

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

<b>PRODUCT</b>	<b>:</b>	<b>LATEX BACKED COIR MATTING</b>
<b>PRODUCTION CAPACITY (P.A)</b>		
<b>(100% CAPACITY)</b>	<b>:</b>	<b>600000 SQ.METER</b>
<b>SIZE &amp; QUALITY</b>	<b>:</b>	<b>SK<sub>1</sub> LATEX BACKED COIR MATTING</b>
<b>VALUE</b>	<b>:</b>	<b>RS. 2310LAKHS</b>
<b>MONTH &amp; YEAR OF PREPARATION</b>	<b>:</b>	<b>JUNE 2018</b>
<b>PREPARED BY</b>	<b>:</b>	<b>COIR BOARD, MINISTRY OF MSME, GOVT OF INDIA</b>

### **• 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 PRESUMPTIONS**

- The Project Profile is based on 8 working hours for 1 shift 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%
<b>Manpower requirement</b>		
Skilled worker	:	16

- **FINANCIAL ASPECTS**

- i) **Cost of Project**

	<b>Amount</b>
• Land	: Lease/owned
• Building	: Rs. 650000/-
• Machinery & Equipments	: Rs.1400000/-
• Working Capital	: Rs. 450000/-
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<b>Total</b>	<b>: Rs. 2500000/-</b>
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<b>Sl. No</b>	<b>Description of machines &amp; equipments</b>	<b>Qty</b>	<b>Amount (Rs)</b>
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
<b>Total</b>			1400000.00

- ii) **Means of Finance**

• Promoters Capital	5%	:	Rs. 125000/-
• Bank Term loan	95%	:	Rs.1948000/-
• WC Loan from Bank	95%	:	Rs .428000/-
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<b>Total</b>		<b>:</b>	<b>Rs.250000/-</b>
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## DETAILS OF THE PROFITABILITY OF THE PROJECT

Rs.in Lakhs

<b>Years</b>		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Installed Production capacity per day	<i>sq.meter</i>	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	<i>sq.meter</i>	600000	600000	600000	600000	600000
Capacity utilization		70%	80%	85%	90%	100%
Annual production quantity		420000	480000	510000	540000	600000
<b>Annual Sales Realization</b>	<i>Rs. 385</i>	1617.00	1848.00	1963.50	2079.00	2310.00
<b>Cost of Production</b>						
Cost of plane matting	<i>Rs. 313</i>	1314.60	1502.40	1596.30	1690.20	1878.00
Cost of rubber latex and other chemicals (sq.meter)	<i>Rs. 60</i>	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
<b>Cost of Production</b>		<b>1584.76</b>	<b>1811.15</b>	<b>1924.35</b>	<b>2037.56</b>	<b>2263.96</b>
<b>Gross Profit</b>		<b>32.24</b>	<b>36.85</b>	<b>39.15</b>	<b>41.44</b>	<b>46.04</b>

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
<b>Total</b>		<b>20.47</b>	<b>22.9</b>	<b>23.69</b>	<b>23.69</b>	<b>25.64</b>
<b>Net Profit</b>		<b>11.76</b>	<b>13.96</b>	<b>15.46</b>	<b>17.74</b>	<b>20.41</b>

#### 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

<b>Particulars</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
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