



Detailed Project Report On Jute Based Industry (Jute Bags)

Under MKUY

Name of the Entrepreneur/Entity:

Address:

Contents

1. Project Summary.....	2
2. Project Profile	3
2.1 Entrepreneur/Entity Profile.....	3
2.2. Project Consultant Details	4
2.3. Concept and Scope of the Project	5
3. Techno-commercial Assumptions	6
4. Financial Details.....	6
4.1. Project Fixed Capital	6
4.2. Project Variable Expenses	7
4.3. Details of Sales.....	8
4.4. Project Balance Sheet	9
4.5 Calculation of Depreciation.....	10
4.6 Projected P&L.....	10
4.7. Projected Cash Flow	11
4.8. Projected Loan Repayment.....	11
4.9. Calculation of DSCR, IRR and BEP	12
4.10. Summary of Project Cost.....	13

1. Project Summary

1	Name of the Enterprise (as per the Illustrative List of Enterprises)	Jute Based Industry (Jute Bags)
2	Sector (as per the Illustrative List of Enterprises)	Agriculture
3	Project Capacity ¹	NA
4	Key components of the project	Manufacturing Jute Bags and Selling
5	Project Address (Village/Ward, Gram Pranchayat/Municipality, Block, District)	
6	Products/Output from the project	Jute Bags
7	Total Project Cost	Rs. 24,42,300
8	Fixed Capital Cost	Rs. 22,92,300
9	Working/Recurring capital	Rs. 1,50,000
10	Bank Finance/ Self Finance	Bank Loan
11	Bank Loan Amount	Rs. 23,97,300
12	Promoter Contribution (min 10% in case of bank loan)	Rs. 45,000
13	Assumed Rate of Interest	11%
14	Subsidy Eligibility (40%, 50%)	
15	Repayment Terms (Tenure, Moratorium, Frequency, Mode of Repayment: equal principal/equal instalment)	Equal Monthly Instalment
16	Key Financial Indicators: 1. Average Annual Net Profit 2. Debt Service Coverage Ratio (DSCR) 3. Internal Rate of Return 4. Break Even Point (BEP)/Year	
		Rs. 8,33,412
		2.06
		30.08%
		3 Year 3 Month
17	Estimated employment to be generated (nos.)	12

Note: The price quoted in the DPR is indicative. Final CIS will be calculated as per the Rate in MKUY guideline.

¹ Capacity can be in terms of area or quantity

2. Project Profile

2.1 Entrepreneur/Entity Profile

1	Name of the Entrepreneur/Entity	
2	Legal status (Individual/ Group/ FPO/ FPC/ Proprietorship/ Partnership firm/ Company/ Cooperative/ Federation/ Society/ Trust)	
3	Name of Representative ² in Ease of entity	
4	Gender (Male/ Female/ Third Gender/ Not Applicable)	
5	Date of Birth of Individual/Representative of Entity	
6	Date of Incorporation/Registration of Entity	
7	Category opted for (Women/ ST/ SC/ Differently Abled/ Third gender/ Agri & Allied Graduate)	
8	Educational Qualification of Individual/Representative of Entity	
9	Passport size photograph of the Individual/ Representative of entity	
10	Local Address for Correspondence of the Individual/ Representative of entity	
11	Registered Address of Entity	
12	Main Office/Branch Address of Entity	
13	Phone no. of Individual/Representative of Entity	
14	Email Id of Individual/Representative of Entity	
15	AADHAR No. of Individual/Representative	
16	PAN of Individual/Representative of Entity, if available	
17	Farmer Id of Individual, if available	
18	Details of other Partner/Director/ President/Secretary	
19	Registration No./ CIN of the Entity ³	
20	PAN/TAN of Entity	
21	GSTIN of Entity, if available	
22	Details of experience and exposure relevant to the proposed enterprise/project (family business, work experience, e- learning/certificate courses, trainings undertaken etc.)	

² Representative should be authorized by the board/governing body of the entity.

