

**PROJECT PROFILE**  
**ON**  
**TISSUE PAPER MANUFACTURING UNIT**  
**(Action Plan Year 2020-21)**

PRODUCT CODE : 17099  
 PRODUCTS : Paper Napkins, Kitchen rolls & Toilet Rolls  
 QUALITY & STANDARD : As per IS/Customer specification  
 PRODUCTION CAPACITY (P.A.) : 1) Paper napkin -66000 pkt  
 2) Printed Paper napkin -57000 pkt  
 3) Toilet Roll -42000 pkt  
 4) Kitchen Roll -30000 pkt

Value : 116.1 Lacs

MONTH AND YEAR OF PREPARATION : June, 2020  
 TOTAL COST OF THE PROJECT : 64.56 Lacs  
 WORKING CAPITAL FOR 1<sup>st</sup> YR : 24.18 Lacs  
 WORKINGCAPITAL FOR 2<sup>nd</sup> YE : 27.63 Lacs  
 WORKING CAPITAL FOR 3<sup>rd</sup> YR : 31.08 Lacs  
 EFFECTIVE WORKING DAYS : 300Days  
 EMPLOYMENT : 14Nos  
 DSCR : 5.34  
 BEP : 44%

**PREPARED BY : Br MSME Development Institute,  
 Diphu, Dist- Karbi Anglong  
 Assam.**

## A. INTRODUCTION

With the modernization of lifestyle whether in urban or rural area one cannot imagine living without tissue paper. It is used not only for hand wiping in restaurants or hotels but also for bathroom hygiene, nose care, wiping up spills, removing makeup, and small bathroom cleaning chores. Manufacturers have to estimate for packing size either for toilet rolls size or the paper napkin packet size for an average single unit lasts one week.

Toilet paper, paper towels, napkins, facial tissues and sanitary papers are personal products that need to be clean and hygienic. They're made from various proportions of bleached kraft pulps with relatively little refining of the stock, rendering them soft, bulky and absorbent. Sanitary papers are further distinguished from other papers in that they are creped, a process in which the paper is dried on a cylinder then scraped off with a metal blade, slightly crimping it. This softens the paper but makes it fairly weak, allowing it to disintegrate in water. Toilet paper can be one-or two-ply, meaning that it's either a single sheet or two sheets placed back-to-back to make it builder and more absorbent. Color, scents, and embossing may also be added, but fragrances sometimes cause problems for consumers who are allergic to perfumes. The biggest difference between toilet papers is the distinction between virgin paper products, which are formed directly from chipped wood, and those made from recycled paper. Most toilet paper, however, whether virgin or recycled, is wrapped around recycled cardboard cylinders.

Toilet paper is a fairly modern invention, making its debut around 1880 when it was developed by the British Perforated Paper Company. Made of a coarser paper than its modern incarnation, it was sold in boxes of individual squares. In America, the Scott Paper Company made its Waldorf brand toilet paper in rolls as early as 1890. The first rolls were not perforated, and lavatory dispensers had serrated teeth to cut the paper as needed. It was a nearly "unmentionable" product for years, and consumers were often embarrassed to ask for it by name or even be seen buying it. Timid shoppers simply asked for "Two, please," and the clerk presumably knew what they wanted. To keep things discreet, toilet paper was packaged and sold in brown paper wrappers.

During the 140 years since its introduction, toilet paper has changed little, although it's now perforated, and may be scented, embossed, or colored. Recently, toilet paper manufacturers increased the number of sheets on a roll, allowing consumers to replace the roll less frequently.

There is lots of scope in the venture of tissue paper from virgin Paper making to final products of paper for an Entrepreneur to involve. The objective of this project is to entrepreneurship in the section of manufacturing of Tissue Paper napkin and Toilet or kitchen roll in Karbi Anglong.

## **B. SCOPE OF MARKET**

Due to Covid-19 frequency of washing hand and face is increased and requirement of wiping during hand wash and face wash also soot up in these days. This is bound to increase the demand of the paper conversion products like paper napkins and toilet rolls, with the change of habit of public for precautionary of health. The production unit for paper napkin and rolls shall be only one player in this growing population of Eastern part of Assam and even for the upper Assam area and Nagaland. One of major scope of the market area is the modern lifestyle of common people in and around the local area. The hygienic and modern lifestyle is the great scope of marketing for paper napkins and rolls.

