300	days
No of Working Hours			-	Hour per day
Total no of Hour			-	
Diesel Consumption per Hour			8	
Total Consumption of Diesel			-	
Cost of Diesel			65.00	Rs. /Ltr
Total cost of Diesel			-	
Add : Lube Cost @15%			-	
Total			-	
Total cost of Power & Fuel at 100%				3.01
Year		Capacity		Amount (in Lacs)
IST YEAR		70%		2.11
IIND YEAR		80%		2.41
IIIRD YEAR		90%		2.71
IVTH YEAR		90%		2.71
VTH YEAR		100%		3.01

COMPUTATION OF CLOSING STOCK & WORKING CAPITAL

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
Finished Goods					
(15Days requirement)	1.48	1.69	1.90	1.90	2.11
Raw Material					
(15 Days requirement)	0.76	0.86	0.97	0.97	1.08
Closing Stock	2.23	2.55	2.87	2.87	3.19

COMPUTATION OF WORKING CAPITAL REQUIREMENT

Particulars			Total
			Amount
Stock in Hand			2.23
Sundry Debtors			1.17
		Total	3.40
Sundry Creditors			0.35
Working Capital Requirement			3.05
Margin			0.31
Working Capital Finance			2.75

BREAK UP OF LABOUR

Particulars		Wages	No of	Total
		Per Month	Employees	Salary
Skilled Worker		8,000.00	1	8,000.00
Unskilled Worker		5,000.00	8	40,000.00
				48,000.00
Add: 10% Fringe Benefit				4,800.00
Total Labour Cost Per Month				52,800.00
Total Labour Cost for the year (In Rs. Lakhs)				6.34

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 & Machinery	Furniture	TOTAL
Rate of Depreciation		10.00%	15.00%	10.00%	
Opening Balance	Leased	-	-	-	-
Addition	-	5.00	16.61	0.34	21.95
	-	5.00	16.61	0.34	21.95
Less : Depreciation	-	0.50	2.49	0.02	3.01
WDV at end of Ist year	-	4.50	14.12	0.32	18.94
Additions During The Year	-	-	-	-	-
	-	4.50	14.12	0.32	18.94
Less : Depreciation	-	0.45	2.12	0.03	2.60
WDV at end of IIInd Year	-	4.05	12.00	0.29	16.34
Additions During The Year	-	-	-	-	-
	-	4.05	12.00	0.29	16.34
Less : Depreciation	-	0.41	1.80	0.03	2.23
WDV at end of IIIrd year	-	3.65	10.20	0.26	14.11
Additions During The Year	-	-	-	-	-
	-	3.65	10.20	0.26	14.11
Less : Depreciation	-	0.36	1.53	0.03	1.92
WDV at end of IV year	-	3.28	8.67	0.24	12.19
Additions During The Year	-	-	-	-	-
	-	3.28	8.67	0.24	12.19
Less : Depreciation	-	0.33	1.30	0.02	1.65
WDV at end of Vth year	-	2.95	7.37	0.21	10.53

REPAYMENT SCHEDULE OF TERM LOAN

11.5%

Year	Particulars	Amount	Addition	Total	Interest	Repayment	CI Balance
IST YEAR	Opening Balance						
	Ist Quarter	-	19.76	19.76	-	-	19.76
	IInd Quarter	19.76	-	19.76	0.57	-	19.76
	IIIRD Quarter	19.76	-	19.76	0.57	-	19.76
	Ivth Quarter	19.76	-	19.76	0.57	-	19.76
						1.70	-
IIIND YEAR	Opening Balance						
	Ist Quarter	19.76	-	19.76	0.57	1.23	18.52
	IInd Quarter	18.52	-	18.52	0.53	1.23	17.29
	IIIRD Quarter	17.29	-	17.29	0.50	1.23	16.05
	Ivth Quarter	16.05	-	16.05	0.46	1.23	14.82
						2.06	4.94
IIIRD YEAR	Opening Balance						
	Ist Quarter	14.82	-	14.82	0.43	1.23	13.58
	IInd Quarter	13.58	-	13.58	0.39	1.23	12.35
	IIIRD Quarter	12.35	-	12.35	0.35	1.23	11.11
	Ivth Quarter	11.11	-	11.11	0.32	1.23	9.88
						1.49	4.94
IVTH YEAR	Opening Balance						
	Ist Quarter	9.88	-	9.88	0.28	1.23	8.64
	IInd Quarter	8.64	-	8.64	0.25	1.23	7.41
	IIIRD Quarter	7.41	-	7.41	0.21	1.23	6.17
	Ivth Quarter	6.17	-	6.17	0.18	1.23	4.94
						0.92	4.94
VTH YEAR	Opening Balance						
	Ist Quarter	4.94	-	4.94	0.14	1.23	3.70
	IInd Quarter	3.70	-	3.70	0.11	1.23	2.47
	IIIRD Quarter	2.47	-	2.47	0.07	1.23	1.23
	Ivth Quarter	1.23	-	1.23	0.04	1.23	0.00
						0.35	4.93

CALCULATION OF D.S.C.R

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
<u>CASH ACCRUALS</u>	6.61	7.64	8.71	8.27	9.72
Interest on Term Loan	1.70	2.06	1.49	0.92	0.35
Total	8.31	9.69	10.20	9.19	10.08
<u>REPAYMENT</u>					
Instalment of Term Loan	4.94	4.94	4.94	4.93	4.93
Interest on Term Loan	1.70	2.06	1.49	0.92	0.35
Total	6.64	7.00	6.43	5.86	5.29
DEBT SERVICE COVERAGE RATIO	1.25	1.39	1.59	1.57	1.91
AVERAGE D.S.C.R.			1.54		

BREAK EVEN POINT ANALYSIS

Year	I	II	III	IV	V
Net Sales & Other Income	35.11	41.98	47.26	47.52	52.54
Less : Op. WIP Goods	-	1.48	1.69	1.90	1.90
Add : Cl. WIP Goods	1.48	1.69	1.90	1.90	2.11
Total Sales	36.59	42.19	47.47	47.52	52.75
Variable & Semi Variable Exp.					
Raw Material & Tax	15.12	17.28	19.44	19.44	21.60
Electricity Exp/Coal Consumption at 85%	1.79	2.05	2.30	2.30	2.56
Manufacturing Expenses 80%	0.56	1.01	1.13	1.14	1.26
Wages & Salary at 60%	5.39	5.92	6.52	7.17	7.89
Selling & administrative Expenses 80%	0.56	0.67	0.76	0.76	0.84
Intt. On Working Capital Loan	0.27	0.27	0.27	0.27	0.27
Total Variable & Semi Variable Exp	23.69	27.20	30.42	31.08	34.42
Contribution	12.90	14.98	17.04	16.44	18.33
Fixed & Semi Fixed Expenses					
Manufacturing Expenses 20%	0.14	0.25	0.28	0.29	0.32
Electricity Exp/Coal Consumption at 15%	0.32	0.36	0.41	0.41	0.45
Wages & Salary at 40%	3.59	3.95	4.34	4.78	5.26
Interest on Term Loan	1.70	2.06	1.49	0.92	0.35
Depreciation	3.01	2.60	2.23	1.92	1.65
Selling & administrative Expenses 20%	0.14	0.17	0.19	0.19	0.21
Total Fixed Expenses	8.90	9.39	8.95	8.50	8.24
Capacity Utilization	70%	80%	90%	90%	100%
OPERATING PROFIT	4.00	5.59	8.10	7.93	10.09
BREAK EVEN POINT	48%	50%	47%	47%	45%
BREAK EVEN SALES	25.25	26.43	24.92	24.59	23.71

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