



Social Business ; An Effort of Five Partners

PROPOSED COCO-PITH PLASTIC COMPOUND (CPPC) INDUSTRY AT BAGERHAT, BANGLADESH

HELP

Habitat & Economy Lifting Program

House # 21, Road # 24, Block-K, Banani, Dhaka-1213.

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- The Project:
 - Proposed Coco-Pith Plastic Compound (CPPC) Industry of Bagerhat (the Coconut District, as declared by GOB)
- The Process:
 - Coco-Pith Dust, an organic waste of existing industries will be added with Recycled Plastic, an urban waste, to produce CPPC, a better substitute of natural timber. It is an all weather, indoor and outdoor, multiuse material; it is also damp, insect proof and heat resistant.
- The Five Partners:
 - (1)The Production Team, (2)The professional managers, (3)The Research Scholars, (4)The Investors , (5) The Facilitators



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- Prime Consideration:
 - Innovativeness: Proven in developing world and new to Bangladesh
 - Technology: Just transfer under supervision of experienced foreign experts
 - Raw Materials: 100% locally available waste material
 - The Entrepreneur: Experienced, technically sound and good tracking record
 - Financial prospect: Economically sustainable with minimum 38.94% IRR
 - Environmental: Environmentally friendly technology at minimum risk



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- Socio-Economic & Environmental Impact:
 - Value addition to 2 waste resources; reduce use of natural timber
 - Promote cottage industry in knock down furniture, preventing additional imports
 - Job security within rural community; prevent rural-urban migration
 - Improve income; promote job security year round
 - Innovate building materials; promote shelter security
 - Address environment through Coconut-plantation in the coastal region



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- Social Objective:
 - Create environmentally friendly compound in Bangladesh, while providing jobs for the poor, utilizing natural resources, and reusing waste material



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Flow Chart of PVC/PE/PP Wood Plastic Products



The waste can be 100% used again after crushed and milled.



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Cocopith-Plastic Compound (CPPC) Product Gallery



CPPC made Luxurious Home



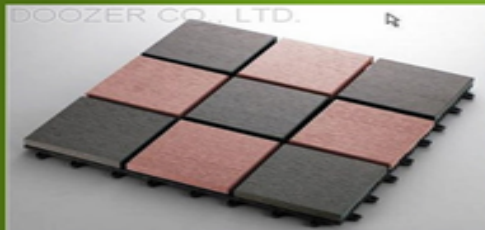
CPPC made Luxurious Kitchen Cabinet



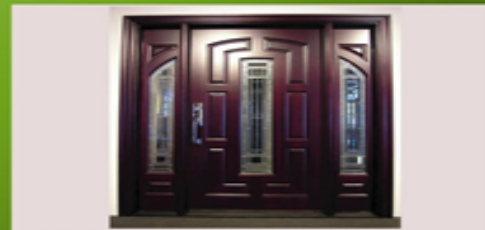
CPPC made Outdoor Structure



CPPC made Garden Furniture



CPPC made Floor Tiles



CPPC made Door

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- BUDGET: BDT 157,137,627.00 (40 % - Required Investment, 60 % to be arranged by proponent)
- PAY BACK: 2.48 years
- BREAK-EVEN: Year 1



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01. Proposed Capital Expenses & Proposed Means of Finance			
Srl	Uses Of Funds	Fields of Fund Utilization	Total Amount
01	Preliminary Activities & Expenses (Intangible assets)	Establishment of Promotional Office, Legal Compliances, Quality Accreditation, Technology Sourcing, Foreign Tours for Selection of Appropriate Technology, Procurement of Software	45,56,000.00
02	Infrastructure Development & Expenses (Tangible Assets)	Land Procurement & Land-Development; Building Infrastructure, Auxiliary works to Building, Utilities Infrastructure, Interior Works & Furnishing, Auxiliary Office Equipment; Training & Awareness Management, General Stationery, Printed Stationery, Laboratory Infrastructure, Library Infrastructure, Infrastructure for CSR activities, RND & PND Infrastructure, Safety & Security System, Production Machinery, Auxiliary Production-Equipment, Auxiliary Handling-Equipment, Indoor Working-Environment System, Effluents Management System, Maintenance Work-Shops, The Transports & Vehicles, Trial Production Materials, Scrap & Garbage Management System	15,25,81,627.00
Total Proposed Capital Expenses			15,71,37,627.00
Proposed Meanes Of Finance of Capital Expenses in %			
Funding required from Investor		40%	62,47,47,585.00
Funding from Proponent		60%	9,46,63,042.00
Total Capital Expenses of the Project		100%	15,71,37,627.00



