

SANITARY NAPKIN MAKING UNIT

Introduction



The introduction of sanitary napkins has had a profound impact on women's lives. By providing a hygienic and reliable solution for menstrual hygiene, sanitary napkins have empowered women to participate fully in all aspects of life, regardless of their menstrual cycle. A sanitary napkin, also known as a menstrual pad, is a disposable absorbent product designed to absorb menstrual blood during a woman's period. It's typically made of several layers.

Health Benefits of Using Sanitary Napkins

- **Hygiene:** Sanitary napkins provide a hygienic way to manage menstrual flow, reducing the risk of infections.
- **Comfort:** Modern sanitary napkins are designed to be comfortable and discreet.
- **Confidence:** They allow women to participate in daily activities without worry or discomfort.
- **Reduced Risk of Infections:** Regular changing and proper disposal help prevent infections.

Market Potential

The market potential for sanitary napkins is substantial and continues to grow.

Key Factors Driving Growth:

- **Growing Awareness of Menstrual Hygiene:** Increasing awareness about menstrual hygiene, especially in developing countries, is driving demand for sanitary napkins.
- **Rising Female Population:** The growing number of women worldwide, particularly in emerging economies, is contributing to the market growth.
- **Urbanization and Changing Lifestyles:** Urbanization and changing lifestyles are leading to a shift towards modern and hygienic menstrual products.
- **Increasing Disposable Incomes:** Rising disposable incomes enable women to afford better quality and more expensive sanitary napkins.
- **Technological Advancements:** Continuous innovation in sanitary napkin technology, such as the use of advanced absorbent materials and comfort features, is driving consumer preference.

Raw Material Description

Major Raw Material that are used are mentioned below:

- Non Woven Fabric
- Airlaid Paper
- Sap Sheet/Gel Sheet
- Back Sheet
- Release Paper

Plant & Machinery Details

Major Machines that are used are mentioned below:

Unwinding Machine: Unwinds the rolls of non-woven fabric, SAP sheet, and release paper.



Sanitary Napkin Making Machine: This is the heart of the production line. It combines the different layers (top sheet, acquisition layer, absorbent core, and backsheet) and cuts them into individual napkins.



Folding Machine: Folds the napkins into the desired shape and size.



Manufacturing Process

Detail Process is explained below:

1. Raw Material Preparation:

- **Non-woven Fabric:** This soft, breathable fabric is used for the top sheet and backsheet.
- **Adhesive:** Used to bond the different layers together.

2. Core Formation:

- **Fluff Pulp and SAP:** The cellulose pulp and SAP are combined and formed into a core.
- **Core Shaping:** The core is shaped into the desired size and thickness.

3. Outer Layer Application:

- **Top Sheet:** The soft, non-woven top sheet is applied to the core.
- **Backsheet:** The waterproof backsheet is attached to the other side of the core.

4. Folding and Sealing:

- **Folding:** The napkin is folded into its final shape.
- **Sealing:** The edges are sealed to ensure a leak-proof design.

5. Packaging:

- **Individual Wrapping:** Each napkin is individually wrapped in plastic or paper.

PROJECT AT A GLANCE - TOP SHEET

1	Name of the Beneficiary	XXXXXX		
2	Constitution(Legal Status)	Individual		
3	Father/Spouse Name	XXXXXXX		
4	Unit Address	XXXXXX		
	Taluk/Block:	XXXXXX		
	District :	XXXXXX		
	Pin:	XXXXXX	State:	XXXXXX
	E-Mail	:	XXXXXX	
	Mobile	:	XXXXXX	
5	Cost of Project	:	Rs.	7.11 in Lakhs
(i)	Plant & Machinery			5.50 in Lakhs
(ii)	Furniture & Fixtures			0.50 in Lakhs
(iii)	Working Capital Required			1.11 in Lakhs
6	Means of Finance	:	Rs.	
(i)	Term Loan			5.40 in Lakhs
(ii)	Working Capital			1.00 in Lakhs
(iii)	Own Capital			0.71 in Lakhs
				7.11 in Lakhs
7	Debt Service Coverage Ratio	:		3.38
8	Break Even Point	:		42.07%
9	Plant & Machinery	:	Unwinding Machine/Sanitary Napkin Making Machine/Folding Machine	
10	Major Raw materials	:	Non Woven Fabric/Airlaid Paper/Sap or Gel Sheet/Back Sheet/Release Paper	
11	Employment	:		4
12	Power Requirement	:		6.00
13	Name of the project / business activity	:	Sanitary Napkin Making Unit	

