PROJECT PROFILE

PRODUCT: ADHESIVE BOPP TAPES

QUALITY STANDARD: AS PER CUSTOMER’S SATISFACTION.

PRODUCTION CAPACITY (P.A.):

<table>
<thead>
<tr>
<th>QUANTITY</th>
<th>VALUE</th>
</tr>
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<tbody>
<tr>
<td>Adhesive tapes</td>
<td>20.4 MT 22,03,200/-</td>
</tr>
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PREPARED BY:

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Orissa State Financial Corporation
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INTRODUCTION:

Adhesive polypropylene tapes are nowadays used in large scale for sealing of corrugated cartoons, craft paper boxes and other paper boxes. These tapes are made by coating polypropylene film tape with rubber adhesives. These tapes are also used for immediate sealing of envelopes, paper items, rubber items, and other such uses.

MARKET:

So far no unit has been registered in Orissa in manufacturing of P.P. tapes. There are so many corrugated paper boxes manufacturing units in and around Cuttack, Bhubaneswar, Jagatpur, Rourkela, Sambalpur, Balasore and other regions. The use of paper tapes has already been outdated. So such type of manufacturing unit will definitely have high demand inside the state. These tapes are also used large in book binding, register books, binding workshops. Nowadays it has become a household stationery article for any sealing purpose.

BASIS AND PRESUMPTION:

1. The scheme is based on eight working hours per day and 300 days per annum.
2. Minimum wages have considered in preparation of scheme.
3. All the prices in respect of equipment, raw materials are taken as per the prevailing price, which may vary from place to place and time to time.
4. The rate of interest has been taken as 16% per annum.

IMPLEMENTATION SCHEDULE:

1. Preparation of retort and regn. With D.I.C. 1 month
2. Availability of finance 3 months
3. Installation of machinery 2 months
4. Procurement of raw material and trial run 8 months

TECHNICAL ASPECTS:
The total process can be summarised as:
1. Preparation of adhesive.
2. Coating of adhesive in P.P. Film rolls
3. Drying of rolls.
4. Stitching of rolls and packaging.

(1) **Preparation of adhesive:**
Calculated amount of natural rubber and antioxidant are charged into a reactor. Zinc oxide and magnesium oxide are also added into the reactor. After that phenolic resin and solvent are added and heated with steam to polymerise temp. (40°C) and this is cooled to set the adhesive in liquid state.

(2) **Coating of adhesive:**
The liquid adhesive is kept in hopper and sprayed on polypropylene film by the automatic machine.

(3) **Drying of rolls:**
Then the tapes are slit and cut into smaller sizes and wound on thick craft paper rolls.

(4) **Slitting of rolls & packaging:**
Then the rolls are dried to optimum temperature not less than 40°C. and packed in cartoons.

**QUALITY STANDARD:**
As per customer’s satisfaction.

**PRODUCTION CAPACITY (P.A.):**

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<th>Item</th>
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<td>20.4 MT</td>
<td>Rs.22,03,200/-</td>
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**ENERGY CONSERVATION:**
Not much energy is consumed in this type of industry. However, workers should be made aware about unnecessary use of electricity.

**FIXED CAPITAL INVESTMENT:**
Land: 5000 sq. ft.  Rs.1,20,000
Shed: 2000 sq. ft. @ 200  Rs.4,00,000

Rs.5,20,000

MACHINERY AND EQUIPMENT:
1. S.S. tank fitted with stirrer (1/2 HP) for Preparation of adhesive with 300 lit. cap. One. 30,000

2. 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. One 1,50,000

3. Complete drying chamber double walled one 50,000 With glass wool, chain conveyer, guider Rolls, thermostat for controlling heat(2 KW)

4. 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) one 1,00,000

5. Other necessary equipments, weighing Balance containers,electric accessories LS 20,000

6. Office furniture LS 20,000

7. Transport cost @ 10% 35,000

8. Installation charges @ 10% 30,000

PRE-OPERATIVE EXPENDITURE:

Preparation of profile 200
Travel expr. 2000
Telephone connection 2000
Stationery 200
Sales tax registration                              3000
Other misc. expenditure                           2000
                                                   9,400