## **C. RAW MATERIAL**

Toilet paper is generally made from new or "virgin" paper, using a combination of softwood and hardwood trees. Toilet paper is generally a combination of approximately 70% hardwood and 30% softwood. Other materials used in manufacture include water, chemicals for breaking down the trees into usable fibre, and bleaches. Companies that make paper from recycled products use oxygen, ozone, sodium hydroxide, or peroxide to whiten the paper.

In this project basically the main raw material is tissue Paper 21GSM or 25 GSM which is to be purchased from paper mills. The nearest convenient dealer for Raw tissue paper is Tezpur or Guwahati depending on the cost benefits. Other consumable is ink for the printing of paper napkin to decorate the products or as per the customer demands for the branding of their business.

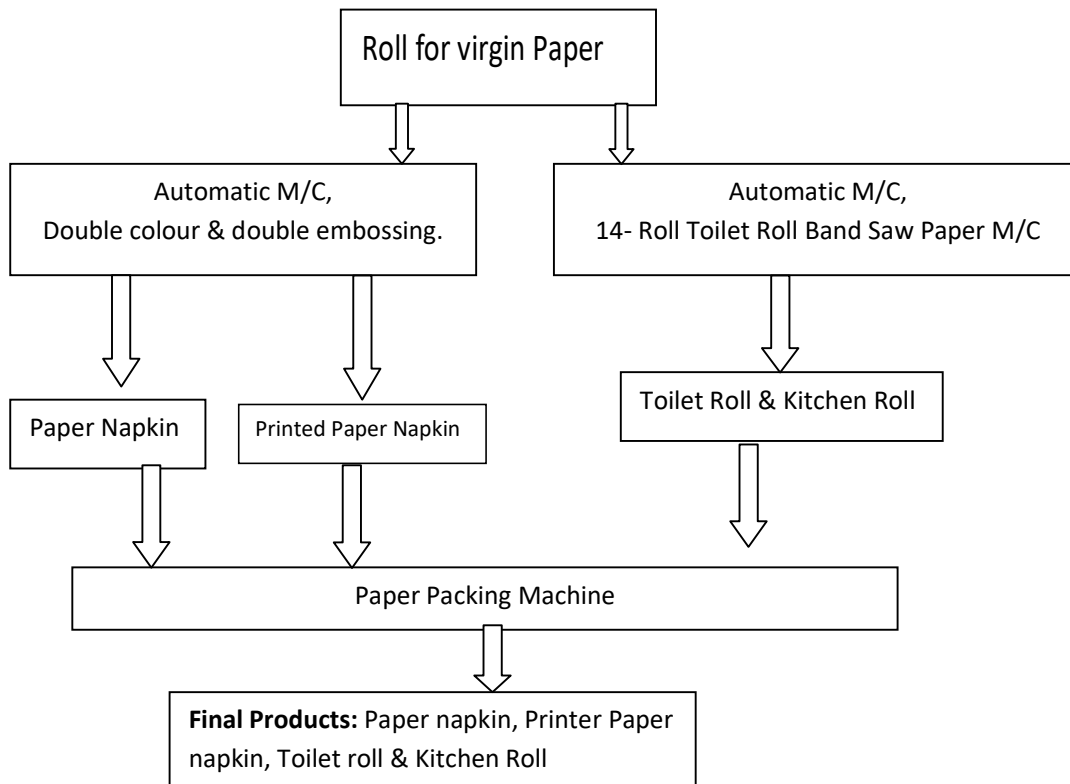
Other most important requirement as consumable is packing materials for napkins and rolls from Guwahati or other place depending on the cost benefit.

The arrangement of raw material will not have problem the unit in Capital complex of Arunachal Pradesh and there is sufficient market demand to run the unit in the local area also.