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02. Projected Working Capital/ Operative Expenses & Proposed Means of Finance for 04 month

(Considering yearly 3060 Ton production in 02 shift, 8 hours and 300 days)

Srl	Uses Of Funds	Fields of Fund Utilization	Amount for a year	Amount for 4 month
01	Production Management	Salary & Wages of Production Team, Production Materials, Production Utilities, Production Overhead, Maintenance of Production Assets & Depreciation of Production Assets;	442,725,025.00	147,575,008.33
02	General Management	Salary of Management Team , Management Training Expenses, Management overheads, Maintenance of Management Assets & Depreciation of Management Assets;	10,444,890.00	3,481,630.00
03	Marketing Management	Salary of Marketing Team , Marketing communication, Marketing Distribution, Marketing overheads, Maintenance of Marketing Assets & Depreciation of Marketing Assets;	15,881,660.00	5,293,886.67
	Financial Management	Ancillary cost of Funding, Interest on Capital Expenses, Interest on Working Capital Expenses	47,020,125.00	15,673,375.00
Total Working Capital/Operative Expenses			516,071,700.00	172,023,900.00
Note: The Turnover Period of the Project is 4 months;				
Proposed Meanes Of Finance of working capital /operative expenses in %;				
Required Investment			70%	120,416,730.00
Funded By Project Proponent			30%	51,607,170.00
Total Working Capital/Operative Expenses (4 month)			100%	172,023,900.00

Proposed Means of Finance of the Project

Particulars	Amount (In BDT)		
	Required Investment	Proponent	Total
Infrastructure Development & Costs			
Land Procurement & Land-Development;	-	18,388,800.00	18,388,800.00
Building Infrastructure	-	38,858,688.00	38,858,688.00
Auxiliary works to Building	4,800,000.00	220,000.00	5,020,000.00
Utilities Infrastructure	11,710,000.00	17,375,000.00	29,085,000.00
Interior Works & Furnishing		3,815,300.00	3,815,300.00
Auxiliary Office Equipment;	-	2,250,000.00	2,250,000.00
Laboratory Infrastructure	420,000.00	526,600.00	946,600.00
Library Infrastructure	-	100,000.00	100,000.00
Infrastructure for CSR activities	-	617,500.00	617,500.00
Safety & Security System	-	1,024,000.00	1,024,000.00
Production Machinery	28,859,185.00	-	28,859,185.00
Auxiliary Production-Equipment	2,700,000.00	83,100.00	2,783,100.00
Auxiliary Handling-Equipment	3,000,000.00	162,000.00	3,162,000.00
Indoor Working-Environment System	-	1,130,000.00	1,130,000.00
Effluents Management System	-	-	-
Maintenance Work-Shops	-	309,000.00	309,000.00
The Transports & Vehicles	10,560,000.00	4,400,000.00	14,960,000.00
Scrap & Garbage Management System	-	152,500.00	152,500.00
Sub- Total Infrastructure Development	62,049,185.00	89,412,488.00	151,461,673.00
Pre- operational Expenses:			
Establishment of Promotional office		1,055,000.00	1,055,000.00
Legal Compliance		421,000.00	421,000.00
Quality Accreditation		610,000.00	610,000.00
Technology Sourcing		1,500,000.00	1,500,000.00
Foreign Tours for selection of Appropriate Technology		500,000.00	500,000.00
Procurement of Managerial Software		470,000.00	470,000.00
Training & Awareness Management		250,000.00	250,000.00
General Stationery		95,954.00	95,954.00
Printed Stationery		348,600.00	348,600.00
Trial Production Materials	425,400.00		425,400.00
Sub- Total Pre-Operational Expenses	425,400.00	5,250,554.00	5,675,954.00
Total Cost of the Projects			
	62,474,585.00	94,663,042.00	157,137,627.00
Debt Equity in Percentage			
	40%	60%	100%



