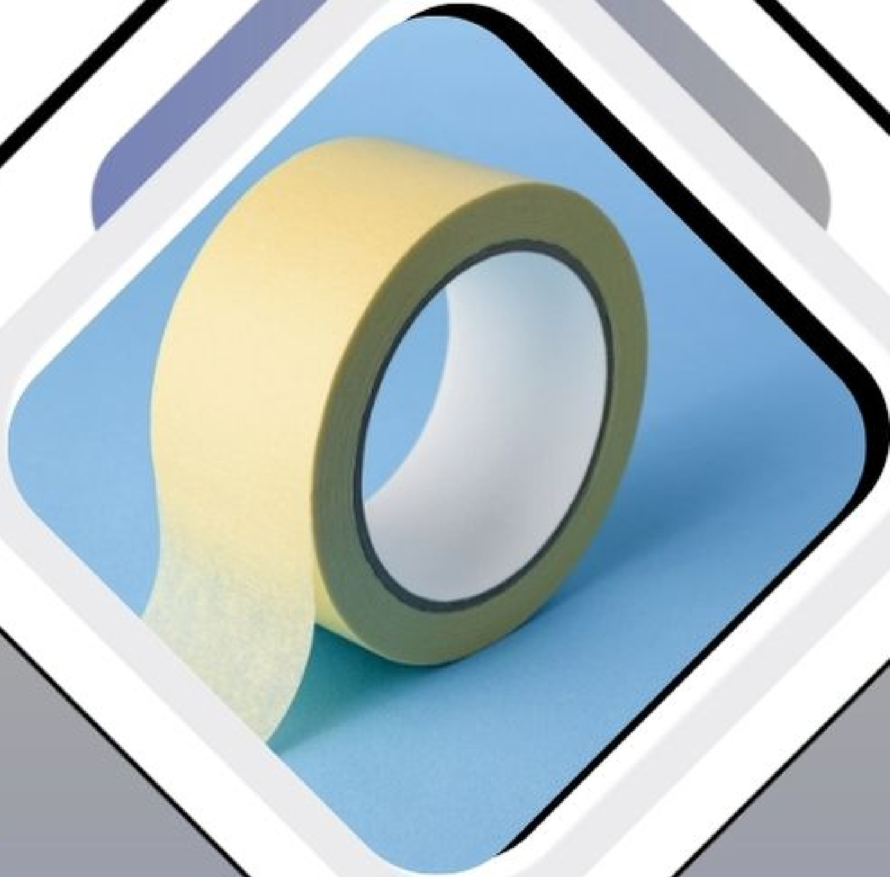
MODEL PROJECT REPORT



PROJECT REPORT ON ADHESIVE TAPES

SWAVALAMBI BHARAT ABHIYAN

PROJECT AT A GLANCE

1	Name of the Entreprenuer		XXXXXXX		
2	Constitution (legal Status)	:	XXXXXXX		
3	Father's/Spouce's Name		XXXXXXXX		
4	Unit Address	:	XXXXXXXX		
			Taluk/Block:		
			District :	XXXXX	
			Pin:	XXXXX	State: XXXXX
			E-Mail :	XXXXX	
			Mobile	XXXXX	
5	Product and By Product	:	ADHESIVE BOPP TAPES		
6	Name of the project / business activity proposed	:	Manufaturing Unit of ADHESIVE BOPP TAPES		
7	Cost of Project	:			
8	Means of Finance				
	Term Loan		Rs.13.5 Lacs		
	KVIC Margin Money	-	As per Project Eligibility		
	Own Capital		Rs.2.45 Lacs		
	Working Capital		Rs.8.58 Lacs		
9	Debt Service Coverage Ratio	:	2.12		
10	Pay Back Period	:	5	Years	
11	Project Implementation Period	:	8	Months	
12	Break Even Point	:	38%		
13	Employment	:	15	Persons	
14	Power Requirement	:	10 KVA		
15	Major Raw materials	:	Polypropylene Roll & Natural Rubber		
16	Estimated Annual Sales Turnover	:	79.80	Lacs	
16	Detailed Cost of Project & Means of Finance				