## **D. PROCESS FLOW DIAGRAM**

The manufacturing process for paper napkin involves very few steps due to the automatic machines and if the raw material is virgin paper roll of tissue paper of 21GSM to 25 GSM. Te business plan is to convert the tissue paper to paper napkin as per the following flow diagram of the unit and with printed design required by customer.

## I. FLOW DIAGRAM



## E. IMPLEMENTATION SCHEDULE:

The project implementation involves various activities like market surveys and tie-ups, procurement of know-how, arrangement of premises/ land, building, preparation of project report, registration, financing, purchase of machines, commissioning of project, recruitment of staff and training, arrangement of power, procurement of raw materials, packing materials, trial production etc. in order to implement the project efficiently and in the shortest period there is a need to initiate many activities simultaneously as far as possible. This will not only cut the slack period but also will give quick results and be cost effective.

S.No	Activity	Estimated period required
1.	Market survey	15-20 days
2.	Procurement of know-how/experts	30 days
3.	Arrangement of premises	30-45 days
4.	Obtaining quotations and preparation of project report.	15-20 days
5.	Registration and financing.	45-60 days
6.	Recruitment of personnel and training.	30-45 days
7.	Obtaining power connection.	15-30 days

8.	Procurement of machines and equipments.	45-60 days
9.	Installation and electrification of machinery.	20-30 days
10.	Procurement of raw materials, consumables, packing materials etc.	10-15 days
11.	Product development/trial production.	5-10 days
12.	Commercial production.	05 days.

## F. FINANCIAL ASPECTS:

### ANNEXURE-1

#### TOTAL COST OF THE PROJECT

Sl. No	Particulars	Rs. Lakh
1	Land and Building	15.00
2	Machinery & Equipments	17.23
3	Miscellaneous fixed assets	4.30
4	Preliminary & Pre operative Expenses	2.03
5	Contingencies	1.83
	Total Fixed Capital	40.38
6	Working Capital Requirement	24.18
	Total cost of Project	64.56

#### 1. MEANS OF FINANCE:




Minimum 15% contribution has been considered for any Govt. Financial schemes.

Sl. No	Particulars	Equity (%)	Rs. Lakh
1	Promoter's Contribution	15%	9.68
2	Term Loan	85%	54.88
	Total		64.56

#### 2. LAND AND BUILDING:

Sl. No	Items	Sq. mtr.	Rs. Lakh
1	Land and Building	600	15.00

### 3. MACHINERY & EQUIPMENTS:

Sl. No.	Description	Image of Machinery	Qty	Cost Rs (Lakh)
1	Automatic Tissue Paper Napkin Making Machine Jinisha Manufacturer Nawada, Delhi		1.00	05.50
2	Fully Automatic High Speed Toilet Paper Roll Making Machine, Rajshree Enterprises,		1.00	14.34
3	Paper Napkin Packing Machine, Delta Paper Machines, Faridabad, Haryana		1.00	0.73
			Total	28.29

### 4. MISCELLANEOUS FIXED ASSETS:

Sl. No.	Items	No. reqd	Rate Rs. Lakh	Total cost
1	Furniture and Fixtures	1.00	1.00	1.00
2	Electrification, cabling etc	1.00	3.00	3.00
3	Measuring Equipment	1.00	0.30	0.30
		Total		4.30

### 5. RAW MATERIAL REQUIREMENT (at 100% capacity utilization)

Basis: Effective working days/Annum is 300days at 8hr/shift/day

Sl. No.	Items	Qty(kg)/day	Qty (kg)/yr	Rate (Rs)/kg	Cost (Rs. Lakh)
1	Tissue Paper 21 GSM & 25 GSM	100	30000.00	58.00	17.40
2	Inks & Other Consumables		LS	10000.00	0.10
3	Packaging Material		LS	3000.00	0.03
				<b>Total</b>	<b>17.53</b>
	at 70%		70%	I YR	12.27
	at 80%		80%	II YR	14.02
	at 90%		90%	III YR	15.78

