

PROJECT PROFILE ON HANDMADE PAPER MANUFACTURING UNIT

1. INTRODUCTION

Handmade paper is the paper made through recycled pulp. It is one of the oldest technologies of making paper. It has superb strength and texture for artists. Due to its strength and roughness, it is mostly used as file covers, letter heads & packaging etc.

The hand paper industry is one of the important industries under the village industries sector. The industry has over 2,970 units producing over Rs.54.57 crore worth of paper and paper products, providing direct employment to more than 17,000 persons in the rural areas.

2. MARKET DEMAND

Handmade paper industry manufactures paper such as drawing paper for artists, permanent document paper, dark coloured card sheets, deckle edged stationery, exclusive greetings, varieties of fancy decorative wraps, unique carry bags, water mark paper certificates, filter papers and pads. Insulation paper besides other cultural grades like covers, duplicating paper and tissue paper. These products have good demand in the domestic market and find usage in the stationery, greeting card, packaging industry and have tremendous unexplored potential in export markets.

PRODUCTION TARGETS

Basis of estimation: 300 Working Days in a Year
 Single Shift basis
 8 hours per shift

	Pulp Board/ File Cover Sheet
Quantity (MT)	600
Value (Rs)	6600000

3. MANUFACTURING PROCESS

Manufacturing Process of Handmade paper is divided into following steps:

- a. Preliminary Treatment
- b. Beating
- c. Sheet Formation
- d. Pressing
- e. Peeling and drying
- f. Removal of Dirt and dust
- g. Tub Sizing
- h. Calendering
- i. Final sorting, Trimming and Packaging

The detailed process would be collected through NRDC or other local manufacturer of the product.

4. QUALITY CONTROL STANDARDS

Quality of the product must be as per customers demand and specification required for printing and handling etc.

5. LAND & BUILDING

1.	Covered area	Sq. Ft.	1000
2.	Uncovered area	Sq. Ft.	5000
3.	Total area	Sq. Ft.	6000
4.	Whether constructed or Rented		Own
5.	If constructed, constructed value	Rs	N.A.
6.	If Rented, Rental value (per month)	Rs	N.A.

6. MACHINERY AND EQUIPMENT

S.N	Description	Qty.	Value (Rs.)
1.	Rag Chopper	1	1500000
2.	Beater and Washing Drum	1	
3.	Hydroulic Press	1	
4.	Vertical Agitator	1	
5.	Paper lifting Vat.	1	
6.	Vibrating Screen	1	
7.	Pulp Pump	1	
8.	Cutting Machine	1	
9.	Calender Machine	1	
10.	Wooden Racks	1	
11.	Electric Motor & starter	1	
12.	Sales Tax, Freight & Insurance etc.		150000
	Total		1650000

7. RAW MATERIAL (PER MONTH)

S.N	Particulars	Quantity (MT)	Value (Rs)
1.	Waste Paper	85	340000
2.	Other Consumables & Packaging Materials	L.S.	60000
		Total	400000

8. STAFF & LABOUR (PER MONTH)

S.N	Particulars	Qty	Rate	Value (Rs)
A	Administrative and Supervisory			
(i)	Manager	1	3000	3000
(ii)	Peon/ Chowkidar	1	2000	2000

B	Technical (Skilled-Unskilled)			
(i)	Skilled Worker	1	3000	3000
(ii)	Unskilled Worker	5	2000	10000
	Sub-Total			18000
	Plus perquisites @ 30% of salaries			5400
	TOTAL			23400

1. OTHER EXPENSES (PER MONTH)

1.	Rent of Land & Building	0
2.	Electricity Charges	12000
3.	Fuel Exp.	0
4.	Advertisement & Travelling	2500
5.	Transport	10000
6.	Consumable & stores etc.	5000
7.	Potage expenses/ telephones	2500
8.	Stationery	1000
9.	Repairs & Maintenance's	1000
	Total	34000

2. WORKING CAPITAL (FOR ONE MONTH)

SL.NO.	DESCRIPTION	AMOUNT(RS)
1	Raw material	400000
2	Salaries & Wages	23400
3	Other Expenses	34000
	Total	457400

3. TOTAL CAPITAL INVESTMENT

Building & Other Civil Works	-
Machinery & Equipment	1650000
Working capital for one month	457400
Total	2107400

4. COST OF PRODUCTION (PER ANNUM)

Total recurring cost per year	5488800
Depreciation on machinery & equipment	165000
Interest on total investment @ 10%	210000
Total	5863800

5. SALES PROCEEDS (PER ANNUM)

S.N.	Item	Qty (MT)	Value (Rs.)
1.	Hand Made Paper (Pulp Board or File Cover Sheet)	600	6600000
	Total		6600000

6. PROFITABILITY (BEFORE INCOME TAX)

1.	Annual Gross Profit	736200
2.	% of Profit on Sales	11.15%
3.	Break Even Analysis	
3.1	Annual Fixed Cost	688800
3.2	Annual Sales	6600000
3.3	Annual Variable Cost	4800000
3.4	Break Even Point	38.27%

Break-Even Analysis

(% of Total Production envisaged)

$$\frac{\text{Annual fixed cost} \times 100}{\text{Annual sales} - \text{Annual variable costs}} = \%$$

7. Manufactures/ Suppliers of Machinery

1	Workshop, C& B Industry, KVIC, P.O. Dahanu, Dist. Thane, Maharashtra
2	Ramest Engineering Co. Thakurdwara Mandir G.T.Road, Gaziabad(U.P.)
3	Umesh Industries G.T.Road. Gaziabad Uttar Pradesh
4	Bramco Engineers E-55-56, Industrial Area, Yamuna Nagar Rly. Station, Jagadhri

8. Suppliers of Raw Materials

From Local waster paper merchants of the area.

9. IMPLEMENTATION PERIOD

Proposed Project can commence production with in 6-8 weeks after sanction and first disbursement of term loan.

10. ASSUMPTION FOR GENERATING PROJECT PROFITABILITY

1	Number of Working Days in a year	300 Days
2	Number of Shifts in a day	1 One
3	Hours in a Shift	8 hours
4	Plant Capacity	Consider on Average production capacities of plant.
5	Raw material Estimates	Based upon product Mix
6	Raw Material Availability	All districts of MP
7	Depreciation	Straight Line Method
8	Manpower	According to project Requirement
9	Rent estimate	On the basis of current market prize of the area.
10	Potential Area of Marketing the products	Related industries of the area.
11	If project is funded, term loan would be	60-80% of Total investment
12	Moratorium Period	6- 12 months
13	Repayment Period	5-7 years
14	Project may be established under	PMEGP (GOI) / Tribal Self Employment Scheme (NSTFDC) or Rani Durgawati Scheme of MP