COST OF PROJECT

(Rs. In Lacs)

Particulars	Amount
Land	Rented/Owned
Building & Civil Work	6.50
Plant & Machinery	7.38
Furniture & Fixtures	0.62
Pre-operative Expenses	0.50
Working Capital Requirement	9.53
Total	**24.53**

MEANS OF FINANCE

Particulars	Amount
Own Contribution @10%	2.45
Term Loan	13.50
Workign Capital Finance	8.58
Total	**24.53**

		General	**Special**
KVIC Margin Monery	Urban	15%	25%
KVIC Margin Monery	Rural	25%	35%

PLANT & MACHINERY

PARTICULARS	QTY.	RATE		AMOUNT IN RS.
S.S. tank fitted with stirrer (1/2 HP) for Preparation of adhesive with 300 lit. cap.	1.00		75,000.00	75,000.00
Complete cooling and rewinding machine With rollers and adjustments, with SS tank Of 50 lit. with Mild steel jacket main Drive with V belt and chain extra mild steel Core for the rewinding unit. complete with motor	1.00		1,80,000.00	1,80,000.00
Complete drying chamber double walled With glass wool, chain conveyor, guider Rolls, thermostat for controlling heat(2 KW)	1.00		60,000.00	60,000.00
Complete slitting, printing and rewinding Unit equipped with necessary steel rolls For printing reduction drive for adjusting The speed and circular cutting knives,etc. (1 HP)	1.00		1,20,000.00	1,20,000.00
Other necessary equipments, weighing Balance containers,electric accessories sizing	1.00		1,80,000.00	1,80,000.00
Sub- Total				6,15,000.00
Add: 20% for Taxes Freight Etc				1,23,000.00
TOTAL				7,38,000.00

INTRODUCTION

The BOPP Adhesive Tapes are used for packaging. It is consumed daily in large quantities by all industrial and commercial organisations.

The packaging industry in India, which started in and around 1950's, has grown slowly and steadily in both quality and quantity. The 70's and 80's witnessed a remarkable change in materials as well as machinery. This has not only given a face-lift to the industry but also opened it up for innovations. In this period, the industry by and large, depended on domestic resources for materials as well as machinery. This was due to various restrictions on imports. Around the mid 90's, liberalisation opened the industry further and it began to reflect in the changes in consumers' consumption pattern.

MAKING PROCESS

- **RAW MATERIAL**

  1. Polypropylene roll of diff.
  2. Natural rubber
  3. Zinc oxide
  4. Magnesium oxide
  5. Phenolic resin
  6. Solvent (CSNL and linseed oil)
  7. Kraft paper roll or packaging material

- **PROCESS**

  The BOPP roll is loaded in the coating machine and adhesive applied on one side. The coated roll is loaded in the slitting machine and the slit tapes wound in the paper core of required width automatically. The paper core of required width is obtained from the automatic core cutting machine by cutting from the long paper core.

APPLICATION OF PRODUCT

These tapes are used in electrical insulation purpose, in packaging, sealing and a various other general use. These tapes are also used for general labelling with printing.

MARKETING

The BOPP Adhesive Tapes are used for packaging. It is consumed daily in large quantities by all industrial and commercial organisations. From packing courier covers and bags to packing of pharmaceutical cartons, everywhere, the self-adhesive tapes are consumed. The consumption increases in line with the improved standard of living and business activity in the society. Therefore the consumption of this product is bound to increase further. Packaging Industry in India is a Large Industry and there is huge potential.

PROJECT REQUIREMENT

Approx. 1000 to 2000 Sq. Mtr. Land and building area are required to setup the unit. The size of land and building may vary depending on the size of unit.