#### 6. UTILITIES (at 100% capacity utilization):

Sl. No.	Particulars		Rs. Lakh
1	Electricity power Charges		1.20
2	Water Charges Bill		0.10
		<b>Total</b>	<b>1.30</b>
	Annual utilities bill		
	at 70% capacity utilization	70%	I YR 0.91
	at 80% capacity utilization	80%	II YR 1.04
	at 90% capacity utilization	90%	III YR 1.17

#### 7. MANPOWER REQUIREMENT:

Sl. No.	Particulars	No. reqd	wages/mly	Total Amount
			Rs. Lakh	Rs. Lakh
1	Manager cum Supervisor	1	0.15	0.15
2	Machine Operator	2	0.12	0.24
3	Skilled worker	4	0.1	0.4
4	Semi Skilled Workers	4	0.06	0.24
5	Office staff	1	0.06	0.06
6	Watchman	1	0.05	0.05
7	Attendant	1	0.05	0.05
	<b>Total Manpower</b>	14		1.19
	Add 10% towards benefits			0.12
			<b>Total</b>	<b>1.31</b>
	Annual wages bill (in 12 Months)	(12)		<b>15.71</b>

## 8. WORKING CAPITAL REQUIREMENT:

Sl. No.	Items	Norms/yr	at 70%	at 80%	at 90%
1	Consumables	17.53	12.27	14.02	15.78
2	wages and salaries	15.71	11.00	12.57	14.14
3	Utilities	1.30	0.91	1.04	1.17
	<b>Total</b>	<b>34.54</b>	24.18	27.63	31.08

## 9. PRELIMINARY AND PRE OPERATIVE EXPENSES:

Sl. No.	Particulars	Rs. Lakh	Prov.(%)	Rs. Lakh
1	Land & Building	15.00	5%	0.75
2	On Machinery & Equipements	17.23	5%	0.86
3	On miscellaneous fixed assets	4.30	5%	0.22
4	Legal Expenses			0.20
			<b>Total</b>	2.03

## 10. CONTINGENCIES:

Sl. No.	Particulars	Rs. Lakh	Prov.(%)	Rs. Lakh
1	Land & Building	15.00	5%	0.75
2	On Machinery & Equipements	17.23	5%	0.86
3	On miscellaneous fixed assets	4.30	5%	0.22
			<b>Total</b>	1.83

## 10. INCOME STATEMENT:

(at 100% capacity utilization) (Rs. Lakh)

Weight of 100pc Packet=145gm and weight of Roll=165gm

Sl. No.	Particulars	Qty(pkt) Pday	Qty(pkt) pa	Rate(Rs) (Roll or pkt)	Rs. Lakh
1	Paper napkin Packet 30X30 cm (100pc) (per packet)	220	66000	50.00	33.00
2	Printed Paper napkin Packet 30X30cm(100pc) ( per Packet)	190	57000	70.00	39.90
3	Toilet roll 300 pull 2ply (Per Roll)	140	42000	60.00	25.20
4	Kitchen roll 300 pull 2ply (Per Roll)	100	30000	60.00	18.00
				<b>Total</b>	116.10

Assume 10% increase from 2nd year

at 70% capacity utilization	1st yr	81.27
at 80% capacity utilization	2nd yr	89.40
at 90% capacity utilization	3rd yr	98.34



### 11. LOAN REPAYMENT SCHEDULE & INTEREST CALCULATION (Rs Lakh):

Total term Loan	P	Rs. Lakh	54.88	54.88
Rate of Interest	r	(%)	12%	0.01
Repayment Schedule	n	(yrs.)	7	84
Moratorium Period		(yrs.)	1	

Sl.no.	Particulars	Beginning amt Rs. Lakh	Repayment (Rs) Rs. Lakh	Principle Amt. Rs. Lakh	Interest (Rs) Rs. Lakh
1	1st year payment	54.88	0.00	54.88	6.59
2	2nd year payment	54.88	9.15	45.73	6.59
3	3rd year payment	45.73	9.15	36.58	5.49
4	4th year payment	36.58	9.15	27.44	4.39
5	5th year payment	27.44	9.15	18.29	3.29
6	6th year payment	18.29	9.15	9.15	2.20
7	7th year payment	9.15	9.15	0.00	1.10
				Total	29.63

