



Detailed Project Report

Adhesive Tape Manufacturing



By



2023



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1. OVERVIEW OF THE JLG MEMBERS

Name of the JLG:

Number of the members.

Name of Gram Panchayat/Taluk:

Name of the District:

Account details of JLG:

Details of JLG members with Hierarchy;

1.

2.

3.

4.

5.

6.

KYC:

Aadhar/PAN/Photo:



Adhesive tape is a versatile material used for binding, fastening, and holding objects together. It is made of a thin strip of material coated with an adhesive on one or both sides. The adhesive can be made of rubber, acrylic, or silicone and provides a strong, temporary bond. Adhesive tape comes in various types, such as masking tape, duct tape, electrical tape, and packaging tape, each with its unique characteristics and intended use. It is widely used in many applications, including household repairs, industrial manufacturing, packaging, and medical treatments.

2. OBJECTIVES OF SVSY

Under Yuva Niti 2022, the new Swami Vivekananda Yuva Shakti Yojana is proposed on the following grounds to achieve holistic development of 2.1 crore youth of the state and to bring about constructive social change by the youth in keeping with the India@2047 vision of the Hon'ble Prime Minister.

The current scenario of the state on various parameters is as follows:

- i. Political Representation:** Out of total 1,01,308 members in rural local bodies, 12,411 (12.25 per cent) youths and 360 youths (5.36 per cent) out of 6713 municipal councillors are political representatives.
- ii. Education:** Out of a total of 2.1 crore youth, 21.55 lakh (10.37 per cent) students are in high school, 11.75 lakh (5.65 per cent), 6.45 lakh (3.10 per cent) in general degree colleges, 1.51 lakh (2.72 per cent), 1.11 lakh in polytechnics. (0.53 per cent), 0.74 lakh (0.36 per cent) The total number of



students studying in medical courses is 43.12 lakh, which is per cent of the total youth. 21 percent will be. Remaining 157.88 lakh youth have below 10th standard education.

iii. Employment: According to the National Skill Development Corporation report, out of the total 2.1 crore youth in the state, 82 lakh (41 per cent) youth are in the labour force. As the remaining 119 lakh youth (59 per cent) are not in the professional labour force, they need to be given skill training to make them self-reliant.

iv. Skill Development: Out of the total 82 lakh youth in the workforce, 16 lakh youth (20 per cent) have received skill vocational training. The remaining 66 lakh (80 percent) youth need to be given skill development training. Out of this, only one lakh youth are being trained by the NLRM department every year. Therefore 65 lakh untrained rural youth need skill training. To achieve this every school needs to provide vocational education from class 6 onwards.

v. Internship: According to the 6th Economic Census, there are a total of 28.80 lakh enterprises in the state, out of which 78,022 enterprises employ more than 8 people. About 30 lakh youths can be trained in skills by undertaking the internship program for a period of three months in local industries related to agriculture and agri-based/MSME/self-employment/service sector.

vi. Migration Control: Rural people have migrated from various districts to urban areas for job opportunities, of which 40 lakh (20 percent) youth are in



Bangalore city. Therefore, there is a need to provide more employment opportunities at the village level.

- vii. Consolidation of programs for rural employment:** In total there are 27,395 revenue villages in the state and it is proposed to form Swami Vivekananda Self Help Groups, one in each village, on the model of Women's Self-Help Groups to provide self-employment to the unorganized workers in these. There are about 15 to 20 youth in each group, and 5.50 lakh youth in 27,395 self-help groups have received Rs. 1.5 lakh to provide margin money estimated at Rs. 410 crores will be required.
- viii. Bank Linked Schemes:** Coordination and inclusion of Yuva Shakti schemes with schemes linked to 25 banks. There are 35000 shelves of projects under the Mudra loan scheme, and steps will be taken to select the financial activities of the self-help societies based on these models.
- ix. Training:** Skill development training will be imparted to the youth under the National Entrepreneurship Mission under the 18 programs being implemented by various departments under this scheme. Training for agriculture and other activities will be provided through the Rural Development Self Employment Training Institute (RUDSETI).
- x. Formation of State Level Committee:** It is proposed to constitute a committee under the chairmanship of the Minister of Youth Empowerment and Sports at the State level for implementation and monitoring of the programme. RDPR, Commerce and Industry, Labour, Skill Development and Bank representatives will be members of this committee.