PROJECTED BALANCE SHEET

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
SOURCES OF FUND					
Capital Account	2.45	2.45	2.45	2.45	2.45
Retained Profit	3.11	7.63	13.85	22.17	32.48
Term Loan	13.50	10.13	6.75	3.38	-
Cash Credit	8.58	8.58	8.58	8.58	8.58
Sundry Creditors	1.37	1.65	1.92	2.20	2.47
Provisions & Other Liab	0.36	0.40	0.44	0.48	0.53
TOTAL :	**29.37**	**30.83**	**33.99**	**39.25**	**46.52**
APPLICATION OF FUND					
Fixed Assets (Gross)	14.50	14.50	14.50	14.50	14.50
Gross Dep.	1.79	3.37	4.75	5.95	7.00
Net Fixed Assets	12.71	11.13	9.75	8.55	7.50
Current Assets					
Sundry Debtors	5.59	7.00	8.17	9.35	10.53
Stock in Hand	5.32	6.38	7.45	8.51	9.58
Cash and Bank	3.26	3.57	5.60	9.52	15.25
Deposits & Advances	2.50	2.75	3.03	3.33	3.66
TOTAL :	**29.37**	**30.83**	**33.99**	**39.25**	**46.52**
	-	-	-	-	-

PROJECTED CASH FLOW STATEMENT

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
SOURCES OF FUND					
Share Capital	2.45	-			
Reserve & Surplus	3.11	5.02	7.77	10.40	12.89
Depriciation & Exp. W/off	1.79	1.58	1.38	1.20	1.05
Increase in Cash Credit	8.58	-	-	-	-
Increase In Term Loan	13.50	-	-	-	-
Increase in Creditors	1.37	0.27	0.27	0.27	0.27
Increase in Provisions	0.36	0.04	0.04	0.04	0.05
TOTAL :	**31.16**	**6.92**	**9.47**	**11.92**	**14.26**
APPLICATION OF FUND					
Increase in Fixed Assets	14.50	-	-	-	-
Increase in Stock	5.32	1.06	1.06	1.06	1.06
Increase in Debtors	5.59	1.41	1.18	1.18	1.18
Increase in Deposits & Adv	2.50	0.25	0.28	0.30	0.33
Repayment of Term Loan	-	3.38	3.38	3.38	3.38
Taxation	-	0.50	1.55	2.08	2.58
TOTAL :	**27.91**	**6.60**	**7.44**	**8.00**	**8.53**
Opening Cash & Bank Balance	-	3.26	3.57	5.60	9.52
Add : Surplus	3.26	0.32	2.02	3.92	5.74
Closing Cash & Bank Balance	**3.26**	**3.57**	**5.60**	**9.52**	**15.25**

PROJECTED PROFITABILITY STATEMENT

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
A) SALES					
Gross Sale	79.80	99.96	116.76	133.56	150.36
Total (A)	**79.80**	**99.96**	**116.76**	**133.56**	**150.36**
B) COST OF SALES					
Raw Mateiral Consumed	58.80	70.56	82.32	94.08	105.84
Elecricity Expenses	5.27	6.33	7.38	8.44	9.49
Repair & Maintenance	-	1.00	1.17	1.34	1.50
Labour & Wages	5.54	6.10	6.71	7.38	8.12
Depriciation	1.79	1.58	1.38	1.20	1.05
Consumables and Other Expenses	1.60	2.00	2.34	2.67	3.01
Cost of Production	73.00	87.57	101.29	115.10	129.01
Add: Opening Stock /WIP	-	3.36	4.03	4.70	5.38
Less: Closing Stock /WIP	3.36	4.03	4.70	5.38	6.05
Cost of Sales (B)	69.64	86.90	100.62	114.43	128.33
C) GROSS PROFIT (A-B)	10.16	13.06	16.14	19.13	22.03
	13%	**13%**	**14%**	**14%**	**15%**
D) Bank Interest (Term Loan)	1.16	1.41	1.02	0.63	0.24
Bank Interest (C.C. Limit)	0.86	0.86	0.86	0.86	0.86
E) Salary to Staff	3.43	3.78	4.15	4.57	5.02
F) Selling & Adm Expenses Exp.	1.60	2.00	2.34	2.67	3.01
TOTAL (D+E)	**7.05**	**8.04**	**8.36**	**8.73**	**9.13**
H) NET PROFIT	3.11	5.02	7.77	10.40	12.89
I) Taxation	-	0.50	1.55	2.08	2.58
J) PROFIT (After Tax)	3.11	4.52	6.22	8.32	10.31