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Projected Income Statement					
Particulars	Amount (In BDT)				
	Year 1	Year 2	Year 3	Year 4	Year 5
Sales Revenue	235,620,000	305,235,000	360,980,550	382,571,910	401,700,506
Less: Cost of Goods Sold (CGS)	138,099,665	187,593,978	226,725,871	247,285,600	267,358,437
Gross Profit (GP)	97,520,335	117,641,022	134,254,679	135,286,310	134,342,068
Less: Operating Expenses:					
Administrative Expenses	6,788,991	7,354,371	7,976,289	8,660,399	9,412,919
Marketing & Selling Exp.	16,799,900	17,582,290	18,622,439	19,910,219	21,441,670
Net Profit before Financial Exp. & Tax	73,931,444	92,704,361	107,655,951	106,715,693	103,487,479
Financial Expenses	3,277,881	2,933,449	2,775,537	580,000	630,000
Net Profit / (Loss) before Tax	70,653,563	89,770,912	104,880,414	106,135,693	102,857,479
Less: Income Tax @ 37.5%	26,495,086	33,664,092	39,330,155	39,800,885	38,571,555
Net Profit / (Loss) after Tax	44,158,477	56,106,820	65,550,259	66,334,808	64,285,924



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Projected Balance Sheet					
Particulars	Amount (In BDT)				
	Year-1	Year-2	Year-3	Year-4	Year-5
Assets					
Non Current Assets:					
Fixed Assets (At cost Less Accumulated Dep.)	141,428,261.55	132,746,366.99	125,176,506.46	118,525,243.40	112,636,132.19
Preliminary & Preoperational Expenses	4,540,763.20	3,405,572.40	2,270,381.60	1,135,190.80	-
Investment				62,367,286.00	125,968,491.00
Current Assets:					
Ending Inventory	39,062,781.70	49,020,318.94	59,864,372.45	65,292,609.08	71,234,611.27
Advance, Deposits & Prepayments	650,000.00	822,000.00	994,000.00	1,166,000.00	1,338,000.00
Accounts Receivables	19,635,000.00	25,436,250.00	30,081,712.50	31,880,992.50	33,475,042.13
Cash and Bank Balance	8,648,773.33	10,201,997.67	11,107,416.83	11,623,891.22	12,192,013.04
Total Current Assets	67,996,555.04	85,480,566.61	102,047,501.78	109,963,492.80	118,239,666.44
Total Assets	213,965,579.79	221,632,506.00	229,494,389.84	291,991,213.00	356,844,289.63
Equity & Liabilities					
Owners Equity	157,137,627.00	157,137,627.00	157,137,627.00	157,137,627.00	157,137,627.00
Reserve and Surplus:					
Retain Earnings	12,730,951.47	5,982,720.70	8,677,928.77	75,012,736.59	139,298,661.08
Total Equity	169,868,578.47	163,120,347.70	165,815,555.77	232,150,363.59	296,436,288.08
Current Liabilities:					
Short Term Loan (CC)	3,825,387.00	9,463,315.00	5,654,389.00		
Accounts Payable	11,642,216.25	12,806,437.88	15,812,030.44	17,076,992.87	18,784,692.16
Provision & Liabilities for Expenses	28,629,397.79	36,242,405.85	42,212,414.74	42,763,856.15	41,623,309.40
	44,097,001.04	58,512,158.73	63,678,834.18	59,840,849.02	60,408,001.56
Total Equity & Liabilities	213,965,579.51	221,632,506.42	229,494,389.95	291,991,212.60	356,844,289.64



