

## COIR PITH BLOCK MAKING UNIT

### 1. INTRODUCTION

Coir pith is collected during the process of coir fibre extraction from coconut husk. About 2 kg of pith is obtained for every kg of fibre extracted. Till recent year, it was considered as waste and research has found many applications of coir pith. It is eco-friendly and bio-degradable.

Coir pith is used as combustible fuel in boilers in some countries as the calorific of coir pith is high. Also it is used as an organic fertilizer in horticulture and floriculture as a soil conditioner and substitute for soil. Its water retaining capacity and compressibility besides light weight are the main characteristics which make it widely applicable.

### 2. MARKET

Huge quantities of coir pith are available at coir fibre extraction units due to non-utilisation. Several products have been developed based on coir pith. There is very good market potential for coir pith products in export sector as many countries where coconut cultivation is not in practice require this material. Good scope in tribal areas where raw material is available.

### 3. MANUFACTURING PROCESS

The coir pith is dried and screened for removal of foreign matter. The coir pith is then mixed with binding agent and is compressed into blocks in the block making machine. The blocks are then packed in moisture proof bags, so that the product does not get wet and disintegrated during transit.

### 4. PRODUCTION CAPACITY PER ANNUM

Capacity

300 tons

Selling Price

Rs. 3500 per ton

### 5. PROJECT COST/CAPITAL INVESTMENT

S.No	Description	Amount Rs.
1	Fixed Capital	1300000
2	Working Capital for 2 month(s)	96400
3	Preliminary & Preoperative Expns	30000
	<b>Total Project Cost</b>	<b>1426400</b>

### 6. MEANS OF FINANCE

S.No	Description	%age	Amount Rs.
1	Promoter Contribution	15%	213960
2	Subsidy/Soft Loan	20%	285280
3	Term Loan	65%	927160
	<b>Total</b>		<b>1426400</b>

## 7. FINANCIAL ASPECTS

## A. FIXED CAPITAL

## i. Land and Buildings

- Land	0.25 acre	Amount Rs.	100000
- Buildings			250000
Total			350000

## ii. Machinery and Equipment

S.No	Description	Qty.	Rate	Amount Rs.
1	Block making machines	2	LS	950000
2	Screener	1	LS	
	Total			950000

## B. WORKING CAPITAL

## i. Salaries &amp; Wages (per month)

S.No	Description	Nos.	Sal/mon.	Amount Rs.
1	Manager/Entrepreneur	1	3000	3000
2	Skilled Workers	2	2500	5000
3	Unskilled Workers	3	2000	6000
	Total			14000

## ii. Raw Material (per month)

S.No	Description	Unit	Qty.	Rate	Amount Rs.
1	Coir pith and binding agents	Tons	26	1000	26000
	Total				26000

## iii. Utilities (per month)

S.No	Description	Unit	Amount Rs.
1	Power	LS	4500
2	Water	LS	200
	Total		4700

## iv. Other Expenses (per month)

S.No	Description	Amount Rs.
1	Postage, Telephones & Stationery Expenses	300
2	Transportation & Conveyance Expenses	500
3	Packing material	1000
4	Consumable Stores	200
5	Reparis and Maintenance Expenses	1000
6	Miscellaneous Expenses	500
	Total	3500

## v. Total Working Capital (per month)

S.No	Description	Amount Rs.
1	Salaries and Wages	14000
2	Raw Material	26000
3	Utilities	4700
4	Other Expenses	3500
	Total	48200

## 8. COST OF PRODUCTION (PER ANNUM)

S.No	Description	Amount Rs.
1	Total Working Capital	578400
2	Depreciation	
	- Depreciation on Buildings @ 5%	12500
	- Depreciation on Plant & Mach. @ 10%	95000
3	Interest on term loan @ 12%	111259
	Total	797159

## 9. TURNOVER (PER YEAR)

S.No	Description	Unit	Qty.	Rate Rs.	Amount Rs.
1	Sales Revenue	tons	300	3500	1050000
	Total				1050000

## 10. FIXED COST (PER YEAR)

S.No	Description	Amount Rs.
1	Depreciation	107500
2	Interest	111259
3	Salaries & Wages @ 40%	67200
4	Other Expenses incl. Utilities @ 40%	39360
	Total	325319

## 11. PROFIT ANALYSIS &amp; RATIOS

1	Net Profit	Rs.	252841
2	Percentage of Profit on Sales		24%
3	Percentage of Return on Investment		18%
4	Break Even Point		56%