

PROJECT REPORT

Magalon
Sealing Solutions



***“Magalon : Exporting Excellence, Sealing
with Taiwan Precision”***

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ABOUT US

It's going to be two years we named our brand Magalon. We are underwater diverse, apart from that we discussed about several opportunities time to time. When we got into the BOPP and Adhesive industry, we got the knowledge of manufacturing all kind of Adhesive tapes. So, we thought of studying seriously the environment of its market. As our study developed we raised there are several manufacturing units are there in north India. But only few in southern part of India. And we saw a huge opportunities that we can establish locally, national and international. We studied about the leading brand and suppliers in Kerala, India and worldwide. Then we decided that, we should be a brand that should stand with our unique quality and uniqueness in the industry as now in Indian market there is huge cheating, low quality products and cheap pricing, so the customers and distributors are very confused about the product quality. Therefore as per our 2 years of study, we were able to identify our customers problems and difficulties, then we find out that "QQPTS"- is most important.

"You should get into water to learn swimming"., as per the quote we decided to start a small scale manufacturing unit. We started by the purchase of few bundle insulation tapes and rebranding it in our name. Then, we explored by market by approaching some vendors, so they helped us to realize the ups and downs of markets and products. We continued the same rebranding with BOPP and other tapes. Within few months, we explored north Indian market and factories to gain knowledge on how to produce BOPP, masking tapes, form tapes and duct tapes. We brought a small machines and started our test runs with lot of errors and corrections. We started to produce our own BOPP tapes, we approached some wholesale dealers and other merchants, successfully we developed a small but privileged product in the name of Magalon.

With our studies and experiments, we realized this is a huge opportunities to achieve greater highs. So, we learned about the Taiwan and Chinese technologies to manufacture big quantity. According to our experiences and knowledge we gained we purchased a bigger rewinding machine and slicing machine, and tried to apply latest technologies in it to produce all the tapes in one machine. Unfortunately the modification does not allowed to do as per our plan, now we are practically equipped to produce enough quantity to catch our local market. But, we want to do huge production to showcase our uniqueness and quality to the world. Magalon will be one of the best company in Adhesive industry within few years. We are giving our blood and sweat for it.

Thankyou

Magalon by 2027

Weaving Taiwan Precision into the Fabric of South India

At Magalon , We are a leading manufacturer and exporter of a wide range of tapes, including Transparent, Brown, Colored, Printed, Masking, Duct, and Foam tapes. Powered by world-class **Taiwan technology**, our high-quality tapes are designed to perform exceptionally, even in extreme weather conditions.

With a focus on innovation and customization, we continue to grow, offering tapes that are safe, easy to use, and known for their high efficiency, strength, and tear resistance. Magalon is committed to delivering superior products that meet the evolving needs of industries worldwide, positioning us as a trusted partner for global markets.

South India – Our Foundation

Our journey begins in South India, where we are rapidly becoming a trusted name in the industry. Leveraging advanced Taiwan technology, we offer a comprehensive range of sealing solutions that are synonymous with reliability and

precision. Our deep understanding of the regional market, combined with our relentless pursuit of excellence, positions us as a leader in the sector, providing the foundation for our future expansion.

Global Ambitions

As we solidify our roots in South India, our vision extends far beyond. By 2027, Magalon aims to be a dominant force not only within India but also across international markets. Our commitment to quality, innovation, and customer satisfaction drives us to explore new horizons, exporting our products worldwide and establishing Magalon as a global leader in tape solutions.

Your Trusted Partner

At Magalon, we believe in building long-lasting relationships with our clients. Whether you're a local business in South India or an international corporation, we are dedicated to providing the highest quality products and services to meet your specific needs. Join us as we embark on this journey to connect South India with the world, one tape at a time.

"Crafting Tomorrow's Success with Precision Tapes for a Thriving South Indian Market"

Market Analysis:

Magalon Tapes in South India

Market Overview

South India, comprising Tamil Nadu, Karnataka, Andhra Pradesh, and Kerala, is a key economic region contributing around 30% of India's GDP. The area's urbanization is accelerating, with an annual growth rate of about 2.5%, boosting the demand for packaging and construction materials.