COMPUTATION OF MANUFACTURING OF ADHESIVE TAPE

Items to be Manufactured Adhesive Tape

Manufacturing Capacity	Adhesive Tape	700.00	KG
	-		
No. of Working Hour		10	
No of Working Days per month		25	
No. of Working Day per annum		300	
Total Production per Annum		2,10,000.00	KG
Year		Capacity Utilisation	Sheet
IST YEAR		50%	1,05,000
IIND YEAR		60%	1,26,000
IIIRD YEAR		70%	1,47,000
IVTH YEAR		80%	1,68,000
VTH YEAR		90%	1,89,000

COMPUTATION OF RAW MATERIAL

Item Name		Quantity of Raw Material	Recovery	Unit Rate of / Kg	Total Cost Per Day (100%)
Raw Material (Propoplyne Roll & Natural Rubber Zinc Oxide, Magnisium Oxide Pheolic Resin, Solvent Oil)	100%	2,10,000	100%	56.00	117.60
			Total (Rounded off in lacs)		117.60

Annual Consumption cost	(In Lacs)	117.60

Raw Material Consumed	Capacity Utilisation	Amount (Rs.)
IST YEAR	50%	58.80
IIND YEAR	60%	70.56
IIIRD YEAR	70%	82.32
IVTH YEAR	80%	94.08
VTH YEAR	90%	105.84

COMPUTATION OF SALE

Particulars	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
Op Stock	-	5,250	6,300	7,350	8,400
Production	1,05,000	1,26,000	1,47,000	1,68,000	1,89,000
	1,05,000	1,31,250	1,53,300	1,75,350	1,97,400
Less : Closing Stock	5,250	6,300	7,350	8,400	9,450
Net Sale	99,750	1,24,950	1,45,950	1,66,950	1,87,950
Sale Price Kg	80.00	80.00	80.00	80.00	80.00
Sale (in Lacs)	**79.80**	**99.96**	**116.76**	**133.56**	**150.36**

BREAK UP OF LABOUR

Particulars		Wages	No of	Total
		Per Month	Employees	Salary
Machine Operator		15,000.00	1	15,000.00
Skilled Worker		10,000.00	1	10,000.00
Unskilled Worker		8,000.00	1	8,000.00
Casual Labour		6,000.00	4	24,000.00
				42,000.00
Add: 10% Fringe Benefit				4,200.00
Total Labour Cost Per Month				46,200.00
Total Labour Cost for the year (In Rs. Lakhs)				5.54

BREAK UP OF SALARY

Particulars		Salary	No of	Total
		Per Month	Employees	Salary
Manager		12,000.00	1	12,000.00
Accountant		8,000.00	1	8,000.00
Marketing Executive		6,000.00	1	6,000.00
Total Salary Per Month				26,000.00
Add: 10% Fringe Benefit				2,600.00
Total Salary for the month				28,600.00
Total Salary for the year (In Rs. Lakhs)				3.43