³ Registration document:

Groups (SHG/PG/): FPO: Proprietorship firm: Registration Certificate under Shops & Establishment Act, Partnership firm: Registration Certificate from IGR of state, Company (Pvt. Ltd., Public Ltd., LLP, OPC, FPC): Certification of Incorporation, Cooperative/ Federation: Certificate of Registration from Registrar of Cooperative Societies, Society/Trust: Darpan Unique Id

2.2. Project Consultant Details

DPR Prepared by APTT

Please provide further details of consultant



2.3. Concept and Scope of the Project

Jute is an important cash crop, which is as an intercrop before paddy transplantation in most parts of the country. Jute Sector plays very important role in Indian Textile Industry. The global jute bag market reached a value of US\$ 1.4 Billion in 2016. Jute is the second most important fibre crop, after cotton. It is used in the production of numerous products such as curtains, chair coverings, carpets, area rugs, hessian cloth, and bags due to its versatile nature. Jute bags are biodegradable, recyclable, reusable, and non-toxic and have some unique physical properties like high tenacity, bulkiness, sound & heat insulation, and low thermal conductivity. Owing to these benefits, jute bags are widely being substituted for plastic bags across the globe.

Jute is a natural material that is in existence as a plant or vegetable fibre. It can be grown very easily. The fibre extracted can be spun into jute threads that is used by jute bag manufacturers to weave and develop jute fabric. The strength of jute fibre, soft texture, and shine has named it golden fibre. Jute is the Earth's strongest fibre.

Since centuries, India is into trading of jute products commercially. With the popularity and development of plastics, there came harms to environment and affected pollution level. As a result, eco-friendly products rose their demand.

Artificial plastics have their own disadvantages and thus they affect environmental pollution and cause harm to mother Earth. Jute in recent years has brought forward jute bags making it an excellent and profitable business idea.

The global jute bag market is growing on account of increasing environmental concerns, such as rising pollution levels, and depletion of ozone layer and important resources. This has prompted the consumers to shift towards environment-friendly products and adopt viable alternatives to harmful materials such as plastic. Jute sack bags dominate the market, accounting for most of the sales volume. Region-wise, India represents the leading producer of jute bags, holding most of the shares. Other major regions include Bangladesh and China.

Raw Materials

The raw materials required for printed and decorated jute shopping bags are

- Bamboo sticks
- Sewing thread for sewing the jute
- Dyes
- Hook
- Jute fabric
- Printing gum
- Chemicals and Auxiliary
- Handles
- Packing materials
- Labels

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.

Presumption

- 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.
- The salary and wages of staff and labours has been taken as per present market rate.
- Production utilization capacity is considered initially at 75% of the total capacity. The time for achieving full envisaged capacity utilization is three years.
- Working days per year is considered 300 days and working hours is 8 hour per day considering single shift.
- The rate of interest on Bank loan has been considered as 11% p.a. which may vary from time to time.

3. Techno-commercial Assumptions

Sl.NO	Parameters	Value	Unit
1	Increase in Rate of Rent	5	%
2	Increase in fuel price	5	%
3	Collection from Debtors (First Year)	10	Days
4	Collection from Debtors	10	Days
5	Payable to Creditors	15	Days
6	Drawing By Promoter	40	%
7	Increase in Staff Salary	5	%
8	Rate of Interest on TL	11	%
9	Rate of Interest on WC	9	%
10	Loan Repayment (in year)	7	Years
11	Raw Material in Stock (on sales)	10	Days
12	Finished Goods in stock (on sales)	5	Days
13	Promoter's Contribution (Term Loan)	10	%
14	Promoter's Contribution (Working Capital)	20	%
15	Working Capital Requirement	15	Days
16	Working Capital Utilisation	100	%
17	No of working Days	300	Days

4. Financial Details

4.1. Project Fixed Capital

Details of Fixed Assets					
Sl. No.	Particulars	Unit	Qty.	Cost per unit (Rs)	Total (Rs)
A	Land				
1	Land Development	Sq. ft	4000	0.70	2,800
2	Fencing (Barbed wire)	ft	300	60.00	18,000
	Sub Total				20,800
B	Civil Construction				
1	Production area	sq. ft	2000	400.00	8,00,000
2	RM and FG Store	sq. ft	1000	400.00	4,00,000

Details of Fixed Assets					
Sl. No.	Particulars	Unit	Qty.	Cost per unit (Rs)	Total (Rs)
3	Office	sq. ft	200	850.00	1,70,000
4	Labour Shed	sq. ft	200	350.00	70,000
	Sub Total				14,40,000
C	Water Supply				
1	Water Supply with overhead tank, pump and pipeline				2,50,000
D	Electrification				
1	Electrical Installation (with transformer and DG Unit as required)				3,00,000

