



# **MULTIPLE LAMINATION** **INDUSTRY**

## **Introduction**

Laminating is the Process through which at least two or more flexible packaging webs are joined together using a bonding agent. The substrates making up the networks may comprise of movies, papers, or aluminum foils. Overall terms an adhesive is applied to the less absorbent substrate web, after which the subsequent web is squeezed against it to create a duplex, or two-layer, overlay. Out of various industries, here we have prepared project taking Paper Lamination Business as base.

## **Market Potential**

The worldwide overlay cements market size was esteemed at USD 2.53 billion of every 2019 and is relied upon to develop at a build yearly development rate (CAGR) of 7.6% from 2020 to 2027. Expanding drug interest for tablets, pockets, and clinical gadgets is projected to help the market development over the long haul. With a developing populace and expanding portion of the geriatric populace in certain nations, medical services needs are expanding at a fast speed. Cover cement items track down a wide application in medical care bundling in the holding of paper, plastics, and aluminum. Development in plastic bundling and spotlight on expanding the efficiency of machines using progressed bundling materials are probably going to aid market development.

## **Product Uses**

Lamination paper is a paper used for laminates. Normally on particle or fiberboards giving an attractive and safe surface for use as furniture, beautification boards and deck.

## Manufacturing Process

Producing Lamination paper through the machine is also an extremely easy process. In this process, paper from one end of the machine is added as raw material.

Then a thin film of plastic, parallel to the paper from the same end of the machine, is also fitted into the machine.

The glue is then added to the machine. And the roll to roll process starts.

The Finished product is then ready to be placed in a dye, through the dye; it can easily be converted into various shapes.

## Cost of Project

Particulars	Amount (Rs. In Lakhs)
Land (owned)	-
Key Fabricated Structures with civil work (1200 sq.ft. @800/-) For Godown, Workshop and Office area(300 sq. ft) etc.	14.10
Plant and machinery	4.50
Miscellaneous Fixed Assets	5.90
DG Set	2.50
Escalation & Contingencies	1.35
Preliminary & Preoperative Expenses	1.82
<b>Sub-total (A)</b>	<b>30.17</b>
Working Capital Margin @40% of Total WC Requirement	8.64
<b>Total Project Cost</b>	<b>38.81</b>
Total Working Capital Required (25% of 1st Year Projected Turnover) <b>(B)</b>	21.60
<b>MEANS OF FINANCE</b>	
<b>Total Funds Required(A+B)</b>	<b>51.77</b>
Loan Component-	
TERM LOAN (60% of A)	18.10
WORKING CAPITAL (60% of B)	12.96
<b>Total</b>	<b>31.06</b>
Equity	20.71
<b>Total</b>	<b>51.77</b>

## Detailed Cost Element

SL	Particulars	Quantity	Amount (Rs. in Lakhs)
1	Hot and cold Lamination Machine - For Paper Lamination (Paper quality 50GSM- 700 GSM)	1	4.50
	<b>Total</b>		<b>4.50</b>

## Contingencies and Escalations

It has been assumed at approximately 5% at cost of project.

## Preliminary Expenses

Particulars	Amount (Rs. in Lakhs)
Incorporation Expenses	0.10
Project Report Preparation and Consultation	0.40
Feasibility and Engineer's/Architect's Report and Plans	0.13
Legal Charges - Drafting for agreements, contracts, stamp paper, notary and affidavit cost	0.05
Other recurring expenses of revenue nature upto start of commercial operations -salary, etc	0.48
Interest Cost for period before commercial production	0.66
<b>Total</b>	<b>1.82</b>

## Salary

Designation	Manpower	Amount (Rs. In Lakhs)
Manager	1	3.00
Accountant	1	2.40
Unskilled Labour	10	14.40