- xi. District Level Committee:** It is proposed to constitute a District Level Committee under the Chairmanship of the Chief Executive Officer of the Zilla Panchayat for the implementation and supervision of the program at the district level. The members of this committee are the officers of Rural Development and Panchayat Raj, Commerce and Industry, Labour, Skill Development Departments and District Lead Bank Managers.
- xii. Village level stewardship:** The village level stewardship of this program will be handled by Rural Development and Panchayat Raj Departments and Youth Empowerment and Sports Departments.

3. ABOUT VKF

VKF is a Think Tank of Community Change Champions who are from various walks of Social Spaces with diverse backgrounds and specialists from their domains.

VKF is a platform that enables as a think tank to evolve an aggregation of the social impact service providers and entrepreneurs for bringing about a transformational movement of social Change that is measurable on the lines of the Strategic Sustainable Development Goals (SSDG) of United Nation (UN).

VKF's is primarily focused on the development of Karnataka state in collaboration and co-creation initiatives.

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transformational movement of Social Change that is measurable on the lines of the Strategic Development Goal of UN.

VKF's strong focus is on enhancing the rural mass entrepreneurship development clubbed with rural livelihood options. In this direction, VKF team is working with the rural livelihood SHGs members and handholding them to elevate themselves to newer socio-economic status and uplifting the whole geography of the cluster by setting up of CFCs.

VKF's experience spans across conceptualizing cluster mapping, conducting baseline surveys, awareness creation, trust building activities, capacity building, design thinking activities etc., to enhance capabilities of the artisans and livelihood SHGs in the clusters.

VKF also indulges in facilitating Common Facility Centres, Preparation of DPR, Govt. liaising, market linkage activities, brand awareness, branding initiatives, value addition of the products produced by clusters etc. In this, regards we have collaborated and working with MSME, ESTC, IDEMI, Tribes India, NRLM and WCD to support rural masses in terms upgrading their livelihood opportunities.

4. NAME OF PRODUCT AND TECHNOLOGY

Adhesive Tape Manufacturing Unit



Adhesive tape is a type of tape that is coated with an adhesive on one or both sides. It is commonly used for binding, sealing, or masking objects. Adhesive tape comes in a variety of sizes, colors, and materials, each with different levels of adhesive strength and properties that make them suitable for specific applications. The most common type of adhesive tape is pressure-sensitive tape, which relies on pressure to activate the adhesive. When the tape is applied to a surface and pressure is applied, the adhesive bonds to the surface. Pressure-sensitive tape is often made from a flexible backing material such as paper, plastic, or fabric, with a layer of adhesive on one side.

5. DELIVERABLES AND MARKET OF THE PRODUCT

- **Bonding:** The primary deliverable of adhesive tape is its ability to bond two surfaces together. Depending on the type of tape and the surfaces being bonded, adhesive tape can provide a strong, permanent bond, or a temporary bond that can be easily removed.
- **Sealing:** Adhesive tape is often used for sealing purposes, such as sealing packages or envelopes. Some types of tape are specifically designed for this purpose and can provide a watertight seal.
- **Insulation:** Certain types of adhesive tape, such as electrical tape, are used for insulating purposes. They can help to insulate wires, cables, and other electrical components.



