



PROJECT PROFILE ON FURNITURE CUSHION MAKING

Category : Manufacturing

Total Cost of Project : Rs. 2,16,000/-

BEP : 44 %

I. INTRODUCTION OF BUSINESS IDEA :

Cushion furniture have become important these days in domestic houses, lodges and offices etc. Usually the carpenter prepares the wooden or steel frame work. After this cushion is incorporated separately.

II. PRODUCT AND ITS APPLICATIONS :

The cushion products are required for the carpenter and fabrication shop to manufacture furniture.

III. MARKET POTENTIAL :

Furniture has increasing demand, either it may be new for the first time furnishing or it may be replacement for the existing ones. There are many carpenter and fabrications shop in the district who manufactures the frame work. They need the service of cushioning and hence there is good potential for such units.

IV. CAPACITY / REVENUE & SALES (1ST YEAR):

Sl. No.	Product	No.	Rate (Average)	Amount (Rs.)
1.	Furniture Cushion Set	200 Set	5000/-	10,00,000

V. SERVICE METHODOLOGY AND QUALITY :

The foam as per the furniture size is obtained. The cloth cover is cut as per the required size. Wherever necessary, the glue is added or stitching is carried out.

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

A. Cost of Project :

Sl. No	Particulars	Amount (Rs).
1	Equipments	45,000
2	Other fixed assets (Furniture)	10,000
3	Preliminary and preoperative expenses	10,000
4	Deposits	50,000
5	Working Expenses	1,01,000
	Total	216,000



B. Means of Finance:

Sl. No	Particulars	Amount (Rs).
1	Loan (Bank Finance & Term loan ,excluding deposit) @ 75%	1,62,000
2	Equity (Promoters contribution)	65,000
	Total	2,16,000

C. Working Capital Requirement :

Sl. No.	Particulars	Basis	Period	Amount (Rs.)
1	Raw Material	4,90,000/12 X ½	½ month	20,000
2	Finished Goods	6,90,000/12 X ½	½ month	29,000
3	Bills Receivables	1,00,000/12 X ½	½ month	42,000
4	Working Expenses			10,000
	Total			1,01,000

VII. MAIN INPUTS REQUIREMENT :

A. Machinery :

Sl. No.	Particulars	Total Cost
1	Sewing Machine (Electrical heavy duty)	25,000
2	Other accessories	10,000
3	Installation, Electrification, etc.	10,000
	Total	45,000

B. Raw-materials :

Sl. No.	Particulars	Qty.	Rate (Average)	Amount (Rs.)
1	Foam	200 set	1,000/-	2,00,000
2	Cloth	200	1,200/-	2,40,000
3	other Items	Lump sum		50,000
	Total			4,90,000

C. Utilities :

Sl. No.	Particulars	Annual Charges (Rs.)
1	Electricity (200 Units 8 /- per unit)	19,200
2	Water	
	Total say	20,000



D. Man-power requirement :

Sl. No.	Workers	No.	Monthly Salary (Rs.)	Annual Salary (Rs.)
1	Skilled Labour	1	8,000	96,000
2	Semi skilled Labour	1	5,000	60,000
	Total			1,56,000

E. MAIN INFRASTRUCTURE REQUIREMENT :

Building	Built up space of 250 sq. ft. is required with rent of Rs. 2000/- per month
Power	Commercial Power connection is required
Water	Water is required for general purposes.
Maintenance	Rs. 1,000 per month.

VIII. PROFITABILITY PROJECTION (Annual) :

Particulars	Basis	Amount (Rs.)
Sales Revenue (Projected)	Ref : IV	10,00,000
Raw Materials	Ref : VII B	4,90,000
Man power expenses	Ref : VII D	1,56,000
Utilities	Ref : VII C	20,000
Interest	@ 12%	19,000
Depreciation	15% SLM	7,000
Overheads	Rent, Maintenance etc.	1,20,000
Total Expenses		8,12,000
Profit		1,88,000

IX. FINANCIAL INDICATOR :

$\frac{\text{Break Even Point FC}}{\text{SR} - \text{VC}} \times 100$	$\frac{1,46,000}{3,34,000} \times 100$	44%
$\frac{\text{Payback period COP}}{\text{Profit} + \text{Deprn.}}$	$\frac{2,16,000}{1,95,000}$	1 Year 2 Months



X. ADDRESSES :

SUPPLIERS OF EQUIPMENTS :

M/s. D. B. Shivaram and Brothers,
M G Road,
Ranebennur.

SUPPLIERS OF RAW MATERIALS:

M/s Mahendra Rexin works
Durgad bail
Hubli