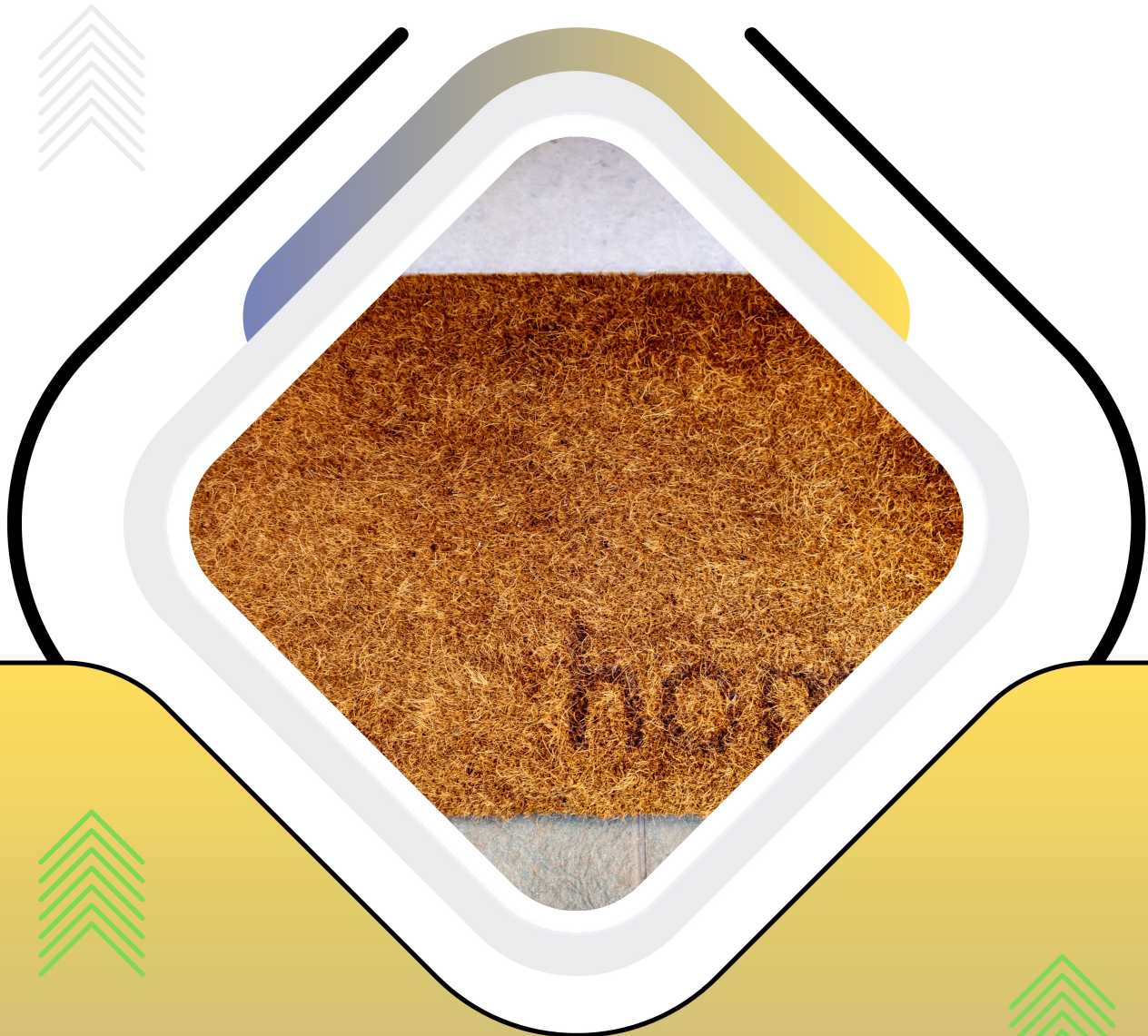




MODEL PROJECT REPORT



PROJECT REPORT ON COIR MATTING

SWAVALAMBI BHARAT ABHIYAN

PROJECT AT A GLANCE

- 1 Name of the Entrepreneur : XXXXXXX
- 2 Constitution (legal Status) : XXXXXXX
- 3 Father's/Spouse'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 : SEMI AUTOMATIC COIR MATTING UNIT (4SHAFT FANCY)
- 6 Name of the project / business activity proposed : SEMI AUTOMATIC COIR MATTING UNIT (4SHAFT FANCY)
- 7 Cost of Project : Rs25.00lac
- 8 Means of Finance

