Handmade paper industry manufacturers produce conversed handmade paper products such as new attractive gift wrapper for packing, eco-friendly handmade carry bags paper in attractive colour, design, greetings cards, invitation cards, wedding cards paper and boards, eco-friendly handmade banana bond paper/card sheets for restaurant, office & interior decor like mon-rock, marble/wood finish paper, leatherside paper. Conversed handmade paper has a good market in India and abroad.

1. **Name of the Product**: Handmade Paper

2. **Project Cost**

   (a) **Capital Expenditure**
   - Land: Own
   - Building Shed 2500 sq.ft.: Rs. 500000.00
   - Equipment: Rs. 1000000.00
   (Rag chopper with knife, Beater 30”X36”, Pulper, Agitator, Pump, CMVM/c 40”X40”, Calender M/c, Paper Cutting M/c, platform Drives & Belt wires etc.)
   - Total Capital Expenditure: Rs. 1500000.00

   (b) **Working Capital**: Rs. 204000.00

   **TOTAL PROJECT COST**: Rs. 1704000.00

3. **Estimated Annual Production of Handmade Paper**

   (Value in 1000)

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Particulars</th>
<th>Capacity</th>
<th>Rate</th>
<th>Total Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Handmade Paper</td>
<td>270.00</td>
<td>Rs. 11322.00</td>
<td>3057.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Tons</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>TOTAL</strong></td>
<td>270.00</td>
<td>Rs. 11322.00</td>
<td>3057.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Tons</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

4. **Raw Material**: Rs. 1200000.00

5. **Labels and Packing Material**: Rs. 100000.00

6. **Wages (Skilled & Unskilled)**: Rs. 1000000.00
7. Salaries : Rs. 250000.00
8. Administrative Expenses : Rs. 100000.00
9. Overheads : Rs. 150000.00
10. Miscellaneous Expenses : Rs. 20000.00
11. Depreciation : Rs. 125000.00
12. Insurance : Rs. 15000.00
13. Interest (As per the PLR)
   (a) Capital Expenditure Loan : Rs. 195000.00
   (b) Working Capital Loan : Rs. 26520.00
   Total Interest : Rs. 221520.00
14. Working Capital Requirement
   Fixed Cost : Rs. 580000.00
   Variable Cost : Rs. 2476520.00
   Requirement of Working Capital per Cycle : Rs. 203768.00
15. Estimated Cost Analysis

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Particulars</th>
<th>Capacity Utilization (Rs. in i000)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>100%</td>
</tr>
<tr>
<td>1.</td>
<td>Fixed Cost</td>
<td>580.00</td>
</tr>
<tr>
<td>2.</td>
<td>Variable Cost</td>
<td>2477.00</td>
</tr>
<tr>
<td>3.</td>
<td>Cost of Production</td>
<td>3057.00</td>
</tr>
<tr>
<td>4.</td>
<td>Projected Sales</td>
<td>3500.00</td>
</tr>
<tr>
<td>5.</td>
<td>Gross Surplus</td>
<td>443.00</td>
</tr>
<tr>
<td>6.</td>
<td>Expected Net Surplus</td>
<td>318.00</td>
</tr>
</tbody>
</table>

Note:
1. All figures mentioned above are only indicative and may vary from place to place.
2. If the investment on Building is replaced by Rental Premises-
   (a) Total Cost of Project will be reduced.
   (b) Profitability will be increased.
   (c) Interest on Capital Expenditure will be reduced.