

PROJECT REPORT

Of

RUBBER RICE POLISHER

PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding **Rubber Rice Polisher**.

The objective of the pre-feasibility report is primarily to facilitate potential entrepreneurs in project identification for investment and in order to serve his objective; the document covers various aspects of the project concept development, start-up, marketing, finance and management.

[We can modify the project capacity and project cost as per your requirement. We can also prepare project report on any subject as per your requirement.]

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PROJECT AT A GLANCE

- 1 Name of the Entrepreneur : xxxxxxxxx
- 2 Constitution (legal Status) : xxxxxxxxx
- 3 Father / Spouse Name : xxxxxxxxx
- 4 Unit Address : xxxxxxxxxxxxxxxxxxxxxxxxx
- District : xxxxxx
Pin: xxxxxx State: xxxxxxxxx
Mobile : xxxxxx
- 5 Product and By Product : **RUBBER RICE POLISHER**
- 6 Name of the project / business activity proposed : **RUBBER RICE POLISHER UNIT**
- 7 Cost of Project : Rs.27.22 Lakhs
- 8 Means of Finance :
Term Loan Rs.18 Lakhs
Own Capital Rs.2.72 Lakhs
Working capital Rs.6.5 Lakhs
- 9 Debt Service Coverage Ratio : 2.76
- 10 Pay Back Period : 5 Years
- 11 Project Implementation Period : 5-6 Months
- 12 Break Even Point : 28%
- 13 Employment : 11 Persons
- 14 Power Requirement : 50.00 HP
- 15 Major Raw materials : Natural rubber, rosin, Titanium Dioxide, Zinc Oxide, Process oil, China Clay, Silica Powder
- 16 Estimated Annual Sales Turnover (Max Capacity) : 148.07 Lakhs
- 17 Detailed Cost of Project & Means of Finance

COST OF PROJECT

(Rs. In Lakhs)

Particulars	Amount
Land	Own/Rented
Plant & Machinery	19.00
Furniture & Fixtures	1.00
Working Capital	7.22
Total	27.22

MEANS OF FINANCE

Particulars	Amount
Own Contribution	2.72
Working Capital(Finance)	6.50
Term Loan	18.00
Total	27.22

RUBBER RICE POLISHER

Introduction: Rubber Rice Polishers/Rubber Brakes have special application in modern rice mill industries for polishing rice. Rubber polisher improves the efficiency of the rice mills and plays one of the major roles in improving the quality of rice production. It is a perfect choice for rice mills who want to maintain a balance in their input and output ratio. There are various brands of rice rubber rollers available in the market and this is what aids in making the rice production much easy for sale and consumption. Through a good quality rubber polisher, one can easily increase the productivity and the accuracy of the rice grains in the market and target high prices for it. The high-end quality of the rice obtained from the rice rubber polisher plays an important role in deciding the final price of the rice sold in the market. The long grain rice is sold at a better rate than the small ones. These products are needed in large quantities in modern rice mill plant. The modern rice mill concept has greatly helped in recovering by product i.e. rice bran and has helped to be economically sound. All new plants installed to polish the rice which has adopted this method and is increasing at the rate of 5% per year with higher yield of materials.



Uses & Market Potential: Rice Rubber Polisher is mainly some rectangular rods that are used to deliver high-end performance and polish

rice grains at a fair price. These polishers give the rice a dazzling and shining appeal and create grains that are long lasting and doesn't break easily. There are different grades of rice rubber polishers available in the market depending on the one that suits the production and processing types. It will deliver you with high-end results and doesn't let the breakdown of the grain easily. India is one of the major rice producers and a good number of rice mills are working in different districts and having good demand of rice polisher for the rice mill.

Raw Material: The raw materials required for manufacture Rubber Rice Polisher are natural rubber, rosin, Peptiser, antioxidant, activator, stearic acid, titanium dioxide, accelerator, sulphur, HBS, TMTM, process oil, china clay and silica powder. All the above raw materials are available locally from manufacturers or traders.