Term Loan Rs.18.06 Lacs
 KVIC Margin Money - As per Project Eligibility
 Own Capital Rs.2.5 Lacs
 Working Capital Rs.4.44 Lacs
- 9 Debt Service Coverage Ratio : 1.82
- 10 Pay Back Period : 5 Years
- 11 Project Implementation Period : 6 Months
- 12 Break Even Point : 33%
- 13 Employment : 8 Persons
- 14 Power Requirement : 10.00 HP
- 15 Major Raw materials : **Coir**
- 16 Estimated Annual Sales Turnover : 54.86 Lacs
- 16 Detailed Cost of Project & Means of Finance

COST OF PROJECT

(Rs. In Lacs)

Particulars	Amount
Land	Rented / Owned
Building & Civil Work	3.00
Plant & Machinery	16.33
Furniture & Fixtures	0.74
Working Capital Requirement	4.93
Total	25.00

MEANS OF FINANCE

Particulars	Amount
Own Contribution @10%	2.50
Term Loan	18.06
Workign Capital Finance	4.44
Total	25.00

Beneficiary's Margin Monery
(% of Project Cost)

General
10%

Special
5%

PROJECT PROFILE FOR SEMI AUTOMATIC COIR MATTING UNIT



INTRODUCTION

The main problem of weaving on hand loom is the high force needed to operate the pedal for lifting the shed and the force to beat the slay. Usually healthy male workers are engaged for weaving. In power loom, both this operation is done by motor but the high cost of the loom is restricting the user to purchase the power loom.

PROCESS OF MANUFACTURE

In the semi-automatic loom, beating, shedding and winding are carried by motor and the picking is done manually and high force is not needed to operate the pedal for lifting the shed and the force to beat the slay. The quality of the matting woven in this loom is good. The picks also can be changed depending on thickness of weft yarn. The cost is less compared to power loom.

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%, 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 machine/shift	:	110 Sq. meter
Number of machine	:	1
Number of Shift per day	:	1
Working days p.a	:	300 days
Yield wastage	:	10%
Capacity Utilization		
-First year	:	70%
-Second year	:	80%
-Third year	:	90%
-Fourth year	:	90%
-Fifth year	:	100%
Rate of Average Sales Realization	:	Rs.270/-per sq,m
Rate of Average cost of raw material	:	Rs. 65,000/-per MT
Interest on term Loan	:	11.50%
Interest on working capital	:	11.50%

Manpower requirement

Skilled worker	:	3
Unskilled workers	:	3
Total HP required	:	10 HP

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

PLANT & MACHINERY

PARTICULARS	QTY.	RATE	AMOUNT IN RS.
Semi-Automatic loom 1.50 meter width (7 HP)	1.00	1350000	1350000
Bobbin winding machine 2 head	1.00	170000	170000
Dyeing equipment	1.00	113000	113000
Total			16,33,000.00

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	5.10	11.12	18.49	25.81	34.87
Term Loan	18.06	13.55	9.03	4.52 -	0.00
Cash Credit	4.44	4.44	4.44	4.44	4.44
Sundry Creditors	0.69	0.79	0.89	0.89	0.99
Provisions & Other Liab	0.36	0.40	0.44	0.48	0.53
TOTAL :	31.15	32.80	35.79	38.63	43.32

APPLICATION OF FUND

Fixed Assets (Gross)	20.07	20.07	20.07	20.07	20.07
Gross Dep.	2.79	5.21	7.28	9.06	10.59
Net Fixed Assets	17.28	14.86	12.79	11.01	9.48
Current Assets					
Sundry Debtors	1.83	2.19	2.46	2.48	2.74
Stock in Hand	3.80	4.34	4.88	4.88	5.42
Cash and Bank	5.75	8.66	12.63	16.94	22.02
Deposits & Advances	2.50	2.75	3.03	3.33	3.66
TOTAL :	31.15	32.80	35.79	38.63	43.32

