

**PROJECT PROFILE**  
**ON**  
**TISSUE PAPER/PAPER NAPKINS**

<b>NAME OF THE PRODUCT</b>	<b>TISSUE PAPER/PAPER NAPKINS</b>
<b>PRODUCTION CAPACITY</b>	The production capacity of the unit at 75% capacity utilisation.
<b>MONTH &amp; YEAR OF PREPARATION</b>	<b>JUNE, 2020</b>
<b>PREPARED BY</b>	<b>MSME - Development Institute, Ministry of Micro, Small &amp; Medium Enterprises, Government of India Narasapur X Raods, Balanagar, Hyderabad-500037. Tele. 040-23078131/132/133 email: dcdi-hyd@dcmsme.gov.in Website: msmehyd.ap.nic.in</b>

# **TISSUE PAPER/PAPER NAPKINS**

## **1. INTRODUCTION**

Tissue paper is commonly used for facial tissue (paper handkerchiefs), napkins, bathroom tissue and household towels. A tissue paper is made of thin paper; usually white but sometimes coloured and designed printed paper & can be easily disposable. Tissues are generally made gentler, so as not to harm the sensitive skin, while napkins are made sturdier, so they don't fall apart when wiping. These are becoming popular with the catering industry, restaurants, households due to manifold usages. These are absorbent, hygienic, light and can be had with attractive printing.

## **2. MARKET DEMAND**

Cloth of various materials is used for the purpose of wiping. However, that trend is soon being taken over by the use of tissue paper, be it at home, or washrooms or multiplexes.

One major reason for its growth has been that the textile industry was fairly more expensive than the low-cost paper that is used in tissue making. Further, tissues also make use of recycled paper which is a great ecological step. Of course, there are various forms of tissues available in India today. Soft tissue, face tissue, fragrant tissue, silk tissue, etc.

The tissue paper industry in India is growing fastly. Mainly tissue paper is being produced starting from 16 GSM to 35 GSM.

## **3. PRODUCTION TARGETS**

Basis of Estimation	:	300 Working Days in a Year Single Shift basis 8 hours per shift
Quantity	:	12 Crore Napkins per year
Value	:	Rs 1.56 Cr

#### **4. MANUFACTURING PROCESS**

Paper Napkin Tissue Machine is used to automatically fold the roll into the square or rectangular paper napkin.

The machine system includes printing, embossing, counting and folding. The counting system attached with pneumatic attachment and electronic sensor so that counting could be varied according to the requirement. Operator can control the speed of the machine while feeding the paper at the beginning

<b><u>5. LAND AND BUILDING</u></b>			
Rent per month of 2000 sft space			Rs.20,000
<b><u>6. MACHINERY AND EQUIPMENT</u></b>			
<b>SL.NO</b>	<b>Description</b>	<b>Qty.</b>	<b>Value (Rs)</b>
1	Automatic Tissue Paper Napkin making machine  Specifications: 1.Single Colour and single embossing ( Extra colour cost- Rs 35,000 per colour)  2.Production Capacity- 2.0 Lakh Napkins/8 hours	2	10,00,000
2	Storage Racks	8	20,000
3	Miscellaneous Expenditure Transportation & Insurance etc		50,000
<b>Total</b>			<b>10,70,000</b>

#### **7. RAW MATERIALS (PER MONTH)**

##### **GSM (Grams per Square Inch) vs weight calculation**

Size of Napkin : 30x30 cm

Thickness-17 GSM

Weight of 1 napkin=  $\frac{\text{Size of Napkin} \times \text{Thickness}}{10000} = \frac{30 \times 30 \times 17}{10000} = 1.53 \text{ gm}$

- 1 Kg (17 GSM single ply paper) will be used to make approximately 650 Tissue papers of size 30 X 30 cm. Cost of 1 Kg raw material = Rs 70 to 80
- 3 Jumbo paper rolls of 70/80 Kgs each will be used per day to make 2.0 Lakh napkins @ 8 hours shift.

