

Project Profile on Wooden Furniture Manufacturing Unit



National Institute of Micro, Small and Medium Enterprises (ni-msme)
[an Organisation of Ministry of MSME, Govt. of India]
Yousufguda, HYDERABAD – 500 045

1.INTRODUCTION

Wooden furniture's are a symbol of Kerala tradition. They were used in kerala from 100s of years ago. This project is meant to setup a manufacturing unit of wooden furniture such as Chair, Coat, windows and door etc .The unit will undertake the job work also. The unit envisages manufacturing of wooden furniture on different designs out of quality wood like Teak, Anjili, Rose wood etc. But mainly on teak wood.

2.MARKET

As the furniture would not have any fixed brand or company name, therefore, there would be less competition. The demand of wooden furniture and wooden building materials is increasing as construction and housing industry expand. Attractive and genuine wooden furniture have good access in market. The demand for the furniture made up of woods is growing due to the increased standard of living of people and outlook. On occasions like wedding, it has become customary to gift wooden furniture like double bed, sofa, dressing table, dining table to the daughter. The finished products can also be sold through furniture marts

- **MANUFACTURING PROCESS**



Courtesy:

The line of process is used for wooden furniture is made as per the measurements; shaping, bending & chiseling as per design; finishing touch with sand paper; finally apply varnish/paint/lamination; and furniture can be laminated using laminated sheet.

BASIS AND PRE ASSUMPTIONS

1.0 The production is based on a single shift basis of 8 hours per day and working days in a month

Laborer will be engaged on monthly basis keeping in view the present

1.1 rate

prevailing in the market

1.2 Land and buildings are rented.

4.The unit will get subsidy for the power requirement as it will get registered under MSME Act

4.FIXED CAPITAL

4.a Land &Building :- Rented building of 700 sqft of rent @2000 per month.

4.b Machinery and Equipment

	Particular	Quantity	Rate	Amount
1	15''combi max planner	1	75000	75000
2	3 HP Single phaseMotor	1	12000	12000
3	Blade Grinder with motor	1	21000	21000
4	Hand drill machine	1	24000	24000
5	Sander machine	1	28000	28000
6	Stand type drilling machine with motor	1	2000	2000
7	12'' planner	1	40000	40000
	Rixo(mini)	1	85000	85000
Leith			38000	

9	Cutter	1	15000	15000
10	Hand Tools & other small		25000	15000
11	equipmentsetc			
	TOTAL			355000/

4 c. furniture expenses

10000/

14.5

Power requirement for the unit

HP

5. WORKING CAPITAL

5 a. Raw material required for one month



Courtesy:

Sl.No	Items	Qty	Rate	Amount
1	Woods of different type	5Cum	25000	125000
2	Plane glass	3 No	1200	3600
3	Fevicol	25Kg	250	6250
		200		
4	Ply	sqft	35	7000
		200		
5	Sun mica	sqft	42	8400
	Total			150250

5 b. wages and salaries

Sl No	Designation	No	Rate	Amount
1	Workers	4	9000	36000
	Total			36000

5 c. Utilities and Contingencies/Month

1.	Rent	-	Rs.2000/-
2.	Power charges	-	Rs.1500/-
3.	Miscellaneous	-	Rs.500/-
			- Rs
	Total		4000/-

6 Total Working Capital Requirement

1.	Raw materials for one month	- Rs.	150250/-
2.	Wages and salaries for one month	-Rs	36000/-
3.	Utilities and contingencies for one month	-Rs.	4000/-
			-Rs
	Total working capital requirement of the unit		190250/-

• TOTAL CAPITAL

1. Fixed Capital	-	Rs.	365000
			570750/
2. Working Capital(3 months)	-	Rs.	-
Total capital investment	-	Rs	935750/-



Courtesy:

8.SOURCES OF FUNDS

1. Own Capital(20% of project cost)	-Rs 187150
2.Composite Loan from Bank	Rs.748600

9.COST OF PRODUCTION PER ANNUM

	Total recurring expenditure per annum	
	a) Raw materials	- Rs.1803000/-
	b) Wages and Salaries	-Rs. 432000/-
1.	c) Utilities and contingencies	-Rs. 48000/-
2.	Depreciation of machinery @15%	-Rs 54750/-
3.	Interest on bank loan @12%	-Rs 89832/-
	Total	- Rs. 2427582/-

- TURNOVER PER ANNUM**

Sl.No	Items	Qty	Rate	Amount
1	Furniture: Coat	100	12000	1200000
2	Building material:1. Windows	70	7000	490000
	2.Doors	90	10000	900000
	3. Chairs	60	7000	420000
	Total			3010000

1.PROFITABILITY**11 a. NET PROFIT (BEFORE TAXATION)**

1	TURNOVER	3010000
2	COST OF PRODUCTION	2427582
	Total (1-2)	582418

11.b NET PROFIT RATIO

NET PROFIT *100/TURN OVER PER YEAR	=582418*100/3010000
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Courtesy:

	= 19.34%
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11.c RATE OF RETURN ON TOTAL INVESTMENT

NET PROFIT*100/TOTAL	
INVESTMENT	= 582418*100/935750= 62.24%

12.a FIXED COST

Rent	Rs: 24000/-
Total Depreciation[Machinery & furniture]	Rs: 54750/-
Interest on Total Investment	Rs: 89832/-
40 % of Salary & Wages[432000*12/ 40%]	Rs: 172800
40% of utilities & other contingent expenses[48000*12/ 40%]	Rs: 19200/-
Total:	Rs: 360582

12 b BREAK- EVEN ANALYSIS

$$\frac{\text{Fixed cost} \times 100}{\text{Fixed cost} + \text{Net Profit}} = \mathbf{38.23\%}$$