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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	5.10	6.69	9.21	9.14	11.33
Depreciation & Exp. W/off	2.79	2.42	2.08	1.78	1.53
Increase in Cash Credit	4.44	-	-	-	-
Increase In Term Loan	18.06	-	-	-	-
Increase in Creditors	0.69	0.10	0.10	-	0.10
Increase in Provisions	0.36	0.04	0.04	0.04	0.05
TOTAL :	33.94	9.25	11.42	10.97	13.00
<u>APPLICATION OF FUND</u>					
Increase in Fixed Assets	20.07	-	-	-	-
Increase in Stock	3.80	0.54	0.54	-	0.54
Increase in Debtors	1.83	0.36	0.28	0.01	0.26
Increase in Deposits & Adv	2.50	0.25	0.28	0.30	0.33
Repayment of Term Loan	-	4.52	4.52	4.52	4.52
Taxation	-	0.67	1.84	1.83	2.27
TOTAL :	28.20	6.33	7.45	6.66	7.92
Opening Cash & Bank Balance	-	5.75	8.66	12.63	16.94
Add : Surplus	5.75	2.91	3.97	4.31	5.08
Closing Cash & Bank Balance	5.75	8.66	12.63	16.94	22.02

PROJECTED PROFITABILITY STATEMENT

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
A) SALES					
Gross Sale	54.86	65.59	73.84	74.25	82.09
Total (A)	54.86	65.59	73.84	74.25	82.09
B) COST OF SALES					
Raw Mateiral Consumed	29.73	33.98	38.22	38.22	42.47
Elecricity Expenses	3.51	4.02	4.52	4.52	5.02
Dying Charges @13.65% of RM	4.06	4.64	5.22	5.22	5.80
Repair & Maintenance	-	0.66	0.74	0.74	0.82
Labour & Wages	5.15	5.66	6.23	6.85	7.54
Depriciation	2.79	2.42	2.08	1.78	1.53
Consumables and Other Expenses	1.10	1.31	1.48	1.49	1.64
Cost of Production	46.33	52.68	58.48	58.82	64.82
Add: Opening Stock /WIP	-	2.31	2.64	2.97	2.97
Less: Closing Stock /WIP	2.31	2.64	2.97	2.97	3.30
Cost of Sales (B)	44.02	52.35	58.15	58.82	64.49
C) GROSS PROFIT (A-B)	10.84	13.23	15.69	15.43	17.60
	20%	20%	21%	21%	21%
D) Bank Interest (Term Loan)	1.56	1.88	1.36	0.84	0.32
Bank Interest (C.C. Limit)	0.44	0.44	0.44	0.44	0.44
E) Salary to Staff	2.64	2.90	3.19	3.51	3.87
F) Selling & Adm Expenses Exp.	1.10	1.31	1.48	1.49	1.64
TOTAL (D+E)	5.74	6.54	6.48	6.29	6.28
H) NET PROFIT	5.10	6.69	9.21	9.14	11.33
I) Taxation	-	0.67	1.84	1.83	2.27
J) PROFIT (After Tax)	5.10	6.02	7.37	7.32	9.06

COMPUTATION OF MANUFACTURING OF COIR MATTING UNIT

Items to be Manufactured

SEMI AUTOMATIC COIR MATTING UNIT (4SHAFT FANCY)

Manufacturing Capacity	-	110	Sq Mt
	-		
No. of Working Hour		8	
No of Working Days per month		25	
No. of Working Day per annum		300	
Total Production per Annum		33,000.00	SqMt
Year		Capacity	Sq Mt of Matt
		Utilisation	
IST YEAR		70%	23,100
IIND YEAR		80%	26,400
IIIRD YEAR		90%	29,700
IVTH YEAR		90%	29,700
VTH YEAR		100%	33,000

COMPUTATION OF RAW MATERIAL

Item Name		Quantity of Raw Material	Recovery	Unit Rate of / MT	Total Cost Per Annum (100%)
		MT			
Raw Material	100%	72.60	90%	65,000.00	42.47
Assuming Average Weight of Matt per Sq Mt 2.20 Kg					
Total Weight of Raw Material for 33000 Sq Mt Matt 72.60 MT					
Total (Rounded off in lacs)					42.47
Annual Consumption cost (In Lacs)					42.47

