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PROJECT REPORT

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PROJECT:

Rubber Mat Manufacturing Unit

PROJECT REPORT OF RUBBER MAT MANUFACTURING UNIT

PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding Rubber Mat Manufacturing Unit. 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.]

PROJECT AT GLANCE

1 Name of Proprietor/Director	XXXXXXXXXX	
2 Firm Name	XXXXXXXXXX	
3 Registered Address	XXXXXXXXXX	
4 Nature of Activity	XXXXXXXXXX	
5 Category of Applicant	XXXXXXXXXX	
6 Location of Unit	XXXXXXXXXX	
7 Cost of Project	40.06	Rs. In Lakhs
8 Means of Finance		
i) Own Contribution	4.01	Rs. In Lakhs
ii) Term Loan	31.05	Rs. In Lakhs
iii) Working Capital	5.00	Rs. In Lakhs
9 Debt Service Coverage Ratio	2.08	
10 Break Even Point	0.40	
11 Power Requirement	40	KW
12 Employment	13	Persons
13 Major Raw Materials	Natural rubber, Reclaimed rubber, chemicals, oils, crump powder etc.	
14 Details of Cost of Project & Means of Finance		

<u>Cost of Project</u>	<u>Amount in Lacs</u>
Particulars	Amount
Land	Owned/Rented
Building & Civil Work	Owned/Rented
Plant & Machinery	32.00
Furniture & Fixture	1.00
Other Misc Assets	1.50
Working Capital Requirement	5.56
Total	40.06

<u>Means of Finance</u>	
Particulars	Amount
Own Contribution	4.01
Term Loan	31.05
Working capital Loan	5.00
Total	40.06

RUBBER MAT MANUFACTURING UNIT

1. INTRODUCTION



Rubber mats are generally made from natural rubber. Rubber mats made from Rubber are very tough and long-lasting. Furthermore, it is recommended at places with a high population such as commercial buildings, offices, malls, etc. because it is very strong. One major advantage of rubber mats is that they can be designed and various patterns can be developed on them. This not only makes rubber floor mats very beautiful to look at but also ensures that they provide traction on slippery floors. Properties such as heat and abrasion resistance make rubber a highly useful and valuable raw material in various end-use industries. One downside of rubber as a matting material is that it does not absorb moisture. Rubber mats usually feature tiny surface ridges that guide water and moisture away from the surface of the mat. To enhance the functionality of rubber mats, most matting manufacturers add an absorbent foam or carpet material on the top side of the floor mat. They use rubber as a backing to provide traction and toughness to the mat. Rubber floor mats are quite affordable and they are very useful in providing floor safety and protecting your floors.

2. MARKET POTENTIAL:

The rubber mat market is poised to grow by \$ 756.65 mn during 2021-2025, progressing at a CAGR of 2.52% during the forecast period. The Indian rubber industry has been growing in strength and importance, as a part of India's burgeoning role in the global economy. India is the world's largest producer and the third-largest consumer of natural rubber and India is also one of the fastest-growing economies globally. With a stable annual growth rate of 8-9%, rising foreign exchange reserves, rapid expansion in the capital markets, and FDI inflow, India proudly stakes its claim as the second fastest-growing major economy in the world. In the different states of India, based on climatic conditions, different types of crops are cultivated which have been divided into food crops and cash or commercial crops. Rubber cultivation under commercial crops plays an important role in the national economy. India's share in world rubber production has increased over the past two decades and so has the demand for rubber products. Available in various colors and sizes, rubber mats are used in residential, commercial, and industrial sectors. Apart from keeping your feet safe for longer it gives a firmer grip to the feet and is more comfortable due to softness. Compared to ordinary flooring, rubber mats take better care of your safety, health, and comfort. Surge in the growth of tourism and hotel sectors and application in bathrooms by hospitals, hotels, gyms, and parlors to ensure hygiene factors and maintained bathrooms boost the demand for rubber bath mats among the consumers. In addition, the use of anti-skid material for safety in bathrooms and awareness about clean non-slippery bathrooms drive the rubber bath mat market growth. However, the major market constraints are low-cost substitute goods from local players. Innovation and development in the industry are related to anti-bacterial rubber bath mats, which are more hygienic than other bathroom rubber mats. Modern-day hospitals are more luxurious than hotels and the rise in hospitals with huge investment in the healthcare sector both by government and private players have increased the demand for well-maintained and hygienic bathrooms in the hospital, which are non-slippery and easy for the patients to use. This has led to the use of anti-slip rubber mats in hospitals. In addition, the rise in the tourism sector globally demands more luxurious hotels and resorts with clean and hygienic bathrooms; thus, increasing the demand for a rubber mat.

