

"KVIC- REGP-(Gramodyog Rojgar Yojana)"

Project Profile on Wrought Iron Furniture

Introduction

Wrought iron articles in furniture industry are becoming more popular. The articles like chairs, sofas, tables and beds are made in quite attractive models with different designs on their arms and backs. Wooden furniture after some period, is worn out due to defects in wood quality and normal wear and tear. Due to elegant appearance, durability and innovative designs, wrought iron furniture is becoming popular in modern society. They are fast replacing the conventional wooden tables, chairs, sofas, beds. **Process of Manufacture:** In the open market, plenty of raw material of wrought iron in the shape of round, square, iron rods, square pipes and also in other sectional forms is available. Wrought iron is having its own property of "malleability", it can withstand the load without cracking. Chairs, tables, sofas and beds used in offices, factories, houses and hospitals are made from light wrought iron sheets, strips and tubular wrought iron. The sheets, strips and tubular wrought iron are cut to required sizes and pressed to shape, bending a press brake for sides and drawers. Pipes of wrought iron for chairs, tables, sofas and beds can also be bent.

1	Name of the Product :	Wrought Iron Furniture
2	Project Cost :	
	a Capital Expenditure	
	Land :	Own
	Workshed in sq.Mt 200 On rent	Rs. 69,000.00
	Equipment :	Rs. 250,000.00
	Tredle Guillotine-1, Power Press 25 Tonner-1, Hand operated bracke press machine-1, Spot Welding machine-1, Hand operated hydraulic pipe bending machine-1, Drilling machine 1 1/2-1, Air Compressor with (1 HP) Motor and Spray Gun-1, Oxy-acetyne gas welding set-1, Pickling Tanks-7, Power Hacksaw-1, Stoving Chamber-1	
	Total Capital Expenditure	Rs. 319,000.00
	b Working Capital	Rs. 160,000.00
	TOTAL PROJECT COST :	Rs. 479,000.00

3 Estimated Annual Production Capacity:				(Rs. in 000)
Sr.No.	Particulars	Capacity in No.	Rate	Total Value
1	Wrought iron table ,chair,sofa,bed	6000.00	1750.00	959.66
TOTAL		6000.00	1750.00	959.66

4	Raw Material	:	Rs.	194,400.00
5	Labels and Packing Material	:	Rs.	3,000.00
6	Wages (3-Skilled & 3- Unskilled)	:	Rs.	432,000.00
7	Salaries (MANAGER-1)	:	Rs.	120,000.00

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8	Administrative Expenses	:	Rs.	75,000.00
9	Overheads	:	Rs.	60,000.00
10	Miscellaneous Expenses	:	Rs.	10,000.00
11	Depreciation	:	Rs.	28,450.00
12	Insurance	:	Rs.	3,190.00
13	Interest (As per the PLR)			
	a. C.E.Loan	:	Rs.	41,470.00
	b. W.C.Loan	:	Rs.	20,800.00
	Total Interest		Rs.	62,270.00
14	Working Capital Requirement	:		
	Fixed Cost		Rs.	249,660.00
	Variable Cost		Rs.	710,200.00
	Requirement of WC per Cycle		Rs.	159,977.00

15 Cost Analysis

Sr.No.	Particulars	Capacity Utilization(Rs in '000)			
		100%	60%	70%	80%
1	Fixed Cost	249.66	149.80	174.76	199.73
2	Variable Cost	710.00	426.00	497.00	568.00
3	Cost of Production	959.66	575.80	671.76	696.73
4	Projected Sales	1200.00	720.00	840.00	960.00
5	Gross Surplus	240.34	144.20	168.24	192.27
6	Expected Net Surplus	212.00	116.00	140.00	164.00

- Note :
1. All figures mentioned above are only indicative.
 2. If the investment on Building is replaced by Rental then
 - a. Total Cost of Project will be reduced.
 - b. Profitability will be increased.
 - c. Interest on C.E.will be reduced.