

GUMMED PAPER TAPE

1. 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.

2. 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.

3. DESIRED QUALIFICATION FOR PROMOTER

Bachelor of Science in Paper Science and Engineering or Master Degree in Paper Engineering or bachelor or master degree in chemicals.

4. 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

5. 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

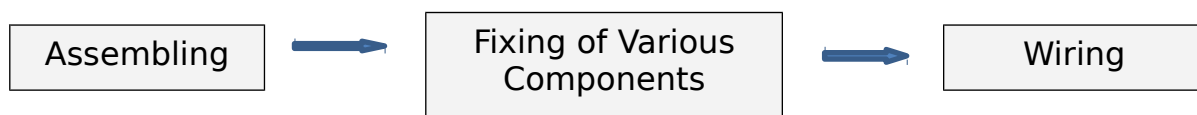
6. RAW MATERIAL REQUIREMENTS

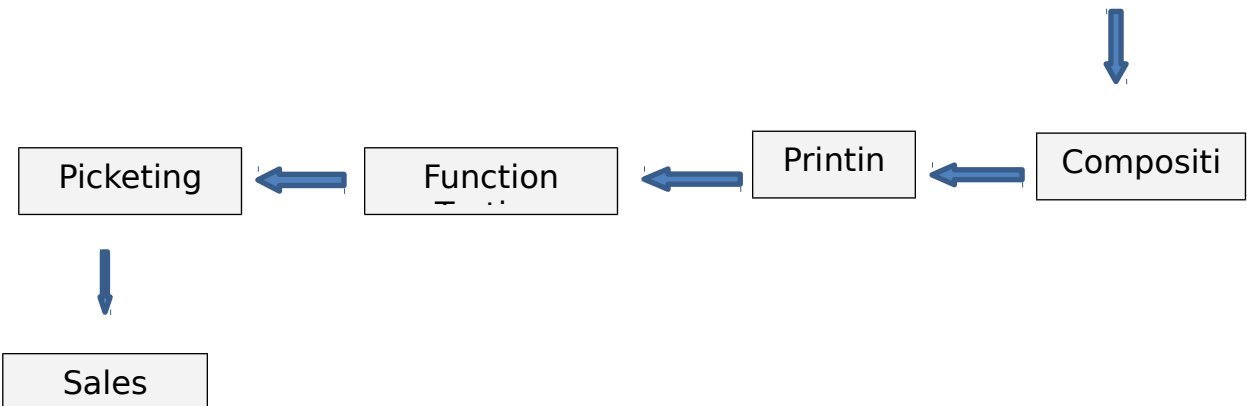
The main raw materials required for manufacture of Gummed Paper Tape are Kraft paper in rolls, Animal Glue of standard quality, Glycerin preservatives and other miscellaneous chemicals, Plastic cores, Bituminized packaging paper reels , labels etc.

7. 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.

Flow Chart:





8. MANPOWER REQUIREMENT

Sr. No.	Particulars	Nos	Salary(Rs .)
1	Production manager	1	10000
2	Production Supervisor	1	8000
3	Accountant	1	10000
4	Office boy	1	8000
5	Peon	1	4000
6	Sales man	1	7000
7	Skilled worker	4	30000
8	Unskilled Worker	6	24000
9	Watchman	1	6000
	Total	17	107000

9. IMPLEMENTATION SCHEDULE

Sr. No.	Particulars	Time Period
1	The Time requirement for preparation of Project report	One month
2	Time requirement for selection of Site	One month
3	Time required for registration as Small Scale Unit	One Week
4	Time required for acquiring the loan Machinery procurement, erection and commissioning	Three Months
5	Recruitment of labourer etc.	One month
6	Trial runs	One Month

10. COST OF PROJECT

Sr. No.	Particulars	Rs. In lakhs
1	Land and Building	25.00
2	Plant and Machinery	7.55
3	Miscellaneous Assets	2.50
4	P & P Expenses	2.00
5	Contingencies @ 10% on land and building and plant and machinery	3.26
6	Working capital margin	5.03
	Total	45.34

11. MEANS OF FINANCE

Sr. No.	Particulars	Rs. (lakhs)
1	Promoter's contribution	13.6014
2	Bank Finance	31.7366
		45.34

12. WORKING CAPITAL CALCULATION

Sr. No.	Particulars	Rs. lakhs	Stock Period days	Promoter Margin	Margin Amt.	Bank Finance
1	Salaries and wages	0.68	30	1	0.68	-
2	Raw material and packaging material	3.75	30	0.5	1.875	1.875
3	Utilities	0.13	30	0.5	0.065	0.065
4	Debtors	6.02	30	0.4	2.408	3.612
	Total	10.58			5.028	

