

**PROJECT PROFILE
ON
CANE & BAMBOO
FURNITURE
MAKING UNIT**



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INTRODUCTION

Bamboo and cane furniture's are made from bamboo evergreen perennial flowering plant. Cane and bamboo furniture are made from the technique known as wicker in which pliable plant materials are woven to make products. Nowadays, bamboo is used in almost all sorts of furniture, such as benches, cabinets, beds, stools, shoe racks, tables, sofas, bookshelves, sofas, and recliners. Bamboo's high availability, strength, abundant supply, firmness, and speedy maturity have made it a very popular choice for furniture making. It is being used in office, home, restaurants, and shops to give an aesthetic appeal to the room and give simple and elegant feel. Cane and bamboo furniture though are natural in appearance yet offer a very trendy, sleek, and modern look to the entire décor. The longevity, low weight, convenience in handling, easy maintenance and environmental friendliness of this furniture add to its appeal.

| Standard | Code | Description |
|----------|----------|-------------------------|
| HS | 94038100 | Cane & Bamboo Furniture |

PRODUCTS AND ITS APPLICATION

Cane and Bamboo based industries have been identified as potential sunrise industries in India. Cane is mostly used for furniture making, whereas bamboo is used for making variety of decorative items. These eco-friendly products are light in weight and have their own style and elegance. These products have a high life with minimum maintenance equivalent to wooden products. Strips of bamboo and various types of canes are extensively used to manufacture different utility and decorative items. Mats, lamp shades, trays, baskets are weaved and knitted by the skilled hands of the artisans. Cane and bamboo can also be converted into strong and unique furniture, which are very popular now. Jewellery, bags and handbags are the other popular items of this craft.

Cane and bamboo have a wide variety of products ranging from baskets, musical instruments to utility items like pen stand, mugs, hair clips, vases, containers. Household furniture's like chairs, sofa sets, moorahs (small stools) are also made from cane and bamboo. There is tremendous demand of the products in domestic as well as in international market. Furniture and utility items of various designs are exported to the foreign countries as well. Nowadays, the products are also used for Interior Decoration of houses, hotels, and offices etc.

INDUSTRY OUTLOOK/TREND

The global bamboo furniture market size was valued at INR 758 billion in 2019 and is expected to expand at a CAGR of 5.2% from 2020 to 2025. The growth is primarily attributed to rising investments in infrastructure developments coupled with the use of sustainable raw materials for furniture. Bamboo absorbs 40% more carbon dioxide and releases 35% more oxygen than trees thereby improve the air quality.

The advantages of using bamboo as a material for sustainability will drive the growth for this product. However, the rise in market is mainly driven using product in residential application. Along with offering aesthetic appeal to interiors, bamboo is gaining significant acceptance as a wood substitute due to its mechanical strength, durability, and easy availability. Rising environmental awareness among wood processing companies is anticipated to drive the adoption of bamboos as a sustainable building material.

PROCESS

The production process comprises of the following different process:

- 1. Selection of Cane & Bamboo:** There is not much problem in selecting the cane & bamboo for the work by the handicraft people. Bamboo is easily available in the market & in many forests in Assam. For making different furnishing & decorative items different types of bamboo are used. For making items like Japi, Saloni, Dala, Duli, Tukuri etc different bamboos are used. By using cane much furniture are made with the combination of bamboo.
- 2. Cutting as per required size:** The bamboos are cut into different shapes & sizes as per required designs. The bamboo is first selected and then it is cut into sizes which are required by the workers to make different items from it. The workers normally cut the bamboo in various lengths as per requirement.
- 3. Drying:** After the bamboo and canes are selected then it is first dried in the sun. As there is moisture present in the bamboo so, it is dried for a period and then the actual work is carried out. If the bamboo is not dried properly then some insects may damage it, so first this must be properly dried.
- 4. Surface decoration:** Surface decoration is very important for bamboo products. After the product is completed, the surface is decorated which gives an attractive look to the

product. The surface is decorated by various means like burning the sides of a bamboo item & colouring it to give a fascinating look. All these ways help to attract the eyes of the customers.

5. **Framing & binding as per design (shape):** To make a product it is very important to cut the bamboo & cane into required size & shapes as per the design of the product. The bamboo is cut into pieces required by the workers & then the different sizes of bamboos are joined or bind together by the means of nails or some adhesive.
6. **Application of polishing:** Polishing is an important application which is required to give to the finished goods. After polishing the product gives a bright look. When the product is prepared then it is sent for polishing, then it can be sent for marketing. After polishing the furniture or decorative items, they become smoother.