Machinery Requirements: Major machines & equipments are as follows:

S No.	Description	Qty.	Amount
1.	Rubber mixing mill size 14"x36" complete with 40 HP motor and other accessories	1	700000
2.	Hydraulic Press	1	450000
3.	Non IBR Baby Boiler oil fired complete with pump, blower, chimney and other standard accessories	1	350000
4.	Cutting machine	1	100000
5.	Die & moulds	Ls	250000
6.	Other equipments & hand tools	Ls	50000
7.	Total Amount		1900000

Manufacturing Process: The process involves compounding of rubber with different chemicals and reinforcing fillers in the mixing mill. After mixing, the materials come in sheet form and are sent to cutting machine to cut into

different sizes. Then the compounded sheet of different sizes are placed in the mould and pressed in the Hydraulic Press with steam heating arrangement. After moulding the materials are finished, checked and packed.

Area: The industrial setup requires space for Inventory, workshop or manufacturing area, space for power supply utilities and auxiliary like Generator setup. Also some of the area of building is required for office staff facilities, documentation, office furniture, etc. Thus, the approximate total area required for complete industrial setup is 2000 to 2500Sqft.

Power Requirement: The power consumption required to run all the machinery could be approximated as 50 Hp

Manpower Requirement: There are requirement of skilled machine operators to run the machine set. Experience quality engineers are required for desired quality control. Some helpers are also required to transfer the material from one work station to other. Office staffs are required to maintain the documentation. The approximate manpower required is 11 including 1 Supervisor, 2 Plant operator, 2 unskilled worker, 2 Helper and 1 Security guard. 3 Skilled worker including Accountant, Manager and Sales person.

Bank Term Loan: Rate of Interest is assumed to be at 11%

Depreciation: Depreciation has been calculated as per the Provisions of Income Tax Act, 1961

Approvals & Registration Requirement:

Basic registration required in this project:

- GST Registration
- Udyog Aadhar Registration (Optional)
- Choice of a Brand Name of the product and secure the name with Trademark if require.
- NOC from State Pollution Control Board

Implementation Schedule:

S No.	Activity	Time required
1.	Acquisition of premises	1-2 Months
2.	Procurement & installation of Plant & Machinery	1-2 Months
3.	Arrangement of Finance	1.5-2 Months
4.	Requirement of required Manpower	1 Month
5.	Commercial Trial Runs	1 Month
	Total time Required (some activities shall run concurrently)	5-6 Months

FINANCIALS

PROJECTED CASH FLOW STATEMENT					
PARTICULARS	I	II	III	IV	V
<u>SOURCES OF FUND</u>					
Own Contribution	2.72	-			
Reserve & Surplus	8.39	10.52	12.09	13.56	15.47
Depriciation & Exp. W/off	2.95	2.51	2.14	1.82	1.55
Increase In Cash Credit	6.50				
Increase In Term Loan	18.00	-	-	-	-
Increase in Creditors	1.20	0.22	0.16	0.16	0.16
TOTAL :	39.76	13.25	14.39	15.54	17.18
<u>APPLICATION OF FUND</u>					
Increase in Fixed Assets	20.00	-	-	-	-
Increase in Stock	4.39	1.71	0.71	0.72	0.72
Increase in Debtors	4.57	0.83	0.66	0.67	0.68
Repayment of Term Loan	2.00	4.00	4.00	4.00	4.00
Taxation	1.26	1.58	1.81	2.71	3.87
Drawings	4.50	5.00	6.00	6.50	7.50
TOTAL :	36.72	13.12	13.18	14.60	16.77
Opening Cash & Bank Balance	-	3.04	3.17	4.37	5.32
Add ; Surplus	3.04	0.13	1.21	0.95	0.41
Closing Cash & Bank Balance	3.04	3.17	4.37	5.32	5.74

