

# UP MSME 1-Connect

## PROJECT REPORT

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PROJECT:

Sanitary Napkins Unit

# PROJECT REPORT

Of

## SANITARY NAPKINS

### PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding **Sanitary Napkins Unit**.

The objective of the pre-feasibility report is primarily to facilitate potential entrepreneurs in project identification for investment and in order to serve his objective; the document covers various aspects of the project concept development, start-up, marketing, finance and management.

[We can modify the project capacity and project cost as per your requirement. We can also prepare project report on any subject as per your requirement.]

# **SANITARY NAPKIN**

## **Introduction**

A **sanitary napkin, sanitary towel, sanitary pad, menstrual pad, or pad** is an absorbent item worn in the underwear by women and girls who are menstruating, bleeding after giving birth, recovering from gynecologic surgery, experiencing a miscarriage or abortion, or in any other situation where it is necessary to absorb a flow of blood from the vagina.

A menstrual pad is a type of feminine hygiene product that is worn externally, unlike tampons and menstrual cups which are worn inside the vagina. The frequency a woman will need to change her pad will vary depending on whether her menstrual flow is heavy or light.

Menstrual pads are made from a range of materials, differing depending on style, country of origin, and brand. US brands include Kotex, Always, Equate, and Stayfree. Lil-lets are available in several other English-speaking countries.

These pads are not to be confused with generally higher absorbency incontinence pads, which are worn by people who have urinary incontinence problems or experience stress incontinence. Although menstrual pads are not made for this use, some people use them for this purpose.

## **Sanitary Napkin Market Analysis**

The **Indian sanitary napkin market** reached a value of US\$ 511.5 Million in 2018. Sanitary napkins, or sanitary pads, are thin pads made of absorbent materials. They play a vital role in feminine hygiene as they soak the menstrual fluid during menstruation. A sanitary napkin contains four functional components including fluid acquisition layer, distribution component, absorbent structure and liquid impervious membrane. These napkins can be found in different sizes and shapes with varying capacities of absorption. In India, the increasing awareness about menstrual hygiene is supporting the demand for sanitary napkins. Moreover, the utilization of high-quality and environment-friendly raw materials to produce these pads is further providing an impetus to the growth of the market.

**PROJECTED PROFITABILITY STATEMENT**

<b>PARTICULARS</b>	<b>1st year</b>	<b>2nd year</b>	<b>3rd year</b>	<b>4th year</b>	<b>5th year</b>
Capacity Utilisation %	<b>50%</b>	<b>55%</b>	<b>60%</b>	<b>65%</b>	<b>70%</b>
<b><u>SALES</u></b>					
<b>Gross Sale</b>					
Sanitary Napkin	39.60	48.34	54.05	59.99	66.13
<b>Total</b>	<b>39.60</b>	<b>48.34</b>	<b>54.05</b>	<b>59.99</b>	<b>66.13</b>
<b><u>COST OF SALES</u></b>					
Raw Mateiral Consumed	11.77	14.26	16.85	19.66	22.68
Elecricity Expenses	0.67	0.74	0.81	0.89	0.98
Depriication	1.02	0.87	0.74	0.63	0.54
labour	6.72	7.39	8.13	8.94	9.84
Consumables	2.38	2.90	3.24	3.60	3.97
Repair & maintenace	2.06	2.51	2.81	3.12	3.44
other direct expenses	1.19	1.79	2.00	2.22	2.45
packaging Charges	2.34	2.85	3.19	3.54	3.90
<b>Cost of Production</b>	<b>28.15</b>	<b>33.31</b>	<b>37.78</b>	<b>42.61</b>	<b>47.80</b>
<b>Add: Opening Stock /WIP</b>	<b>-</b>	<b>2.35</b>	<b>2.78</b>	<b>3.15</b>	<b>3.55</b>
<b>Less: Closing Stock /WIP</b>	<b>2.35</b>	<b>2.78</b>	<b>3.15</b>	<b>3.55</b>	<b>3.98</b>
Cost of Sales	25.80	32.88	37.41	42.20	47.37
<b>GROSS PROFIT</b>	<b>13.80</b>	<b>15.46</b>	<b>16.65</b>	<b>17.78</b>	<b>18.77</b>
salary to staff	4.44	4.88	5.37	5.91	6.21
Interest on Term Loan	0.62	0.55	0.41	0.26	-
Interest on working Capital	0.33	0.33	0.33	0.33	0.33
Rent	2.88	3.17	3.48	3.83	4.22
Selling & adm Exp	2.77	3.38	3.78	3.90	3.97