- **Masking:** Masking tape is used to mask off areas that should not be painted, such as trim or other objects. The tape can be easily removed after painting to reveal a clean edge.
- **Protection:** Adhesive tape can be used to protect surfaces from damage or scratches. For example, painters may use tape to protect baseboards or other surfaces while painting.
- **Decoration:** Adhesive tape is also used for decorative purposes, such as in arts and crafts, scrapbooking, and gift wrapping. Some types of tape come in a variety of colors and patterns to add a decorative touch to projects.
- **Project Assumptions:** This model DPR for Adhesive Tape Manufacturing Unit is basically on certain assumptions that may vary with capacity, location, raw materials availability etc. An entrepreneur can use this model DPR format and modify as per requirement and suitability. The assumptions made in preparation of this DPR are given in Table. Therefore, land and civil infrastructures are assumed as already available with the entrepreneur.



Table: Detailed Project Assumptions		
Parameter	Value	
Assumed Capacity of the Adhesive Tape Manufacturing unit:	1000-3000 kg	
Utilization of capacity:	Year 1	Implementation
	Year 2	40%
	Year 3	65%
	Year 4	80%
	Year 5 ONWARDS	90%
Working days per year:	300 days	
Working hours per day:	8-10 hours	
Average price of raw material:	Rs.300-450/kg	
Average sale price of product	Rs.700-1000/kg	

Machineries:



300mm Mini Automatic Cello Tape Making Machine

Capacity: 25 boxes/day

Price: Rs. 1.95 lakhs/-

Motor Power: 3 HP

Material: Metal

Chamunda Industries

Ahmedabad, Gujrat



<u>Market Linkage</u> <ul style="list-style-type: none">❖ <u>Retail Stores</u>❖ <u>E-commerce</u>❖ <u>Various Manufacturing Units</u>	<ul style="list-style-type: none">❖ <u>Quick Commerce</u>❖ <u>Departmental stores & Supermarkets</u>❖ <u>Gift Shops</u>
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6. ROLE OF EACH OF THE JLG MEMBERS

How JLG will participate:

- 3 persons will be used to procurement of raw materials
- 1 person for production
- 2 persons for the logistics & sales
- 2 persons for sieving
- 2 persons for maintenance of machines

7. SOFT INTERVENTION

The following are the soft interventions to be arranged:

- Awareness on financial inclusion will help in getting the assistance from Government and other sources
- Export promotional orientation for the JLG members.
- Awareness/ training programme on product quality, handling practices.
- Capacity Building activity



- Trust Building activities
- Programmes on technical skill enhancement to unit owners.
- Programmes on Business and entrepreneurship skill enhancement to unit owners
- Mass entrepreneurship development program in the JLG eco system.

8. ESTIMATED COST OF THE PROJECT AND THE IMPLEMENTATION SCHEDULE

The proposed cost of the project is as follows:

Sl. No.	Details	Cost in Rs.	Percentage
1	Bank Loan	3,64,500	90%
2	JLG contribution	40,500	10%
3	Total	4,05,000	100%

Sl. No.	Details	Cost in Rs.
1	Machine Cost	3,10,000
2	Furniture	30,000



3	Working capital (Shed deposit, electric connection deposit, Miscellaneous and preoperative expenses)	65,000
	TOTAL	4,05,000

The proposed project implementation schedule is as follows:

Sl. No.	Project Component	Schedule
1	Shed for the project on rental basis	Identified
2	Electricity and Water facility Installation	Present
3	Arrival of Machinery	Within 1 months of Order
4	Erection of Machinery	Within 5 days of arrival
5	Commissioning	Within 2-4 days of erection
6	Commercial Usage	Within 2 months from approval

9. LAND/SHED STATUS:



The JLG has already identified the shed required for the project within the project area.

10. SWOT ANALYSIS OF THE PROJECT

I. Strength

- Growing awareness among entrepreneurs about the need for modernization, managerial and technical skill.
- Higher export potential.
- Adhesive tape is a versatile product that can be used for various applications, such as packaging, sealing, labeling, and repairing.
- Adhesive tape is easy to use and can be applied quickly and easily, making it a convenient product for both personal and commercial use.
- Adhesive tape is available in various forms such as double-sided, masking, duct, and transparent tape, providing customers with a range of options to choose from.
- The cluster members are having good coordination among themselves and are serious about resolving cluster problems.

