

Khadi and Village Industries Commission Mumbai

Small Handmade Paper Manufacturing and Conversion Unit

Introduction

Superior Variety Handmade Paper like bond paper, Decorative Paper, Drawing Paper, Card sheets, mottled paper, moonrock paper, banana paper and other varieties can be produced. Different varieties of handmade paper can be used for interior decoration, corporate gifts, office purpose. New attractive varieties of ecofriendly handmade paper has very good demand in India and abroad. On small quantity a special quality handmade paper can be produced and converted in to value added products to earn good profit.

1 Name of the Product : Superior Variety Handmade Paper like bond pape DecorativePaper Drawi

2 Project Cost :

a Capital Expenditure

Land : **Own**

Workshed in sq.ft **750** Rs. **150,000.00**

Equipment : Rs. **417,000.00**

Rag Chopper, Low presser digester, Beater, Auto Vats, Srew Press,

Clander Machine, Cutting Machine

Total Capital Expenditure Rs. **567,000.00**

b Working Capital Rs. **194,628.00**

TOTAL PROJECT COST : Rs. **761,628.00**

3 Estimated Annual Production Capacity:

(Rs. in 000)

Sr.No.	Particulars	Capacity in Reams.	Rate/Kg	Total Value
1	Fancy & Decorative Hanmade Papers and its Products	225.00	180.00	895.00
TOTAL		225.00	180.00	895.00

4 Raw Material : Rs. **284,700.00**

5 Labels and Packing Material : Rs. **6,000.00**

6 Wages (Skilled & Unskilled) : Rs. **270,000.00**

7 Salaries : Rs. **152,120.00**

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8	Administrative Expenses	:	Rs.	28,000.00
9	Overheads	:	Rs.	45,000.00
10	Miscellaneous Expenses	:	Rs.	4,500.00
11	Depreciation	:	Rs.	49,200.00
12	Insurance	:	Rs.	5,670.00
13	Interest (As per the PLR)			
	a. C.E.Loan	:	Rs.	73,710.00
	b. W.C.Loan	:	Rs.	25,302.00
	Total Interest		Rs.	99,012.00
14	Working Capital Requirement	:		
	Fixed Cost		Rs.	264,000.00
	Variable Cost		Rs.	631,002.00
	Requirement of WC per Cycle		Rs.	149,167.00

15 Cost Analysis

Sr.No.	Particulars	Capacity Utilization(Rs in '000)			
		100%	60%	70%	80%
1	Fixed Cost	264.00	158.40	184.80	211.20
2	Variable Cost	631.00	378.60	441.70	504.80
3	Cost of Production	895.00	537.00	626.50	652.90
4	Projected Sales	1120.00	672.00	784.00	896.00
5	Gross Surplus	225.00	135.00	157.50	180.00
6	Expected Net Surplus	176.00	86.00	108.00	131.00

- Note :
1. All figures mentioned above are only indicative.
 2. If the investment on Building is replaced by Rental then
 - a. Total Cost of Project will be reduced.
 - b. Profitability will be increased.
 - c. Interest on C.E.will be reduced.