

DIVERSIFIED JUTE HANDICRAFTS PRODUCTS

Introduction:

Jute is cultivated in several states of India. In India, around 1 million hectare of land is under jute cultivation, production is 10 million tones and yield is 1960 Kg per hectare. In N.E. States jute is cultivated in Assam, Arunachal Pradesh, Meghalaya, Nagaland & Tripura. Assam ranks second as the most jute producing state in India after West Bengal. Unfortunately 75% of the jute produced in Assam goes out of the state in raw form and a large position of it comes back to Assam after value addition outside the state.

There is a large list of jute handicrafts products which can be produced within the state itself and production of jute handicrafts products such as jute based furnishing, upholstery, floor coverings soft luggage, vegetable, shopping bags, decorative items do not require huge investments. It is particularly suitable as 'production by mass' enterprise for generating rural employment in the initial stage.

Demand for diversified jute handicrafts is high and steady in all cities & townships of N.E. States. ARTFED is one institution which procures & market jute handicrafts products.

Raw material is available in many jute cultivation areas. Artisans in jute producing areas can also go for a jute fibre extraction machine known as Jute Ribboner (Cost around Rs 30,000/- 120 Kg stem/hr capacity) to meet their own jute fibre requirement. Barpeta Road in Assam is the main market center of jute. Artisans/entrepreneurs can procure jute from this market in bulk throughout the year and produce required jute yarns even manually. Processed, Ready to use jute yarns also available at Guwahati Market.

Diversified jute handicrafts products can be easily modernized and expanded to mass production enterprises in phased manner, with introduction of machinery equipments such as Handloom (Chittaranjan an Frame loom), dobby jacquard, drum winding machine, hand sizing vat, hank dyeing vat, charkha & other accessories. Once the artisans/entrepreneurs gain experience in manual production and with gradual expansion of market for their products.

Jute products are also eco-friendly and hygienic besides being competitive in cost with respect to synthetic counterparts.

SUGGESTED LOCATION : Major centres in Assam, A. P., Meghalaya, N. L & Tripura, Gangtok, Penlang, North Sikkim area of Sikkim

Production programme:

Sl.No.	Description	Qty.	Rate(Rs)	Total (Rs)
1.	Door mat	260	50	13,000
2.	Jute Carpet	160	300	48,000
3.	Wall hanging	260	50	13,000
4.	Marketing bag	300	200	60,000
5.	Ladies side bag	260	200	52,000
6.	Gents hand bag	200	120	24,000
7.	Ladies purse	260	40	10,400
8.	Magazine holder	300	20	6,000
9.	Dining mat	100	72/set	7,200
10.	Tea mat	260	45	11,700
11.	Table mat	260	150	39,000
12.	School bag	260	200	52,000
13.	College bag	200	250	50,000
14.	Cricket cap	260	125	32,500
15.	Round hat	260	125	32,500
16.	Assamese Jaapi	260	125	32,500
17.	Door screen	260	175	45,500
18.	Window screen	150	100	15,000
19.	Simple sikka	400	20	8,000

20.	Pineapple sikka	150	115	17,200
21.	Light shade	150	150	22,500
22.	Flower tub	150	120	18,000
	TOTAL			6,10,000

Machinery & equipment:

Sl.No.	Description	Qty.	Rate(Rs)	Total (Rs)
1.	Heavy duty sewing machine	2 Nos.	18,000	36,000
2.	Working tool-kits/utensils	20 sets	5,000	1,00,000
3.	Miscellaneous tools/equipt	--	L.S.	14,000
4.	Total			1,50,000

Sl.No.	Description	Qty.	Rate(Rs)	Total (Rs)
1.	Good quality jute	4050 Kg.	20/Kg	1,50,000
2.	Chain	2 Roll	--	1,000
3.	Thread	50 Kg.	200	10,000
4.	Buttons	10 Pkts	10	100
5.	Lining cloth	100 mtrs.	20	2,000
6.	Colour	L.S.	--	300
7.	Misc. items	L.S.	--	600
	Total			1,64,000

Utilities:

Electric consumption (L.S) Rs 12,000/-

Manpower:

Sl.No.	Category	Nos.	Monthly Salary(Rs)	Annual Salary (Rs)
1.	Manager	1	4,000	48,000
2.	Skilled workers	10	1,200	1,44,000
3.	Semi-Skilled workers	4	1,000	48,000
4.	Total			2,40,000

Working Capital:

Sl.No.	Particular	Norms	Amnount (Rs)
1.	Raw materials	3 months	41,000
2.	Wages & Salaries	1 month	20,000
3.	Utilities	1 month	1,000
4.	Total		62,000

Misc. Fixed Assets:

Sl.No.	Particulars	Qty.	Rate(Rs)	Total (Rs)
1.	Bamboo mat	30	100	3,000
2.	Stool	10	100	1,000
3.	Table	2	3,000	6,000
4.	Chair	5	1,000	5,000
5.	Bench	5	1,000	5,000
6.	Fan	8	1,000	8,000
7.	Misc. items	L.S.		7,000
	Total			35,000

Capital Cost of the Project:

Sl.No.	Particular	Total Amount (Rs)
1.	Working shed	Rented
2.	Machinery & equipment	1,50,000
3.	Misc. Fixed Assets	35,000
4.	Preliminary & Pre-operative expenses	25,500
5.	Working Capital requirement	62,000
	Total	2,72,000

Means of Finance:

Bank Loan(65%)	Rs 1,77,000
Promoter's Contribution(35%):	<u>Rs 95,500</u>
Total	<u>Rs 2,72,500</u>

Profitability Analysis:

A. Sales Revenue **Rs 6,10,000**

B. Cost of Production: (Rs)

1. Raw materials	1,64,000
2. Utilities	12,000
3. Wages & salaries	2,40,000
4. Rent/Insurance etc.	18,000
5. Depreciation @ 5% on m/c	7,500
6. Repair & maintenance	2,000
7. Consumables and stores	6,000
8. Administrative overhead	10,000
9. Interest on Bank Loan @12.5%	<u>22,125</u>
Total of (B)	<u>4,81,625</u>

C. Operating Profit (A-B) **1,28,375**

D. Percentage of profit on sales **21%**

E. Percentage of profit on investment **47%**

Break-even point analysis (at 100% capacity utilization)

A. Variable Cost: (Rs)

1. Raw materials	1,64,000
2. Consumables and stores	6,000
3. Utilities	<u>12,000</u>
Total of (A)	<u>1,82,000</u>

B. Semi-Variable and Fixed Assets:

1. Wages & salaries	2,40,000
2. Repair and maintenance	2,000
3. Rent/Insurance etc.	18,000
4. Depreciation	7,500
5. Administrative overhead	10,000
6. Interest	<u>22,125</u>
Total of (B)	<u>2,99,615</u>

C. Sales realization **Rs. 6,10,000**

D. Contribution (C – A) **Rs. 4,28,000**

E B.E.P. B/d x 100% **70%**