Worldwide Market Overview:

Globally, the demand for tapes and packaging materials is on an upward trajectory, driven by the growth of e-commerce, construction, and various industrial sectors. International trade plays a crucial role, with many manufacturers expanding their reach beyond domestic borders. In this global landscape, companies that can offer innovative, high-quality products at competitive prices have a distinct advantage. Magalon is committed to capturing a larger share of both domestic and global markets by focusing on quality, customization, and a deep understanding of customer needs, positioning itself as a key player on the world stage.

Magalon, with its advanced Taiwan technology, can capture a significant share by offering superior quality and customization.

Customer Segmentation

- **Construction Industry:** This sector uses about 35% of tape products. The growth in urban development projects is driving up demand.
- **Manufacturing Sector:** Comprising 25% of the market, this sector requires various tapes for production and packaging.
- **Retail & E-commerce:** Representing 20% of the market, the rise in online shopping is boosting the need for packaging tapes.
- **Automotive Sector:** This sector makes up 10% of the market, with increasing needs for specialized tapes in repairs and maintenance.

Market Opportunities

- **Urban Growth:** With cities expanding at 3% annually, there's a growing need for construction materials and tapes.
- **Technological Advantage:** Utilizing Taiwan technology can help Magalon stand out, potentially capturing 15% of the high-end market.
- **Customization Potential:** Offering tailored solutions can tap into niche markets and boost market share by up to 10%.

Demand for Tape Products

The tape market in South India is diverse, with significant demand across several categories:



Transparent, Yellow Tone and Brown Tapes:

Essential for packaging, this segment is growing at approximately 8% annually, driven by the expansion of the packaging sector.

Colored and Printed Tapes:

These represent about 5% of the tape market, fueled by increased retail and branding activities



Masking Tapes:

As the construction sector grows at 7% per year, the demand for masking tapes rises accordingly.

Duct Tapes:

With HVAC and insulation industries expanding at 6% annually, the need for duct is also increasing.



Foam Tapes:

The foam tape market is steadily growing, driven by the rising popularity of DIY crafts, home decor, and personalized projects, alongside the overall expansion of the craft industry.

At Magalon, Our Commitment to Excellence is Built on

QQPTS

At Magalon, we are dedicated to providing nothing short of perfection in every aspect of our business. Our core principles, embodied in the acronym QQPTS, drive our success and ensure that we meet and exceed our customer expectations every day

Q Quality

Quality is the cornerstone of everything we do. From the sourcing of raw materials to the final touches on our products, we ensure that each step is meticulously monitored and controlled. Our high standards ensure that our tapes, whether transparent, brown, colored, masking, duct, or foam, are manufactured with superior durability, strength, and precision. We guarantee consistent performance, ensuring that every roll meets your needs with impeccable reliability.

Q Quantity

At Magalon, we understand that fulfilling orders in the right quantity is just as important as the quality itself. We have fine-tuned our production processes to achieve optimal efficiency, allowing us to meet large-scale demands without compromising on quality. Our advanced manufacturing capabilities ensure that whether you need a small batch or a bulk order, we can deliver it swiftly and precisely.

P Pricing

Competitive pricing is another key factor that sets us apart. We believe that premium quality shouldn't come with a premium price tag. Our pricing strategy is designed to provide the best value for your investment, ensuring you get top-quality products at market-leading prices. We maintain transparency and fairness in all our pricing practices, so you always know you're getting the best deal.

T Timing

In today's fast-paced world, timing is crucial. At Magalon, we pride ourselves on our ability to deliver on time, every time. Our streamlined logistics and robust supply chain ensure that your orders arrive when you need them, without delays. We value your time and understand that timely delivery is vital to keeping your operations running smoothly.

S Services

Service excellence is the final pillar of our QQPTS philosophy. From the moment you place an inquiry to the delivery of your order, our dedicated team is here to support you. We offer personalized assistance, expert advice, and prompt responses to all your needs. We strive to build lasting relationships with our clients by providing a service experience that goes above and beyond.