13. LIST OF MACHINERY REQUIRED

Sr. No.	Particulars	Rs. lakhs
1	Glue preparation tank	1.90
2	Complete coating & rewinding machine size 40" with rollers and adjustments, glue coating stainless steel tank with mild steel jacket, main drive with V-Belts and chain, extra mild steel core for the rewinding unit.	3.50
3	Complete drying chamber	1.20
4	Complete slitting, Printed rewinding unit equipped with necessary steel rolls for printing, reduction drive etc.	0.95

Total	7.55
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- Ocean Rotoflex
Plot No. B-49,
Zaveri Industrial Estate,
Kathwada GIDC,
Kathwada Rd,
Ahmedabad, Gujarat
- Goldmann Automatics Pvt Limited
No. 510, Marathon Max,
Mulund Goregaon,
Link Road, Mulund West,
Mumbai
Maharashtra,

14. PROFITABILITY CALCULATIONS

(Rs.)

Sr. No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5
(A)	Sales Realization per annum	5418000	6192000	6966000	6966000	6966000
(B)	Cost of Production					
1	Raw material per annum	3150000	3600000	4050000	4050000	4050000
2	Utilities	105000	120000	135000	135000	135000
3	Salaries	816000	856800	897600	897600	897600
4	Repairs and maintenance	90000	110000	130000	130000	130000
5	Selling expenses (3% on sales value)	162540	185760	208980	208980	208980
6	Administrative Expenses (other expenses)	70000	77000	84000	91000	98000
	Total	4393540	4949560	5505580	5512580	5519580
(C)	Profit before interest & depreciation	1024460	1242440	1460420	1453420	1446420
	depreciation	488250	488250	488250	488250	488250
	Profit Before term loan and tax	536210	754190	972170	965170	958170
	Interest on term loan (11%)	331647.47	279282.08	209461.56	139641.04	69820.52
	Profit before tax	204562.5	474907.92	762708.4	825528.96	888349.48

		3		4		
	Tax (30%)	61368.75 9	142472.37 6	228812.5 32	247658.68 8	266504.84 4
	Total Profit	143193.7 71	332435.54 4	533895.9 08	577870.27 2	621844.63 6

Underlying assumptions for probability calculation are:-

The installed capacity of the plant is assumed at 200 MT per annum. The highest capacity utilization is assumed in the third year at 90% whereas the moderate capacity utilization is 70% of the installed capacity. The raw material price is assumed at Rs. 25/- per KG. The selling price is taken at Rs.43/- per KG. Power cost is taken at Rs.8/- per unit. Interest rate on long term loan is taken at 11%.

15. BREAKEVEN ANALYSIS

Fixed Cost (FC):	Rs. In lakhs
Wages & Salaries	8.16
Repairs & Maintenance	0.9
Depreciation	4.88
Admin. & General expenses	0.7
Interest on Term Loan	3.31
Total	17.95

Fixed Cost: 17.95

Profit After Tax: 1.43

BEP = FC x 100/FC+P

17.95 /19.38 x 70/100 x 100

64.83%

16. STATUTORY/ GOVERNMENT APPROVALS

There is no specific statutory requirement for production of paper gummed tape. However MSME & GST registration, IEC Code for Export of end products and local authority clearance may be required for Shops and Establishment, for Fire and Safety requirement and registration for ESI, PF and Labour laws may be required if

applicable. Entrepreneur may contact State Pollution Control Board where ever it is applicable.

17. BACKWARD AND FORWARD INTEGRATION

There is little possibility of backward linkages in case of paper gummed tape of manufacturing. However as forward linkage promoter may think of going for BOPP tape, customized paper stickers, posters etc.

18. TRAINING CENTERS/COURSES

For paper packaging products, training programs/courses conducted by Indian Institute of Packaging Mumbai and its branches in the states may be looked into when required. Similarly training at National Institute of Design Ahmedabad and its other branches may be contacted for attractive designs. For technical training promoter may also depend on machinery supplier.

Udyamimitra portal (link : www.udyamimitra.in) can also be accessed for handholding services viz. application filling / project report preparation, EDP, financial Training, Skill Development, mentoring etc.

Entrepreneurship program helps to run business successfully is also available from Institutes like Entrepreneurship Development Institute of India (EDII) and its affiliates all over India.

Disclaimer:

Only few machine manufacturers are mentioned in the profile, although many machine manufacturers are available in the market. The addresses given for machinery manufacturers have been taken from reliable sources, to the best of knowledge and contacts. However, no responsibility is admitted, in case any inadvertent error or incorrectness is noticed therein. Further the same have been given by way of information only and do not carry any recommendation.

Source:- Udyami Mitra/Sidbi