E	Plant & Machinery				
Sl. No.	Particulars	Specification	Qty	Unit Price (Rs)	Total (Rs)
1	Wooden Printing Table		2	15,000	30,000
2	Screen of Diff. Design		30	600	18,000
3	Rubber Wiper		10	150	1,500
4	Dye Paste Stirrer		4	4,000	16,000
5	Water Drum		2	5,000	10,000
6	Cottage Steamer		1	20,000	20,000
7	Tubes, Steel, Spoons, Mugs, Bucket, Roper, Clips, Stools etc.		LS		7,000
8	Other Necessary Assets		LS		65,000
9	Lock Stitch Machine		6	15,000	90,000
10	Wooden Working Table		2	3,000	6,000
11	Cutting Table		1	5,000	5,000
12	Scissors, Measuring tape and other equipment		LS		3,000
	Total				2,71,500
F	Miscellaneous Expenditure				
1	Insurance premium of assets				10,000
2	Cost of DPR Preparation				
3	Other Misc. Exp				
	Total Misc. Exp				10,000

4.2. Project Variable Expenses

Details of Recurring Expenditure						
A	Details of raw material					
Sl. No.	Items	Unit	Rate per Unit (Rs)	Qty per day	Qty per Annum (kg)	Total (Rs)
1	Dye Stuff	kg	500	0.6	180	90,000
2	Printing Gum	kg	50	0.6	180	9,000
3	Chemicals & Auxiliaries	LS		LS	LS	30,000
4	Jute Fabric	Mts.	15	300	90,000	13,50,000
5	PVC Buckle/Bamboo Sticks	pcs	2	475	1,42,500	2,85,000
6	Sewing Thread	LS				30,000

Details of Recurring Expenditure						
A	Details of raw material					
Sl. No.	Items	Unit	Rate per Unit (Rs)	Qty per day	Qty per Annum (kg)	Total (Rs)
7	Packing Materials, Needle & Label etc	LS				30,000
	Total				2,32,860	18,24,000

Details of salary and other benefits				
Sl. No.	Type of workers	No. of Worker	Salary Per Month/head (Rs)	Total Salary per annum (Rs)
1	Manager cum Supervisor	1	15000	180000
2	Master Printer/Designer	1	15000	1,80,000
3	Master Cutter	1	12000	1,44,000
4	Skilled Printer	3	12000	4,32,000
5	Unskilled Worker	5	10000	6,00,000
	Total	12	64,000	15,36,000

4.3. Details of Sales

G	Details of sales					
Sl. No.	Type of products	Unit	Rate (Rs)	Quantity per day	Quantity per annum	Total (Rs)
1	Printed & Decorated Jute Shopping Bags	Nos.	140	250	35,000	49,00,000
	Total					49,00,000

4.4. Project Balance Sheet

Liabilities	I	II	III	IV	V	VI	VII
Opening Capital	-	2,03,384	4,30,226	6,93,877	9,84,283	12,08,963	13,99,743
Add: Introduced	45,000						
Add: Profit	2,65,384	5,13,842	7,27,652	9,47,405	10,31,680	11,24,780	12,23,139
Less: Drawing	1,07,000	2,87,000	4,64,000	6,57,000	8,07,000	9,34,000	10,50,000
Closing Capital	2,03,384	4,30,226	6,93,877	9,84,283	12,08,963	13,99,743	15,72,882
Term Loan from Bank	20,48,585	17,93,403	15,08,692	11,91,034	8,36,617	4,41,188	-
Current Liabilities							
Cash Credit from Bank	1,20,000	1,20,000	1,20,000	1,20,000	1,20,000	1,20,000	1,20,000
Sundry Creditors	72,960	81,400	90,500	1,00,350	1,05,400	1,10,700	1,16,250
Expenses Payable	1,50,400	1,48,200	1,56,200	1,64,700	1,72,900	1,81,500	1,90,500
Current Provisions	810	19,085	72,538	1,38,174	1,74,292	2,14,191	2,56,345
Total Current Liabilities	3,44,170	3,68,685	4,39,238	5,23,224	5,72,592	6,26,391	6,83,095
Total Liabilities	25,96,138	25,92,314	26,41,807	26,98,540	26,18,172	24,67,322	22,55,978
Assets							
Fixed Assets	22,92,300	22,92,300	22,92,300	22,92,300	22,92,300	22,92,300	22,92,300
Less Depreciation	2,54,725	4,79,691	6,78,518	8,54,364	10,09,994	11,47,824	12,69,968
Net Fixed Assets	20,37,575	18,12,609	16,13,782	14,37,936	12,82,306	11,44,476	10,22,332
Current Assets							
Sundry Debtors	1,30,700	1,45,800	1,62,100	1,79,700	1,88,700	1,98,100	2,08,100
Inventories	1,14,033	1,19,633	1,33,300	1,47,950	1,60,133	1,68,133	1,76,550
Cash and Bank Balance	26,200	29,200	32,500	36,000	37,800	39,700	41,700
Other Current Assets	2,87,630	4,85,072	7,00,125	8,96,955	9,49,233	9,16,913	8,07,296
Total Current Assets	5,58,563	7,79,705	10,28,025	12,60,605	13,35,866	13,22,846	12,33,646
Total Assets	25,96,138	25,92,314	26,41,807	26,98,540	26,18,172	24,67,322	22,55,978

