



PPROJECT PROFILE ON TISSUE PAPER MANUFACTURING

Product Name	TISSUE PAPER MANUFACTURING
Product Specification	Single color (for hard & soft paper)
Production Capacity (Per Annum)	82.5 MT
Investment Value (In Rs Per Annum)	20 Lacs
Month & Year of Preparation	June-2020
Prepared By	Meenu Dhiman Asstt. Director (IMT) MSME- Development Institute 11-A, IDC , Kunjpura Road, Karnal Haryana- 0184-2208110,105

Tissue Paper Manufacturing

Introduction:

The tissues paper sector has boomed over the last few years. With a move to more luxurious tissue paper and ultra-absorbent paper towels the industry has been able to increase the tissue prices and create new brands to retain consumers. Tissue can be made both from virgin and recycled paper pulp. Majorly there are five types of tissue papers namely; Bathroom Tissue, Facial Tissue, Paper Towel, Paper Napkin and, Specialty and Wrapping Tissue.

Facial tissue and paper handkerchief refers to a class of soft, absorbent, disposable papers that are suitable for use on the face. They are disposable alternatives for cloth handkerchiefs. Tissues & wipes products have seen a tremendous growth in the recent years in India. The global tissue paper market has shown a growth of 15% over the period 2014-2019.

Market Scope:

Urbanization has made a profound impact on our dining habits. One of the notable changes is the increased use of paper napkins now a days, which was otherwise could be seen only in western countries. Plain paper napkins are now being widely used in restaurants, households, vehicles, industries, institutions etc. Paper napkins with colorful layout and attractive designs are having bright prospects with our restaurants focusing on tidiness and adornment.

Manufacturing Process:

Tissue paper roll are fed to the flexographic printing machine with attachment for the manufacturing of paper napkins wherein, these are printed and cut to the size with the device already fixed with the machine.

Cost of Single color single embossing machines ranges from 4- 4.5 lacs and generate 25000 pieces per hour.

Double printing double embossing machine is used to make 02 color napkins that ranges from 5- 5.5 lacs and generate appx. 23000 pieces per hour.

Basis and Assumptions:

The Project Profile is based on the following presumptions:

(i) Working hours/shift : 8 hrs.

(ii) No. of shift/day :1

(iii) Working days : 300

(v) Rate of interest : 12%

(vi) Value of machinery and equipments : Taken on the basis of online rates provided by suppliers.

(vii) Value of raw material: As per local market Packing material/others rate (on whole sale rate)

(viii) Land: owned

(x) Break-even Point Calculated on full capacity utilization basis

(xi) **Production Targets:**

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

Capacity of machine = 2Lac pieces per day.

1sq met = 16 pieces

Production Capacity per annum in KG for 22 GSM paper:

$$= \frac{200000 \times 22 \times 300}{16 \times 1000} = 82500\text{kg}$$

Appx production Quantity per annum (Kg):82500kg

Financial Aspects:

A) Fixed capital:

a) Land Building required :

Machine occupies 15'x 4' or 15'x 6'

Including sitting, storing and packaging, space required- (300-400sq ft)

Rent (per month): **Rs. 4000/-**

b) Machinery & Equipment:

Fully automatic paper manufacturing machine (Single color single embossing machine, 3 KW)	1	450,000	4,50,000
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c) Other fixed asset:

Erection and installation	45,000
Office furniture	20,000
Pre operative expnses	10,000
Total	75,000
Total fixed capital	5,25,000

Total fixed capital- Rs. 5,25,000/-

B) Working Capital:

d) **Staff & Labor:** 03 workers are required to perform all the operations:

Designation	No	Salary	Total
Marketing manager	1	12,000	12000
Unskilled worker	2	6000	12000
Total			24000
Prerequisite @15% on total salary	=0.15*24000=		3600
Total			27600

e) **Raw material (per month):**

Particulars	Qty (Kg)	Rate/ Kg	Cost
Tissue paper (Hard paper)	4000	60	240000
Soft paper	3000	70	210000
Ink and other consumable	L.S .	-	5000
Packaging material	L.S.	-	5000
Total:			460000

f) **Utilities(per month):**

Power	3,000
Water	1000
Fuel for generator	2,000
Total	6,000

g) **Contingent expenses:**

Rent	4000
Postage and stationery	1000
Telephone / Telex/Fax charges	2000
Transport	3,000
Miscellaneous expenditure	5,000
Total	15000

Total recurring expenses: (d+e+f+g)

Staff and labour (d)	27600
Raw materials(e)	460000
Utilities(f)	5,000
Contingent expenses(g)	15000
Total recurring expenses	507600

Total working capital for 03 months:

= 3x recurring expenses per month
 = 03x 507600
 = Rs 1972800/-

C) Total capital investment

Cost of Machinery & equipment	525,000
Working capital for 3 months =5,07,600x3=	1522800
Total	2047800

Financial Analysis:**Cost of Production:**

Recurring expenses	12x RE per month	12x507600=	6091200
Depreciation on machinery	10% on M/C cost	0.1x45000=	45000
depreciation on fixed assetes and furniture	15% on furniture	0.15*5,25,000=	78750
Interest on total investment	12% on working capital	0.12*2047800=	245736
Total			6460686

Turn over (per annum by sales):

Product	Qty(Kg)	Rate per Kg	Value
Hard tissue paper	48000	75	3600000
soft tissue	36000	85	3600000
Total turn over per annum			7200000

Net Profit per year:

=Sales value - cost of production
 =7200000-6460686
 =739314/-

Net profit Ratio:

$$= \frac{\text{Net profit per year} \times 100}{\text{Turn over per annum}}$$

$$= \frac{739314 \times 100}{7200000}$$

$$= \mathbf{10.2685\%}$$

Rate of return on investment:

$$= \frac{\text{Net profit per year} \times 100}{\text{Total cost of production per annum}}$$

$$= \frac{739314 \times 100}{6460686}$$

$$= \mathbf{11.44\%}$$

Break even point analysis:

Rent	4000*12	48000	48000
Depreciation	10% of M/C	45000	45000
Interest on capital investment	12% of working capital	0.12x 2047800=	245736
40% of wages of staff and labour	-	0.4x 27600x12	132480
40% of other contingent expenses	-	0.4x15000x12=	72000
Total say Z (z)			543216

Break even point:

$$= \frac{Z \times 100}{(Z + \text{Net profit per annum})}$$

$$= \frac{543216 \times 100}{543216 + 739314}$$

$$= \mathbf{42.35\%}$$

Suppliers of machine:

- **M/S A R Machines**
SH Rohit Raj

B-5, 1st floor, Khanpur
Near Shiv Mandir, Delhi
Phone no- 08048088158
<https://www.armachine.co.in/>

- **Lahooti Printech Private Limited**

Mohammad Sabir(Director)
Shed No. 34, Scheme 2, DSIDC Complex, Phase 2,
Okhla Industrial Area, New Delhi - 110020, Delhi, India
Phone no- 08048555838
<https://www.lahootipapernapkinmachine.com/>

- **Mohindra Mechanical Works**

Azad Vinder Singh(Owner)
BE-148, HARI NAGAR, , Delhi, 110064,
B-143, BAWANA INDUSTRIAL AREA, , Delhi, 110039,
Khyala Village, New Delhi - 110018, Delhi, India
Phone no: 08042965824
<https://www.mohindramachinery.com/>

- **M/S Hariram machinery**

Sh Gautam Chandu
B-46/50, Maruti Industrial Estate
Pandesar, Surat, Gujrat
Phone no.- 8048951523
<https://www.harirameng.com/>