



PROJECT PROFILE ON MANUFACTURING UNIT OF WOODEN FURNITURE

Category : Manufacturing

Total Cost of Project : Rs. 3,49,000/-

BEP : 44 %

I. INTRODUCTION OF BUSINESS IDEA :

Artistic wooden furniture has become an integral part of all drawing rooms. There has been a spectacular growth in the demand for the furniture made up of wood with artistic outlook. On occasions like wedding or wedding ceremony, it has become more or less customary to gift wooden furniture like double bed, sofa, dressing table, dining table to the daughter. Wooden furniture is also preferred in educational institutions and offices.

II. PRODUCT AND ITS APPLICATIONS :

There are bright prospects for good carpenters in all towns. For new constructions wooden furniture for different purposes are required. As the furniture would not have any fixed brand or company name, therefore, there would be less competition. Domestic or institutional applications can be studied for setting up a furniture unit.

III. MARKET POTENTIAL :

Although we would find two or three carpenters at even remote places but their products lack finishing. Moreover, there are other reasons for their low sales and dissatisfaction of the customers like less creativity in the designs, lack of stock of the raw materials, monotonous designs and unpunctual delivery of the ordered furniture. Usually people buy furniture from market, and carpenters have the work of repairing of old furniture. A unit with expert carpenters can definitely have a good potential. Alnavar in the district is famous for furniture. The furnitures to far off places are taken from Alnavar and hence some additional units can be started in Alnavar

IV. CAPACITY / REVENUE :

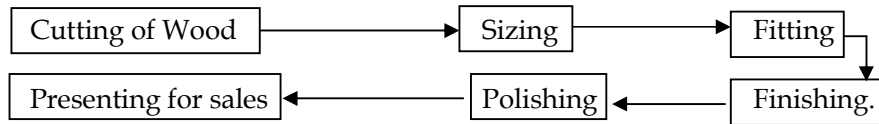
About 180 articles of different types are proposed to be manufactured in a year of 300 working days.

Sl. No.	Product	No. of articles	Rate average	Amount
1.	Sofa with a centre table of glass	30	15,000	4,50,000
2.	Sofa with the Centre table having sun mica top	30	12,000	3,60,000
3.	Dining table with four chairs	30	11,000	3,30,000
4.	Double bed "Maharaja Classic"	60	7,000	4,20,000
5.	Dressing table "Executive"	30	5,000	1,50,000
6.	Other scrapes of wood, saw dust, wooden chips etc.		Lump sum	30,000
	Total			1,740,000



V. MANUFACTURING PROCESS & QUALITY :

Giving shape to the wood, giving it a definite size or fitting, finishing and polishing of the furniture.



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

A. Cost of Project :

Sl. No.	Particulars	Amount (Rs).
1	Machinery and Equipments	1,54,000
2	Preliminary and preoperative expenses	10,000
3	Deposits	50,000
4	Working Capital Requirements	1,35,000
	Total	3,49,000

B. Means of Finance:

Sl. No	Particulars	Amount (Rs)
1	Loan @ 75%	2,61,000
2	Equity	88,000
	Total	3,49,000

C. Working Capital Requirement :

Sl. No.	Particulars	Period	Amount (Rs.)
1	Stock of raw materials	2 weeks	50,000
2	Finished goods	1 week	35,000
4	Bills receivables	1 week	40,000
5	Working expenses		10,000
	Total		1,35,000

VII. MAIN INPUTS REQUIREMENT :

A. Machinery :

Sl. No.	Particulars	No.	Total Cost
1.	Automatic wood working machine, surface and thickness planner, circular saw, drilling and grinding attachment of 2 H. P. motor complete model no is Garnet 210 Auto kit, 300 complete attachment etc.	1	70,000
2.	Other assisting tools like Hacksaw, bench vice , hammer etc.		40,000
3.	electrification and installation charges etc.		10,000
	Total		120,000



B. Raw-materials :

Sl. No.	Particulars	Qty	Total Cost Monthly (Rs.)	Total Cost Annually (Rs.)
1	Rosewood, Teak wood etc	50 cu.ft.	60,000	7,20,000
2	Plywood	500 sq.ft.	2,000	24,000
3	Sunmaica	1,000 sq.ft.	10,000	1,20,000
4	Plane glass of thickness (transparent)	4 nos	4,000	48,000
5	Mirror	4 mirrors	5,000	60,000
6	Cushions (a complete set)	5 sets	7,500	90,000
7	Fevicol	15 kg	3,000	36,000
8	Others		8,500	1,02,000
	Total		1,00,000	12,00,000

C. Utilities :

Sl. No.	Particulars	Monthly Requirement	Unit Cost	Total Monthly Charges. (Rs.)	Total Annually Charges. (Rs.)
1	Electricity (4 H. P)	500	8	4,000	48,000

D. Man-power requirement :

(Salaries or remuneration would be paid on contract basis)

Sl. No.	Name	No.	Rate (Rs.)	Total Wages (Rs.)
1	Sofa and table with centre table having glass	30 items	1,000 / set	30,000
2	Sofa and Centre table having sunmaica top	30 items	1,000 / set	30,000
3	Complete Dining set	30 items	900 / set	27,000
4.	Double bed	60 items	700 / set	42,000
5.	Dressing table	30 items	500 / set	15,000
6.	Others			10,000
	Monthly labour charges			1,54,000

E. MAIN INFRASTRUCTURE REQUIREMENT :

Building	Built up space of 600 sft is required
Power	Commercial power connection is required.
Water	Water is required for general purposes.



VIII. PROFITABILITY PROJECTION (Annual) :

Particulars	Basis	Amount (Rs.)
Sales Revenue (Projected)	Ref : IV	17,40,000
Raw Materials	Ref : VII B	12,00,000
Man power expenses	Ref : VII D	1,54,000
Utilities	Ref : VII C	48,000
Interest	@ 12%	31,000
Depreciation	15% SLM	18,000
Overheads		1,00,000
Total Expenses		15,51,000
Profit		1,89,000

IX. FINANCIAL INDICATOR :

$\frac{\text{Break Even Point}}{\text{FC}} \times 100$ $\frac{\text{FC}}{\text{SR} - \text{VC}} \times 100$	$\frac{1,49,000}{3,38,000 - 3,38,000} \times 100$	44%
$\frac{\text{Payback period}}{\text{COP}}$ $\frac{\text{COP}}{\text{Profit} + \text{Deprn.}}$	$\frac{3,49,000}{2,07,000}$	1 year 8 months

X. ADDRESSES :

SUPPLIERS OF MACHINERY / EQUIPMENTS :

M/s. High Tech Machine Tools
Dealers in Powertools and machines
3rd cross, akshaya park
Gokul Road , Hubli.

Suppliers of raw material

Forest dept.,
Kalghatgi,
Dharwad dist.

XI. SPECIAL NOTE :

Good carpentry skills are required for the unit.