

**UP MSME 1-Connect**

# PROJECT REPORT

**PROJECT: JUTE BAG**

# **PROJECT REPORT**

**Of**

## **JUTE BAG**

### **PURPOSE OF THE DOCUMENT**

This particular pre-feasibility is regarding **JUTE BAG**

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.]

## **PROJECT PROFILE ON JUTE BAG**



### **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.

### **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.

**PROJECTED BALANCE SHEET**

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
<b><u>SOURCES OF FUND</u></b>					
Capital Account	0.91	0.91	0.91	0.91	0.91
Retained Profit	5.73	10.81	15.40	20.18	24.56
Term Loan	4.95	3.71	2.47	1.24 -	0.00
Cash Credit	3.21	3.21	3.21	3.21	3.21
Sundry Creditors	0.56	0.60	0.64	0.68	0.71
Provisions & Other Liab	0.36	0.40	0.44	0.48	0.53
<b>TOTAL :</b>	<b>15.73</b>	<b>19.64</b>	<b>23.07</b>	<b>26.70</b>	<b>29.92</b>
<b><u>APPLICATION OF FUND</u></b>					
<b>Fixed Assets ( Gross)</b>	5.50	5.50	5.50	5.50	5.50
Gross Dep.	0.59	1.14	1.61	2.04	2.42
Net Fixed Assets	4.90	4.36	3.88	3.46	3.08
<b>Current Assets</b>					
Sundry Debtors	2.24	2.51	2.67	2.97	2.99
Stock in Hand	1.91	2.04	2.17	0.68	0.72
Cash and Bank	4.17	7.98	11.33	16.27	19.47
Deposits & Advances	2.50	2.75	3.03	3.33	3.66
<b>TOTAL :</b>	<b>15.73</b>	<b>19.64</b>	<b>23.07</b>	<b>26.70</b>	<b>29.92</b>

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**PROJECTED CASH FLOW STATEMENT**

<b>PARTICULARS</b>	<b>IST YEAR</b>	<b>IIND YEAR</b>	<b>IIIRD YEAR</b>	<b>IVTH YEAR</b>	<b>VTH YEAR</b>
<b><u>SOURCES OF FUND</u></b>					
Share Capital	0.91	-			
Reserve & Surplus	5.73	5.64	5.74	5.98	5.47
Depriciation & Exp. W/off	0.59	0.54	0.48	0.42	0.38
Increase in Cash Credit	3.21	-	-	-	-
Increase In Term Loan	4.95	-	-	-	-
Increase in Creditors	0.56	0.04	0.04	0.04	0.04
Increase in Provisions	0.36	0.04	0.04	0.04	0.05
<b>TOTAL :</b>	<b>16.32</b>	<b>6.25</b>	<b>6.29</b>	<b>6.49</b>	<b>5.93</b>
<b><u>APPLICATION OF FUND</u></b>					
Increase in Fixed Assets	5.50	-	-	-	-
Increase in Stock	1.91	0.13	0.13	1.49	0.04
Increase in Debtors	2.24	0.27	0.16	0.30	0.02
Increase in Deposits & Adv	2.50	0.25	0.28	0.30	0.33
Repayment of Term Loan	-	1.24	1.24	1.24	1.24
Taxation	-	0.56	1.15	1.20	1.09
<b>TOTAL :</b>	<b>12.15</b>	<b>2.45</b>	<b>2.94</b>	<b>1.55</b>	<b>2.73</b>
Opening Cash & Bank Balance	-	4.17	7.98	11.33	16.27
Add : Surplus	4.17	3.81	3.35	4.94	3.21
Closing Cash & Bank Balance	<b>4.17</b>	<b>7.98</b>	<b>11.33</b>	<b>16.27</b>	<b>19.47</b>

**PROJECTED PROFITABILITY STATEMENT**

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
<b>A) SALES</b>					
Gross Sale	32.06	35.89	38.14	42.41	42.75
<b>Total (A)</b>	<b>32.06</b>	<b>35.89</b>	<b>38.14</b>	<b>42.41</b>	<b>42.75</b>
<b>B) COST OF SALES</b>					
Raw Mateiral Consumed	11.25	12.00	12.75	13.50	14.25
Electricity Expenses	0.54	0.57	0.61	0.64	0.68
Repair & Maintenance	-	0.36	0.38	0.42	0.43
Labour & Wages	11.02	12.12	13.34	14.67	16.14
Depriciation	0.59	0.54	0.48	0.42	0.38
Consumables and Other Expenses	0.64	0.72	0.76	0.85	0.85
<b>Cost of Production</b>	<b>24.04</b>	<b>26.31</b>	<b>28.32</b>	<b>30.51</b>	<b>32.73</b>
<b>Add: Opening Stock /WIP</b>	<b>-</b>	<b>1.35</b>	<b>1.44</b>	<b>1.53</b>	<b>0.01</b>
<b>Less: Closing Stock /WIP</b>	<b>1.35</b>	<b>1.44</b>	<b>1.53</b>	<b>0.01</b>	<b>0.01</b>
Cost of Sales (B)	22.69	26.22	28.23	32.04	32.73
<b>C) GROSS PROFIT (A-B)</b>	<b>9.37</b>	<b>9.66</b>	<b>9.91</b>	<b>10.37</b>	<b>10.02</b>
	<b>29%</b>	<b>27%</b>	<b>26%</b>	<b>24%</b>	<b>23%</b>
D) Bank Interest (Term Loan )	0.43	0.52	0.37	0.23	0.09
Bank Interest ( C.C. Limit )	0.32	0.32	0.32	0.32	0.32
E) Salary to Staff	2.24	2.47	2.72	2.99	3.29
F) Selling & Adm Expenses Exp.	0.64	0.72	0.76	0.85	0.85
<b>TOTAL (D+E)</b>	<b>3.63</b>	<b>4.02</b>	<b>4.17</b>	<b>4.39</b>	<b>4.55</b>
H) NET PROFIT	5.73	5.64	5.74	5.98	5.47
I) Taxation	-	0.56	1.15	1.20	1.09
J) PROFIT (After Tax)	5.73	5.08	4.59	4.79	4.38

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