COMPUTATION OF ELECTRICITY

(A) POWER CONNECTION				
Total Working Hour per day			8 Hrs	
Electric Load Required			10 KVA	
Load Factor			0.08	
Electricity Charges			8.00 per unit	
Total Working Days			300	
Electricity Charges (8 Hrs Per day)				
=10*300 * 8.00 * 0.746 * 8				1,43,232.00
Add : Minimim Charges (@ 10%)				14,323.20
				1,57,555.20
(B) D.G. SET				
No. of Working Days			300	days
No of Working Hours			5	Hour per day
Total no of Hour			1,500	
Diesel Consumption per Hour			8	
Total Consumption of Diesel			12,000	
Cost of Diesel			65.00	Rs. / Ltr
Total cost of Diesel			7.80	
Add : Lube Cost @15%			1.17	
Total			**8.97**	
Total cost of Power & Fuel at 100%				10.55
Year		**Capacity**		**Amount**
				(in Lacs)
IST YEAR		50%		5.27
IIND YEAR		60%		6.33
IIIRD YEAR		70%		7.38
IVTH YEAR		80%		8.44
VTH YEAR		90%		9.49

COMPUTATION OF CLOSING STOCK & WORKING CAPITAL

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
Finished Goods					
(15 Days requirement)	3.36	4.03	4.70	5.38	6.05
Raw Material					
(15 Days requirement)	1.96	2.35	2.74	3.14	3.53
Closing Stock	**5.32**	**6.38**	**7.45**	**8.51**	**9.58**

COMPUTATION OF WORKING CAPITAL REQUIREMENT

Particulars			Total
			Amount
Stock in Hand			5.32
Sundry Debtors			5.59
		Total	10.91
Sundry Creditors			1.37
Working Capital Requirement			**9.53**
Margin			0.95
Working Capital Finance			**8.58**

COMPUTATION OF DEPRECIATION

Description	Land	Building	Plant & Machinery	Furniture	**TOTAL**
Rate of Depreciation		**10.00%**	**15.00%**	**10.00%**	
Opening Balance	Leased	-	-	-	-
Addition	-	6.50	7.38	0.62	14.50
	-	6.50	7.38	0.62	14.50
Less : Depreciation	-	0.65	1.11	0.03	1.79
WDV at end of Ist year	-	5.85	6.27	0.59	12.71
Additions During The Year	-	-	-	-	-
	-	5.85	6.27	0.59	12.71
Less : Depreciation	-	0.59	0.94	0.06	1.58
WDV at end of IInd Year	-	5.27	5.33	0.53	11.13
Additions During The Year	-	-	-	-	-
	-	5.27	5.33	0.53	11.13
Less : Depreciation	-	0.53	0.80	0.05	1.38
WDV at end of IIIrd year	-	4.74	4.53	0.48	9.75
Additions During The Year	-	-	-	-	-
	-	4.74	4.53	0.48	9.75
Less : Depreciation	-	0.47	0.68	0.05	1.20
WDV at end of IV year	-	4.26	3.85	0.43	8.55
Additions During The Year	-	-	-	-	-
	-	4.26	3.85	0.43	8.55
Less : Depreciation	-	0.43	0.58	0.04	1.05
WDV at end of Vth year	-	3.84	3.27	0.39	7.50