4.5 Calculation of Depreciation

Rates of Depreciation		10%	15%	Total depreciation for the year
Year	1	1,69,000.00	85,725	2,54,725
	2	1,52,100.00	72,866	2,24,966
	3	1,36,890.00	61,936	1,98,826
	4	1,23,201.00	52,646	1,75,847
	5	1,10,880.90	44,749	1,55,630
	6	99,792.81	38,037	1,37,829
	7	89,813.53	32,331	1,22,145

4.6 Projected P&L

Description	Year ending March 31st						
	I	II	III	IV	V	VI	VII
Capacity Utilisation	75	85	90	95	95	95	95
Revenue							
Sales	39,20,000	43,74,000	48,63,000	53,90,000	56,60,000	59,43,000	62,41,000
Opening Stock of Finished Goods	-	(65,333)	(72,900)	(81,050)	(89,833)	(94,333)	(99,050)
Closing Stock of Finished Goods	65,333	72,900	81,050	89,833	94,333	99,050	1,04,017
Total Income (A)	39,85,333	43,81,567	48,71,150	53,98,783	56,64,500	59,47,717	62,45,967
Expenditure							
Opening stock of Raw Material	-	48,700	54,300	60,400	66,900	70,300	73,800
Purchase (Net) of Material	14,59,200	16,28,000	18,10,000	20,07,000	21,08,000	22,14,000	23,25,000
Closing Stock of Raw material	48,700	54,300	60,400	66,900	70,300	73,800	77,500
Raw Material Consumption	14,10,500	16,22,400	18,03,900	20,00,500	21,04,600	22,10,500	23,21,300
Repair & Maintenance- Machinery (@2% of Cost)	22,715	23,200	23,700	24,200	24,700	25,200	25,800
Electricity expense	1,96,000	87,500	97,300	1,07,800	1,13,200	1,18,900	1,24,900
Insurance cost	10,000	10,500	11,100	11,700	12,300	13,000	13,700
Administrative salaries and wages	15,36,000	16,12,800	16,93,500	17,78,200	18,67,200	19,60,600	20,58,700
Other misc. Exp. (@1% on Sales)	39,200	43,740	48,630	53,900	56,600	59,430	62,410
Total Cost	32,14,415	34,00,140	36,78,130	39,76,300	41,78,600	43,87,630	46,06,810
Profit Before Depreciation, Interest and Tax	7,70,918	9,81,427	11,93,020	14,22,483	14,85,900	15,60,087	16,39,157
Depreciation	2,54,725	2,24,966	1,98,826	1,75,847	1,55,630	1,37,829	1,22,145

Description	Year ending March 31st						
	I	II	III	IV	V	VI	VII
Capacity Utilisation	75	85	90	95	95	95	95
Profit Before Interest and Tax	5,16,193	7,56,460	9,94,194	12,46,636	13,30,270	14,22,257	15,17,012
Interest on Term Loan	2,39,200	2,12,733	1,83,204	1,50,257	1,13,498	72,486	26,727
Interest on Working Capital Loan	10,800	10,800	10,800	10,800	10,800	10,800	10,800
Total Interest Paid	2,50,000	2,23,533	1,94,004	1,61,057	1,24,298	83,286	37,527
Profit Before Tax	2,66,193	5,32,927	8,00,190	10,85,579	12,05,972	13,38,971	14,79,485
Income Tax	810	19,085	72,538	1,38,174	1,74,292	2,14,191	2,56,345
Profit after Tax	2,65,384	5,13,842	7,27,652	9,47,405	10,31,680	11,24,780	12,23,139