3. PRODUCT DESCRIPTION

3.1 PRODUCT USES

- Residential: Rubber mats find everyday domestic use in providing great utility in the scrubbing of the dirt from shoes & slippers. Rubber mats are also essential items as a floor covering around electrical panels as a safeguard to the life and limb of the workmen due to possible leakage of current and short-circuit.
- Non-residential
 - i. Commercial
 - ii. Hospitality
 - iii. Industrial
 - iv. Sports
 - v. Others (Swimming pool, gym, school, hotels)

3.2 PRODUCT RAW MATERIAL

- **Natural rubber:** Natural rubber exhibits high resilience, good tensile strength, and tear resistance. In addition to excellent wear resistance, natural rubber also offers low permanent set characteristics plus good flexing qualities at low temperatures.



- **Other:** Reclaimed rubber, chemicals, oils, crump powder, etc. Reclaimed rubber is material, made from scrap or waste rubber, which is designed to replace or to supplement new rubber in the manufacturing of rubber products.



3.3 MANUFACTURING PROCESS

This process can be broken down into the following steps-

- **Raw material procurement**
- **Rubber mats making process**
- **Testing**

Raw Material Procurement

The raw materials are checked strictly as per established quality standards and requirements. Individual supplier assessment and supplier rating are done depending upon the rejection levels at the incoming quality control stage. Sorting of raw material will be done as per material type or specifications. The material will be stored in; a dust-free, neat, and clean environment.

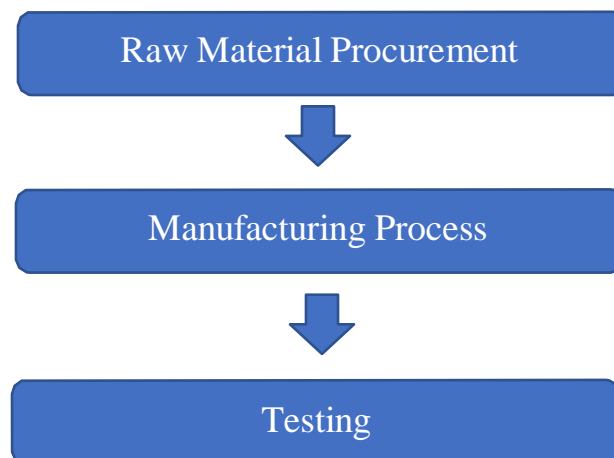
Rubber mats making process

- 1) Natural rubber procurement (Optional)
- 2) Mixing
- 3) Hydraulic press
- 4) Cutting and punching
- 5) Packing

Testing

- Quality control

FLOW CHART OF THE PROCESS



4. PROJECT COMPONENTS

Plant & Machinery

S.No.	Machine
1.	Rubber Kneader
2.	Mixing Mill
3.	Hydraulic Press
4.	Miscellaneous e.g. Cutting apparatus, QC apparatus, Molds etc.

PROJECTED PROFITABILITY STATEMENT					(in Lacs)
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
Capacity Utilisation %	55%	60%	65%	70%	75%
<u>SALES</u>					
Gross Sale					
Rubber mat	95.70	113.44	129.15	145.81	163.44
Total	95.70	113.44	129.15	145.81	163.44
<u>COST OF SALES</u>					
Raw Material Consumed	52.80	59.04	65.52	72.24	79.20
Electricity Expenses	4.62	6.05	6.55	7.06	7.56
Depreciation	5.13	4.36	3.71	3.16	2.69
Wages & labour	11.76	14.11	16.93	20.32	23.37
Repair & maintenance	2.39	3.40	3.87	4.37	4.90
Consumables	1.91	2.27	2.58	2.92	3.27
Packaging	2.11	2.84	3.62	4.81	5.39
Cost of Production	80.72	92.07	102.79	114.88	126.38
Add: Opening Stock	-	2.69	3.07	3.43	3.83
Less: Closing Stock	2.69	3.07	3.43	3.83	4.21
Cost of Sales	78.03	91.69	102.43	114.48	126.00
GROSS PROFIT	17.67	21.75	26.71	31.34	37.44
Gross Profit Ratio	18.47%	19.17%	20.68%	21.49%	22.91%
Salary to Staff	3.96	4.75	5.70	6.84	7.53
Interest on Term Loan	3.05	2.69	1.93	1.17	0.41
Interest on working Capital	0.55	0.55	0.55	0.55	0.55
Rent	2.40	2.64	2.90	3.19	3.51
Selling & Administrative Exp.	1.24	2.27	3.87	4.37	4.90
TOTAL	11.21	12.90	14.96	16.13	16.91
NET PROFIT	6.47	8.85	11.75	15.20	20.53
Taxation	0.27	0.58	1.10	1.94	3.53
PROFIT (After Tax)	6.20	8.28	10.65	13.27	17.00
Net Profit Ratio	6.47%	7.30%	8.25%	9.10%	10.40%

