

# PROJECT REPORT

Of

## ADHESIVE BOPP TAPES

### PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding **Adhesive BOPP Tapes Making**

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.]



**Lucknow Office:** Sidhivinayak Building ,  
27/1/B, Gokhlley Marg, Lucknow-226001

**Delhi Office :** Multi Disciplinary Training  
Centre, Gandhi Darshan Rajghat,  
New Delhi 110002

**Email :** [info@udyami.org.in](mailto:info@udyami.org.in)  
**Contact :** +91 7526000333, 444, 555

## PROJECT AT A GLANCE

- 1 Name of the Entrepreneur : XXXXXXXX
- 2 Constitution (legal Status) : XXXXXXXX
- 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
<b>Total</b>	<b>24.53</b>

### MEANS OF FINANCE

Particulars	Amount
Own Contribution @10%	2.45
Term Loan	13.50
Workign Capital Finance	8.58
<b>Total</b>	<b>24.53</b>

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

PLANT & MACHINERY

<u>PARTICULARS</u>	<u>QTY.</u>	<u>RATE</u>	<u>AMOUNT IN RS.</u>
S.S. tank fitted with stirrer (1/2 HP) for Preparation of adhesive with 300 lit. cap.	1.00		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
Complete drying chamber double walled With glass wool, chain conveyor, guider Rolls, thermostat for controlling heat(2 KW)	1.00		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
Other necessary equipments, weighing Balance containers,electric accessories sizing	1.00		1,80,000.00
<u>Sub- Total</u>			<u>6,15,000.00</u>
Add: 20% for Taxes Freight Etc			1,23,000.00
<u>TOTAL</u>			<u>7,38,000.00</u>

## **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**

<b>PARTICULARS</b>	<b>IST YEAR</b>	<b>IIND YEAR</b>	<b>IIIRD YEAR</b>	<b>IVTH YEAR</b>	<b>VTH YEAR</b>
<b><u>SOURCES OF FUND</u></b>					
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
<b>TOTAL :</b>	<b>29.37</b>	<b>30.83</b>	<b>33.99</b>	<b>39.25</b>	<b>46.52</b>
<b><u>APPLICATION OF FUND</u></b>					
<b>Fixed Assets ( Gross)</b>	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
<b>Current Assets</b>					
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
<b>TOTAL :</b>	<b>29.37</b>	<b>30.83</b>	<b>33.99</b>	<b>39.25</b>	<b>46.52</b>

- - - - -

**PROJECTED CASH FLOW STATEMENT**

<b>PARTICULARS</b>	<b>IST YEAR</b>	<b>IIND YEAR</b>	<b>IIIRD YEAR</b>	<b>IVTH YEAR</b>	<b>VTH YEAR</b>
<b><u>SOURCES OF FUND</u></b>					
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
<b>TOTAL :</b>	<b>31.16</b>	<b>6.92</b>	<b>9.47</b>	<b>11.92</b>	<b>14.26</b>
<b><u>APPLICATION OF FUND</u></b>					
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
<b>TOTAL :</b>	<b>27.91</b>	<b>6.60</b>	<b>7.44</b>	<b>8.00</b>	<b>8.53</b>
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	<b>3.26</b>	<b>3.57</b>	<b>5.60</b>	<b>9.52</b>	<b>15.25</b>

**PROJECTED PROFITABILITY STATEMENT**

<b>PARTICULARS</b>	<b>IST YEAR</b>	<b>IIND YEAR</b>	<b>IIIRD YEAR</b>	<b>IVTH YEAR</b>	<b>VTH YEAR</b>
<b>A) SALES</b>					
Gross Sale	79.80	99.96	116.76	133.56	150.36
<b>Total (A)</b>	<b>79.80</b>	<b>99.96</b>	<b>116.76</b>	<b>133.56</b>	<b>150.36</b>
<b>B) COST OF SALES</b>					
Raw Mateiral Consumed	58.80	70.56	82.32	94.08	105.84
Electricity 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
<b>Cost of Production</b>	<b>73.00</b>	<b>87.57</b>	<b>101.29</b>	<b>115.10</b>	<b>129.01</b>
<b>Add: Opening Stock /WIP</b>	<b>-</b>	<b>3.36</b>	<b>4.03</b>	<b>4.70</b>	<b>5.38</b>
<b>Less: Closing Stock /WIP</b>	<b>3.36</b>	<b>4.03</b>	<b>4.70</b>	<b>5.38</b>	<b>6.05</b>
Cost of Sales (B)	69.64	86.90	100.62	114.43	128.33
<b>C) GROSS PROFIT (A-B)</b>	<b>10.16</b>	<b>13.06</b>	<b>16.14</b>	<b>19.13</b>	<b>22.03</b>
	<b>13%</b>	<b>13%</b>	<b>14%</b>	<b>14%</b>	<b>15%</b>
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
<b>TOTAL (D+E)</b>	<b>7.05</b>	<b>8.04</b>	<b>8.36</b>	<b>8.73</b>	<b>9.13</b>
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	Sheet	
	Utilisation		
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 (Propolyne 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
<b>Sale (in Lacs)</b>	<b>79.80</b>	<b>99.96</b>	<b>116.76</b>	<b>133.56</b>	<b>150.36</b>