Challenges

- **Price Sensitivity:** Competitive pricing is critical. Focusing on cost-efficiency and added value can help maintain a competitive edge.
- **Local Preferences:** Adapting to regional preferences is key to gaining market acceptance and fostering growth.

Strategic Recommendations

- **Expand Distribution:** Strengthen local partnerships and distribution channels to reach a wider audience.
- **Promote Quality:** Emphasize the advanced technology and superior quality of Magalon's products to attract premium clients.
- **Targeted Marketing:** Focus on high-growth sectors like construction and e-commerce to maximize market potential.

With these insights, Magalon is positioned to capture significant market share in South India and drive growth. Your investment will support our strategic goals and help us achieve long-term success.

Demographic Analysis: South India

South India, consisting of Tamil Nadu, Karnataka, Andhra Pradesh, and Kerala, is home to over 250 million people. The region's demographic profile presents a compelling opportunity for Magalon:

- **Urban Population:** Approximately 50% of the population lives in urban areas, with major cities like Chennai, Bangalore, and Hyderabad driving demand for construction and packaging materials.
- **Growing Middle Class:** A rising middle class with increased purchasing power is expanding consumer markets, including retail and e-commerce.
- **Youthful Demographic:** Over 60% of the population is under 35, indicating a dynamic and growing workforce that supports industrial and commercial growth.

These factors contribute to a strong market for Magalon's tape products, as both consumer and industrial demands rise with urbanization and economic development.

Product Description

We are a leading manufacturer and exporter specializing in a wide range of tapes, including Transparent, Brown, Colored, Printed, Masking, Duct, and Foam tapes. Our commitment to innovation and customization drives our growth, allowing us to provide tailored solutions that meet diverse needs across various industries.



"Join us in shaping the future of South India with cutting-edge tape solutions that drive innovation and quality in every industry."

Investment Blueprint:

Enhancing Capabilities with Advanced Machinery



Slicer machine

Designed to handle various materials, such as cardboard, foam, and protective films, with high accuracy and consistency. The slicer machine ensures that packing components are cut to exact specifications, which enhances the quality and functionality of the final packaging products.

Shrink wrap machine

Automates the process of wrapping products with shrink film, ensuring a tight, secure, and professional finish. By using controlled heat to shrink the film around the product, the shrink wrap machine offers superior protection against dust, moisture, and tampering, while also enhancing the presentation of the packaged goods. Its versatility.





Tape rewinding

Specifically designed for efficiently rewinding tape onto rolls. This machine ensures precise and consistent winding of adhesive and non-adhesive tapes, optimizing roll uniformity and reducing material waste.

Packing Machine

Engineered for seamless packaging operations, this machine efficiently wraps and secures products with precision. Designed to handle a variety of tapes, including adhesive and non-adhesive types, it ensures consistent application, tight sealing, and minimal material waste, thereby enhancing packaging speed and reducing overall operational costs.



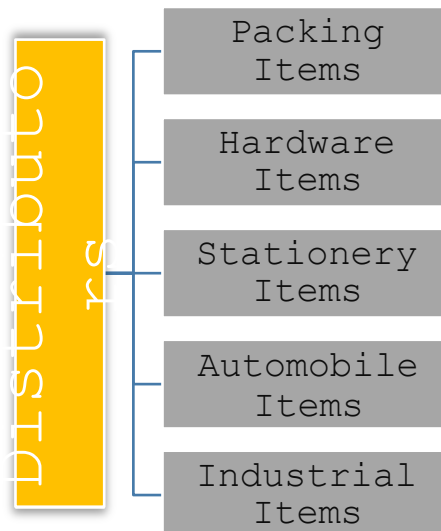
As leading manufacturers in the packing solutions industry, we proudly utilize cutting-edge machinery to deliver top-notch products. Our Stationary Sitting Machine optimizes productivity with ergonomic precision, enhancing material handling efficiency, The Slicer Machine ensures exact and speedy cuts, reducing waste and increasing output. Our Core Loading Machine streamlines core insertion with precision and flexibility, boosting production efficiency. The Tape Rewinding Machine guarantees high-quality tape rolls through superior tension control and durability. Lastly, our Shrink Wrap Machine offers professional-grade wrapping with advanced temperature control, ensuring exceptional protection and presentation. We invite investors to join us in advancing the packing solutions market by acquiring these state-of-the-art machines, which are pivotal to our production success.