## Profitability Statement

	Amount (Rs. In Lakhs)						
Particulars	Year-1	Year-2	Year-3	Year-4	Year-5	Year-6	Year-7
<b><u>A. INCOME</u></b>							
Annual Turnover	86.40	90.72	95.26	100.02	105.02	110.27	115.78
<b>Total Income/ annum</b>	<b>86.40</b>	<b>90.72</b>	<b>95.26</b>	<b>100.02</b>	<b>105.02</b>	<b>110.27</b>	<b>115.78</b>
<b><u>B. OPERATING EXPENSES</u></b>							
Raw Material	31.10	32.66	34.29	36.01	37.81	39.70	41.68
Salary	19.80	21.78	23.96	26.35	28.99	31.89	35.08
Repair and Maintenance	0.65	0.68	0.71	0.75	0.78	0.82	0.86
Power	10.20	7.65	7.65	7.65	7.65	7.65	7.65
Depreciation and amortization	3.75	3.75	3.54	3.33	3.33	2.97	2.61
<b>Total Operating Expenses</b>	<b>65.50</b>	<b>66.52</b>	<b>70.15</b>	<b>74.09</b>	<b>78.56</b>	<b>83.03</b>	<b>87.89</b>
<b>Operating Profit (A-B)</b>	<b>20.90</b>	<b>24.20</b>	<b>25.10</b>	<b>25.93</b>	<b>26.46</b>	<b>27.24</b>	<b>27.90</b>
<b><u>C.FINANCIAL EXPENSES</u></b>							
Interest on loan	2.74	2.41	1.97	1.54	1.07	0.67	0.24
<b><u>D. Other Expenses</u></b>							
Administrative and General Expenses	4.32	4.54	4.76	5.00	5.25	5.51	5.79
<b>Total Expenses</b>	<b>7.06</b>	<b>6.94</b>	<b>6.74</b>	<b>6.54</b>	<b>6.32</b>	<b>6.18</b>	<b>6.02</b>
<b>Profit before Tax</b>	<b>13.83</b>	<b>17.26</b>	<b>18.37</b>	<b>19.39</b>	<b>20.14</b>	<b>21.06</b>	<b>21.87</b>
Provision for Tax	3.46	4.31	4.59	4.85	5.03	5.26	5.47
<b>Profit After Tax</b>	<b>10.38</b>	<b>12.94</b>	<b>13.78</b>	<b>14.54</b>	<b>15.10</b>	<b>15.79</b>	<b>16.40</b>
Dividend	-	-	-	-	-	-	-
<b>Retained Profits</b>	<b>10.38</b>	<b>12.94</b>	<b>13.78</b>	<b>14.54</b>	<b>15.10</b>	<b>15.79</b>	<b>16.40</b>

## Breakeven Point

Break Even Point (BEP)		Amount (Rs. In Lakhs)						
SL	Particulars	Year – 1	Year - 2	Year - 3	Year - 4	Year - 5	Year - 6	Year - 7
A.	Net Sales	86.40	90.72	95.26	100.02	105.02	110.27	115.78
B.	Variable Cost							
	Raw Materials	31.10	32.66	34.29	36.01	37.81	39.70	41.68
	Power and Utility	10.20	7.65	7.65	7.65	7.65	7.65	7.65
	Administrative and General Expenses	4.32	4.54	4.76	5.00	5.25	5.51	5.79
	<b>Total Variable Cost</b>	<b>45.62</b>	<b>44.85</b>	<b>46.70</b>	<b>48.66</b>	<b>50.71</b>	<b>52.86</b>	<b>55.12</b>
C.	<b>Contribution (A-B)</b>	<b>40.78</b>	<b>45.87</b>	<b>48.55</b>	<b>51.36</b>	<b>54.31</b>	<b>57.41</b>	<b>60.66</b>
D.	Fixed Cost							
	Salary	19.80	21.78	23.96	26.35	28.99	31.89	35.08
	Interest	2.74	2.41	1.97	1.54	1.07	0.67	0.24
	Repair & Maintanence	0.65	0.68	0.71	0.75	0.78	0.82	0.86
	Depreciation and Amortization	3.75	3.75	3.54	3.33	3.33	2.97	2.61
	<b>Total Fixed Cost</b>	<b>26.94</b>	<b>28.62</b>	<b>30.18</b>	<b>31.97</b>	<b>34.17</b>	<b>36.35</b>	<b>38.79</b>
E.	<b>Breakeven Point</b>	<b>66%</b>	<b>62%</b>	<b>62%</b>	<b>62%</b>	<b>63%</b>	<b>63%</b>	<b>64%</b>
F.	<b>Cash BEP</b>	<b>57%</b>	<b>54%</b>	<b>55%</b>	<b>56%</b>	<b>57%</b>	<b>58%</b>	<b>60%</b>

## Debt-Service Coverage Ratio

		Amount (Rs. in lakhs)						
SL	Particulars	Year -1	Year - 2	Year - 3	Year – 4	Year - 5	Year - 6	Year - 7
i	Profit	10.38	12.94	13.78	14.54	15.10	15.79	16.40
ii	Depreciation	3.75	3.75	3.54	3.33	3.33	2.97	2.61
iii	Interest	2.74	2.41	1.97	1.54	1.07	0.67	0.24
A	<b>Total ( i + ii + iii )</b>	<b>16.87</b>	<b>19.10</b>	<b>19.29</b>	<b>19.41</b>	<b>19.50</b>	<b>19.43</b>	<b>19.25</b>
i	Interest	2.74	2.41	1.97	1.54	1.07	0.67	0.24
ii	Principal repayment	2.56	5.11	5.11	5.11	5.11	5.11	5.11
B	<b>Total ( i + ii )</b>	<b>5.30</b>	<b>7.52</b>	<b>7.08</b>	<b>6.65</b>	<b>6.18</b>	<b>5.78</b>	<b>5.35</b>
	<b>DSCR ( A / B )</b>	<b>3.18</b>	<b>2.54</b>	<b>2.72</b>	<b>2.92</b>	<b>3.16</b>	<b>3.36</b>	<b>3.60</b>

## Interest on Term Loan and Principal Repayment

Refer Annexure I for Loan Repayment Schedule.

