

Khadi and Village Industries Commission Mumbai

HANDMADE PAPER UNIT BASED ON BANANA FIBRE

Introduction

The Handmade paper Industry has become more popular because of its eco-friendly nature and has a significant impact for growing forest and preserving the greenery. The water and air pollution is also negligible. The export of handmade paper is increased in multiples with the growing awareness in developed and developing countries. In recent years handful number of handmade paper manufacturer become cent percent export oriented units. These units are exporting handmade paper & its products to several countries. The demand of handmade paper is increasing day by day in domestic as well as in international market. Several varieties of Banana are cultivated in the country. The plants are cut down as soon as fruits are harvested for extraction of fibre. Banana fibre has great potentialities for paper making because of its high alpha-cellulose and low lignin content.

Process of Manufacture: (a) The extracted banana fibre cooked with mild alkali and washed. (b) Cooked and washed fibre converted into pulp with help of mechanized beater. (c) A sheet of pulp is formed over mould by hand then wet paper sheet couched onto a cloth which acts as a interleaf separating the wet sheets. (d) A pile of the wet sheets then pressed and excesses water is removed from the wet sheets. (e) The pressed sheets are peeled and separated from the cloth and loft dried on Taosuki or natural drying. (f) The dried sheets are calendared for smoothness and then cut into a required

1 **Name of the Product :** **Fancy & Decorative Handmade paper on Banana Fibre**

2 **Project Cost :**

a Capital Expenditure

Land	:			Own
Workshed in sq.ft		1000	Rs.	200,000.00
Equipment	:		Rs.	1,021,250.00

Fiber Cutter , Papermaking Vats, Rotary Digester, Steam Boiler Non

IBR, Beater (18"x24"), Taoshuki. Ppaer cutting Machine

Total Capital Expenditure			Rs.	1,221,250.00
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b Working Capital			Rs.	476,263.00
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TOTAL PROJECT COST :			Rs.	1,697,513.00
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3 **Estimated Annual Production Capacity:** (Rs. in 000)

Sr.No.	Particulars	Capacity in No./Q.	Rate	Total Value
1	Fancy and Decorative Banana Papers and Papers Products	15.12	250.00	2908.98
TOTAL		15.12	250.00	2908.98

4 Raw Material	:	Rs.	1,805,000.00
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5 Labels and Packing Material	:	Rs.	13,000.00
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6 Wages (Skilled & Unskilled)	:	Rs.	538,000.00
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7 Salaries	:	Rs.	120,000.00
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8	Administrative Expenses	:	Rs.	50,000.00
9	Overheads	:	Rs.	100,000.00
10	Miscellaneous Expenses	:	Rs.	50,000.00
11	Depreciation	:	Rs.	112,125.00
12	Insurance	:	Rs.	12,213.00
13	Interest (As per the PLR)			
	a. C.E.Loan		Rs.	158,763.00
	b. W.C.Loan		Rs.	61,914.00
	Total Interest		Rs.	220,677.00
14	Working Capital Requirement	:		
	Fixed Cost		Rs.	390,976.00
	Variable Cost		Rs.	2,517,914.00
	Requirement of WC per Cycle		Rs.	476,263.00

15 Cost Analysis

Sr.No.	Particulars	Capacity Utilization(Rs in '000)			
		100%	60%	70%	80%
1	Fixed Cost	390.98	234.59	273.68	312.78
2	Variable Cost	2518.00	1510.80	1762.60	2014.40
3	Cost of Production	2908.98	1745.39	2036.28	2075.38
4	Projected Sales	3750.00	2250.00	2625.00	3000.00
5	Gross Surplus	841.02	504.61	588.72	672.82
6	Expected Net Surplus	729.00	392.00	477.00	561.00

- 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.