PROJECTED BALANCE SHEET					
PARTICULARS	I	II	III	IV	V
SOURCES OF FUND					
Capital Account					
Opening Balance	-	5.35	9.29	13.57	17.92
Add: Additions	2.72	-	-	-	-
Add: Net Profit	7.13	8.94	10.28	10.85	11.60
Less: Drawings	4.50	5.00	6.00	6.50	7.50
Closing Balance	5.35	9.29	13.57	17.92	22.02
CC Limit	6.50	6.50	6.50	6.50	6.50
Term Loan	16.00	12.00	8.00	4.00	-
Sundry Creditors	1.20	1.42	1.57	1.73	1.89
TOTAL :	29.05	29.21	29.64	30.15	30.41
APPLICATION OF FUND					
Fixed Assets (Gross)	20.00	20.00	20.00	20.00	20.00
Gross Dep.	2.95	5.46	7.60	9.43	10.98
Net Fixed Assets	17.05	14.54	12.40	10.57	9.02
Current Assets					
Sundry Debtors	4.57	5.40	6.06	6.72	7.40
Stock in Hand	4.39	6.10	6.81	7.53	8.25
Cash and Bank	3.04	3.17	4.37	5.32	5.74
TOTAL :	29.05	29.21	29.64	30.15	30.41

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PROJECTED PROFITABILITY STATEMENT					
PARTICULARS	I	II	III	IV	V
A) SALES					
Gross Sale	91.45	108.00	121.14	134.50	148.07
Total (A)	91.45	108.00	121.14	134.50	148.07
B) COST OF SALES					
Raw Material Consumed	51.36	60.67	67.41	74.15	80.89
Electricity Expenses	2.90	3.26	3.63	3.99	4.35
Repair & Maintenance	2.74	3.24	3.63	4.03	4.44
Labour & Wages	14.36	15.08	18.10	20.81	23.94
Depreciation	2.95	2.51	2.14	1.82	1.55
Cost of Production	74.32	84.77	94.91	104.81	115.17
Add: Opening Stock /WIP	-	2.68	3.07	3.44	3.82
Less: Closing Stock /WIP	2.68	3.07	3.44	3.82	4.21
Cost of Sales (B)	71.64	84.38	94.54	104.43	114.79
C) GROSS PROFIT (A-B)	19.82	23.63	26.60	30.06	33.28
	21.67%	21.88%	21.96%	22.35%	22.48%
D) Bank Interest (Term Loan)	1.95	1.60	1.16	0.72	0.28
ii) Interest On Working Capital	0.72	0.72	0.72	0.72	0.72
E) Salary to Staff	6.93	8.32	9.98	11.98	13.41
F) Selling & Adm Expenses Exp.	1.83	2.48	2.67	3.09	3.41
TOTAL (D+E)	11.43	13.11	14.51	16.50	17.81
H) NET PROFIT	8.39	10.52	12.09	13.56	15.47
	9.2%	9.7%	10.0%	10.1%	10.4%
I) Taxation	1.26	1.58	1.81	2.71	3.87
J) PROFIT (After Tax)	7.13	8.94	10.28	10.85	11.60

COMPUTATION OF MAKING OF RUBBER RICE POLISHER			
Item to be Manufactured Rubber Rice Polisher			
Manufacturing Capacity per day		7,300	Inches
No. of Working Hour		14	2 Shifts of 7 Hr
No of Working Days per month		25	
No. of Working Day per annum		300	
Total Production per Annum		21,90,000	Inches
Total Production per Annum		21,90,000	Inches
Year		Capacity Utilisation	RUBBER RICE POLISHER
I		40%	8,76,000.00
II		45%	9,85,500.00
III		50%	10,95,000.00
IV		55%	12,04,500.00
V		60%	13,14,000.00

COMPUTATION OF RAW MATERIAL					
Item Name	Quantity of Raw Material	Unit	Rate per MT	Total Cost Per Annum (100%)	
Natural Rubber	84.00	MT	1,50,000.00	1,26,00,000.00	
Rosin	2.40	MT	1,00,000.00	2,40,000.00	
Titanium Dioxide	3.60	MT	2,00,000.00	7,20,000.00	
Zinc Oxide	3.60	MT	1,10,000.00	3,96,000.00	
Process Oil	12.00	MT	60,000.00	7,20,000.00	
China Clay	132.00	MT	6,000.00	7,92,000.00	
Silica Powder	18.00	MT	40,000.00	7,20,000.00	
Other chemicals & consumables (Peptisizer, Stearic Acid, HBS, TMT, etc.)	Lumsum			20,00,000.00	
Total				1,28,40,000.00	
Total Raw material in Rs lacs					128.40