REPAYMENT SCHEDULE OF TERM LOAN

11.5%

Year	Particulars	Amount	Addition	Total	Interest	Repayment	Cl Balance
IST YEAR	Opening Balance						
	Ist Quarter	-	13.50	13.50	-	-	13.50
	Iind Quarter	13.50	-	13.50	0.39	-	13.50
	IIIrd Quarter	13.50	-	13.50	0.39	-	13.50
	Ivth Quarter	13.50	-	13.50	0.39	-	13.50
					1.16	-	
IIND YEAR	Opening Balance						
	Ist Quarter	13.50	-	13.50	0.39	0.84	12.66
	Iind Quarter	12.66	-	12.66	0.36	0.84	11.81
	IIIrd Quarter	11.81	-	11.81	0.34	0.84	10.97
	Ivth Quarter	10.97		10.97	0.32	0.84	10.13
					1.41	3.38	
IIIRD YEAR	Opening Balance						
	Ist Quarter	10.13	-	10.13	0.29	0.84	9.28
	Iind Quarter	9.28	-	9.28	0.27	0.84	8.44
	IIIrd Quarter	8.44	-	8.44	0.24	0.84	7.59
	Ivth Quarter	7.59		7.59	0.22	0.84	6.75
					1.02	3.38	
IVTH YEAR	Opening Balance						
	Ist Quarter	6.75	-	6.75	0.19	0.84	5.91
	Iind Quarter	5.91	-	5.91	0.17	0.84	5.06
	IIIrd Quarter	5.06	-	5.06	0.15	0.84	4.22
	Ivth Quarter	4.22		4.22	0.12	0.84	3.38
					0.63	3.38	
VTH YEAR	Opening Balance						
	Ist Quarter	3.38	-	3.38	0.10	0.84	2.53
	Iind Quarter	2.53	-	2.53	0.07	0.84	1.69
	IIIrd Quarter	1.69	-	1.69	0.05	0.84	0.84
	Ivth Quarter	0.84		0.84	0.02	0.84	- 0.00
					0.24	3.38	

CALCULATION OF D.S.C.R

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
CASH ACCRUALS	4.90	6.11	7.60	9.52	11.36
Interest on Term Loan	1.16	1.41	1.02	0.63	0.24
Total	6.06	7.51	8.62	10.15	11.60
REPAYMENT					
Instalment of Term Loan	3.38	3.38	3.38	3.38	3.38
Interest on Term Loan	1.16	1.41	1.02	0.63	0.24
Total	4.54	4.78	4.39	4.01	3.62
DEBT SERVICE COVERAGE RATIO	**1.34**	**1.57**	**1.96**	**2.53**	**3.21**
AVERAGE D.S.C.R.			**2.12**		

BREAK EVEN POINT ANALYSIS

Year	I	II	III	IV	V
Net Sales & Other Income	79.80	99.96	116.76	133.56	150.36
Less : Op. WIP Goods	-	3.36	4.03	4.70	5.38
Add : Cl. WIP Goods	3.36	4.03	4.70	5.38	6.05
Total Sales	**83.16**	**100.63**	**117.43**	**134.23**	**151.03**
Variable & Semi Variable Exp.					
Raw Material & Tax	58.80	70.56	82.32	94.08	105.84
Electricity Exp/Coal Consumption at 85%	4.48	5.38	6.27	7.17	8.07
Manufacturing Expenses 80%	1.28	2.40	2.80	3.21	3.61
Wages & Salary at 60%	5.39	5.92	6.52	7.17	7.89
Selling & adminstrative Expenses 80%	1.28	1.60	1.87	2.14	2.41
Intt. On Working Capital Loan	0.86	0.86	0.86	0.86	0.86
Total Variable & Semi Variable Exp	**72.08**	**86.72**	**100.64**	**114.62**	**128.66**
Contribution	**11.08**	**13.91**	**16.79**	**19.61**	**22.37**
Fixed & Semi Fixed Expenses					
Manufacturing Expenses 20%	0.32	0.60	0.70	0.80	0.90
Electricity Exp/Coal Consumption at 15%	0.79	0.95	1.11	1.27	1.42
Wages & Salary at 40%	3.59	3.95	4.34	4.78	5.26
Interest on Term Loan	1.16	1.41	1.02	0.63	0.24
Depreciation	1.79	1.58	1.38	1.20	1.05
Selling & adminstrative Expenses 20%	0.32	0.40	0.47	0.53	0.60
Total Fixed Expenses	**7.97**	**8.89**	**9.02**	**9.21**	**9.47**
Capacity Utilization	**50%**	**60%**	**70%**	**80%**	**90%**
OPERATING PROFIT	**3.11**	**5.02**	**7.77**	**10.40**	**12.89**
BREAK EVEN POINT	**36%**	**38%**	**38%**	**38%**	**38%**
BREAK EVEN SALES	**59.83**	**64.30**	**63.06**	**63.05**	**63.97**