

PROJECT PROFILE ON CANE FURNITURE

PRODUCT : **CANE FURNITURE**

PRODUCT CODE : **ASICC 53121**

NIC CODE : **3610**

QUALITY STANDARD : **As per Customers' Specification & Design**

PRODUCTION CAPACITY (P.A): **:QTY. 204 sets with repairing. 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

Items	Quantity
1) Sofa with Centre Table	206 Set
2) Repairing Work	86 Set

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):

Items	Nos.	Average Rate	Total
1. Sofa with Centre Table	144	9000.00	1296000.00
2. Repairing Charges	60	500.00	30,000.00
Total Turnover (incl. tax)			13,26,000.00

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:

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

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:

Sl. No.	Particulars	Employee	Remuneration	Total (Rs.)
a.	Manager cum-Salesman	1	4500.00	4500.00
b.	Skilled Labour	3	3500.00	10500.00
c.	Helper	2	2500.00	<u>5000.00</u>
				20000.00
	Add: Perquisite @ 15%			<u>3000.00</u>
	TOTAL			<u>23000.00</u>

2. Raw Material Consumption per month:

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

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	<u>1000.00</u>
TOTAL	<u>9450.00</u>

C. Total Working Capital per month:

i. Raw Material Consumption	53068.00
ii. Salary & Wages	23000.00
iii. Other Charges	<u>9450.00</u>
TOTAL	<u>85518.00</u>

D. Total Working Capital for 3 months:

i. Raw Material Consumption	159204.00
ii. Salary & Wages	69000.00
iii. Other Charges	<u>28350.00</u>
TOTAL	<u>256554.00</u>

E. Total Capital Investment:

1. Fixed Capital	Rs. 17000.00
2. Working Capital for 3 months	<u>256554.00</u>
TOTAL	<u>273554.00</u>

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. <u>32826.00</u>
TOTAL	<u>Rs. 1061092.00</u>

ii) **Turnover per year:**

Items	Nos.	Average Rate	Total
1. Sofa with Centre Table	144	9000.00	1296000.00
2. Repairing Charges	60	500.00	30,000.00
Total Turnover (incl. tax)			13,26,000.00

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	<u>120480.00</u>
	<u>304756.00</u>

$$\begin{aligned}
 \text{B.E.P.} &= \frac{\text{Fixed Cost} \times 100}{\text{Fixed Cost} + \text{Profit}} &&= \frac{304756 \times 100}{304756 + 264908} \\
 &&&= \frac{30475600}{569664} \\
 &&&= \mathbf{53.49\%}
 \end{aligned}$$

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. .
