

Khadi and Village Industries Commission Mumbai

GARDEN CHAIR (Wooden)

Introduction

Wooden garden chairs are cheap and intended for rough use as outdoor chairs. The chairs are required by hotels, drive in restaurants besides households for outdoor use, wood based items are good as they weather better and require very little maintenance. garden chairs are popular products throughout the leisure industry and there is ample scope for manufacture of these items, especially when the Tourism industry in the State is on a roll. Raw materials are available in abundance in the State. Local and statewide demand needs to be assessed and a fast growing clientele identified before venturing into the project.

Process of Manufacture: RAW MATERIALS

Soft wood, country wood, coconut fibre, palm fibre colone, mild steel wires, wire nails

1 **Name of the Product :** **GARDEN CHAIR (Wooden)**

2 **Project Cost :**

a Capital Expenditure

Land : **Own**

Workshed in sq.ft rental Rs. **-**

Equipment : Rs. **35,000.00**

Surface cum thickness plainer, Motor starter with accessories 12 mm drilling machine , Bench grinder
Carpentry tools

Total Capital Expenditure Rs. **35,000.00**

b Working Capital Rs. **150,000.00**

TOTAL PROJECT COST : Rs. **185,000.00**

3 **Estimated Annual Production Capacity:**

(Rs. in 000)

Sr.No.	Particulars	Capacity in No./Q.	Rate	Total Value
1	GARDEN CHAIR (Wooden)			948.90
TOTAL		0.00	0.00	948.90

4 **Raw Material** : Rs. **445,000.00**

5 **Labels and Packing Material** : Rs. **10,000.00**

6 **Wages (1-Skilled & 1-Unskilled)** : Rs. **144,000.00**

7 **Salaries** : Rs. **120,000.00**

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8	Administrative Expenses	:	Rs.	20,000.00
9	Overheads	:	Rs.	120,000.00
10	Miscellaneous Expenses	:	Rs.	65,000.00
11	Depreciation	:	Rs.	3,500.00
12	Insurance	:	Rs.	350.00
13	Interest (As per the PLR)			
	a. C.E.Loan	:	Rs.	4,550.00
	b. W.C.Loan	:	Rs.	19,500.00
	Total Interest		Rs.	24,050.00
14	Working Capital Requirement	:		
	Fixed Cost		Rs.	209,900.00
	Variable Cost		Rs.	738,500.00
	Requirement of WC per Cycle		Rs.	158,067.00

15 Cost Analysis

Sr.No.	Particulars	Capacity Utilization(Rs in '000)			
		100%	60%	70%	80%
1	Fixed Cost	209.90	125.94	146.93	167.92
2	Variable Cost	739.00	443.40	517.30	591.20
3	Cost of Production	948.90	569.34	664.23	685.22
4	Projected Sales	1200.00	720.00	840.00	960.00
5	Gross Surplus	251.10	150.66	175.77	200.88
6	Expected Net Surplus	248.00	147.00	172.00	197.00

- 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.