

PROJECT REPORT

Of

GUMMED PAPER TAPE

PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding **Gummed Paper tape**.

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 : xxxxxxxxxx
- 2 Constitution (legal Status) : xxxxxxxxxx
- 3 Father / Spouse Name : xxxxxxxxxxxxxx
- 4 Unit Address : xxxxxxxxxxxxxxxxxxxxxxxxxx
- District : xxxxxxxx
Pin: xxxxxxxx State: xxxxxxxxxx
Mobile xxxxxxxx
- 5 Product and By Product : **Gummed Paper Tape**
- 6 Name of the project / business activity proposed : **Gummed Paper Tape Manufacturing Unit**
- 7 Cost of Project : Rs.17.89 Lakhs
- 8 Means of Finance
Term Loan Rs.12.11 Lakhs
Own Capital Rs.1.79 Lakhs
Working Capital Rs.4 Lakhs
- 9 Debt Service Coverage Ratio : 2.44
- 10 Pay Back Period : 5 Years
- 11 Project Implementation Period : 5-6 Months
- 12 Break Even Point : 41%
- 13 Employment : 14 Persons
- 14 Power Requirement : 10 HP
- 15 Major Raw materials : Kraft paper in rolls, Animal Glue of standard quality, Glycerin preservatives and other miscellaneous chemicals, Plastic cores, Bituminized packaging paper reels , labels etc
- 16 Estimated Annual Sales Turnover (Max Utilized Capacity) : 114.60 Lakhs
- 17 Detailed Cost of Project & Means of Finance

COST OF PROJECT

(Rs. In Lakhs)

Particulars	Amount
Land	Own/Rented
Building /Shed 2000 Sq ft	Own/Rented
Plant & Machinery	12.60
Furniture & Fixtures	0.85
Working Capital	4.44
Total	17.89

MEANS OF FINANCE

Particulars	Amount
Own Contribution	1.79
Term Loan	12.11
Working Capital	4.00
Total	17.89

PROJECT REPORT ON GUMMED PAPER TAPE



INTRODUCTION

Gummed Paper Tapes afford security against pilferage and tamper as it cannot be peeled off. These tapes are easy to stick and give attractive look to the cartons and packages. These tapes can be printed attractively in any color of choice and after an excellent advertising value, identification and individuality. Almost all the raw materials used for the manufacture of gummed tapes i.e.Kraft paper, adhesives. cores, printing inks and other allied materials are available indigenously.

PRODUCTS AND ITS APPLICATION

A variety of colored, patterned papers with adhesive on one side for easy application. Coated or uncoated book paper, gummed on one side, used for stickers, labels, stamps, seals, and tapes.

Gummed paper tape is also used for ballpoint pens, cards, charcoals, copying paper, crayons, disposable pens, envelopes, fibre tipped pens, fountain pens, graphic stationery, gummed paper, ink pads, office machinery paper, pastels, pencils, pens, perforated papers, postcards, print cartridges, printed paper, propelling pencils,

refillable pens, ribbons, rolling ball pens, rubber stamps, self-adhesive papers, stationery sets, and typewriter ribbons.

INDUSTRY OUTLOOK/ TREND

Paper gummed tape is being replaced by BOPP adhesive tape. However paper gummed tape with continue in use due to low cost, ease if application and availability. The growth rate of the consuming industries is very high compare to other sectors of economy. The long term trend is positive due to growth of GDP in the country and also export potentiality

MARKET POTENTIAL AND MARKETING ISSUES, IF ANY

The gummed paper tape plays an important role in the field of packaging industries. The demand of tapes is increasing with the increase in industrialization and urbanization. The consuming industries like pharmaceuticals, cosmetics, food processing etc. are growing faster in the recent years. With more and more sophistication being introduced in packaging and trend for displaying and advertising contents on package the demand for gummed paper tape is likely to increase considerably in future

RAW MATERIAL REQUIREMENTS

The main raw materials required for manufacture of Gummed Paper Tape are Kraft paper in rolls, Animal Glue of standard quality, Glycerin preservatives and other miscellaneous chemicals, Plastic cores, Bituminized packaging paper reels , labels etc.

MANUFACTURING PROCESS

Kraft paper in reels is coated uniformly in one side with a water soluble adhesive composition on a coating machine. It is dried in a drying chamber and wound. The coated rolls are then slit into various sizes (width and length). If required, printing is done on the uncoated side of the gummed tape reels.