Raw Material Consumed	Capacity Utilisation	Amount (Rs.)
IST YEAR	70%	29.73
IIND YEAR	80%	33.98
IIIRD YEAR	90%	38.22
IVTH YEAR	90%	38.22
VTH YEAR	100%	42.47

COMPUTATION OF SALE

Particulars	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
Op Stock	-	1,155	1,320	1,485	1,485
Production	23,100	26,400	29,700	29,700	33,000
	23,100	27,555	31,020	31,185	34,485
Less : Closing Stock	1,155	1,320	1,485	1,485	1,650
Net Sale	21,945	26,235	29,535	29,700	32,835
Sale Price per Sq Mt	250.00	250.00	250.00	250.00	250.00
Sale (in Lacs)	54.86	65.59	73.84	74.25	82.09

COMPUTATION OF ELECTRICITY

(A) POWER CONNECTION				
Total Working Hour per day		Hours	8	
Electric Load Required			10	
Load Factor			0.7460	
Electricity Charges		per unit	8.00	
Total Working Days			300	
Electricity Charges (8 Hrs Per day)				1,43,232.00
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%				5.02
Year		Capacity		Amount
				(in Lacs)
IST YEAR		70%		3.51
IIND YEAR		80%		4.02
IIIRD YEAR		90%		4.52
IVTH YEAR		90%		4.52
VTH YEAR		100%		5.02

COMPUTATION OF CLOSING STOCK & WORKING CAPITAL

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
Finished Goods					
(15 Days requirement)	2.31	2.64	2.97	2.97	3.30
Raw Material					
(10 Days requirement)	1.49	1.70	1.91	1.91	2.12
Closing Stock	3.80	4.34	4.88	4.88	5.42

COMPUTATION OF WORKING CAPITAL REQUIREMENT

Particulars			Total
			Amount
Stock in Hand			3.80
Sundry Debtors			1.83
		Total	5.63
Sundry Creditors			0.69
Working Capital Requirement			4.93
Margin			0.49
Working Capital Finance			4.44

BREAK UP OF LABOUR

Particulars		Wages	No of	Total
		Per Month	Employees	Salary
Skilled Worker		8,000.00	3	24,000.00
Unskilled Worker		5,000.00	3	15,000.00
				39,000.00
Add: 10% Fringe Benefit				3,900.00
Total Labour Cost Per Month				42,900.00
Total Labour Cost for the year (In Rs. Lakhs)				5.15

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	16.33	0.74	20.07
	-	3.00	16.33	0.74	20.07
Less : Depreciation	-	0.30	2.45	0.04	2.79
WDV at end of Ist year	-	2.70	13.88	0.70	17.28
Additions During The Year	-	-	-	-	-
	-	2.70	13.88	0.70	17.28
Less : Depreciation	-	0.27	2.08	0.07	2.42
WDV at end of IInd Year	-	2.43	11.80	0.63	14.86
Additions During The Year	-	-	-	-	-
	-	2.43	11.80	0.63	14.86
Less : Depreciation	-	0.24	1.77	0.06	2.08
WDV at end of IIIrd year	-	2.19	10.03	0.57	12.79
Additions During The Year	-	-	-	-	-
	-	2.19	10.03	0.57	12.79
Less : Depreciation	-	0.22	1.50	0.06	1.78
WDV at end of IV year	-	1.97	8.52	0.51	11.01
Additions During The Year	-	-	-	-	-
	-	1.97	8.52	0.51	11.01
Less : Depreciation	-	0.20	1.28	0.05	1.53
WDV at end of Vth year	-	1.77	7.25	0.46	9.48