PROJECTED BALANCE SHEET

(in Lacs)

PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
<u>Liabilities</u>					
Capital					
Opening balance		6.70	10.98	16.13	20.90
Add: - Own Capital	4.01				
Add: - Retained Profit	6.20	8.28	10.65	13.27	17.00
Less: - Drawings	3.50	4.00	5.50	8.50	11.50
Closing Balance	6.70	10.98	16.13	20.90	26.40
Term Loan	27.60	20.70	13.80	6.90	-
Working Capital Limit	5.00	5.00	5.00	5.00	5.00
Sundry Creditors	2.64	2.95	3.28	3.61	3.96
Provisions & Other Liability	1.00	1.30	1.56	1.87	2.25
TOTAL:	42.94	40.93	39.77	38.28	37.60
<u>Assets</u>					
Fixed Assets (Gross)	34.50	34.50	34.50	34.50	34.50
Gross Dep.	5.13	9.49	13.20	16.36	19.05
Net Fixed Assets	29.38	25.01	21.30	18.14	15.45
Current Assets					
Sundry Debtors	4.79	5.67	6.46	7.29	8.17
Stock in Hand	4.45	5.04	5.61	6.24	6.85
Cash and Bank	3.33	3.71	4.00	4.06	4.37
Loans & Advances	1.00	1.50	2.40	2.55	2.75
TOTAL:	42.94	40.93	39.77	38.28	37.60

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PROJECTED CASH FLOW STATEMENT					(in Lacs)
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
<u>SOURCES OF FUND</u>					
Own Margin	4.01				
Net Profit	6.47	8.85	11.75	15.20	20.53
Depreciation & Exp. W/off	5.13	4.36	3.71	3.16	2.69
Increase in Cash Credit	5.00	-	-	-	-
Increase In Term Loan	31.05	-	-	-	-
Increase in Creditors	2.64	0.31	0.32	0.34	0.35
Increase in Provisions & Oth liabilities	1.00	0.30	0.26	0.31	0.37
	-				
TOTAL:	55.29	13.83	16.05	19.01	23.94
<u>APPLICATION OF FUND</u>					
Increase in Fixed Assets	34.50				
Increase in Stock	4.45	0.59	0.57	0.63	0.62
Increase in Debtors	4.79	0.89	0.79	0.83	0.88
Repayment of Term Loan	3.45	6.90	6.90	6.90	6.90
Loans & Advances	1.00	0.50	0.90	0.15	0.20
Drawings	3.50	4.00	5.50	8.50	11.50
Taxation	0.27	0.58	1.10	1.94	3.53
TOTAL:	51.96	13.45	15.76	18.95	23.63
Opening Cash & Bank Balance	-	3.33	3.71	4.00	4.06
Add : Surplus	3.33	0.38	0.29	0.06	0.31
Closing Cash & Bank Balance	3.33	3.71	4.00	4.06	4.37

<u>CALCULATION OF D.S.C.R.</u>					
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
CASH ACCRUALS	11.32	12.64	14.36	16.43	19.69
Interest on Term Loan	3.05	2.69	1.93	1.17	0.41
Total	14.37	15.33	16.29	17.60	20.10
<u>REPAYMENT</u>					
Instalment of Term Loan	3.45	6.90	6.90	6.90	6.90
Interest on Term Loan	3.05	2.69	1.93	1.17	0.41
Total	6.50	9.59	8.83	8.07	7.31
DEBT SERVICE COVERAGE RATIO	2.21	1.60	1.85	2.18	2.75
AVERAGE D.S.C.R.	2.08				