Raw Material Consumed	Capacity Utilisation	Amount (Rs.)	
I	40%	51.36	
II	45%	60.67	5% Increase in Cost
III	50%	67.41	5% Increase in Cost
IV	55%	74.15	5% Increase in Cost
V	60%	80.89	5% Increase in Cost

COMPUTATION OF CLOSING STOCK & WORKING CAPITAL					
PARTICULARS	I	II	III	IV	V
<u>Finished Goods</u>					
(10 Days requirement)	2.68	3.07	3.44	3.82	4.21
<u>Raw Material</u>					
(10 Days requirement)	1.71	3.03	3.37	3.71	4.04
Closing Stock	4.39	6.10	6.81	7.53	8.25

COMPUTATION OF WORKING CAPITAL REQUIREMENT			
Particulars	Amount	Margin(10%)	Net Amount
Stock in Hand	4.39		
Less:			
Sundry Creditors	1.20		
Paid Stock	3.19	0.32	2.87
Sundry Debtors	4.57	0.46	4.12
Working Capital Requirement			6.99
Margin			0.78
MPBF			6.99
Working Capital Demand			6.50

BREAK UP OF LABOUR				
Particulars	Wages	No of	Total	
	Per Month	Employees	Salary	
Supervisor	22,000.00	1	22,000.00	
Plant Operator	18,000.00	2	36,000.00	
Unskilled Worker	14,000.00	2	28,000.00	
Helper	10,000.00	2	20,000.00	
Security Guard	8,000.00	1	8,000.00	
			1,14,000.00	
Add: 5% Fringe Benefit			5,700.00	
Total Labour Cost Per Month			1,19,700.00	
Total Labour Cost for the year (In Rs. Lakhs)		8	14.36	

BREAK UP OF SALARY				
Particulars	Salary	No of	Total	
	Per Month	Employees	Salary	
Manager	22,000.00	1	22,000.00	
Accountant cum store keeper	18,000.00	1	18,000.00	
Sales	15,000.00	1	15,000.00	
Total Salary Per Month			55,000.00	
Add: 5% Fringe Benefit			2,750.00	
Total Salary for the month			57,750.00	
Total Salary for the year (In Rs. Lakhs)		3	6.93	

COMPUTATION OF DEPRECIATION				
Description	Land	Plant & Machinery	Furniture	TOTAL
Rate of Depreciation		15.00%	10.00%	
Opening Balance	Leased	-	-	-
Addition	-	19.00	1.00	20.00
	-	19.00	1.00	20.00
		-	-	-
TOTAL		19.00	1.00	20.00
Less : Depreciation	-	2.85	0.10	2.95
WDV at end of 1st year	-	16.15	0.90	17.05
Additions During The Year	-	-	-	-
	-	16.15	0.90	17.05
Less : Depreciation	-	2.42	0.09	2.51
WDV at end of 2nd Year	-	13.73	0.81	14.54
Additions During The Year	-	-	-	-
	-	13.73	0.81	14.54
Less : Depreciation	-	2.06	0.08	2.14
WDV at end of 3rd year	-	11.67	0.73	12.40
Additions During The Year	-	-	-	-
	-	11.67	0.73	12.40
Less : Depreciation	-	1.75	0.07	1.82
WDV at end of 4th year	-	9.92	0.66	10.57
Additions During The Year	-	-	-	-
	-	9.92	0.66	10.57
Less : Depreciation	-	1.49	0.07	1.55
WDV at end of 5th year	-	8.43	0.59	9.02