TOTAL FIXED CAPITAL INVT:

5,20,000 + 4,35,000 + 9400 = Rs.9,64,000/-

A. RAW MATERIAL PER MONTH (to prepare 1.7 MT of tape):

<table>
<thead>
<tr>
<th>S.no.</th>
<th>Specification</th>
<th>Qty.</th>
<th>Rate/kg</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Polypropylene roll of diff. size</td>
<td>1 Ton</td>
<td>50/-</td>
<td>50,000</td>
</tr>
<tr>
<td>2.</td>
<td>Natural rubber</td>
<td>300 kg</td>
<td>25/kg</td>
<td>7500</td>
</tr>
<tr>
<td>3.</td>
<td>Zinc oxide</td>
<td>10 kg</td>
<td>90/-</td>
<td>900</td>
</tr>
<tr>
<td>4.</td>
<td>Magnesium oxide</td>
<td>14 kg</td>
<td>30/-</td>
<td>420</td>
</tr>
<tr>
<td>5.</td>
<td>Phenolic resin</td>
<td>70 kg</td>
<td>40/kg</td>
<td>2800</td>
</tr>
<tr>
<td>6.</td>
<td>Solvent (CSNL and linseed oil)</td>
<td>520 kg</td>
<td>50/kg</td>
<td>26,000</td>
</tr>
<tr>
<td>7.</td>
<td>Kraft paper roll or packaging material</td>
<td>500 kg</td>
<td>10/kg</td>
<td>5000</td>
</tr>
</tbody>
</table>

Balance: 92,620

B. STAFF AND LABOUR PAYMENT (P.M.):

Manager                                                   1 3000
Salesman                                                  1 2500
Skilled labour                                            3 6000
Unskilled labour                                          2 3000
Unskilled labour                                          2 14,000

Perquisites @ 15%                                         2100
16,100

C. UTILITY:

550 KWH @ 3.20                                            1760
Water                                                    100
                                                                           1860/-

D. OTHER EXPENDITURE:
Travel          3000
Telephone       500
Advertisement   1500
Stationery      500
Taxes and levies 500
Other misc. expr. 2000

WORKING CAPITAL PER MONTH:

= A + B + C + D = 92,620 + 16,100 + 1,860 + 8000 = Rs.1,18,580/-

TOTAL CAPITAL INVESTMENT:

Fixed capital     9,64,000
Working capital (3 months) 3,55,740
                                13,20,140

COST OF PRODUCTION (Per annum):

Dep. On shed @ 10%        40,000
Dep. On shed @ 20%        4,000
Dep. On machinery @ 10%   35,000
Interest on capital invt. @ 16% 2,11,223
Recurring expr.           14,22,960
                                17,13,183

TURNOVER (PER ANNUM):

<table>
<thead>
<tr>
<th>Adhesive tapes</th>
<th>20.4 MT @ Rs.108/- per kg</th>
<th>Rs.22,03,200</th>
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PROFIT PER ANNUM:

= Rs.22,03,200 - Rs.17,13,183 = Rs.4,90,017/-

NET PROFIT RATIO:
\[
\text{turnover} \times 100 = 22\%
\]

**RATE OF RETURN:**

\[
\text{investment} \times 100 = 37\%
\]

**BREAK EVEN ANALYSIS:**

Cost of Production (Per annum):

1. Dep. On machinery @ 10% \(40,000\)
2. Dep. On furniture @ 20% \(4,000\)
3. Interest on investment @ 16% \(2,11,223\)
4. 40% of salary \(77,280\)
5. 40% other exp. Except tax \(36,000\)
6. Taxes and levies \(6,000\)

\[
3,74,503
\]

**BREAK EVEN POINT:**

\[
\text{Fixed cost} \times 100 = \text{Profit} \times 100 = 3,74,503 = 43%
\]

**ADDRESSES OF MACHINERY SUPPLIERS:**


**ADDRESSES OF RAW MATERIAL SUPPLIERS:**
1. M/s.Packing India, 60/N.I.E., Jagatpur, Dt.Cuttack.
4. M/s.Paper Palace, B.K.Road, Cuttack-1.