PROJECTED BALANCE SHEET

PARTICULARS	YEAR-I	YEAR-II	YEAR-III	YEAR-IV
<u>SOURCES OF FUND</u>				
Capital Account	-	3.62	6.45	9.11
Add: Addition	0.71			
Add : Net Profit	3.40	4.33	5.16	6.20
	4.12	7.95	11.61	15.31
Less : Drawings	0.50	1.50	2.50	4.00
NET OWN FUNDS	3.62	6.45	9.11	11.31
Term Loan	4.32	2.88	1.44	-
Cash Credit	1.00	1.00	1.00	1.00
Sundry Creditors	0.59	0.67	0.75	0.83
Provisions & Other Liab	0.50	0.53	0.55	0.58
TOTAL :	10.03	11.52	12.85	13.72
<u>APPLICATION OF FUND</u>				
Fixed Assets	6.00	6.00	6.00	6.00
Less : Depreciation	0.88	1.62	2.26	2.80
Net Fixed Assets	5.13	4.38	3.74	3.20
Current Assets				
Sundry Debtors	3.63	4.27	4.85	5.45
Stock in Hand	0.63	0.72	0.81	0.89
Cash and Bank	0.64	2.15	3.46	4.18
TOTAL :	10.03	11.52	12.85	13.72
	-	-	-	-

PROJECTED PROFITABILITY STATEMENT

PARTICULARS	YEAR-I	YEAR-II	YEAR-III	YEAR-IV
Capacity Utilisation %	50%	55%	60%	65%
<u>SALES</u>				
Gross Receipts/Sale	36.25	42.73	48.46	54.46
Total	36.25	42.73	48.46	54.46
COST OF SALES				
Purchase & Consumables	17.76	20.12	22.48	24.94
Electricity Expenses	3.26	3.85	4.36	4.90
Other Direct Expenses	2.18	2.56	2.91	3.27
Cost of Production	23.20	26.53	29.75	33.11
Add: Opening Stock /WIP	-	0.63	0.72	0.81
Less: Closing Stock /WIP	0.63	0.72	0.81	0.89
Cost of Sales	22.57	26.45	29.67	33.02
GROSS PROFIT	13.68	16.28	18.79	21.44
	37.75%	38.10%	38.78%	39.36%
Salary to Staff	6.89	8.27	9.75	11.22
Selling & Adm Expenses Exp.	1.81	2.35	2.81	3.21
Depreciation	0.88	0.75	0.64	0.54
Interest on Term Loan	0.59	0.48	0.32	0.16
Interest on Working Capital	0.11	0.11	0.11	0.11
TOTAL (D+G)	10.28	11.95	13.63	15.24
NET PROFIT	3.40	4.33	5.16	6.20
	9.39%	10.14%	10.66%	11.38%
CASH ACCRUALS	4.28	5.08	5.80	6.74

PROJECTED CASH FLOW STATEMENT

PARTICULARS	YEAR-I	YEAR-II	YEAR-III	YEAR-IV
<u>SOURCES OF FUND</u>				
Capital	0.71	-	-	-
Reserve & Surplus	3.40	4.33	5.16	6.20
Depreciation & Exp. W/off	0.88	0.75	0.64	0.54
Increase in Cash Credit	1.00	-	-	-
Increase In Term Loan	5.40	-	-	-
Increase in Creditors	0.59	0.08	0.08	0.08
Increase in Provisions	0.50	0.03	0.03	0.03
TOTAL :	12.48	5.18	5.91	6.85
<u>APPLICATION OF FUND</u>				
Increase in Fixed Assets	6.00	-	-	-
Increase in Stock	0.63	0.09	0.09	0.09
Increase in Debtors	3.63	0.65	0.57	0.60
Repayment of Term Loan	1.08	1.44	1.44	1.44
Drawings	0.50	1.50	2.50	4.00
TOTAL :	11.84	3.67	4.60	6.13
Opening Cash & Bank Balance	-	0.64	2.15	3.46
Add : Surplus	0.64	1.51	1.31	0.72
Closing Cash & Bank Balance	0.64	2.15	3.46	4.18