II. Weakness

- Quality control issues, as some manufacturers may use low-quality ingredients, which can lead to a decrease in the quality of the final product.
- Adhesive tape may not be suitable for certain applications, such as those that require high temperature resistance or exposure to moisture or chemicals.



- Adhesive tape is typically made from plastic, which can have negative environmental impacts, including pollution and waste generation.

III. Opportunities

- As e-commerce and online shopping continue to grow, there is an opportunity for increased demand for packaging materials, including adhesive tape.
- There is an opportunity to develop new and innovative types of adhesive tape that cater to different market segments and applications.
- The growing concern over the environmental impact of plastic-based products presents an opportunity for the development of sustainable alternatives to adhesive tape.

IV. Threats

- Due to poor market access the profitability of the JLG members may fall bit low level. This may discourage initially to JLG members.
- Main attributed to less profitability to this industry is due to lower price at the beginning and JLG members need to work hard.
- Changes in customer preferences and behavior, such as a shift towards more sustainable and eco-friendly products, could impact demand for traditional adhesive tape products.

11. YOUTH EMPOWERMENT IMPACT OF THE PROJECT ON ECOSYSTEM



We have surplus youths in the state, graduate, undergraduate etc. supporting them to create self-employment will motivate to become entrepreneurs, they will live independent life.

Entrepreneurship will greatly impact the lifestyle of the youths, if businesses work along with their involvement of all the members towards creating awareness and promoting positive impacts on others.

12. THE END PRODUCTS PRODUCED FROM THE MACHINE



13. FINANCIALS



CASH FLOW STATEMENT

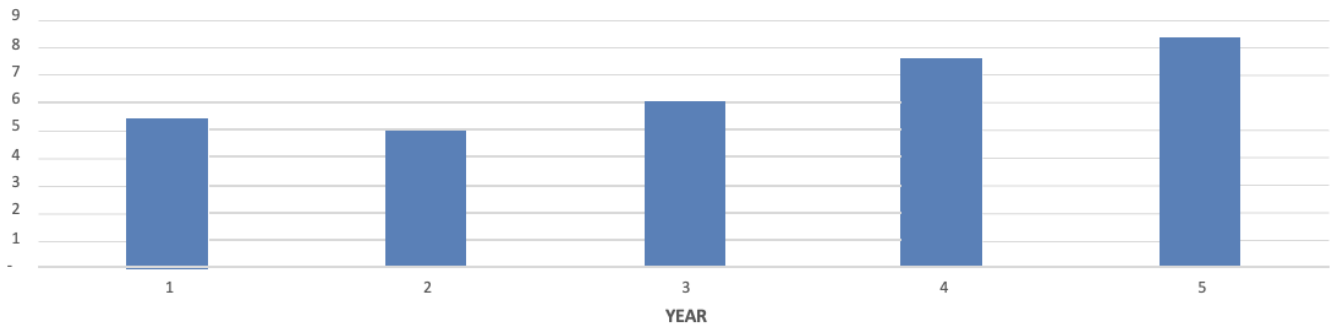
Particulars	Year	Year 1	Year 2	Year 3	Year 4	Year 5
<u>REVENUE FROM SALE OF ADHESIVE TAPES</u>						
No. of working days in a Year		300	300	300	300	300
Less : Days for off Season		-	-	-	-	-
No. of Machine Running days in a Year		300	300	300	300	300
Capacity of the machine in kgs per day		100	100	100	100	100
Production in KGs		100%	100%	100%	100%	100%
Utilisation of the Capacity (%)		80%	85%	90%	95%	95%
Production during the year (in KGs)		24,000	25,500	27,000	28,500	28,500
Rate per KG		200	220	242	266	293
Gross Revenue earned per annum - A		48,00,000	56,10,000	65,34,000	75,86,700	83,45,370
<u>COST OF RAW MATERIALS</u>						
Consumption of Raw Materials		24,000	25,500	27,000	28,500	28,500
Rate per KG		150	165	182	200	220
Total Cost of Raw Material per annum - B		36,00,000	42,07,500	49,00,500	56,90,025	62,59,028
<u>EXPENDITURE</u>						
Salaries and Wages		5,76,000	6,33,600	6,96,960	7,66,656	8,43,322
Electricity Charges		48,000	52,800	58,080	63,888	70,277
Rent		96,000	1,05,600	1,16,160	1,27,776	1,40,554
Transportation and Travelling		24,000	26,400	29,040	31,944	35,138
Packaging and Promotion Expenses		24,000	26,400	29,040	31,944	35,138
Miscellaneous Expense		25,000	27,500	30,250	33,275	36,603
Total Expenditure - C		7,93,000	8,72,300	9,59,530	10,55,483	11,61,031
Net Profit before Interest /Cash Flow (A-B-C)		4,07,000	5,30,200	6,73,970	8,41,192	9,25,311