**BREAK UP OF LABOUR**

Particulars		Wages	No of	Total
		Per Month	Employees	Salary
<u>Machine Operator</u>		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**

<b>(A) POWER CONNECTION</b>			
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	
<b>Electricity Charges ( 8 Hrs Per day )</b>			
=10*300 * 8.00 * 0.746 * 8			1,43,232.00
Add : Minimim Charges (@ 10%)			14,323.20
			1,57,555.20
<b>(B) D.G. SET</b>			
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		<b>8.97</b>	
Total cost of Power & Fuel at 100%			10.55
<b>Year</b>		<b>Capacity</b>	<b>Amount</b>
			<b>(in Lacs)</b>
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
<b>Finished Goods</b>					
(15 Days requirement)	3.36	4.03	4.70	5.38	6.05
<b>Raw Material</b>					
(15 Days requirement)	1.96	2.35	2.74	3.14	3.53
<b>Closing Stock</b>	<b>5.32</b>	<b>6.38</b>	<b>7.45</b>	<b>8.51</b>	<b>9.58</b>

**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			<b>9.53</b>
Margin			0.95
Working Capital Finance			<b>8.58</b>

**COMPUTATION OF DEPRECIATION**

Description	Land	Building	Plant & Machinery	Furniture	TOTAL
Rate of Depreciation		10.00%	15.00%	10.00%	
<b>Opening Balance</b>	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 IIInd 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	CI Balance
<b>IST YEAR</b>	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	-	
<b>IIIND YEAR</b>	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	
<b>IIIRD YEAR</b>	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	
<b>IVTH YEAR</b>	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	
<b>VTH YEAR</b>	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**

<b>PARTICULARS</b>	<b>IST YEAR</b>	<b>IIND YEAR</b>	<b>IIIRD YEAR</b>	<b>IVTH YEAR</b>	<b>VTH YEAR</b>
<b><u>CASH ACCRUALS</u></b>	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
<b><u>REPAYMENT</u></b>					
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
<b>DEBT SERVICE COVERAGE RATIO</b>	<b>1.34</b>	<b>1.57</b>	<b>1.96</b>	<b>2.53</b>	<b>3.21</b>
<b>AVERAGE D.S.C.R.</b>			<b>2.12</b>		

## BREAK EVEN POINT ANALYSIS

Year	I	II	III	IV	V
<b>Net Sales &amp; Other Income</b>	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
<b>Total Sales</b>	<b>83.16</b>	<b>100.63</b>	<b>117.43</b>	<b>134.23</b>	<b>151.03</b>
<b>Variable &amp; Semi Variable Exp.</b>					
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 & administrative 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
<b>Total Variable &amp; Semi Variable Exp</b>	<b>72.08</b>	<b>86.72</b>	<b>100.64</b>	<b>114.62</b>	<b>128.66</b>
<b>Contribution</b>	<b>11.08</b>	<b>13.91</b>	<b>16.79</b>	<b>19.61</b>	<b>22.37</b>
<b>Fixed &amp; Semi Fixed Expenses</b>					
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 & administrative Expenses 20%	0.32	0.40	0.47	0.53	0.60
<b>Total Fixed Expenses</b>	<b>7.97</b>	<b>8.89</b>	<b>9.02</b>	<b>9.21</b>	<b>9.47</b>
<b>Capacity Utilization</b>	<b>50%</b>	<b>60%</b>	<b>70%</b>	<b>80%</b>	<b>90%</b>
<b>OPERATING PROFIT</b>	<b>3.11</b>	<b>5.02</b>	<b>7.77</b>	<b>10.40</b>	<b>12.89</b>
<b>BREAK EVEN POINT</b>	<b>36%</b>	<b>38%</b>	<b>38%</b>	<b>38%</b>	<b>38%</b>
<b>BREAK EVEN SALES</b>	<b>59.83</b>	<b>64.30</b>	<b>63.06</b>	<b>63.05</b>	<b>63.97</b>

## **DISCLAIMER**

The views expressed in this Project Report are advisory in nature. SAMADHAN assume no financial liability to anyone using the content for any purpose. All the materials and content contained in Project report is for educational purpose and reflect the views of the industry which are drawn from various research material sources from internet, experts, suppliers and various other sources. The actual cost of the project or industry will have to be taken on case to case basis considering specific requirement of the project, capacity and type of plant and other specific factors/cost directly related to the implementation of project. It is intended for general guidance only and must not be considered a substitute for a competent legal advice provided by a licensed industry professional. SAMADHAN hereby disclaims any and all liability to any party for any direct, indirect, implied, punitive, special, incidental or other consequential damages arising directly or indirectly from any use of the Project Report Content, which is provided as is, and without warranties.