

## SEMI AUTOMATIC COIR LOOM

### 1. INTRODUCTION

Coconut consists of water and copra contained in a hard shell covered with fibrous husk protecting it from damages. Fibre is extracted from coconut husk mechanically and is used in making several products with wide applications. One of the products is 2-ply yarn used in the manufacture of mats and mattings.

The coir mats are used in households and other establishments as corridor mats, door mats, etc. Some of the other applications are latex backed mats, rubber edged mats, decorative mats, etc. The mattings are used as wall to wall door coverings in play grounds as carpets, etc.

### 2. MARKET

Since, the above products are used in our daily life, the demand for these is enormous and only manual methods are applied for production of the products. As such, there is scope for semi-automatic loom to increase the production of above products in tribal areas where raw material is available.

### 3. MANUFACTURING PROCESS

The yarn is wound as the shaft in number of threads depending on the width of mattings and the wound shaft is maintained on the loom. The ends of threads of yarn are connected to the bare shaft on the opposite end through the loom as the loom operates the weaving of the mattings is done by the shuttler and the mattings gets wound on the bare shaft. As soon as the required length of the mattings is wound, the shaft is replaced. Coloured mattings are produced using yarn dyed into different colours.

### 4. PRODUCTION CAPACITY PER ANNUM

Capacity	60000 sq mts
Selling Price	Rs. 65 per sq mt

### 5. PROJECT COST/CAPITAL INVESTMENT

S.No	Description	Amount Rs.
1	Fixed Capital	750000
2	Working Capital for 2 month(s)	538000
3	Preliminary & Preoperative Expns	20000
	Total Project Cost	1308000

### 6. MEANS OF FINANCE

S.No	Description	%age	Amount Rs.
1	Promoter Contribution	15%	196200
2	Subsidy /Soft Loan	20%	261600
3	Term Loan	65%	850200
	Total		1308000

## 7. FINANCIAL ASPECTS

## A. FIXED CAPITAL

i. Land and Buildings Rented Rs. 2000 per month

ii. Machinery and Equipment

S.No	Description	Rate	Amount Rs.
1	Bobbin winding machine	LS	750000
2	Quelling device	LS	
3	Semi automatic looms of 1 & 2 mtrs width	LS	
4	Dye vats, etc	LS	
5	Miscellaneous equipment	LS	
6	Installation and erection charges	LS	
	Total		750000

## B. WORKING CAPITAL

i. Salaries & Wages (per month)

S.No	Description	Nos.	Sal/mon.	Amount Rs.
1	Manager/Entrepreneur	1	3000	3000
2	Skilled Workers	8	2500	20000
3	Unskilled Workers	6	2000	12000
	Total			35000

ii. Raw Material (per month)

S.No	Description	Unit	Qty.	Rate	Amount Rs.
1	Coir yarn	Tons	7.5	30000	225000
	Total				225000

iii. Utilities (per month)

S.No	Description	Unit	Amount Rs.
1	Power	LS	3000
2	Water	LS	500
	Total		3500

iv. Other Expenses (per month)

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

## v. Total Working Capital (per month)

S.No	Description	Amount Rs.
1	Rent	2000
2	Salaries and Wages	35000
3	Raw Material	225000
4	Utilities	3500
5	Other Expenses	3500
	Total	269000

## 8. COST OF PRODUCTION (PER ANNUM)

S.No	Description	Amount Rs.
1	Total Working Capital	3228000
2	Depreciation @ 15%	112500
3	Interest on term loan @ 12%	102024
	Total	3442524

## 9. TURNOVER (PER YEAR)

S.No	Description	Unit	Qty.	Rate Rs.	Amount Rs.
1	Sales Revenue	sq mts	60000	65	3900000
	Total				3900000

## 10. FIXED COST (PER YEAR)

S.No	Description	Amount Rs.
1	Depreciation	112500
2	Interest	102024
3	Rent	24000
4	Salaries & Wages @ 40%	168000
5	Other Expenses incl. Utilities @ 40%	33600
	Total	440124

## 11. PROFIT ANALYSIS &amp; RATIOS

1	Net Profit	Rs.	457476
2	Percentage of Profit on Sales		12%
3	Percentage of Return on Investment		35%
4	Break Even Point		49%