REPAYMENT SCHEDULE OF TERM LOAN							
Interest						11.00%	
Year	Particulars	Amount	Addition	Total	Interest	Repayment	Closing Balance
1st	Opening Balance						
	1st month	-	31.05	31.05	-	-	31.05
	2nd month	31.05	-	31.05	0.28	-	31.05
	3rd month	31.05	-	31.05	0.28	-	31.05
	4th month	31.05	-	31.05	0.28		31.05
	5th month	31.05	-	31.05	0.28		31.05
	6th month	31.05	-	31.05	0.28		31.05
	7th month	31.05	-	31.05	0.28	0.58	30.48
	8th month	30.48	-	30.48	0.28	0.58	29.90
	9th month	29.90	-	29.90	0.27	0.58	29.33
	10th month	29.33	-	29.33	0.27	0.58	28.75
	11th month	28.75	-	28.75	0.26	0.58	28.18
	12th month	28.18	-	28.18	0.26	0.58	27.60
					3.05	3.45	
2nd	Opening Balance						
	1st month	27.60	-	27.60	0.25	0.58	27.03
	2nd month	27.03	-	27.03	0.25	0.58	26.45
	3rd month	26.45	-	26.45	0.24	0.58	25.88
	4th month	25.88	-	25.88	0.24	0.58	25.30
	5th month	25.30	-	25.30	0.23	0.58	24.73
	6th month	24.73	-	24.73	0.23	0.58	24.15
	7th month	24.15	-	24.15	0.22	0.58	23.58
	8th month	23.58	-	23.58	0.22	0.58	23.00
	9th month	23.00	-	23.00	0.21	0.58	22.43
	10th month	22.43	-	22.43	0.21	0.58	21.85
	11th month	21.85	-	21.85	0.20	0.58	21.28
	12th month	21.28	-	21.28	0.20	0.58	20.70
					2.69	6.90	
3rd	Opening Balance						
	1st month	20.70	-	20.70	0.19	0.58	20.13
	2nd month	20.13	-	20.13	0.18	0.58	19.55
	3rd month	19.55	-	19.55	0.18	0.58	18.98
	4th month	18.98	-	18.98	0.17	0.58	18.40
	5th month	18.40	-	18.40	0.17	0.58	17.83
	6th month	17.83	-	17.83	0.16	0.58	17.25
	7th month	17.25	-	17.25	0.16	0.58	16.68
	8th month	16.68	-	16.68	0.15	0.58	16.10
	9th month	16.10	-	16.10	0.15	0.58	15.53
	10th month	15.53	-	15.53	0.14	0.58	14.95
	11th month	14.95	-	14.95	0.14	0.58	14.38
	12th month	14.38	-	14.38	0.13	0.58	13.80
					1.93	6.90	

4th	Opening Balance					
	1st month	13.80	-	13.80	0.13	13.23
	2nd month	13.23	-	13.23	0.12	12.65
	3rd month	12.65	-	12.65	0.12	12.08
	4th month	12.08	-	12.08	0.11	11.50
	5th month	11.50	-	11.50	0.11	10.93
	6th month	10.93	-	10.93	0.10	10.35
	7th month	10.35	-	10.35	0.09	9.78
	8th month	9.78	-	9.78	0.09	9.20
	9th month	9.20	-	9.20	0.08	8.63
	10th month	8.63	-	8.63	0.08	8.05
	11th month	8.05	-	8.05	0.07	7.48
	12th month	7.48	-	7.48	0.07	6.90
					1.17	6.90
5th	Opening Balance					
	1st month	6.90	-	6.90	0.06	6.33
	2nd month	6.33	-	6.33	0.06	5.75
	3rd month	5.75	-	5.75	0.05	5.18
	4th month	5.18	-	5.18	0.05	4.60
	5th month	4.60	-	4.60	0.04	4.03
	6th month	4.03	-	4.03	0.04	3.45
	7th month	3.45	-	3.45	0.03	2.88
	8th month	2.88	-	2.88	0.03	2.30
	9th month	2.30	-	2.30	0.02	1.73
	10th month	1.73	-	1.73	0.02	1.15
	11th month	1.15	-	1.15	0.01	0.58
	12th month	0.58	-	0.58	0.01	-
					0.41	6.90
	DOOR TO DOOR	60	MONTHS			
	MORATORIUM PERIOD	6	MONTHS			
	REPAYMENT PERIOD	54	MONTHS			

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