PROJECTED BALANCE SHEET

PARTICULARS	I	II	III	IV	V
<u>SOURCES OF FUND</u>					
<u>Capital Account</u>					
Opening Balance	-	2.32	4.53	7.21	10.97
Add: Additions	1.79	-	-	-	-
Add: Net Profit	1.03	3.21	5.69	7.75	9.97
Less: Drawings	0.50	1.00	3.00	4.00	6.00
Closing Balance	2.32	4.53	7.21	10.97	14.94
CC Limit	4.00	4.00	4.00	4.00	4.00
Term Loan	10.76	8.07	5.38	2.69	-
Sundry Creditors	0.67	0.77	0.88	1.00	1.13
TOTAL :	17.75	17.37	17.47	18.65	20.07
<u>APPLICATION OF FUND</u>					
Fixed Assets (Gross)	13.45	13.45	13.45	13.45	13.45
Gross Dep.	1.98	3.66	5.09	6.32	7.36
Net Fixed Assets	11.48	9.79	8.36	7.13	6.09
Current Assets					
Sundry Debtors	2.18	2.59	2.97	3.38	3.82
Stock in Hand	3.15	3.53	4.01	4.53	5.09
Cash and Bank	0.95	1.45	2.14	3.61	5.06
TOTAL :	17.75	17.37	17.47	18.65	20.07
	-	-	-	-	-

PROJECTED PROFITABILITY STATEMENT

PARTICULARS	I	II	III	IV	V
<u>A) SALES</u>					
Gross Sale	65.25	77.73	89.06	101.32	114.60
Total (A)	65.25	77.73	89.06	101.32	114.60
<u>B) COST OF SALES</u>					
Raw Mateiral Consumed	39.98	46.20	52.92	60.16	68.04
Electricity Expenses	1.12	1.23	1.34	1.46	1.57
Repair & Maintenance	0.33	0.39	0.45	0.51	0.57
Labour & Wages	11.02	12.12	13.34	14.67	16.14
Depreciation	1.98	1.68	1.43	1.22	1.04
Cost of Production	54.42	61.63	69.48	78.01	87.36
Add: Opening Stock /WIP	-	1.81	1.99	2.25	2.52
Less: Closing Stock /WIP	1.81	1.99	2.25	2.52	2.82
Cost of Sales (B)	52.60	61.45	69.23	77.74	87.06
C) GROSS PROFIT (A-B)	12.65	16.28	19.83	23.59	27.54
	19.38%	20.94%	22.27%	23.28%	24.03%
D) Bank Interest (Term Loan)	1.31	1.07	0.78	0.48	0.18
ii) Interest On Working Capital	0.44	0.44	0.44	0.44	0.44
E) Salary to Staff	6.27	6.90	7.59	8.35	9.18
F) Selling & Adm Expenses Exp.	3.59	4.66	5.34	6.08	6.88
TOTAL (D+E)	11.61	13.07	14.15	15.35	16.68
H) NET PROFIT	1.03	3.21	5.69	8.24	10.86
	1.6%	4.1%	6.4%	8.1%	9.5%
I) Taxation	-	-	-	0.49	0.88
J) PROFIT (After Tax)	1.03	3.21	5.69	7.75	9.97

PROJECTED CASH FLOW STATEMENT

PARTICULARS	I	II	III	IV	V
<u>SOURCES OF FUND</u>					
Own Contribution	1.79	-			
Net Profit	1.03	3.21	5.69	8.24	10.86
Depreciation & Exp. W/off	1.98	1.68	1.43	1.22	1.04
Increase In Cash Credit	4.00				
Increase In Term Loan	12.11	-	-	-	-
Increase in Creditors	0.67	0.10	0.11	0.12	0.13
TOTAL :	21.57	4.99	7.23	9.59	12.03
<u>APPLICATION OF FUND</u>					
Increase in Fixed Assets	13.45	-	-	-	-
Increase in Stock	3.15	0.39	0.48	0.52	0.56
Increase in Debtors	2.18	0.42	0.38	0.41	0.44
Repayment of Term Loan	1.35	2.69	2.69	2.69	2.69
Taxation	-	-	-	0.49	0.88
Drawings	0.50	1.00	3.00	4.00	6.00
TOTAL :	20.62	4.49	6.55	8.11	10.58
Opening Cash & Bank Balance	-	0.95	1.45	2.14	3.61
Add : Surplus	0.95	0.50	0.69	1.48	1.45
Closing Cash & Bank Balance	0.95	1.45	2.14	3.61	5.06