REPAYMENT SCHEDULE OF TERM LOAN							11.0%
Year	Particulars	Amount	Addition	Total	Interest	Repayment	CI Balance
I	Opening Balance						
	Ist Quarter	-	18.00	18.00	0.50	-	18.00
	IInd Quarter	18.00	-	18.00	0.50	-	18.00
	IIIRD Quarter	18.00	-	18.00	0.50	1.00	17.00
	Ivth Quarter	17.00	-	17.00	0.47	1.00	16.00
					1.95	2.00	
II	Opening Balance						
	Ist Quarter	16.00	-	16.00	0.44	1.00	15.00
	IInd Quarter	15.00	-	15.00	0.41	1.00	14.00
	IIIRD Quarter	14.00	-	14.00	0.39	1.00	13.00
	Ivth Quarter	13.00		13.00	0.36	1.00	12.00
					1.60	4.00	
III	Opening Balance						
	Ist Quarter	12.00	-	12.00	0.33	1.00	11.00
	IInd Quarter	11.00	-	11.00	0.30	1.00	10.00
	IIIRD Quarter	10.00	-	10.00	0.28	1.00	9.00
	Ivth Quarter	9.00		9.00	0.25	1.00	8.00
					1.16	4.00	
IV	Opening Balance						
	Ist Quarter	8.00	-	8.00	0.22	1.00	7.00
	IInd Quarter	7.00	-	7.00	0.19	1.00	6.00
	IIIRD Quarter	6.00	-	6.00	0.17	1.00	5.00
	Ivth Quarter	5.00		5.00	0.14	1.00	4.00
					0.72	4.00	
V	Opening Balance						
	Ist Quarter	4.00	-	4.00	0.11	1.00	3.00
	IInd Quarter	3.00	-	3.00	0.08	1.00	2.00
	IIIRD Quarter	2.00	-	2.00	0.06	1.00	1.00
	Ivth Quarter	1.00		1.00	0.03	1.00	-
					0.28	4.00	

Door to Door Period 60 Months
Moratorium Period 6 Months
Repayment Period 54 Months

<u>CALCULATION OF D.S.C.R</u>					
PARTICULARS	I	II	III	IV	V
<u>CASH ACCRUALS</u>	10.08	11.45	12.42	12.67	13.16
Interest on Term Loan	1.95	1.60	1.16	0.72	0.28
Total	12.03	13.05	13.57	13.39	13.43
<u>REPAYMENT</u>					
Repayment of Term Loan	2.00	4.00	4.00	4.00	4.00
Interest on Term Loan	1.95	1.60	1.16	0.72	0.28
Total	3.95	5.60	5.16	4.72	4.28
DEBT SERVICE COVERAGE RATIO	3.04	2.33	2.63	2.84	3.14
AVERAGE D.S.C.R.			2.76		

COMPUTATION OF SALE					
Particulars	I	II	III	IV	V
Op Stock	-	29,200.00	32,850.00	36,500.00	40,150.00
Production	8,76,000.00	9,85,500.00	10,95,000.00	12,04,500.00	13,14,000.00
	8,76,000.00	10,14,700.00	11,27,850.00	12,41,000.00	13,54,150.00
Less : Closing Stock(10 Days)	29,200.00	32,850.00	36,500.00	40,150.00	43,800.00
Net Sale	8,46,800.00	9,81,850.00	10,91,350.00	12,00,850.00	13,10,350.00
Sale Price per MT	10.80	11.00	11.10	11.20	11.30
Sale (in Lacs)	91.45	108.00	121.14	134.50	148.07

COMPUTATION OF ELECTRICITY				
(A) POWER CONNECTION				
Total Working Hour per day		Hours	8	
Electric Load Required		HP	50	
Load Factor			0.7460	
Electricity Charges		per unit	7.50	
Total Working Days			300	
Electricity Charges				6,71,400.00
Add : Minimim Charges (@ 10%)				
(B) DG set				
No. of Working Days			300	days
No of Working Hours			0.3	Hour per day
Total no of Hour			90	
Diesel Consumption per Hour			8	
Total Consumption of Diesel			720	
Cost of Diesel			65.00	Rs. /Ltr
Total cost of Diesel			0.47	
Add : Lube Cost @15%			0.07	
Total			0.54	
Total cost of Power & Fuel at 100%				7.25
Year		Capacity		Amount
				(in Lacs)
I		40%		2.90
II		45%		3.26
III		50%		3.63
IV		55%		3.99
V		60%		4.35

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