PROJECTED TERM LOAN DSCR STATEMENT



	Year 1	Year 2	Year 3	Year 4	Year 5
	Projected	Projected	Projected	Projected	Projected
Profit available to service the debt	4,07,000	5,30,200	6,73,970	8,41,192	9,25,311
Loan Repayment	36,965	79,389	87,268	95,929	1,05,450
Interest on Term Loan	37,750	31,566	23,687	15,025	5,505
Debt to be Served	74,715	1,10,954	1,10,954	1,10,954	1,10,954
Debt Service Coverage Ratio	5	5	6	8	8
AVERAGE DSCR	6				

DEBT SERVICE COVERAGE RATIO



BREAKEVEN ANALYSIS



Investment Value Including Margin Rs. 450000

Year ended	Year 1 Projected	Year 2 Projected	Year 3 Projected	Year 4 Projected	Year 5 Projected
Cash Flow as per Statement of Income	4,07,000	5,30,200	6,73,970	8,41,192	9,25,311
Less : Interest on Loan	37,750	31,566	23,687	15,025	5,505
Less : Estimated Drawings/Personal Expenses	2,03,500	2,65,100	3,36,985	4,20,596	4,62,656
Net Cash Flow	1,65,750	2,33,534	3,13,298	4,05,571	4,57,151
Cumulative Cash Flow	1,65,750	3,99,284	7,12,583	11,18,153	15,75,304
Break Even Investment (in years)		2 Year and 1.9 Months			

DETAIL REPAYMENT SCHEDULE

Year	Quarter	Loan Installment	Principal Payment	Loan Outstanding	Interest at 9.5%	Cumulative Interest
1	1	9,619	-	4,05,000	9,619	37,750
	2	9,619	-	4,05,000	9,619	
	3	27,739	18,264	3,86,736	9,475	
	4	27,739	18,701	3,68,035	9,038	
2	1	27,739	19,149	3,48,887	8,590	31,566
	2	27,739	19,607	3,29,280	8,132	
	3	27,739	20,076	3,09,204	7,662	
	4	27,739	20,557	2,88,647	7,182	
3	1	27,739	21,049	2,67,598	6,690	23,687
	2	27,739	21,553	2,46,045	6,186	
	3	27,739	22,069	2,23,976	5,670	
	4	27,739	22,597	2,01,379	5,141	
4	1	27,739	23,138	1,78,241	4,601	15,025
	2	27,739	23,692	1,54,549	4,047	
	3	27,739	24,259	1,30,290	3,479	
	4	27,739	24,840	1,05,450	2,899	
5	1	27,739	25,434	80,015	2,304	5,505
	2	27,739	26,043	53,972	1,695	
	3	27,739	26,667	27,305	1,072	
	4	27,739	27,305	(0)	433	
Total		5,18,533	4,05,000		1,13,533	1,13,533



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