We have assumed the repayment tenure of term loan for a period of 7 years, rate of interest being @8.5% with the moratorium period being 1 year.

## Address of Vendors

Name of the vendor	Address and Contact Number
Friends Engineering Company	Amritsar, Punjab Phone No: 08048078278
Rely Print System LLP	Kothrud, Pune, Maharashtra Phone No: 08048979600
X Print	Hyderabad, Telangana Phone No: 08048884702

# ANNEXURE- I

Year O	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Annually
<b>Principal</b>													
Opening	18.10	18.23	18.36	18.49	18.62	18.75							
Repaid													-
Closing	18.23	18.36	18.49	18.62	18.75	18.88							
<b>Interest</b>	0.13	0.13	0.13	0.13	0.13	0.13							0.78
I													
<b>Principal</b>													
Opening	31.84	32.07	32.29	32.52	32.75	32.99	33.22	32.79	32.37	31.94	31.52	31.09	
Repaid	-	-	-	-	-	-	0.43	0.43	0.43	0.43	0.43	0.43	2.56
Closing	32.07	32.29	32.52	32.75	32.99	33.22	32.79	32.37	31.94	31.52	31.09	30.66	
<b>Interest</b>	0.23	0.23	0.23	0.23	0.23	0.23	0.24	0.23	0.23	0.23	0.22	0.22	2.74
II													
<b>Principal</b>													
Opening	30.66	30.24	29.81	29.39	28.96	28.53	28.11	27.68	27.26	26.83	26.41	25.98	
Repaid	0.43	0.43	0.43	0.43	0.43	0.43	0.43	0.43	0.43	0.43	0.43	0.43	5.11
Closing	30.24	29.81	29.39	28.96	28.53	28.11	27.68	27.26	26.83	26.41	25.98	25.55	
<b>Interest</b>	0.22	0.21	0.21	0.21	0.21	0.20	0.20	0.20	0.19	0.19	0.19	0.18	2.41
III													
<b>Principal</b>													
Opening	25.55	25.13	24.70	24.28	23.85	23.42	23.00	22.57	22.15	21.72	21.29	20.87	
Repaid	0.43	0.43	0.43	0.43	0.43	0.43	0.43	0.43	0.43	0.43	0.43	0.43	5.11
Closing	25.13	24.70	24.28	23.85	23.42	23.00	22.57	22.15	21.72	21.29	20.87	20.44	
<b>Interest</b>	0.18	0.18	0.17	0.17	0.17	0.17	0.16	0.16	0.16	0.15	0.15	0.15	1.97
IV													
<b>Principal</b>													
Opening	20.44	20.02	19.59	19.17	18.74	18.31	17.89	17.46	17.04	16.61	16.18	15.76	
Repaid	0.43	0.43	0.43	0.43	0.43	0.43	0.43	0.43	0.43	0.43	0.43	0.43	5.11
Closing	20.02	19.59	19.17	18.74	18.31	17.89	17.46	17.04	16.61	16.18	15.76	15.33	
<b>Interest</b>	0.14	0.14	0.14	0.14	0.13	0.13	0.13	0.12	0.12	0.12	0.11	0.11	1.54
V													
<b>Principal</b>													
Opening	15.33	14.91	14.48	14.05	13.63	13.20	12.78	12.35	11.92	11.50	11.07	10.65	
Repaid	0.43	0.43	0.43	0.43	0.43	0.43	0.43	0.43	0.43	0.43	0.43	0.43	5.11
Closing	14.91	14.48	14.05	13.63	13.20	12.78	12.35	11.92	11.50	11.07	10.65	10.22	
<b>Interest</b>	0.11	0.10	0.10	0.10	0.09	0.09	0.09	0.08	0.08	0.08	0.08	0.07	1.07
VI													
<b>Principal</b>													
Opening	10.22	9.80	9.37	8.94	8.52	8.09	7.67	7.24	6.81	6.39	5.96	5.54	
Repaid	0.43	0.43	0.43	0.43	0.43	0.43	0.43	0.43	0.43	0.43	0.43	0.43	5.11
Closing	9.80	9.37	8.94	8.52	8.09	7.67	7.24	6.81	6.39	5.96	5.54	5.11	
<b>Interest</b>	0.07	0.07	0.07	0.06	0.06	0.06	0.05	0.05	0.05	0.05	0.04	0.04	0.67
VII													
<b>Principal</b>													
Opening	5.11	4.68	4.26	3.83	3.41	2.98	2.56	2.13	1.70	1.28	0.85	0.43	
Repaid	0.43	0.43	0.43	0.43	0.43	0.43	0.43	0.43	0.43	0.43	0.43	0.43	5.11
Closing	4.68	4.26	3.83	3.41	2.98	2.56	2.13	1.70	1.28	0.85	0.43	-0.00	
<b>Interest</b>	0.04	0.03	0.03	0.03	0.02	0.02	0.02	0.02	0.01	0.01	0.01	0.00	0.24