PROJECT PROFILE ON CANE FURNITURE

PRODUCT : CANE FURNITURE

PRODUCT CODE : ASICC 53121

NIC CODE : 3610

QUALITY : As per Customers’ Specification & Design

PRODUCTION : QTY. 204 sets with repairing.
CAPACITY (P.A) : VALUE: Rs. 13,26,000.00

MONTH & YEAR OF PREPARATION : January, 2011

PREPARED BY : Cane Making Division,

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MODEL PROJECT PROFILE ON CANE FURNITURE

1. **Introduction**

Man has exploited canes for centuries. Their properties of toughness, strength, flexibility and elasticity have made them useful for many purposes. While canes are normally used for furniture, hats, baskets, walking sticks, fishing rods etc, in some areas, suspension bridges are made entirely of Cane.

Cane splits are used for basketry and extensively used for tying and binding. Canes are of cylindrical and of uniform thickness, solid, straw yellow to brown in colour and are more or less covered by spring leaf sheaths.

Easy moulding capacity of cane is an added benefit for the artisans who really like to create their own creations. Considering all these reasons, cane is very useful to make furniture and other utility items.

2. **Plant Capacity per annum**

<table>
<thead>
<tr>
<th>Items</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Sofa with Centre Table</td>
<td>206 Set</td>
</tr>
<tr>
<td>2) Repairing Work</td>
<td>86 Set</td>
</tr>
</tbody>
</table>
3. **Market & Demand Aspect**

There is un-ending demand of the product in domestic and international market. Different designed furniture and utilities are exported to other countries. There is also good demand of the product in our domestic market. At present it is also used for Interior Decoration of house, commercial places like hotel, office etc. in India and abroad. Different artistic work of cane products made by Indian artists and craftsman are sold both in domestic and International market with high appreciation.

4. **Raw Materials**

The raw materials required for manufacture of Sofa set with centre table are Assam Cane Stick, Assam Galla Cane Stick, Sundi Cane, and Cane Tar along with assorted Nails. For Centre Table top, Glass is used. For polishing the furniture, polishing materials like Gala, Sprit, Sand paper etc. are used. All the above raw materials are available locally.

5. **Manufacturing process & Source of Technology**

Production details and process of manufacture of cane sticks are available in different qualities for making the cane furniture. Furniture are designed by designer and the craftsman follow the design. Some times they built it from their ideas. Basically cane sticks are required for structuring of cane furniture. Nails, fevicol, cane wire/tar are used for binding the sticks together. After that polishing materials is used for polishing the furniture for better look .The manufacturing of sofa set with centre table are also done on job work basis by merchant manufacturer and exporters. Artisans are increasing on these products through their own new designed creations.
6. **Basis of Project Selection**

There are good numbers of manufacturers of cane furniture situated around Kolkata. Expert craftsmen are available here at a lesser cost in comparison with other metro cities. Basic raw material i.e. cane is available mainly in eastern India like Assam and are easily available in kolkata market. More over ports are available in kolkata which helps export to other countries.

7. **Presumption**

a) The cost in respect of plant and machinery, raw materials and selling price of finished product are those generally obtained at the time of preparation of project profile and may vary depending upon other various factors.

b) The salary and wages of staff and labours has been taken as per present market rate.

c) Production utilization capacity is considered initially at 70% of the total capacity. The time period for achieving full envisaged capacity utilization is three years.

d) Working days per year is considered 300 days and working hours is 8 hour per day considering single shift.

e) The rate of interest on Bank loan has been considered as 12% p.a. which may vary from time to time.
8. Production Capacity per annum (at 70% capacity utilization):

<table>
<thead>
<tr>
<th>Items</th>
<th>Nos.</th>
<th>Average Rate</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Sofa with Centre Table</td>
<td>144</td>
<td>9000.00</td>
<td>1296000.00</td>
</tr>
<tr>
<td>2. Repairing Charges</td>
<td>60</td>
<td>500.00</td>
<td>30,000.00</td>
</tr>
<tr>
<td><strong>Total Turnover (incl. tax)</strong></td>
<td></td>
<td></td>
<td><strong>13,26,000.00</strong></td>
</tr>
</tbody>
</table>