Production Capacity

Estimated production Capacity		
Bopp & Masking	72 Box/Day to 120 Box/Day	
Duct & Form	48 box /Day to 90 Box/Day	
Overall Production Capacity (in Boxes)	Day	120 - 210 (<i>Min – Max</i>)
	Month (25Days)	3,000 - 5,250 (<i>Min – Max</i>)
	Year (12 Month)	3,6000 - 63,000 (<i>Min – Max</i>)

Excepted Production				
1 st Year	2 nd Year	3 rd Year	4 th Year	5 th Year
20,000 Box	30,000 Box	40,000 Box	50,000 Box	60,000 Box

Customer Profiles



Investment Opportunity

Investment Proposal

We are seeking an investment of ₹126,00,000/- (12.6 million INR) to support our ambitious expansion plans in the South Indian market. This funding will be utilized to enhance our inventory, bolster our sales and marketing efforts, and expand our team to drive growth. By investing in Magalon, you will help us tap into the significant opportunities within the South Indian tape market and position ourselves for substantial returns.

Company Investment Pitch

We are excited to offer you the opportunity to invest in Magalon and join us on our growth journey. Our financial projections indicate a robust future, and we believe your investment will be pivotal in achieving our goals.

Based on our projections, Magalon is poised for substantial growth over the next few years. We anticipate an average annual revenue growth of 10%, with projected revenues reaching ₹75 million by the end of Year 5. Our net profit margin is expected to range from 7% to 8% over the same period.

To achieve these targets, we are looking to raise 12.6 Million INR. This investment will be directed towards expanding our operations, increasing production capacity, and developing new products to meet growing market demands.

In exchange for your investment, you will receive an equity stake in the company, with profit-sharing terms agreed upon between the current proprietor and the incoming partner. We believe our business model and growth prospects make Magalon an attractive investment opportunity in a high-growth industry.

Please review the attached annexures for detailed financial projections and reach out to us if you are interested in learning more about this opportunity. We look forward to the possibility of partnering with you and achieving shared success.

Best regards,

KEVIN GEORGE

Managing Partner
Magalon

Project Cost & Capital Requirement (in Indian Rupees abbreviated as 'INR')

Fixed & Initial Costs Requirements	
Revinding & Slicer Machine	30,00,000
Packing Machine	15,00,000
Godown Security Deposit	5,00,000
Others	3,00,000
Total Fixed & Initial Costs Requirements (A)	53,00,000
Working Capital Requirements	
BOPP tapes (36 Boxes *25days) 1000 boxes p.m * Rs 2280 per box	23,70,000
Masking tapes (36 Boxes *25days) 1000 boxes p.m * Rs 2215 per box	23,05,000
Duct Tapes (24 Boxes * 25 days) 700 boxes p.m * Rs 1801 per box	12,60,700
Foam Tapes (24 Boxes * 25 days) 700 boxes p.m * Rs 1600 per box	11,20,000
Raw materials for 2 months (B)	70,55,700
Working Partner	30,000
Sales Incharge	30,000
Supervisor	20,000
Wages (4 Wrokers * 16000)	64,000
Accounting	13,000
Wages and salaries for 1 month (C).	1,57,000
Electricity Charges	20,000
Rent	45,000
Transport & Travel	25,000
Other Charges	12,500
Utilities & Other charges for one month (D)	1,02,500
Total Working Capital Requirments (B+C+D)	73,15,200
Cost	
Fixed Cost	53,00,000
Working Capital Cost	73,15,200
Total Cost	1,26,15,200
Means of finance	
Existing Managing Partner	12,61,520
Incoming Partner– New Investment	1,13,53,680
Total Investments Required	1,26,15,200



