

MOTORISED RATTS SPINNING

1. INTRODUCTION

Coconut consist 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 made of coir fibre.

The 2-ply yarn finds application in agricultural operations, construction activity, production of mats, rope making, production of matting, geotextiles, etc.

2. MARKET

The production of yarn is carried out by household units as well as by motorized ratts. The production of yarn in considerable quantities still there is lot of demand for yarn which will be utilised in geotextiles. Coir yarn is also used for construction and agricultural operations and packaging requirements apart from rope making, etc. Good scope in tribal areas.

3. MANUFACTURING PROCESS

Coir fibre is fed to the two spinning heads of the machine in which the fibre is twined into plies and the two plies are spun into 2-ply yarn, which gets wound on the bobbin provided in the machine. The bobbin is replaceable whenever fully wound with yarn.

4. PRODUCTION CAPACITY PER ANNUM

Capacity

36 tons

Selling Price

Rs. 18000 per ton

5. PROJECT COST/CAPITAL INVESTMENT

S.No	Description	Amount Rs.
1	Fixed Capital	150000
2	Working Capital for 1 month(s)	42800
3	Preliminary & Preoperative Expns	15000
	Total Project Cost	207800

6. MEANS OF FINANCE

S.No	Description	%age	Amount Rs.
1	Promoter Contribution	15%	31170
2	Subsidy/Soft Loan	20%	41560
3	Term Loan	65%	135070
	Total		207800

7. FINANCIAL ASPECTS

A. FIXED CAPITAL

i. Land and Buildings Rented Rs. 1000 per month

ii. Machinery and Equipment

S.No	Description	Qty.	Rate	Amount Rs.
1	Motorised ratts	10		150000
2	Spare bobbins	LS		
	Total			150000

B. WORKING CAPITAL

i. Salaries & Wages (per month)

S.No	Description	Nos.	Sal/mon.	Amount Rs.
1	Supervisor/Entrepreneur	1	3000	3000
2	Skilled Workers	3	2500	7500
3	Unskilled Workers	6	2000	12000
	Total			22500

ii. Raw Material (per month)

S.No	Description	Unit	Qty.	Rate	Amount Rs.
1	Coir fibre	Tons	3.3	5000	16500
	Total				16500

iii. Utilities (per month)

S.No	Description	Unit	Amount Rs.
1	Power	LS	1000
2	Water	LS	200
	Total		1200

iv. Other Expenses (per month)

S.No	Description	Amount Rs.
1	Postage, Telephones & Stationery Expenses	200
2	Transportation & Conveyance Expenses	500
3	Consumeble Stores	200
4	Reparis and Maintenance Expenses	500
5	Miscellaneous Expenses	200
	Total	1600

v. Total Working Capital (per month)

S.No	Description	Amount Rs.
1	Rent	1000
2	Salaries and Wages	22500
3	Raw Material	16500
4	Utilities	1200
5	Other Expenses	1600
	Total	42800

8. COST OF PRODUCTION (PER ANNUM)

S.No	Description	Amount Rs.
1	Total Working Capital	513600
2	Depreciation @ 15%	22500
3	Interest on term loan @ 12%	16208
	Total	552308

9. TURNOVER (PER YEAR)

S.No	Description	Unit	Qty.	Rate Rs.	Amount Rs.
1	Sales revenue	tons	36	18000	648000
	Total				648000

10. FIXED COST (PER YEAR)

S.No	Description	Amount Rs.
1	Depreciation	22500
2	Interest	16208
3	Rent	12000
4	Salaries & Wages @ 40%	108000
5	Other Expenses incl. Utilities @ 40%	13440
	Total	172148

11. PROFIT ANALYSIS & RATIOS

1	Net Profit	Rs.	95692
2	Percentage of Profit on Sales		15%
3	Percentage of Return on Investment		46%
4	Break Even Point		64%