

**PROJECT PROFILE
ON
JUTE BAG**

PRODUCT : JUTE BAG

PRODUCT CODE : ASICC-42112

NIC CODE : 25204

QUALITY : As per Customers'
STANDARD Specification & Design

PRODUCTION : QTY. : 75000 Nos.
CAPACITY (P.A): VALUE:Rs. 26,25,000.00

**MONTH & YEAR OF
PREPARATION : January, 2011**

PREPARED BY : Cane Making Division,

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MODEL PROJECT PROFILE ON JUTE BAG

1. Introduction

As the name itself implies the jute bags are used for shopping purpose. Now a day the printed jute bags are used for travel purposes too. All the machineries and raw materials used for its manufacture are easily available from indigenous sources and as not much technology is involved, factory can be established at rural and urban areas.

2. Plant Capacity per annum

Items	Quantity
Printed & Decorated Jute Shopping Bags	100000 Pcs

3. Market & Demand Aspect

Every responsible citizen considering the black future of ours next generation shall stop using plastic carrier bags used for shopping as much as possible. Plastic bags in general take anywhere from 20 to 1000 years to breakdown in the environment. The natural alternative is jute bag. Decorated jute bags and shopping bags are very much in demand both for domestic and international market.

With the increase of population the scope of trade and industry is also increasing. As the bags are an essential commodity for human, so the demand of the product is growing day by day. The demands of the product remain consistent through out the year. So, it is presumed that there is a good scope for starting of such type of industry with a huge export potential.

4. Raw Materials

The raw materials required for printed and decorated jute shopping bags are jute fabrics, dye stuff, printing gum, chemicals and auxiliaries, PVC buckle and bamboo sticks, sewing thread, packing materials, label etc. used. All the above raw materials are available locally.

5. Manufacturing process & Source of Technology

The Woven jute fabric is procured from the market and spread on printing table and fixed by requisite auxiliaries/ingredients. Then it is printed by screen as per requisite design and colours. The printed fabric is washed and dried under sun light or through drier.

The printed fabric is cut as per required design and sizes of the bag. The cut pieces are stitched by lock stitch machine. Then the PVC buckle or bamboo stick etc. is attached manually. The bags are packed for marketing.

6. Basis of Project Selection

There are good numbers of manufacturers of printed and decorated jute bags situated around Kolkata. Expert craftsmen are available here at a lesser cost in comparison with other metro cities. Basic raw material i.e. jute is available mainly in eastern India like West Bengal and they are easily available in Kolkata market. More over ports are available in Kolkata which helps export to other countries.

7. Presumption

a) The cost in respect of plant and machinery, raw materials and selling price of finished product are those generally obtained at the time of preparation of project profile and may vary depending upon other various factors.

b) The salary and wages of staff and labours has been taken as per present market rate.

c) Production utilization capacity is considered initially at 75% of the total capacity. The time period for achieving full envisaged capacity utilization is three years.

d) Working days per year is considered 300 days and working hours is 8 hour per day considering single shift.

e) The rate of interest on Bank loan has been considered as 12% p.a. which may vary from time to time.

8. Production Capacity per annum (at 75% capacity utilization):

Items	Nos.	Rate	Total
1. Printed & Decorated Jute Shopping Bags	75000	35.00	2625000.00
Total Turnover (incl. tax)			2625000.00

9. Financial Aspects

A: Fixed Capital:

1. Land & Building:

Workspace 1200 sq.mtrs on long term monthly rental basis Rs. 1800.00

2. Plant & Machinery:

Sl.No.	Particulars	Numbers	Rate	Total (Rs.)
1.	Printing Section:			
	a) Wooden Printing Table	2	12500.00	25000.00
	b) Screen of Diff. Design	30	350.00	10500.00
	c) Rubber Wiper	10	125.00	1250.00
	d) Dye Paste Stirrer	4	3600.00	14400.00
	e) Water Drum	2	1900.00	3800.00
	f) Cottage Steamer	1	16500.00	16500.00
	g) Tubes, Steel Spoons, Mugs, Bucket, Roper, Clips, Stools etc.			6800.00
	Total			78250.00
2.	Stitching Section:			
	a) Lock Stitch Machine	6	4700.00	28200.00
	b) Wooden Working Table	2	2000.00	4000.00
	c) Cutting Table	1	1800.00	1800.00
	d) Electric Fittings			4500.00
	e) Scissors, Measuring tape and other Equipments			2800.00
	Total			41300.00
	Total Machinery			119550.00

3. Furniture & Fixture:

Office furniture like almirah, table, chair, rack etc. Rs.12500.00

TOTAL NON RECURRING EXPENDITURE/ FIXED CAPITAL:

1. Land & Development	Nil
2. Plant & Machinery	119550.00
3. Furniture & Fixture	12500.00

TOTAL	132050.00

B. Working Capital per month:

1. Monthly expenses for Salary & Wages:

Sl. No.	Particulars	Employee	Remuneration	Total (Rs.)
a.	Manager cum-Supervisor	1	3000.00	3000.00
b.	Clerk cum-Accountant	1	2000.00	2000.00
c.	Salesman	2	2000.00	4000.00
d.	Peon/ Chowkidar	1	1000.00	1000.00
e.	Master Printer/ Designer	1	2500.00	2500.00
f.	Master Cutter	1	2200.00	2200.00
h.	Stitching Machine Operator	6	1500.00	9000.00
i.	Skilled Printer	4	1500.00	6000.00
j.	Unskilled Worker	5	1200.00	<u>6000.00</u>
				35700.00
	Add: Perquisite @ 20%			<u>7140.00</u>
	TOTAL			<u>42840.00</u>

2. Raw Material Consumption per month:

Sl. No.	Items	Total Quantity	Rate	Total (Rs.)
a.	Dye Stuff	15 kg.	550.00	8250.00
b.	Printing Gum	15 kg.	50.00	750.00
c.	Chemicals & Auxiliaries	L.S.		2800.00
d.	Jute Fabric	7425 Mtrs.	10.00	74250.00
e.	PVC Buckle or Bamboo Sticks	11800 pcs.	1.50	17700.00
f.	Sewing Thread	L.S.		2200.00
g.	Packing Materials, Needle, Label etc.	L.S.		2200.00
	TOTAL (Incl. tax)			108150.00

3. Monthly Other Expenses:

i. Rent	1800.00
ii. Tax & Insurance	1500.00
iii. Electricity & Utility	1500.00
iv. Office & Administrative Expenses	800.00
v. Travelling & Transportation	1200.00
vi. Repair & Maintenance	600.00
Vii. Misc. Expenses	700.00
viii. Sales Promotion	<u>700.00</u>
TOTAL	<u>8800.00</u>

C. Total Working Capital per month:

i. Raw Material Consumption	108150.00
ii. Salary & Wages	42840.00
iii. Other Charges	<u>8800.00</u>
TOTAL	<u>159790.00</u>

D. Total Working Capital for 3 months:

i. Raw Material Consumption	324450.00
ii. Salary & Wages	128520.00
iii. Other Charges	<u>26400.00</u>
TOTAL	<u>479370.00</u>

E. Total Capital Investment:

1. Fixed Capital	Rs. 132050.00
2. Working Capital for 3 months	<u>479370.00</u>
TOTAL	<u>611420.00</u>

10. Financial Analysis:

i) Cost of Production per year:

1. Total Recurring Expenditure	Rs. 1917480.00
2. Depreciation on Plant & Machinery @ 15% p.a.	Rs. 17933.00
3. Depreciation on Furniture @ 10% p.a.	Rs. 1250.00
4. Interest on total Capital Investment @ 12% p.a.	Rs. <u>73370.00</u>
TOTAL	<u>Rs. 2010033.00</u>

ii) **Turnover per year:**

Items	Nos.	Rate	Total
1. Printed & Decorated Jute Shopping Bags	75000	35.00	2625000.00
Total Turnover (incl. tax)			2625000.00

iii) **Net Profit per year:**

Turnover per year – Cost of production per year

= Rs. 2625000.00 – Rs. 2010033.00 = **Rs. 614967.00**

iv) Profit Ratio on Sale = $\frac{614967}{2625000} \times 100$
= **23.43%**

v) Rate of Return = $\frac{614967}{611420} \times 100$
= **100.58%**

v) **BEP Analysis:**

Fixed Cost

1. Depreciation on Plant & Machinery	Rs.	17933.00
2. Depreciation on Furniture & Fixture		1250.00
3. Interest on Total Capital Investment		73370.00
4. Rent		21600.00
5. Insurance		18000.00
6. 40% Salary & Wages		205632.00
7. 40% of other expenses excluding rent & insurance		<u>42240.00</u>
		<u>380025.00</u>

$$\begin{aligned}
 \text{B.E.P.} &= \frac{\text{Fixed Cost} \times 100}{\text{Fixed Cost} + \text{Profit}} &= \frac{380025 \times 100}{380025 + 614967} \\
 & &= \frac{38002500}{994992} \\
 & &= \mathbf{38.19\%}
 \end{aligned}$$

11. Name & Address of Raw Materials Suppliers:

1. M/s Chapdani Show Room
25, Princep Street,
Kolkata-700 001
2. M/s Jutex India,
11, Shambhu Chatterjee Street
Near Grace Cinema Hall,
Kolkata-700 007
Phone 2241-1349
3. M/s Deepa Meheta
Bara Bazar, Kolkata-700 007.
4. All Jute Materials are available at Bara Bazar,
Khangra Patty,
Kolkata-700 007.