COMPUTATION OF GUMMED PAPER TAPE MANUFACTURING UNIT**Items to be Manufactured Gummed Paper Tape**

Manufacturing Capacity per Day		500.00	kg
No. of Working Hour		8	
No of Working Days per month		25	
No. of Working Day per annum		300	
Total Production per Annum		150,000	kg
Year		Capacity	Gummed Paper Tape
		Utilisation	
I		50%	75,000
II		55%	82,500
III		60%	90,000
IV		65%	97,500
V		70%	105,000

COMPUTATION OF RAW MATERIAL

Item Name	Quantity of Raw Material	Unit	Unit Rate of	Total CostPer Annum (100%)
Kraft paper in Roll	150,000.00	kg	50.00	7,500,000.00
Water soluble adhesive	l.s	kg		350,000.00
Glycerin preservatives and other miscellaneous chemicals	l.s	kg		100,000.00
Plastic cores	300.00		150.00	45,000.00
Total	150,000.00			7,995,000.00

Total Raw material in Rs lacs at 100% Capacity 79.95
 Cost per kg (In Rs) 53.30

Raw Material Consumed	Capacity Utilisation	Rate	Amount (Rs.)
I	50%	53.30	39.98
II	55%	56.00	46.20
III	60%	58.80	52.92
IV	65%	61.70	60.16
V	70%	64.80	68.04

COMPUTATION OF CLOSING STOCK & WORKING CAPITAL

PARTICULARS	I	II	III	IV	V
<u>Finished Goods</u>					
(10 Days requirement)	1.81	1.99	2.25	2.52	2.82
<u>Raw Material</u>					
(10 Days requirement)	1.33	1.54	1.76	2.01	2.27
Closing Stock	3.15	3.53	4.01	4.53	5.09

COMPUTATION OF WORKING CAPITAL REQUIREMENT

Particulars	Amount	Margin(10%)	Net Amount
Stock in Hand	3.15		
Less:			
Sundry Creditors	0.67		
Paid Stock	2.48	0.25	2.23
Sundry Debtors	2.18	0.22	1.96
Working Capital Requirement			4.19
Margin			0.47
MPBF			4.19
Working Capital Demand			4.00

BREAK UP OF LABOUR

Particulars	Wages Per Month	No of Employees	Total Salary
Plant Operator	15,000.00	1	15,000.00
Unskilled Worker	8,500.00	6	51,000.00
Helper	5,000.00	2	10,000.00
Security Guard	7,500.00	1	7,500.00
			83,500.00
Add: 10% Fringe Benefit			8,350.00
Total Labour Cost Per Month			91,850.00
Total Labour Cost for the year (In Rs. Lakhs)		10	11.02

BREAK UP OF SALARY

Particulars	Salary Per Month	No of Employees	Total Salary
Accountant cum store keeper	10,000.00	1	10,000.00
Administrative Staffs	12,500.00	3	37,500.00
Total Salary Per Month			47,500.00
Add: 10% Fringe Benefit			4,750.00
Total Salary for the month			52,250.00
Total Salary for the year (In Rs. Lakhs)		4	6.27

COMPUTATION OF DEPRECIATION

Description	Land	Building/shed	Plant & Machinery	Furniture	TOTAL
Rate of Depreciation			15.00%	10.00%	
Opening Balance		Own/Rented	-	-	-
Addition	-		12.60	0.85	13.45
	-		12.60	0.85	13.45
TOTAL		-	12.60	0.85	13.45
Less : Depreciation	-	-	1.89	0.09	1.98
WDV at end of Ist year	-	-	10.71	0.77	11.48
Additions During The Year	-	-	-	-	-
	-	-	10.71	0.77	11.48
Less : Depreciation	-	-	1.61	0.08	1.68
WDV at end of IIInd Year	-	-	9.10	0.69	9.79
Additions During The Year	-	-	-	-	-
	-	-	9.10	0.69	9.79
Less : Depreciation	-	-	1.37	0.07	1.43
WDV at end of IIIrd year	-	-	7.74	0.62	8.36
Additions During The Year	-	-	-	-	-
	-	-	7.74	0.62	8.36
Less : Depreciation	-	-	1.16	0.06	1.22
WDV at end of IV year	-	-	6.58	0.56	7.13
Additions During The Year	-	-	-	-	-
	-	-	6.58	0.56	7.13
Less : Depreciation	-	-	0.99	0.06	1.04
WDV at end of Vth year	-	-	5.59	0.50	6.09