### 12. ADMINISTRATIVE OVERHEAD EXPENSES:

Sl. No.	Particulars	Rs. Lakh
1	Telephone, Internet cost.	0.6
2	Travelling and conveyance etc	0.5
	Total	1.1

### 13. REPAIRING AND MAINTENANCE:

Sl. No.	Particulars	Rs. Lakh	Prov.(%)	Rs. Lakh
1	Land & Building	15.00	5%	0.75
2	Machinery and Equipments	17.23	5%	0.86
3	Misc. fixed assets	4.30	3%	0.13
4	Insurance 2% on machinery and MFA	21.53	2%	0.43
	Total			2.17

## 14. DEPRECIATION:

Sl. No.	Assets for Installed cost	Rs. Lakh	P&P-Op. Exp.	Contingencies	Installed Cost
1	Land & Building	15.00	0.75	0.75	16.50
2	Machinery and Equipments	17.23	0.86	0.86	18.95
3	Misc. fixed assets	4.30	0.22	0.22	4.73
	Total	21.53	1.83	1.83	25.18

## Depreciation:

Sl. No.	Items	Rs. Lakh	Provision.(%)	Rs. Lakh
1	Land & Building	16.50	5%	0.83
2	Machinery and Equipments	18.95	10%	1.90
3	Misc. fixed assets	4.73	8%	0.38
	Total			3.10

## 15. COST OF PRODUCTION AND PROFITABILITY STATEMENT (Rs.Lakh):

Sl. No.	Particulars	1st yr	2nd yr	3rd yr	4th yr	5th yr	6th yr	7th yr
1	Capacity utilization	70%	80%	90%	90%	90%	90%	90%
2	Working Days	300	300	300	300	300	300	300
3	Shift/day	1	1	1	1	1	1.00	1
4	Sales Revenue	81.27	92.88	104.49	104.49	104.49	104.49	104.49
B	<b>Cost of Operation:</b>							
1	Consumables	12.27	14.02	15.78	15.78	15.78	15.78	15.78
2	Utilities	0.91	1.04	1.17	1.17	1.17	1.17	1.17
3	Wages & Salaries (5% increment)	15.71	16.49	17.32	18.18	19.09	20.05	21.05
4	Depreciation	3.10	3.10	3.10	3.10	3.10	3.10	3.10
5	Admn. Overhead exp. (5% increment)	1.10	1.16	1.21	1.27	1.34	1.40	1.47
6	Rep. & maintenance (5% increment)	2.17	2.28	2.39	2.51	2.64	2.77	2.91
7	Interest	6.59	6.59	5.49	4.39	3.29	2.20	1.10
	Total	41.84	44.68	46.46	46.41	46.41	46.46	46.58
C	Operation profit	39.43	48.20	58.03	58.08	58.08	58.03	57.91
D	Net profit	39.43	48.20	58.03	58.08	58.08	58.03	57.91
E	Cumulative surplus	39.43	87.63	145.66	203.75	261.83	319.86	377.77

**16. CASH FLOW STATEMENT (Rs. Lakh):**

A	Sources	P&P Op. Period	1st yr	2nd yr	3rd yr	4th yr	5th yr	6th yr	7th yr
1	Equity	9.68	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2	Profit(ADBIT)	0.00	46.01	54.79	63.52	62.47	61.38	60.22	59.01
3	Depreciation	0.00	3.10	3.10	3.10	3.10	3.10	3.10	3.10
4	Term Loan	54.88	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5	Working Capital	0.00	24.18	3.45	3.45	0.00	0.00	0.00	0.00
	Total	64.56	73.29	61.34	70.07	65.57	64.47	63.32	62.11
B	APPLICATION:								
1	Fixed Capital	54.88	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2	Repayment	0.00	0.00	9.15	9.15	9.15	9.15	9.15	9.15
3	Interest	0.00	6.59	6.59	5.49	4.39	3.29	2.20	1.10
4	Current Assets	0.00	24.18	27.63	31.08	31.08	31.08	31.08	31.08
	Total	54.88	30.76	43.36	45.72	44.62	43.52	42.43	41.33
C	Opening Balance	0.00	9.68	52.21	70.19	94.54	115.50	136.45	157.34
D	Net Surplus	9.68	42.52	17.98	24.35	20.95	20.95	20.90	20.78
E	Closing Balance	9.68	52.21	70.19	94.54	115.50	136.45	157.34	178.12