PROJECTED PROFIT & LOSS FOR 5 YEARS						(in lakhs)
	PARTICULARS	Year	Year	Year	Year	Year
		1	2	3	4	5
(A)	<u>Income</u>					
	Revenue	514.36	565.80	622.38	684.61	753.08
	TOTAL	514.36	565.80	622.38	684.61	753.08
(B)	<u>Cost of Purchases & Administrative Exp</u>					
	Opening Stock	0	7.0557	7.76127	8.5374	9.39114
	Purchases	423.342	465.676	512.244	563.468	619.815
	Closing Stock	7.0557	7.76127	8.5374	9.39114	10.3303
	Gross Profit	98.0742	100.826	110.909	121.999	134.199
	Utility charges	12.3	13.53	14.883	16.3713	18.0084
	Salary & wages	18.84	19.782	21.7602	23.9362	26.3298
	Total Administrative Expenses	31.14	33.312	36.6432	40.3075	44.3383
(E)	Net Profit before depreciation	66.9342	67.514	74.2653	81.6919	89.8611
	Depreciation	4.5	4.5	4.5	4.5	4.5
(E)	Net Profit after depreciation	62.4342	63.014	69.7653	77.1919	85.3611
	Income tax expense @ 30.4%	18.98	19.1562	21.2087	23.4663	25.9498
	Net Profit after tax	43.4542	43.8577	48.5567	53.7256	59.4113
(F)	Net Profit Ratio	8.45%	7.75%	7.80%	7.85%	7.89%

PROJECTED BALANCESHEET FOR 5 YEARS (in lakhs)

PARTICULARS	Year 1	Year 2	Year 3	Year 4	Year 5
<u>Liabilities & Owner's Equity</u>					
<u>(A) Owner's Equity</u>					
Opening	0.00	145.61	159.46	172.02	183.75
New Investments	113.54	0.00	0.00	0.00	0.00
Existing Managing Partner	12.62	0.00	0.00	0.00	0.00
Net Profit	43.45	43.86	48.56	53.73	59.41
	169.61	43.86	48.56	53.73	59.41
Personal Drawings	24.00	30.00	36.00	42.00	48.00
TOTAL	145.61	159.46	172.02	183.75	195.16
<u>ASSETS</u>					
<u>(B) FIXED ASSETS</u>					
Operating Machineries	40.50	36.00	31.50	27.00	22.50
<u>(C) CURRENT ASSETS</u>					
Godown Security Deposit	5.00	5.00	5.00	5.00	5.00
Sundry Debtors	65.00	66.30	67.63	68.98	70.36
Closing Stocks	7.06	7.76	8.54	9.39	10.33
Cash in hand & Bank	46.05	61.63	77.38	96.37	104.82
Other Asset	3.00	3.00	3.00	3.00	3.00
<u>LESS : CURRENT LIABILITIES</u>					
Creditors	21.00	20.23	21.02	25.99	20.85
TOTAL	145.61	159.46	172.02	183.75	195.16

PROJECTED CASH FLOW STATEMENT FOR 5 YEARS

PARTICULARS	Year	Year	Year	Year	Year
	1	2	3	4	5
<u>Sources of Cash</u>					
<i>Opening Balance</i>	0.00	46.05	61.63	77.38	96.37
Add : Increase in Capital Fund	126.15	0.00	0.00	0.00	0.00
Net Profit & Loss	43.45	43.86	48.56	53.73	59.41
Add: Depreciation	4.50	4.50	4.50	4.50	4.50
Add : Increase in Creditors	21.00	-0.77	0.80	4.97	-5.14
	195.11	93.64	115.48	140.57	155.14
<u>Application</u>					
Drawings	24.00	30.00	36.00	42.00	48.00
Add : Fixed Assets Purchases	53.00	0.00	0.00	0.00	0.00
Add : Increase in debtors	65.00	1.30	1.33	1.35	1.38
Add : Increase in stock	7.06	0.71	0.78	0.85	0.94
	149.06	32.01	38.10	44.21	50.32
<i>Closing Balance</i>	46.05	61.63	77.38	96.37	104.82