

## HAND MADE PAPER- MESTHA BASED

### 1. INTRODUCTION

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 out of which 50% are women and also indirect employment to another 5000 people.

### 2. MARKET

Under pressure of growing demand and for product diversification, handmade paper manufacturing units are using materials like mesta, hemp, bagasse, etc for making this grammage papers. 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.

### 3. MANUFACTURING PROCESS

a) Preliminary Treatment: Waste cotton rags are cut into small bits with the help of hand knives or power operated rag chopper after sorting (to remove non-cellulosic material) cut material is dusted on a wiremesh frame. In case of agro fibres, the material after chopping is cooked in a small open digester with low percentage of Alkali and washed.

b) Beating: Cut and dusted rags are beaten to pulp/stock in small power-operated hollender beater, with or without bleaching. The material is washed by means of a washerdrum followed by further beating. Addition of natural fillers/loadings and dyeing and sizing chemicals as required for the end product is also accomplished during beating.

c) Sheet Formation: Wet sheets are lifted by vatman with the help of wiremesh frames either by dipping the same into traditional vat containing pulp or by pouring measured quantity of pulp into the mould held in the improved type paddle-operated univat containing water. Coucher transfers the wet sheet the cloth napkin or woollen felt by mild pressing of the mould. This lifting and couching process continues till a post of wet sheets interleaved with cloth/felt is made.

d) Pressing: The post is then pressed under a hand operated screw press or a small power operated hydraulic press. Upto 50% water from the wet sheet is removed. Pressed sheets are peeled/separated.

#### 4. PRODUCTION CAPACITY PER ANNUM

Capacity 100000 Nos per annum

Selling Price Rs. 15 No.

#### 5. PROJECT COST/CAPITAL INVESTMENT

| S.No | Description                      | Amount Rs.    |
|------|----------------------------------|---------------|
| 1    | Preliminary & Preoperative Expns | 2000          |
| 2    | Fixed Capital                    | 80000         |
| 3    | Working Capital for 1 month(s)   | 112800        |
|      | <b>Total Project Cost</b>        | <b>194800</b> |

#### 6. MEANS OF FINANCE

| S.No | Description           | %age | Amount Rs.    |
|------|-----------------------|------|---------------|
| 1    | Promoter Contribution | 15%  | 29220         |
| 2    | Subsidy /Soft Loan    | 20%  | 38960         |
| 3    | Term Loan             | 65%  | 126620        |
|      | <b>Total</b>          |      | <b>194800</b> |

#### 7. FINANCIAL ASPECTS

##### A. FIXED CAPITAL

i. Land and Buildings Rented 2000 per month

##### ii. Machinery and Equipment

| S.No | Description                               | Qty. | Rate  | Amount Rs.   |
|------|---|------|-------|--------------|
| 1    | Hand operated chopper                     | 1    | 70000 | 70000        |
| 2    | Packing Machine                           | 1    | 6000  | 6000         |
| 3    | Holender beater, screw press & misc.items |      |       | 4000         |
|      | <b>Total</b>                              |      |       | <b>80000</b> |

##### B. WORKING CAPITAL

##### i. Salaries & Wages (per month)

| S.No | Description             | Nos. | Sal/mon. | Amount Rs.   |
|------|-------------------------|------|----------|--------------|
| 1    | Supervisor/Entrepreneur | 1    | 2500     | 2500         |
| 2    | Skilled workers         | 2    | 2000     | 4000         |
| 3    | Unskilled workers       | 3    | 1500     | 4500         |
|      | <b>Total</b>            |      |          | <b>11000</b> |

##### ii. Raw Material (per month)

| S.No | Description   | Unit | Qty. | Rate | Amount Rs. |
|------|---------------|------|------|------|------------|
| 1    | Hessain cloth | Kgs  | 8400 | 9.5  | 79800      |

|   |                        |     |      |   |       |
|---|------------------------|-----|------|---|-------|
| 2 | Plastic Coating Powder | Kgs | 8400 | 2 | 16800 |
|   |                        |     |      |   |       |
|   |                        |     |      |   |       |
|   | Total                  |     |      |   | 96600 |

iii. Utilities (per month)

| S.No | Description | Unit | Amount Rs. |
|------|-------------|------|------------|
| 1    | Power       | LS   | 1000       |
| 2    | Water       | LS   | 200        |
|      | Total       |      | 1200       |

iv. Other Expenses (per month)

| S.No | Description             | Amount Rs. |
|------|-------------------------|------------|
| 1    | Transportation Expenses | 1000       |
| 2    | Consumable Stores       | 500        |
| 3    | Miscellaneous Expenses  | 500        |
|      | Total                   | 2000       |

v. Total Working Capital (per month)

| S.No | Description        | Amount Rs. |
|------|--------------------|------------|
| 1    | Rent               | 2000       |
| 2    | Salaries and Wages | 11000      |
| 3    | Raw Material       | 96600      |
| 4    | Utilities          | 1200       |
| 5    | Other Expenses     | 2000       |
|      | Total              | 112800     |

8. COST OF PRODUCTION (PER ANNUM)

| S.No | Description           | Amount Rs. |
|------|-----------------------|------------|
| 1    | Total Working Capital | 1353600    |
| 2    | Depreciation @ 15%    | 12000      |
| 3    | Interest @ 12%        | 15194      |
|      | Total                 | 1380794    |

9. TURNOVER (PER YEAR)

| S.No | Description       | Unit | Qty.   | Rate Rs. | Amount Rs. |
|------|-------------------|------|--------|----------|------------|
| 1    | Hand paper making | Nos  | 100000 | 15       | 1500000    |
|      | Total             |      |        |          | 1500000    |

10. FIXED COST (PER YEAR)

| S.No | Description                          | Amount Rs. |
|------|--------------------------------------|------------|
| 1    | Depreciation                         | 12000      |
| 2    | Interest                             | 15194      |
| 3    | Rent                                 | 24000      |
| 4    | Salaries & Wages @ 40%               | 52800      |
| 5    | Other Expenses incl. Utilities @ 40% | 15360      |
|      | Total                                | 119354     |

11. PROFIT ANALYSIS & RATIOS

|   |                                    |     |        |
|---|------------------------------------|-----|--------|
| 1 | Net Profit                         | Rs. | 119206 |
| 2 | Percentage of Profit on Sales      |     | 8%     |
| 3 | Percentage of Return on Investment |     | 61%    |
| 4 | Break Even Point                   |     | 50%    |