9. Financial Aspects

A: Fixed Capital:

1. Land & Building:

Workspace 1800 sq.mtrs on long term monthly rental basis  Rs. 2000.00

2. Plant & Machinery:

<table>
<thead>
<tr>
<th>Sl.No.</th>
<th>Particulars</th>
<th>Numbers</th>
<th>Rate</th>
<th>Total (Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>a.</td>
<td>Hand Saw</td>
<td>6</td>
<td>200.00</td>
<td>1200.00</td>
</tr>
<tr>
<td>b.</td>
<td>Hack Saw Frame</td>
<td>6</td>
<td>120.00</td>
<td>720.00</td>
</tr>
<tr>
<td>c.</td>
<td>Blow Lamp</td>
<td>3</td>
<td>400.00</td>
<td>1200.00</td>
</tr>
<tr>
<td>d.</td>
<td>Pliers</td>
<td>6</td>
<td>75.00</td>
<td>450.00</td>
</tr>
<tr>
<td>e.</td>
<td>Nose Pliers</td>
<td>6</td>
<td>70.00</td>
<td>420.00</td>
</tr>
<tr>
<td>f.</td>
<td>Hammer</td>
<td>6</td>
<td>50.00</td>
<td>300.00</td>
</tr>
<tr>
<td>g.</td>
<td>Wooden Commando</td>
<td>7</td>
<td>150.00</td>
<td>1050.00</td>
</tr>
<tr>
<td>h.</td>
<td>Big Knife</td>
<td>6</td>
<td>100.00</td>
<td>600.00</td>
</tr>
<tr>
<td>i.</td>
<td>Small Knife</td>
<td>6</td>
<td>75.00</td>
<td>450.00</td>
</tr>
<tr>
<td>j.</td>
<td>Measurement Tape</td>
<td>3</td>
<td>50.00</td>
<td>150.00</td>
</tr>
<tr>
<td>k.</td>
<td>Cane Cutter</td>
<td>2</td>
<td>230.00</td>
<td>460.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>7000.00</strong></td>
</tr>
</tbody>
</table>
3. Furniture & Fixture:

Office furniture like almirah, table, chair, rack etc.  Rs.10000.00

TOTAL NON RECURRING EXPENDITURE/ FIXED CAPITAL:

1. Land & Development
   Nil

2. Plant & Machinery
   7000.00

3. Furniture & Fixture
   10000.00

   ------------
   TOTAL
   ------------
   17000.00

B. Working Capital per month:

1. Monthly expenses for Salary & Wages:

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Particulars</th>
<th>Employee</th>
<th>Remuneration</th>
<th>Total (Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>a.</td>
<td>Manager cum-Salesman</td>
<td>1</td>
<td>4500.00</td>
<td>4500.00</td>
</tr>
<tr>
<td>b.</td>
<td>Skilled Labour</td>
<td>3</td>
<td>3500.00</td>
<td>10500.00</td>
</tr>
<tr>
<td>c.</td>
<td>Helper</td>
<td>2</td>
<td>2500.00</td>
<td>5000.00</td>
</tr>
<tr>
<td></td>
<td>Add: Perquisite @ 15%</td>
<td></td>
<td></td>
<td>3000.00</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td></td>
<td></td>
<td>23000.00</td>
</tr>
</tbody>
</table>
2. Raw Material Consumption per month:

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Items</th>
<th>Per Set</th>
<th>No. of Set</th>
<th>Total Quantity</th>
<th>Rate</th>
<th>Total (Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>a.</td>
<td>Assam Cane Stick</td>
<td>32 pcs</td>
<td>12</td>
<td>384</td>
<td>80.00</td>
<td>30720.00</td>
</tr>
<tr>
<td>b.</td>
<td>Assam Galla Cane Stick</td>
<td>20 pcs</td>
<td>12</td>
<td>240</td>
<td>25.00</td>
<td>6000.00</td>
</tr>
<tr>
<td>c.</td>
<td>Sundi (chari) Cane</td>
<td>10 pcs</td>
<td>12</td>
<td>120</td>
<td>20.00</td>
<td>2400.00</td>
</tr>
<tr>
<td>d.</td>
<td>Cane Tar (Required Size)</td>
<td>1 kg.</td>
<td>12</td>
<td>12</td>
<td>300.00</td>
<td>3600.00</td>
</tr>
<tr>
<td>e.</td>
<td>Assorted Nails</td>
<td>3 kg.</td>
<td>12</td>
<td>36</td>
<td>50.00</td>
<td>1800.00</td>
</tr>
<tr>
<td>f.</td>
<td>Polish Materials</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>i. Gala</td>
<td>1 kg.</td>
<td>12</td>
<td>12</td>
<td>300.00</td>
<td>3600.00</td>
</tr>
<tr>
<td></td>
<td>ii. Sprit</td>
<td>3 ltr.</td>
<td>12</td>
<td>36</td>
<td>135.00</td>
<td>4860.00</td>
</tr>
<tr>
<td></td>
<td>iii. Sand Paper</td>
<td>12 pcs</td>
<td>12</td>
<td>144</td>
<td>2.00</td>
<td>288.00</td>
</tr>
<tr>
<td>g.</td>
<td>Glass</td>
<td>1 pcs</td>
<td>12</td>
<td>12</td>
<td>400.00</td>
<td>4800.00</td>
</tr>
<tr>
<td></td>
<td>TOTAL (Incl. tax)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>58068.00</td>
</tr>
</tbody>
</table>

3. Monthly Other Expenses:

i. Rent                          2000.00
ii. Tax & Insurance             1250.00
iii. Electricity & Utility      2000.00
iv. Office & Administrative Expenses 1200.00
v. Traveling & Transportation   2000.00
vi. Misc. Expenses              1000.00

    TOTAL                                 9450.00
C. **Total Working Capital per month:**
   i. Raw Material Consumption 53068.00
   ii. Salary & Wages 23000.00
   iii. Other Charges 9450.00
   TOTAL 85518.00

D. **Total Working Capital for 3 months:**
   i. Raw Material Consumption 159204.00
   ii. Salary & Wages 69000.00
   iii. Other Charges 28350.00
   TOTAL 256554.00

E. **Total Capital Investment:**
   1. Fixed Capital Rs. 17000.00
   2. Working Capital for 3 months 256554.00
   TOTAL 273554.00

10. **Financial Analysis:**

i) **Cost of Production per year:**
   1. Total Recurring Expenditure Rs. 1026216.00
   2. Depreciation on Plant & Machinery @ 15% p.a. Rs. 1050.00
   3. Depreciation on Furniture @ 10% p.a. Rs. 1000.00
   4. Interest on total Capital Investment @ 12% p.a. Rs. 32826.00
   TOTAL Rs. 1061092.00
ii) **Turnover per year:**

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iii) **Net Profit per year:**

Turnover per year – Cost of production per year

= Rs. 1326000.00 – Rs. 1061092.00 = Rs. **264908.00**

iv) Profit Ratio on Sale = \( \frac{264908 \times 100}{1326000} \)

= **19.97%**

v) Rate of Return = \( \frac{264908 \times 100}{273554} \)

= **96.84%**

v) **BEP Analysis:**

Fixed Cost

1. Depreciation on Plant & Machinery Rs. 1050.00
2. Depreciation on Furniture & Fixture 1000.00
3. Interest on Total Capital Investment 32826.00
4. Rent 24000.00
5. Insurance 15000.00
6. 40% Salary & Wages 110400.00
7. 40% of other expenses excluding rent & insurance 120480.00

304756.00

B.E.P. = \text{Fixed Cost} \times 100 = 304756 \times 100
\text{Fixed Cost +Profit} = 304756 + 264908

= 30475600

569664

= \textbf{53.49\%}
11. Name & Address of Raw Materials Suppliers:

a. M/s. Pancha Gopal Koomer & Sons,
   4, Sailendra Bose road, Salkia, Howrah-6

b. M/s. Ramprosad Das,
   J/82, Baga Jatin Pally, Kolkata-32.

c. M/s. Cane Furniture,
   Station Road, Sodepur, Kolkata.