



PROJECT PROFILE ON WOOD PLAINING / TURNING

Category : Service

Total Cost of Project : Rs240,000/-

BEP : 41%

I. INTRODUCTION OF BUSINESS IDEA :

Wooden furniture like dining set, sofa set, cot, tables are manufactured using wood for the better quality and long life. Because of the special advantages, wooden furniture is preferred. These furniture require planning and turning for the manufacture of furniture.

II. PRODUCT AND ITS APPLICATIONS:

The proposed unit will be in a position to provide planning and turning services to carpenters who manufacture furniture. Persons who wish to get the machinery fabricated with own wood also need such services.

III. MARKET POTENTIAL:

Wooden furniture with artistic finish is preferred by the owners of the houses as the furniture is made once in life time. The furniture also is supposed to give a pleasant feeling in the house. The district has forest wood available and also number of carpenters who are experts in furniture. People from neighboring districts purchase furniture from this district. There is definitely good demand for the product not only from the district, but also from outside.

IV. CAPACITY REVENUE & SALES (1st year):

Sl. No.	Product	Qty	Rate	Sales Amount
01	Wood planing	75,000 sft	Rs 6/sft	4,50,000
02	Wood Turning	1,000 cft	Rs.120/cft	1,20,000
	Total			5,70,000

V. MANUFACTURING PROCESS AND QUALITY:

Wooden planing is a machine in which the wood is fed through the wood planing machine to get the fine finished wooden surface. In the turning machine, the wooden piece is turned as per the design requirement.



VI. COST OF PROJECT AND MEANS OF FINANCE, INCLUDING WORKING CAPITAL REQUIREMENTS:

A. COST OF PROJECT:

Sl. No	Particulars	Amount(Rs).
1	Equipments	1,30,000
2	Other fixed assets	10,000
3	Preliminary and preoperative expenses	10,000
4	Deposits	60,000
5	Working Capital Requirements	30,000
	Total	2,40,000

B. MEANS OF FINANCE:

Sl. No	Particulars	Amount (Rs)
1	Loan @ 75%	1,80,000
2	Equity	60,000
	Total	2,40,000

C. WORKING CAPITAL REQUIREMENT:

Sl. No.	Particulars	Basis	Period	Amount
1	Raw-materials	--	--	--
2	Bills Receivable	5,70,000/12 x ½	½ m	24,000
3	Working exp			6,000
	Total			30,000

VII. Main Inputs Requirements

A. Machinery:

Sl.No.	Particulars	Qty	Amount
1	Wood planning Machine	1	60,000
2	Wood Turning Machine	1	50,000
3	Grinding Machine	1	5,000
4	Installation, electrification and accessories		15,000
	Total		1,30,000

B. Raw-materials (1m):

The raw material to be processed is brought by the customers



C. Utilities:

Sl. No.	Particulars	Monthly Charges (Rs)	Annual Charges (Rs)
1	Electricity, and water	5,000	60,000

D. Man-power requirement:

Sl. No.	Workers	No.	Monthly Salary (Rs)	Annual Salary (Rs)
01	Skilled workers	1	8,000	96,000
02	Helper	2	4,000	96,000
	Total			1,92,000

E. Infrastructure Requirement:

Building	Built up space of 1000 sq.ft is required
Power	7.5 HP 1 power connection is required
Water	Water is required. For general purposes

VIII. Profitability Projection (Annual):

Particulars	Basis	Amount (Rs).
Sales Revenue (Projected)	Ref: IV	5,70,000
Raw Materials	Ref: VII B	-
Man Power Expenses	Ref: VII D	1,92,000
Utilities	Ref: VIIC	60,000
Interest	@12%	22,000
Depreciation	@ 15%	20,000
Overheads	Rent, maintenance etc	90,000
Total Expenses		3,84,000
Profit		1,86,000

IX. FINANCIAL INDICATOR:

Break Even Point		
$\frac{FC}{SR-VC} * 100$	$\frac{1,32,000}{3,18,000} * 100$	41 %
Payback period		
$\frac{\text{Cost of project}}{\text{Profit+ Dep}}$	$\frac{2,40,000}{2,06,000}$	1 year 3 months



Address:

X. SUPPLIERS OF EQUIPMENTS:

Jaya Engineering works
Sheshadri road cross,
Gandhi nagar, Bangalore-9. Ph 080-22871758

XI. Special Note:

Such units are feasible where there are many carpenters nearby.