

PLASTIC CANE CHAIRS

I. INTRODUCTION:

Different Types of chairs are in use at commercial undertakings, government, semi government organisations, private institutions, individual residences and other such accommodations Chairs are identified as important items of furniture. Among the different types of chairs available in the market, cane chairs are known for its comfort and durability. But due to the scarcity of its raw material, ie natural cane the cost price of these chairs has become very high. To compete with the other types of chairs in the market some of the manufacturer's of cane chairs resort to plastic cane as a substitute.

II. MARKET POTENTIAL

There is good demand for the plastic cane chairs in the market. A variety of colours and designs are being adopted in the manufacture of these chairs. People find it comfortable and convenient to use them. As a durable consumer item these chairs are required for every household. Hence there is no problem for its marketing. Every growth centre in each district can be treated as a potential market centre to sell these products. The manufacture of the plastic cane chairs can be taken up as a good proposition under PMRY scheme.

III. BASIS AND PRESUMPTIONS:

Working hours per day 8 hours

Working days in a year 300 days

IV. IMPLEMENTATION SCHEDULE:

The project can be implemented in one month

V. TECHNICAL ASPECTS:

1.Process of Manufacturing:

Iron tubes or rods are to be procured to prepare different sizes and types of chairs frames to manufacture plastic cane chairs. These tubes or rods are to be bent or cut by hand tools and attach them with the help of a gas welding machine and rivets and nails as per the requirement of the type and design of the chairs. Then weave the plastic cane into the frame fixed for the chair. Thus the plastic cane chairs can be manufactured and made available for sale.

2.Quality Specification

As per customer specification

3.Production Capacity per annum :

Annual capacity 4200 nos.

Capacity utilisation 90%

Annual production 2940 nos.

VI. TOTAL CAPITAL INVESTMENTS

S.No	Description	Value Rs.
1	Fixed Capital	19000
2	Working capital for 3 months	50100
	Total cost	69100

VII. MEANS OF FINANCE

1.Promoter's Contribution (5% of total cost)	3455
2.PMRY subsidy (15% of total cost or Rs.7500,whichever is less)	7500
3.Bank loan[total cost-(Promoter's Contribution+ PMRY subsidy)	58145

VIII. FINANCIAL ASPECTS

1. FIXED CAPITAL

i. Land & Buildings : Rented premises 500 sft. at a rent of Rs.2000 pm.

ii Machinery & Equipment

S.No	Description	Quantity	Value Rs.
1	Hand tools		3000
2	Gas welding machine with all accessories		10000
3.	Misc. Fixed assets		6000
	Total		19000

2. WORKING CAPITAL

i) Staff & Labour per month

S.No	Designation	No	@ Rs.	Value Rs.
1.	Owner /manager	1	2000	2000
2	Skilled worker	1	1000	1000
3.	Helper	1	750	750
	Total			3750

ii) Raw Material (p.m.)

S.No	Description	Quantity	Value Rs.
1	Plastic cane of various colours	50 kg.	2500
2	Iron tube/rods	1 ton	6250
3	Iron rivets and nails		1000
4	Paints & varnishes		500
	Total		10250

iii. Utilities per month

S.No.	Description	Value Rs.
1	Power	150
2	Water	50
	Total	200

iv. Other expenses per month

S.No	Description	Value Rs.
1	Conveyance, postage, telephone	500
	Total	500

v.Total working capital per month

S.No	Description	Value Rs.,
1	Rent	2000
2	Staff and labour	3750
3	Raw materials	10250
4	Utilities	200
5	Other expenses.	500
	Total	16700

IX. COST OF PRODUCTION PER ANNUM

S.No	Description	Value Rs.
1	Total working capital	200400
2	Depreciation	1300
3	Interest	10365
	Total	212065

X. TURNOVER PER YEAR

S.No	Item	Quantity	Rate Rs.	Value Rs.
1	Chair	2940 no	90 / piece	264600
	Total			264600

X. FIXED COST PER YEAR

S.No	Description	Value Rs.
1	Depreciation	1300
2	Interest	10365
3	Rent	24000
4	40% of salaries & wages	18000
5	40% of other expenses (utilities + OE)	3360
	Total	57025

XII. PROFIT ANALYSIS

Net Profit : sale-total cost=264600-212065 = Rs.52535

% of Profit on Sale: Profit / Sale x100=52535/264600]100=20%

% of Return on Investment: Profit / (Investment) x 100=76.03%

Break-Even Analysis : FC / (FC+Profit) x100=57025/57025+52535]100 =52.05%

XIII. MACHINERY SUPPLIERS

1.M/s Shalimar Foundry, Ranigunj, Sec.bad.

2. M;s Deccan Machine tools, Ghasmandi,, Sec.bad,.