REPAYMENT SCHEDULE OF TERM LOAN

11.0%

Year	Particulars	Amount	Addition	Total	Interest	Repayment	CI Balance
I	Opening Balance						
	Ist Quarter	-	12.11	12.11	0.33	-	12.11
	IInd Quarter	12.11	-	12.11	0.33	-	12.11
	IIIrd Quarter	12.11	-	12.11	0.33	0.67	11.43
	Ivth Quarter	11.43	-	11.43	0.31	0.67	10.76
					1.31	1.35	
II	Opening Balance						
	Ist Quarter	10.76	-	10.76	0.30	0.67	10.09
	IInd Quarter	10.09	-	10.09	0.28	0.67	9.42
	IIIrd Quarter	9.42	-	9.42	0.26	0.67	8.74
	Ivth Quarter	8.74		8.74	0.24	0.67	8.07
					1.07	2.69	
III	Opening Balance						
	Ist Quarter	8.07	-	8.07	0.22	0.67	7.40
	IInd Quarter	7.40	-	7.40	0.20	0.67	6.73
	IIIrd Quarter	6.73	-	6.73	0.18	0.67	6.05
	Ivth Quarter	6.05		6.05	0.17	0.67	5.38
					0.78	2.69	
IV	Opening Balance						
	Ist Quarter	5.38	-	5.38	0.15	0.67	4.71
	IInd Quarter	4.71	-	4.71	0.13	0.67	4.04
	IIIrd Quarter	4.04	-	4.04	0.11	0.67	3.36
	Ivth Quarter	3.36		3.36	0.09	0.67	2.69
					0.48	2.69	
V	Opening Balance						
	Ist Quarter	2.69	-	2.69	0.07	0.67	2.02
	IInd Quarter	2.02	-	2.02	0.06	0.67	1.35
	IIIrd Quarter	1.35	-	1.35	0.04	0.67	0.67
	Ivth Quarter	0.67		0.67	0.02	0.67	0.00
					0.18	2.69	

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

CALCULATION OF D.S.C.R

PARTICULARS	I	II	III	IV	V
<u>CASH ACCRUALS</u>	3.01	4.89	7.12	8.97	11.02
Interest on Term Loan	1.31	1.07	0.78	0.48	0.18
Total	4.32	5.96	7.90	9.45	11.20
<u>REPAYMENT</u>					
Repayment of Term Loan	1.35	2.69	2.69	2.69	2.69
Interest on Term Loan	1.31	1.07	0.78	0.48	0.18
Total	2.66	3.76	3.47	3.17	2.87
DEBT SERVICE COVERAGE RATIO	1.63	1.58	2.28	2.98	3.90
AVERAGE D.S.C.R.			2.44		

COMPUTATION OF SALE

Particulars	I	II	III	IV	V
Op Stock	-	2,500.00	2,750.00	3,000.00	3,250.00
Production	75,000.00	82,500.00	90,000.00	97,500.00	105,000.00
	75,000.00	85,000.00	92,750.00	100,500.00	108,250.00
Less : Closing Stock(10 Days)	2,500.00	2,750.00	3,000.00	3,250.00	3,500.00
Net Sale	72,500.00	82,250.00	89,750.00	97,250.00	104,750.00
Avg Sale Price per Kg	90.00	94.50	99.23	104.19	109.40
Sale (in Lacs)	65.25	77.73	89.06	101.32	114.60

COMPUTATION OF ELECTRICITY**(A) POWER CONNECTION**

Total Working Hour per day	Hours	8	
Electric Load Required	HP	10	
Load Factor		0.7460	
Electricity Charges	per unit	7.50	
Total Working Days		300	
Electricity Charges			1.34
Add : Minimim Charges (@ 10%)			

(B) DG set

No. of Working Days		300	days
No of Working Hours		0.5	Hour per day
Total no of Hour		150	
Diesel Consumption per Hour		8	
Total Consumption of Diesel		1,200	
Cost of Diesel		65.00	Rs. /Ltr
Total cost of Diesel		0.78	
Add : Lube Cost @15%		0.12	
Total		0.90	
Total cost of Power & Fuel at 100%			2.24

Year	Capacity	Amount (in Lacs)
I	50%	1.12
II	55%	1.23
III	60%	1.34
IV	65%	1.46
V	70%	1.57

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