4.7. Projected Cash Flow

Period Ending:	I	II	III	IV	V	VI	VII
Cash & Bank Balance at Beginning	-	26,200	29,200	32,500	36,000	37,800	39,700
Cash Inflow during the Period	29,12,863	7,63,324	9,97,031	12,07,238	12,36,678	13,48,729	15,11,605
Cash Outflow during the Period	28,86,663	7,60,324	9,93,731	12,03,738	12,34,878	13,46,829	15,09,605
Closing Cash & Bank Balance	26,200	29,200	32,500	36,000	37,800	39,700	41,700

4.8. Projected Loan Repayment

Year	Interest	EMI	Principal
1	2,39,199.87	4,67,915.09	2,28,715.22
2	2,12,733.21	4,67,915.09	2,55,181.88
3	1,83,203.86	4,67,915.09	2,84,711.23
4	1,50,257.41	4,67,915.09	3,17,657.68
5	1,13,498.43	4,67,915.09	3,54,416.66
6	72,485.75	4,67,915.09	3,95,429.35
7	26,727.12	4,67,915.09	4,41,187.97
Total	9,98,105.66	32,75,405.66	22,77,300.00

4.9. Calculation of DSCR, IRR and BEP

Calculation of DSCR							
Year	I	II	III	IV	V	VI	VII
Net Sales	39,20,000	43,74,000	48,63,000	53,90,000	56,60,000	59,43,000	62,41,000
Net Profit	2,65,384	5,13,842	7,27,652	9,47,405	10,31,680	11,24,780	12,23,139
Interest Paid	2,50,000	2,23,533	1,94,004	1,61,057	1,24,298	83,286	37,527
Cash Accruals (a)	5,15,384	7,37,375	9,21,656	11,08,463	11,55,979	12,08,066	12,60,667
Principal	2,28,715	2,55,182	2,84,711	3,17,658	3,54,417	3,95,429	4,41,188
Interest	2,50,000	2,23,533	1,94,004	1,61,057	1,24,298	83,286	37,527
Total (b)	4,78,715	4,78,715	4,78,715	4,78,715	4,78,715	4,78,715	4,78,715
DSCR	1.08	1.54	1.93	2.32	2.41	2.52	2.63
Average DSCR	2.06						

Calculation of Internal Rate of Return (IRR)

Sl. No.	Year	PAT	Depreciation	Cash Accrual
	Cash outflow at beginning			-24,42,300
1	31-03-2023	2,65,384	2,54,725	5,20,109
2	31-03-2024	5,13,842	2,24,966	7,38,808
3	31-03-2025	7,27,652	1,98,826	9,26,478
4	31-03-2026	9,47,405	1,75,847	11,23,252
5	31-03-2027	10,31,680	1,55,630	11,87,310
6	31-03-2028	11,24,780	1,37,829	12,62,609
7	31-03-2029	12,23,139	1,22,145	13,45,284
IRR		30.08%		
Payback Period	3 Years 3 Months			

Calculation of Break-Even Point (BEP)

Year	I	II	III	IV	V	VI	VII
Sales	39,85,333	43,81,567	48,71,150	53,98,783	56,64,500	59,47,717	62,45,967
Variable Cost	14,49,700	16,66,140	18,52,530	20,54,400	21,61,200	22,69,930	23,83,710
Contribution	25,35,633	27,15,427	30,18,620	33,44,383	35,03,300	36,77,787	38,62,257
Fixed Cost	22,69,440	21,82,499	22,18,430	22,58,804	22,97,328	23,38,815	23,82,772
BEP Sales	35,66,949	35,21,644	35,79,883	36,46,351	37,14,559	37,82,332	38,53,372
Average BEP sales	36,66,442						

4.10. Summary of Project Cost

Sl. No.	Name of Assets	Amount
1	Land Development	20,800
2	Civil Construction	14,40,000
3	Irrigation/Water Supply	2,50,000
4	Electrification	3,00,000
5	Plant & Machinery	2,71,500
6	Livestock	-
7	Insurance	10,000
8	DPR Cost	-
9	Other Misc. Exp	-
	Total Fixed Cost	22,92,300
	Recurring	1,50,000
	Cost of Project	24,42,300