REPAYMENT SCHEDULE OF TERM LOAN

11.5%

Year	Particulars	Amount	Addition	Total	Interest	Repayment	CI Balance
IST YEAR	Opening Balance						
	Ist Quarter	-	18.06	18.06	-	-	18.06
	Iind Quarter	18.06	-	18.06	0.52	-	18.06
	IIIRD Quarter	18.06	-	18.06	0.52	-	18.06
	Ivth Quarter	18.06	-	18.06	0.52	-	18.06
					1.56	-	
IIND YEAR	Opening Balance						
	Ist Quarter	18.06	-	18.06	0.52	1.13	16.93
	Iind Quarter	16.93	-	16.93	0.49	1.13	15.81
	IIIRD Quarter	15.81	-	15.81	0.45	1.13	14.68
	Ivth Quarter	14.68		14.68	0.42	1.13	13.55
					1.88	4.52	
IIIRD YEAR	Opening Balance						
	Ist Quarter	13.55	-	13.55	0.39	1.13	12.42
	Iind Quarter	12.42	-	12.42	0.36	1.13	11.29
	IIIRD Quarter	11.29	-	11.29	0.32	1.13	10.16
	Ivth Quarter	10.16		10.16	0.29	1.13	9.03
					1.36	4.52	
IVTH YEAR	Opening Balance						
	Ist Quarter	9.03	-	9.03	0.26	1.13	7.90
	Iind Quarter	7.90	-	7.90	0.23	1.13	6.77
	IIIRD Quarter	6.77	-	6.77	0.19	1.13	5.64
	Ivth Quarter	5.64		5.64	0.16	1.13	4.52
					0.84	4.52	
VTH YEAR	Opening Balance						
	Ist Quarter	4.52	-	4.52	0.13	1.13	3.39
	Iind Quarter	3.39	-	3.39	0.10	1.13	2.26
	IIIRD Quarter	2.26	-	2.26	0.06	1.13	1.13
	Ivth Quarter	1.13		1.13	0.03	1.13	0.00
					0.32	4.52	

CALCULATION OF D.S.C.R

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
<u>CASH ACCRUALS</u>	7.89	8.44	9.44	9.10	10.59
Interest on Term Loan	1.56	1.88	1.36	0.84	0.32
Total	9.44	10.33	10.81	9.94	10.91
<u>REPAYMENT</u>					
Instalment of Term Loan	4.52	4.52	4.52	4.52	4.52
Interest on Term Loan	1.56	1.88	1.36	0.84	0.32
Total	6.07	6.40	5.88	5.36	4.84
DEBT SERVICE COVERAGE RATIO	1.55	1.61	1.84	1.85	2.25
AVERAGE D.S.C.R.			1.82		

BREAK EVEN POINT ANALYSIS

Year	I	II	III	IV	V
Net Sales & Other Income	54.86	65.59	73.84	74.25	82.09
Less : Op. WIP Goods	-	2.31	2.64	2.97	2.97
Add : Cl. WIP Goods	2.31	2.64	2.97	2.97	3.30
Total Sales	57.17	65.92	74.17	74.25	82.42
Variable & Semi Variable Exp.					
Raw Material & Tax	29.73	33.98	38.22	38.22	42.47
Electricity Exp/Coal Consumption at 85%	2.99	3.41	3.84	3.84	4.27
Manufacturing Expenses 80%	0.88	1.57	1.77	1.78	1.97
Wages & Salary at 60%	4.67	5.14	5.65	6.22	6.84
Selling & administrative Expenses 80%	0.88	1.05	1.18	1.19	1.31
Intt. On Working Capital Loan	0.44	0.44	0.44	0.44	0.44
Total Variable & Semi Variable Exp	39.59	45.60	51.12	51.70	57.31
Contribution	17.58	20.32	23.05	22.55	25.11
Fixed & Semi Fixed Expenses					
Manufacturing Expenses 20%	0.22	0.39	0.44	0.45	0.49
Electricity Exp/Coal Consumption at 15%	0.53	0.60	0.68	0.68	0.75
Wages & Salary at 40%	3.12	3.43	3.77	4.15	4.56
Interest on Term Loan	1.56	1.88	1.36	0.84	0.32
Depreciation	2.79	2.42	2.08	1.78	1.53
Selling & administrative Expenses 20%	0.22	0.26	0.30	0.30	0.33
Total Fixed Expenses	8.43	8.99	8.62	8.19	7.99
Capacity Utilization	70%	80%	90%	90%	100%
OPERATING PROFIT	9.16	11.33	14.43	14.36	17.12
BREAK EVEN POINT	34%	35%	34%	33%	32%
BREAK EVEN SALES	27.40	29.16	27.75	26.97	26.21