

## DEFIBERING UNIT

### 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 fibre is used in the production of different products such as yarn, mats, ropes, mattings, carpets, brushes, etc. The fibre is also used in mattresses making and upholstery. The fibre finds application as insulating material also against heat and sound.

### 2. MARKET

The production of fibre is in adequate quantities in the State but there is demand for fibre. In view of abundantly available raw material and the demand, some more units can come up to make the requirements. Since, there is scope for export also either as fibre or in the form of products- curled coir, yarn, mattings, geo-textiles, furniture, manufacture of idols, the requirement of fibre production is enormous.

### 3. MANUFACTURING PROCESS

Dried coconut husks are fed into the crusher in which the husk undergoes the preliminary operation of getting crushed. The partly crushed husk are wetted by spraying water for few days and then fed to the decorticator. In this operation, the fibre is separated from a residuary material called coir pith. The fibre is dried and screened for removal of traces of pith present. The screened fibre is pressed into bales of 25 to 40 kg.

### 4. PRODUCTION CAPACITY PER ANNUM

Capacity 300 tons  
Selling Price Rs. 3750 per ton

### 5. PROJECT COST/CAPITAL INVESTMENT

S.No	Description	Amount Rs.
1	Fixed Capital	1175000
2	Working Capital for 1 month(s)	60500
3	Preliminary & Preoperative Expns	25000
	Total Project Cost	1260500

### 6. MEANS OF FINANCE

S.No	Description	%age	Amount Rs.
1	Promoter Contribution	15%	189075
2	Subsidy/Soft Loan	20%	252100
3	Term Loan	65%	819325
	Total		1260500

## 7. FINANCIAL ASPECTS

## A. FIXED CAPITAL

## i. Land and Buildings

S.No	Description	Unit	Area	Rate	Amount Rs.
1	Land	acre	0.5	200000	100000
2	Buildings		LS		250000
	Total				350000

## ii. Machinery and Equipment

S.No	Description	Qty.	Rate	Amount Rs.
1	Crusher, Decorticator, Turbo cleaner, screener and baling press	LS		825000
	Total			825000

## 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	4	1500	6000
	Total			14000

## ii. Raw Material (per month)

S.No	Description	Unit	Qty.	Rate	Amount Rs.
1	Coconut husk	Husks	310000	0.10	31000
	Total				31000

## iii. Utilities (per month)

S.No	Description	Unit	Amount Rs.
1	Power	LS	10000
2	Water	LS	1000
	Total		11000

## iv. Other Expenses (per month)

S.No	Description	Amount Rs.
1	Postage, Telephones & Stationery Expenses	500
2	Transportation & Conveyance Expenses	2000
3	Consumable Stores	500
4	Reparis and Maintenance Expenses	1000
5	Miscellaneous Expenses	500
	Total	4500

## v. Total Working Capital (per month)

S.No	Description	Amount Rs.
1	Salaries and Wages	14000
2	Raw Material	31000
3	Utilities	11000
4	Other Expenses	4500
	Total	60500

## 8. COST OF PRODUCTION (PER ANNUM)

S.No	Description	Amount Rs.
1	Total Working Capital	726000
2	Depreciation	
	- Depreciation on Bldgs @ 5%	12500
	- Depreciation on Plant & Mach. @ 10%	82500
3	Interest on term loan @ 12%	98319
	Total	919319

## 9. TURNOVER (PER YEAR)

S.No	Description	Unit	Qty.	Rate Rs.	Amount Rs.
1	Sales revenue	tons	300	3750	1125000
	Total				1125000

## 10. FIXED COST (PER YEAR)

S.No	Description	Amount Rs.
1	Depreciation	95000
2	Interest	98319
3	Salaries & Wages @ 40%	67200
4	Other Expenses incl. Utilities @ 40%	74400
	Total	334919

## 11. PROFIT ANALYSIS &amp; RATIOS

1	Net Profit	Rs.	205681
2	Percentage of Profit on Sales		18%
3	Percentage of Return on Investment		16%
4	Break Even Point		62%