

RUBBERISED COIR UNIT

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 curled coir, which is used in manufacture of rubberized coir mattresses.

The rubberized curled coir is used in households and commercial establishment as domestic upholstery. Also rubberized coir is used in industrial cushioning. The other

2. MARKET

There is good scope for export also to the countries where coconut cultivation is not there. In view of the demand, the production of rubberized coir mattresses has to be increased. The unit can be established in a big market centre which access to other market centres also.

3. MANUFACTURING PROCESS

The curled coir is treated with steam and is fed into untwisting machine to untwist the ropes and to throw out the curved fibres into coded form. The untwisted fibre is then fed into a sheet machine. This machine further cords to fibre and puts it on a conveyor belt in required width and thickness. The sheet is now sprayed with a rubber latex compounded with chemicals and the conveyor is passed through successive drying chambers where the water content in the latex is evaporated and the fibres get bonded with a rubber and the continuous bonded sheet of required width comes out from the machine. The sheet is then cut to pieces of required length. The laminated sheets are fed into hydraulic steam heated press for 10 to 15 minutes to obtain required thickness of the mattresses. These are then loaded into a hot air chamber where they get vulcanized. The vulcanized mattresses are trimmed using suitable machine. The mattresses are then covered with hessain cloth strip to give it a longer life.

4. PRODUCTION CAPACITY PER ANNUM

Capacity

600 tons

Selling Price

Rs. 25000 per ton

5. PROJECT COST/CAPITAL INVESTMENT

S.No	Description	Amount Rs.
1	Fixed Capital	6300000
2	Working Capital for 1 month(s)	982500
3	Preliminary & Preoperative Expns	100000
	Total Project Cost	7382500

6. MEANS OF FINANCE

S.No	Description	%age	Amount Rs.
1	Promoter Contribution	15%	1107375
2	Subsidy /Soft Loan	20%	1476500
3	Term Loan	65%	4798625
	Total		7382500

7. FINANCIAL ASPECTS

A. FIXED CAPITAL

i. Land and Buildings

S.No	Description	Unit	Area	Rate	Amount Rs.
1	Land	Acres	1	300000	300000
2	Buildings & Civil Works			LS	1300000
	Total				1600000

ii. Machinery and Equipment

S.No	Description	Rate	Amount Rs.
1	Untwisting machine	LS	4700000
2	Boiler, Sheet machine	LS	
3	Steam hot press, Hot air chamber,	LS	
4	Trimming machine, Stitching machine	LS	
5	Miscellaneous equipment	LS	
6	Installation and electrification	LS	
	Total		4700000

B. WORKING CAPITAL

i. Salaries & Wages (per month)

S.No	Description	Nos.	Sal/mon.	Amount Rs.
1	Manager/Entrepreneur	1	4000	4000
2	Accountant	1	3000	3000
3	Supervisors	2	4000	8000
4	Skilled Workers	10	2500	25000
5	Semiskilled Workers	4	2000	8000
6	Unskilled Workers	4	1500	6000
7	Security	3	1500	4500
	Total			58500

ii. Raw Material (per month)

S.No	Description	Unit	Qty.	Rate	Amount Rs.
1	Curled coir	Tons	47	9000	423000
2	Latex rubber	Tons	10	40000	400000
	Total				823000

iii. Utilities (per month)

S.No	Description	Unit	Amount Rs.
1	Power	LS	50000
2	Water	LS	1000
	Total		51000

iv. Other Expenses (per month)

S.No	Description	Amount Rs.
1	Postage, Telephones & Stationery Expenses	2000
2	Transportation & Conveyance Expenses	10000
3	Advertisement Expenses	10000
4	Consumable Stores	5000
5	Reparis and Maintenance Expenses	10000
6	Miscellaneous Expenses	13000
	Total	50000

v. Total Working Capital (per month)

S.No	Description	Amount Rs.
1	Salaries and Wages	58500
2	Raw Material	823000
3	Utilities	51000
4	Other Expenses	50000
	Total	982500

8. COST OF PRODUCTION (PER ANNUM)

S.No	Description	Amount Rs.
1	Total Working Capital	11790000
2	Depreciation	
	- Depreciation on Buildings @ 5%	65000
	- Depreciation on Plant & Mach. @ 15%	705000
3	Interest on term loan @ 12%	575835
	Total	13135835

9. TURNOVER (PER YEAR)

S.No	Description	Unit	Qty.	Rate Rs.	Amount Rs.
1	Sales Revenue	tons	600	25000	15000000
	Total				15000000

10. FIXED COST (PER YEAR)

S.No	Description	Amount Rs.
1	Depreciation	770000
2	Interest	575835
3	Salaries & Wages @ 40%	280800
4	Other Expenses incl. Utilities @ 40%	484800
	Total	2111435

11. PROFIT ANALYSIS & RATIOS

1	Net Profit	Rs.	1864165
2	Percentage of Profit on Sales		12%
3	Percentage of Return on Investment		25%
4	Break Even Point		53%