COMPUTATION OF PRODUCTION

Production Capacity	1,000	Packets/Day
No. of Working Hour	10	
Total	1,000	Packets/Day
Each Packet contains 10 napkins		
No of Working Days per month	25	
No. of Months	12	
Total Production Per Annum	3,00,000	Pcaket

Year	Capacity Utilisation	Pcaket
YEAR-I	50%	1,50,000
YEAR-II	55%	1,65,000
YEAR-III	60%	1,80,000
YEAR-IV	65%	1,95,000

COMPUTATION OF SALE

Particulars	YEAR-I	YEAR-II	YEAR-III	YEAR-IV
Op Stock	-	5,000	5,667	6,189
Production	1,50,000	1,65,000	1,80,000	1,95,000
	1,50,000	1,70,000	1,85,667	2,01,189
Less : Closing Stock	5,000	5,667	6,189	6,706
Net Sale	1,45,000	1,64,333	1,79,478	1,94,483
Rate Per Kg	25.00	26.00	27.00	28.00
Net Sale (in lacs)	36.25	42.73	48.46	54.46

COMPUTATION OF DEPRECIATION

Description	Plant/Machinery Equipments	Furniture	TOTAL
Rate of Depreciation	15.00%	10.00%	
Opening Balance	-	-	-
Addition	5.50	0.50	6.00
	5.50	0.50	6.00
Less : Depreciation	0.83	0.05	0.88
WDV at end of Year-1	4.68	0.45	5.13
Additions During The Year	-	-	-
	4.68	0.45	5.13
Less : Depreciation	0.70	0.05	0.75
WDV at end of Year II	3.97	0.41	4.38
Additions During The Year	-	-	-
	3.97	0.41	4.38
Less : Depreciation	0.60	0.04	0.64
WDV at end of Year III	3.38	0.36	3.74
Additions During The Year	-	-	-
	3.38	0.36	3.74
Less : Depreciation	0.51	0.04	0.54
WDV at end of Year IV	2.87	0.33	3.20

TERM LOAN

Year	Opening Balance	Repayment	Closing Balance	Interest @ 11%
1st	5.40	1.08	4.32	0.59
2nd	4.32	1.44	2.88	0.48
3rd	2.88	1.44	1.44	0.32
4th	1.44	1.44	0.00	0.16

BREAK EVEN POINT & RATIO ANALYSIS						
Particulars			1st Year	2nd Year	3rd Year	4th Year
Fixed Cost			10.04	11.54	13.01	14.50
Variable Cost			23.44	26.94	30.37	33.84
Total Cost			33.48	38.48	43.38	48.35
Sales			36.25	42.73	48.46	54.46
Contribution (Sales-VC)			12.81	15.79	18.09	20.61
Capacity Utilisation			50%	55%	60%	65%
B.E.P in %			39%	40%	43%	46%
Break Even Sales in Rs.			14.21	17.18	20.91	24.91
Net Profit Ratio			9.39%	10.14%	10.66%	11.38%

CALCULATION OF D.S.C.R

PARTICULARS	YEAR-I	YEAR-II	YEAR-III	YEAR-IV
<u>CASH ACCRUALS</u>	4.28	5.08	5.80	6.74
Interest on Term Loan	0.59	0.48	0.32	0.16
Total	4.87	5.55	6.12	6.90
<u>REPAYMENT</u>				
Instalment of Term Loan	1.08	1.44	1.44	1.44
Interest on Term Loan	0.59	0.48	0.32	0.16
Total	1.67	1.92	1.76	1.60
DEBT SERVICE COVERAGE RATIO	2.91	2.90	3.48	4.31
AVERAGE D.S.C.R.	3.38			