**17. PROJECTED BALANCE SHEET (Rs. Lakh):**

A	Liabilities	Pre- Op. Period	1st yr	2nd yr	3rd yr	4th yr	5th yr	6th yr	7th yr
1	Equity	9.68	9.68	9.68	9.68	9.68	9.68	9.68	9.68
2	Reserves Surplus	0.00	39.43	87.63	145.66	203.75	261.83	319.86	377.77
3	Term Loan	54.88	54.88	45.73	36.58	27.44	18.29	9.15	0.00
4	Working Capital	0.00	24.18	27.63	31.08	31.08	31.08	31.08	31.08
	Total	64.56	128.16	170.67	223.01	271.95	320.89	369.77	418.54
B	Assets:								
1	Fixed Assets	40.38	40.38	40.38	40.38	40.38	40.38	40.38	40.38
2	Less Depreciation	0.00	3.10	9.30	9.30	12.39	15.49	18.59	21.69
3	Net Fixed Assets	40.38	37.28	31.09	31.09	27.99	24.89	21.79	18.69
4	Current Assets	0.00	24.18	27.63	31.08	31.08	31.08	31.08	31.08
5	Cash and Bank Balance	24.18	66.70	111.96	160.84	212.88	264.92	316.89	368.76
	Total	64.56	128.16	170.67	223.01	271.95	320.89	369.77	418.54

**18. DEBT SERVICE COVERAGE RATION (Rs.Lakh):**

A	Cash Accruals:	1st yr	2nd yr	3rd yr	4th yr	5th yr	6th yr	7th yr
1	Net Profit	39.43	48.20	58.03	58.08	58.08	58.03	57.91
2	Depreciation	3.10	3.10	3.10	3.10	3.10	3.10	3.10
3	Interest	6.59	6.59	5.49	4.39	3.29	2.20	1.10
	Total (A)	49.11	57.89	66.62	65.57	64.47	63.32	62.11
B	Debt Service Requirement:							
1	Repayment	0.00	9.15	9.15	9.15	9.15	9.15	9.15
2	Interest	6.59	6.59	5.49	4.39	3.29	2.20	1.10
	Total (B)	6.59	15.73	14.63	13.54	12.44	11.34	10.24
C	DSCR=A/B	7.46	3.68	4.55	4.84	5.18	5.58	6.06
	Avg. DSCR	5.34						

**19. BREAK EVEN POINT ANALYSIS (RS.Lakh)****(at 90% Capacity Utilization)**

A	<b>Variable Cost</b>	Rs. Lakh
1	Consumables	15.78
2	Utilities	1.17
3	Repairing and maintenance (50%)	2.17
	<b>Total</b>	<b>19.12</b>
B	<b>Semi-Variable &amp; Fixed Cost:</b>	
1	Repairing and Maintenance (50%)	2.17
2	Admn. Overhead expenses	1.10
3	Depreciation	3.10
4	Wages & Salaries	14.14
5	Interest	5.49
	<b>Total</b>	<b>25.99</b>
	<b>Total fixed cost</b>	<b>45.11</b>
C	Sales Revenue (at 90% CU)	104.49
D	Profit Contribution at 90% CU	58.03
E	B.E.P = (fixedcost/(fixed cost+profit))%	44%

**G. Address of Machinery and Equipment Suppliers:****A. Tissue paper making machine:**

1. Rajshree Enterprise, Narol Ahmadabad
2. Delta Paper Machines, Faridabad, Haryana
3. Hariram Industries, Pandesara, Surat, Gujarat

**B. Address of Raw Materials Suppliers:**

1. Maa Kamakhya Industries, Lokhra Lalan Gaon, Beltolla, Lokhra, Guwahati - 781034.
2. R.S. Paper Products, Ghazipur, Delhi.