

STEEL FURNITURE

1. INTRODUCTION

Steel furniture comprise almirahs, chairs, tables, cabinets, racks, sofa sets, etc. They are required for domestic purposes, offices, factories and in almost all places. Steel fast moving consumables. Due to growth of population and living conditions, the requirement of steel furniture is also increasing.

2. MARKET

The demand for these items are increasing day by day due to development of living standards in tribal areas. There is a good demand for these items mainly for offices, institutions, commercial places in all tribal areas, towns/big villages.

3. MANUFACTURING PROCESS

The manufacturing process of steel furnitures involves mainly cutting of sheets, tubes, flats to desired size, folding, bending, drilling, punching, rivetting and assembling as per the drawings. Finally, the items are to be spray painted.

4. PRODUCTION CAPACITY PER ANNUM

		Almirahs	Chairs	Tables/Cots
Capacity	Nos	300	1000	200
Selling Price	Rs.	2750	125	900
Total Revenue		825000	125000	180000

5. PROJECT COST/CAPITAL INVESTMENT

S.No	Description	Amount Rs.
1	Fixed Capital	110000
2	Working Capital for 2 month(s)	161800
3	Preliminary & Preoperative Expns	5000
	Total Project Cost	276800

6. MEANS OF FINANCE

S.No	Description	%age	Amount Rs.
1	Promoter Contribution	15%	41520
2	Subsidy /Soft Loan	20%	55360
3	Term Loan	65%	179920
	Total		276800

7. FINANCIAL ASPECTS

A. FIXED CAPITAL

i. Land and Buildings Rented Rs. 2000 per month

ii. Machinery and Equipment

S.No	Description	Qty.	Rate	Amount Rs.
1	Pedal operated shearing m/c - 4"	1	20000	20000
2	Hand operated sheet bending m/c	1	25000	25000
3	Arc welding transformer upto 250 amps	1	5500	5500
4	Air compressor with accessories -25 ltrs	1	6500	6500
5	Drilling m/c - 1/2"	1	5000	5000
6	Gas welding	LS		3000
7	Spot welding - 5 KVA	1	10000	10000
8	Hand press	2	6000	12000
9	Testing equipment	LS		5000
10	Cost of moulds and other fixtures	LS		5000
11	Electrification and installation charges	LS		5000
12	Office furniture	LS		5000
13	Miscellaneous expenditure	LS		3000
	Total			110000

B. WORKING CAPITAL

i. Salaries & Wages (per month)

S.No	Description	Nos.	Sal/mon.	Amount Rs.
1	Skilled person/Entrepreneur	1	3000	3000
2	Skilled persons	2	2500	5000
3	Unskilled persons	4	1500	6000
	Total			14000

ii. Raw Material (per month)

S.No	Description	Unit	Qty.	Rate	Amount Rs.
1	MS sheets	MT	1.5	24000	36000
2	Tubes, pipes, plates, etc	LS			10000
3	Paints, electrodes, gas, etc	LS			12000
4	Misc. materials	LS			1000
	Total				59000

iii. Utilities (per month)

S.No	Description	Unit	Amount Rs.
1	Power	LS	1700
2	Water	LS	200
	Total		1900

iv. Other Expenses (per month)

S.No	Description	Amount Rs.
1	Postage, Telephones & Stationery Expenses	500
2	Transportation & Conveyance Expenses	2000
3	Consumable stores	500
4	Reparis and Maintenance Expenses	500
5	Miscellaneous Expenses	500
	Total	4000

v. Total Working Capital (per month)

S.No	Description	Amount Rs.
1	Rent	2000
2	Salaries and Wages	14000
3	Raw Material	59000
4	Utilities	1900
5	Other Expenses	4000
	Total	80900

8. COST OF PRODUCTION (PER ANNUM)

S.No	Description	Amount Rs.
1	Total Working Capital	970800
2	Depreciation @ 15%	16500
3	Interest @ 12%	21590
	Total	1008890

9. TURNOVER (PER YEAR)

S.No	Description	Unit	Qty.	Rate Rs.	Amount Rs.
1	Almirahs	Nos	300	2750	825000
2	Chairs	Nos	1000	125	125000
3	Tables/Cots	Nos	200	900	180000
	Total				1130000

10. FIXED COST (PER YEAR)

S.No	Description	Amount Rs.
1	Depreciation	16500
2	Interest	21590
3	Rent	24000
4	Salaries & Wages @ 40%	67200
5	Other Expenses incl. Utilities @ 40%	28320
	Total	157610

11. PROFIT ANALYSIS & RATIOS

1	Net Profit	Rs.	121110
2	Percentage of Profit on Sales		11%
3	Percentage of Return on Investment		44%
4	Break Even Point		57%