<b>TOTAL</b>	<b>11.04</b>	<b>12.32</b>	<b>13.38</b>	<b>14.23</b>	<b>14.72</b>
NET PROFIT	2.76	3.14	3.27	3.55	4.05
Taxation					
PROFIT (After Tax)	2.76	3.14	3.27	3.55	4.05

**PROJECTED BALANCE SHEET**

<b>PARTICULARS</b>	<b>1st year</b>	<b>2nd year</b>	<b>3rd year</b>	<b>4th year</b>	<b>5th year</b>
<b><u>Liabilities</u></b>					
Capital					
opening balance		2.59	4.13	5.19	6.49
<i>Add:- Own Capital</i>	1.03				
Add:- Retained Profit	2.76	3.14	3.27	3.55	4.05
Less:- Drawings	1.20	1.60	2.20	2.25	3.00
Closing Blance	2.59	4.13	5.19	6.49	7.54
Subsidy Reserve	1.75	1.75	1.75	-	-
Term Loan	5.63	4.31	2.99	0.00	-
Working Capital Limit	3.00	3.00	3.00	3.00	3.00
Sundry Creditors	0.49	0.59	0.70	1.23	1.32
Provisions & Other Liab	0.30	0.40	0.55	0.66	0.83
<b>TOTAL :</b>	<b>13.76</b>	<b>14.18</b>	<b>14.19</b>	<b>11.38</b>	<b>12.69</b>
<b><u>Assets</u></b>					
<b>Fixed Assets ( Gross)</b>	6.99	6.99	6.99	6.99	6.99
Gross Dep.	1.02	1.90	2.64	3.27	3.82
<b>Net Fixed Assets</b>	<b>5.97</b>	<b>5.09</b>	<b>4.35</b>	<b>3.72</b>	<b>3.17</b>
FD of Subsidy	1.75	1.75	1.75		
<b>Current Assets</b>					
Sundry Debtors	0.83	1.21	1.58	1.75	1.93
Stock in Hand	3.33	3.96	4.55	5.19	5.87
Cash and Bank	1.89	2.16	1.96	0.73	1.71
<b>TOTAL :</b>	<b>13.76</b>	<b>14.18</b>	<b>14.19</b>	<b>11.38</b>	<b>12.69</b>

**PROJECTED CASH FLOW STATEMENT**

<b>PARTICULARS</b>	<b>1st year</b>	<b>2nd year</b>	<b>3rd year</b>	<b>4th year</b>	<b>5th year</b>
<b><u>SOURCES OF FUND</u></b>					
Own Margin	1.03				
Net Profit	2.76	3.14	3.27	3.55	4.05
Depriciation & Exp. W/off	1.02	0.87	0.74	0.63	0.54
Increase in Cash Credit	3.00	-	-	-	-
Increase In Term Loan	6.29	-	-	-	-
Increase in Creditors	0.49	0.10	0.11	0.53	0.09
Increase in Provisions & Oth lib	0.30	0.10	0.15	0.11	0.17
increase in subsidy	1.75				
<b>TOTAL :</b>	<b>16.64</b>	<b>4.21</b>	<b>4.27</b>	<b>4.82</b>	<b>4.85</b>
<b><u>APPLICATION OF FUND</u></b>					
Increase in Fixed Assets	6.99				
Increase in Stock	3.33	0.64	0.59	0.64	0.68
Increase in Debtors	0.83	0.38	0.37	0.17	0.18
Repayment of Term Loan	0.66	1.32	1.32	2.99	-
Increase in FD	1.75	-	-		
Drawings	1.20	1.60	2.20	2.25	3.00
Taxation	-	-	-	-	-
<b>TOTAL :</b>	<b>14.75</b>	<b>3.94</b>	<b>4.48</b>	<b>6.05</b>	<b>3.86</b>
Opening Cash & Bank Balance	-	1.89	2.16	1.96	0.73
Add : Surplus	1.89	0.27 -	0.21 -	1.23	0.98
Closing Cash & Bank Balance	<b>1.89</b>	<b>2.16</b>	<b>1.96</b>	<b>0.73</b>	<b>1.71</b>

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