SL.NO	Particulars	Quantity per month required	Value (Rs)
1	Tissue Paper Rolls 15 to 18 GSM single ply (white colour)	12000 Kgs [@ 480 Kg per day x 25 days a month]	8,40,000/- (@ Rs 70 per Kg)
2	Inks & Other Consumables	L.S	30,000/-
3	Packaging Material	L.S	1,20,000/-
		<b>Total</b>	<b>9,90,000/-</b>

#### **8. STAFF AND LABOUR (PER MONTH)**

SL.NO	Employee	No.	Amount(Rs)
1	Technical Machine Operator (Skilled)	2	50,000
2	Skilled Manpower for packaging	2	30,000
3	Unskilled worker	2	24,000
	<b>Total</b>		<b>1,04,000</b>

#### **9. OTHER EXPENSES (PER MONTH)**

1	Space Rent	2000 sft	20000
2	Power consumption per day-3.5 kw	@ Rs 7 per unit cost	10000
3	Transport		6000
4	Consumable & stores etc.		2000
5	Miscellaneous		2000
6	Stationery		2000
7	Repairs & Maintenance		2000
	<b>Total</b>		<b>44,000</b>

## 10. WORKING CAPITAL (ONE MONTH)

S.No	Description	Amount (Rs)
1	Raw material	9,90,000
2	Salaries & Wages	1,04,000
3	Other Expenses	44,000
	Total	<b>11,38,000</b>

## 11. TOTAL CAPITAL INVESTMENT

S.No	Description	Amount (Rs)
1	Machinery & Equipment	10,70,000
2	Working Capital for 3 months	34,14000
3.	Interest on capital investment @ 14%	1,49,800
	Total	<b>46,33,800</b>

## 12. COST OF PRODUCTION PER ANNUM:

1. Dep. on machinery and equipt. @ 10% = 10% of 10,00000 = Rs 1,00,000
2. Total recurring expenditure (Rs 11,38,000 x 12 months) = Rs 1,36,56000

**Total** **= Rs 1, 37,56000**

### 13. TURNOVER (P.A):

S.P of a packet of 100 pieces of tissue paper= Rs 13/-

S.P per piece= Rs 0.13/-

Total Production	Wholesale S.P per packet	Turnover
1200,000 packets @ 100 pieces per packet	Rs 13	<b>Rs 1,56,00,000</b>

14. PROFIT: Rs 1,56,00000- Rs 1,37,56000= **Rs18,44,000**

### 15. NET PROFIT RATIO:

$$\frac{\text{Profit} \times 100}{\text{Turnover}}$$

$$\frac{\text{Rs. } 1844000 \times 100}{\text{Rs } 15600000} = 12\%$$

### 16. RATE OF RETURN:

$$\frac{\text{Profit} \times 100}{\text{Total capital Investment}}$$

$$= \frac{\text{Rs. } 1844000 \times 100}{\text{Rs } 4484000} = 41\%$$

## **17. BREAK EVEN ANALYSIS:**

### **Fixed Cost**

1. Dep. on machinery and equipt. @ 10%	= 10% of 10,00,000	= Rs 1,00,000
2. 40% of Salary	= 40% of Rs 104,000	= Rs 41,600
3. 40% of other expenditure	= 40% of Rs 20,000	=Rs 8,000
4. Rent	= 12 x 20000	= 2,40,000
5. Interest on capital investment @ 14%		= 1,49,800
6. Insurance		= 90,000
		<b>Total = Rs.6,29,400</b>

## **18. BREAK EVEN POINT**

= **(Fixed Cost x 100)**  
**(Fixed Cost + Net Profit)**

$$= \frac{(629400 \times 100)}{(629400 + 1844000)} = 25.4 \%$$

### **Manufactures/ Suppliers of Machinery/Raw Material:**

#### **1. SK Engineering Works**

Office: E-203 Roop Nagar, Tanki Road, Badarpur New Delhi-110044  
Ph no: +918800180227, 9310358227, 9810358227  
Email id: [skengworks1@gmail.com](mailto:skengworks1@gmail.com), [skwork2000@gmail.com](mailto:skwork2000@gmail.com)  
Website: [www.alltissuemachine.com](http://www.alltissuemachine.com)

#### **2. S. S. Engineering Works**

H. No. 10-1-80/9/1, New Padma Nagar Colony,

Karman Ghat  
Champapet  
Hyderabad – 500079, Telangana, India  
<https://www.ssengineeringworkshyd.com>  
Mob-91-8048414896

### **3.Sky Engineering Company**

Flat No. 2-1-60/5, Laxma Reddy Colony  
Uppal  
Hyderabad – 500039, Telangana, India  
<https://www.skyengineeringcompany.com>  
Mob- 08045375826

### **4. Ruby Paper Products**

6-629/2, Gujjari Complex,  
Jayram Nagar, Quthubullapur,  
Hyderabad,  
Phone 9391320942,40-27791588 ,9391320942

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