**PROJECT PROFILE FOR LATEX BACKED COIR MATTING UNIT**

**PRODUCT : LATEX BACKED COIR MATTING**

**PRODUCTION CAPACITY (P.A)**

**(100% CAPACITY) : 600000 SQ.METER**

**SIZE & QUALITY : SK1 LATEX BACKED COIR MATTING**

**VALUE : RS. 2310LAKHS**

**MONTH & YEAR OF PREPARATION : JUNE 2018**

**PREPARED BY : COIR BOARD, MINISTRY OF MSME,**

 **GOVT OF INDIA**

* **INTRODUCTION**

Foamed NR latex is applied to the back side of the coir matting by spreading.

* **PROCESS OF MANUFACTURE**

 A roll of dried coir matting passes over the spreader bar to ensure that all creases are removed from the coir matting and to keep it under the correct lateral tension and it is fed under the doctor blade. The latex/ foam is loaded in front of the doctor blade, forming a rolling bank of material preventing expansion laterally by check plates at the end of the spreader knife and is controlled in the direction of the coir matting movement by the blade itself.

The angle between the blade and the coir matting and the distances between them control the thickness and the degree of penetration of latex/foam compound. The greater the angle at which the blade meets the moving coir matting, the greater the degree of penetration. The backing is dried and cured by passing through a hot air oven.

**BASIS AND PRESUMTIONS**

* The Project Profile is based on 8 working hours for1shift in a day and 200 days in a year and the Break Even efficiency has been calculated on 70%, 80%, 85%, 90% and 100% capacity utilization.
* The rate of interest both for fixed asset and working capital have been taken as 12.5% p.a.
* **TECHNICAL ASPECTS**

Installed Production capacity per day : 2000 sq.meter

Number of Shift per day : 1

Working days p.a : 300 days

Capacity Utilization

-First year : 70%

-Second year : 80%

-Third year : 85%

-Fourth year : 90%

-Fifth year : 100%

Rate of Average Sales Realization : Rs. 385 per sq.meter

Rate of Average cost of raw material : Rs.373 (the cost of

 Plain matting and latex

 & other chemicals)

Interest on term Loan : 12.50%

Interest on working capital : 12.50%

**Manpower requirement**

 Skilled worker : 16

* **FINANCIAL ASPECTS**

**i) Cost of Project**

 **Amount**

* Land : Lease/owned
* Building : Rs. 650000/-
* Machinery &Equipments : Rs.1400000/-
* Working Capital : Rs. 450000/-

 **------------------- Total : Rs. 2500000/-**

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|  |  |  |  |
| --- | --- | --- | --- |
| **Sl.****No** | **Description of machines &equipments** | **Qty** | **Amount (Rs)** |
| 1 | Foaming machine 750 litre capacity 3 HP | 2 |  800000.00 |
| 2 | Spreading machine 1 HP | 2 |  400000.00 |
| 3 | Electrical fittings and other accessories |  |  200000.00 |
| **Total** |  | 1400000.00 |

**ii) Means of Finance**

* Promoters Capital 5% : Rs. 125000/-
* Bank Term loan 95% : Rs.1948000/-
* WC Loan from Bank 95% : Rs .428000/- -------------------

**Total : Rs.250000/-**

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**DETAILS OF THE PROFITABILITY OF THE PROJECT**

 Rs.in Lakhs

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Years** |  | **1** | **2** | **3** | **4** | **5** |
| Installed Production capacity per day | *sq.meter* | 2000.00  | 2000.00  | 2000.00  | 2000.00  | 2000.00  |
| Number of shift/day |  | 1 | 1 | 1 | 1 | 1 |
| Working days per annum |  | 300  | 300  | 300  | 300  | 300  |
| Installed production capacity per annum | *sq.meter* | 600000  | 600000  | 600000  | 600000  | 600000  |
| Capacity utilization |  | 70% | 80% | 85% | 90% | 100% |
| Annual production quantity |  | 420000  | 480000  | 510000  | 540000  | 600000  |
| **Annual Sales Realization** | *Rs. 385*  | 1617.00  | 1848.00  | 1963.50  | 2079.00  | 2310.00  |
| Cost of Production  |
| Cost of plane matting | Rs. 313  | 1314.60  | 1502.40  | 1596.30  | 1690.20  | 1878.00  |
| Cost of rubber latex and other chemicals (sq.meter) | Rs. 60  | 252.00  | 288.00  | 306.00  | 324.00  | 360.00  |
| Repairs and Maintenance | 2.00% | 0.28  | 0.31  | 0.34  | 0.37  | 0.41  |
| Power cost |  | 0.41  | 0.47  | 0.50  | 0.53  | 0.59  |
| Wages & salary |  | 17.47  | 19.97  | 21.22  | 22.46  | 24.96  |
| **Cost of Production** |  | **1584.76**  | **1811.15**  | **1924.35**  | **2037.56**  | **2263.96**  |
| **Gross Profit** |  | **32.24** | **36.85** | **39.15** | **41.44** | **46.04** |
| Administrative & selling expenses | 1.00% | 16.17  | 18.48  | 19.64  | 20.79  | 23.10  |
| Interest on Term Loan |  | 2.04  | 2.16  | 1.79  | 0.64  | 0.28  |
| Interest on Working capital |  | 0.53  | 0.53  | 0.53  | 0.53  | 0.53  |
| Depreciation of machinery |  | 1.40  | 1.40  | 1.40  | 1.40  | 1.40  |
| Depreciation of Building |  | 0.33  | 0.33  | 0.33  | 0.33  | 0.33  |
| **Total** |  | **20.47** | **22.9** | **23.69** | **23.69** | **25.64** |
| **Net Profit** |  | **11.76** | **13.96** | **15.46** | **17.74** | **20.41** |

**ESTIMATION OF BREAK EVEN POINT**

 Rs in Lakhs

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Particulars** | **1** | **2** | **3** | **4** | **5** |
| Capacity utilization | 70% | 80% | 85% | 90% | 100% |
| Break-even point | 75% | 72% | 69% | 62% | 60% |
| Break even Production  | 314077  | 346885  | 352240  | 337008  | 357306  |

* **DEBT SERVICE COVERAGE RATIO**

Rs in Lakhs

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Particulars** | **1** | **2** | **3** | **4** | **5** |
| Capacity utilization | 70% | 80% | 85% | 90% | 100% |
| DSCR | 4.33 | 3.44 | 3.94 | 5.52 | 6.87 |
| Average DSCR | 4.82 |  |  |  |  |
| DSCR weighted average | 4.63 |  |  |  |  |

* **WORKING CAPITAL REQUIREMENTS**

Rs in Lakhs

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Particulars** | **1** | **2** | **3** | **4** | **5** |
| Capacity utilization | 70% | 80% | 85% | 90% | 100% |
| Variable Cost | 1584.76 | 1811.15 | 1924.35 | 2037.56 | 2263.96 |
| Fixed Cost | 20.47 | 22.9 | 23.69 | 23.69 | 25.64 |
| Working capital gap | 4.50 | 5.15 | 5.49 | 5.84 | 6.51 |