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The Executive Brief

01.00 Proposed Funding of the Project				
Srl	Description	Value	Unit	Remarks
01.01	Total Capital Investment of the Project	157,137,627.00	BDT	
01.02	Investor-Proponent Ratio of the investment	40:60	%	
01.03	Investment Amount by Investor	624,747,585.00	BDT	
01.04	Investment Amount by Proponent	94,663,042.00	BDT	
02.00 Projected Production, Sales & Profit				
Srl	Description	Value	Unit	Remarks
02.01	Rated Capacity of Production (ton/yr)	3,060.00	Ton	2 Shift/300 Days
02.02	Target Utilization of Production (%)	70	%	1st year
02.03	Target Utilization of Production (Quantity)	2,142.00	Ton	1st year
02.04	Proposed Maximum Retail Price (Per Ton)	120,000.00	BDT	
02.05	Projected Sales Revenue	235,620,000.00	BDT	1st year
03.00 Cash Flow Indicator				
Srl	Description	Value	Unit	Remarks
03.01	Net present Value at 25% Discount Rate	57,969,666.00	BDT	1st year
03.02	Internal Rate of Return (IRR)	38.94	%	1st year
03.03	Pay Back Period	2.48	Years	
03.04	Discounted Pay Back Period	3.32	Years	
04.00 Operating Profitability & Profitability Ratio				
Srl	Description	Value	Unit	Remarks
02.05	Profit before TAX	70,653,563.00	BDT	1st year
02.06	Net profit after TAX	44,158,477.00	BDT	1st year
04.01	Gross Margin	41.39	%	1st year
04.02	Operating Margin	31.38	%	1st year
04.03	PBT Margin	29.99	%	1st year
04.04	NPAT Margin	18.74	%	1st year
04.05	Return on Equity	26.00	%	1st year
04.06	Return on Total Assets	20.64	%	1st year
05.00 Ratio of Cost to Revenue Expenses				
Srl	Description	Value	Unit	Remarks
05.01	COGS to Revenue	58.61	%	1st year
05.02	Administrative Expenses to Revenue	2.88	%	2nd year
05.03	Market & Management Exp. to Revenue	7.13	%	1st year
05.04	Financial Expenses to Revenue Exp.	1.39	%	1st year
06.00 Operating Efficiency Ratio				
Srl	Description	Value	Unit	Remarks
06.01	Total Asset Turn Over	1.10	Times	1st year
06.02	Inventory Turn Over	3.54	Times	1st year
06.03	Inventory Turn over in Days	103.24	Days	1st year
06.04	Receivable Turn Over	12.00	Times	1st year
06.05	Receivable Turn Over in Days	30	Days	1st year
06.06	Accounts Payable Turnover	8.38	Times	1st year
06.07	Accounts Payable Turnover in Days	30.42	Days	1st year
06.08	Equity Turn Over	1.39	Times	1st year
07.00 Internal Liquidity Ratio				
Srl	Description	Value	Unit	Remarks
07.01	Current Ratio	1.54	Times	1st year
07.02	Quick Ratio	0.65	Times	1st year
07.03	Total liabilities to Total Equity (Gearing Ratio)	0.83	Times	1st year
07.04	Interest Coverage (Cash flow) Ratio	2.74	Times	1st year
07.05	Debt Service Coverage Ratio;	2.25	Times	1st year
08.00 Other Impacts				
Srl	Description	Value	Unit	Remarks
08.01	GDP Contribution	235,620,000.00	BDT	1st year
08.02	Employment Generation	50	Person	1st year



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**Coco-Pith plastic compound;
The environment friendly building materials harmonised with the environment**

The Cocopith Plastic Compound Products could
Protect Millions of Trees of Bangladesh and
Boosting the growth of coconut plant in
The coastal regions

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Thank
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