RAW MATERIAL REQUIREMENTS (per month)

The units at 100% use of its capacity will require raw material as given below on monthly basis:

| Sl. No. | Particulars | Quantity (Number) | Cost/Unit | Value (Rs.) |
|---------|---|-------------------|-----------|-------------|
| 1 | Cane of Various Sizes | 2,100 | 20 | 42,000 |
| 2 | Bamboo of Various Sizes | 700 | 30 | 21,000 |
| 3 | Consumables like Sandpaper, Varnish, Nails, Adhesives, Tapes, Plywood's, Glass etc. | Lump sum | | 1,467 |
| Total | | | | 64,467 |

MANPOWER REQUIREMENT (per month)

| Type | Number | Cost (Rs.) |
|---------------------|--------|------------|
| Manager | 1 | 15,000 |
| Skilled Worker | 5 | 36,000 |
| Semi-Skilled Worker | 4 | 18,000 |
| Unskilled Worker | 2 | 6,000 |
| Total | 12 | 75,000 |

IMPLEMENTATION SCHEDULE

| Particulars | Units | Details |
|---|---------|----------|
| Land on rent (Total 3000 Sq. ft.) | Lumpsum | 2,40,000 |
| Building/Unit Shed (1200 Sq. ft. covered) | Lumpsum | 3,50,000 |
| Plant & Machinery | | |

| | | |
|---|-----|----------|
| Bamboo & Cane Cutter | INR | 1,30,000 |
| Splitter | | |
| Pipes for bending | | |
| Circular Saw | | |
| Blow Lamp | | |
| Planner | | |
| Hand Drill | | |
| Tools and equipment's like Hand Saw, Pliers, Hammers etc. | | |
| Miscellaneous items | INR | 20,000 |
| Installation, transportation, etc. @ 10% | | 15,000 |
| Total | INR | 8,15,000 |
| Total cost of Plant & Machinery | INR | 1,65,000 |

OTHER EXPENSES (PER MONTH):

| Sl. No | Particulars | Cost (Rs.) |
|--------|---|------------|
| 1 | Electricity | 10,000 |
| 2 | Advertising & Traveling | 10,000 |
| 3 | Conveyance | 5,000 |
| 4 | Misc. Fixed assets (Furniture, etc.) | 30,000 |
| 5 | Contingencies, Communication & Stationery | 15,000 |
| | Total | 70,000 |

WORKING CAPITAL (per month)

| Sl. No | Particulars | Cost (Rs.) |
|--------|------------------|------------|
| 1 | Raw Material | 64,467 |
| 2 | Salaries & Wages | 75,000 |
| 3 | Other expenses | 70,000 |
| | Total | 2,09,467 |

TOTAL CAPITAL INVESTMENT

| Sl. No | Particulars | Cost (Rs.) |
|--------|-----------------|------------|
| 1 | Working Capital | 2,09,467 |
| 2 | Machinery | 1,65,000 |
| | Total | 3,74,467 |

COST OF PRODUCTION

| Sl. No | Particulars | Cost (Rs.) |
|--------|---|------------|
| 1 | Total recurring cost per annum | 25,13,600 |
| 2 | Depreciation on machinery & equipment (10%) | 16,500 |
| 3 | Interest (10%) | 2,51,360 |
| | Total | 27,81,460 |

IMPLEMENTATION SCHEDULE

| Project Stages | Months | | | | | |
|----------------------------|--------|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 | 6 |
| Rent Agreement | | | | | | |
| Ordering of Machinery | | | | | | |
| Delivery of Machinery | | | | | | |
| Term/Working Loan Sanction | | | | | | |
| Installation of Machinery | | | | | | |
| Commissioning of Plant | | | | | | |
| RM/Inputs Procurement | | | | | | |
| Manpower Appointments | | | | | | |
| Commercial Production | | | | | | |

COST OF THE PROJECT

| Sr. No | Costing Heads | Cost (in INR) |
|--------|------------------------------|-----------------|
| 1 | Land+ Building Expenses | 5,40,000 |
| 3 | Plant & Machinery | 1,65,000 |
| 4 | Contingency | 50,000 |
| | Total Cost of Project | 7,55,000 |

SALES PROCEEDS (PER ANNUM)

| Sl. No | Particulars | Quantity (numbers) | Cost/Unit (based on current market price) | Value (Rs.) |
|--------|--------------------------------|--------------------|---|------------------|
| 1 | Bamboo Furniture's | 260 | 4500 | 11,70,000 |
| 2 | Cane Furniture's | 260 | 5000 | 13,00,000 |
| | Cane & Bamboo Decorative Items | 420 | 2000 | 8,40,000 |
| | Total | | | 33,10,000 |

PROFITABILITY (BEFORE INCOME TAX)

| Sl. No | Particulars | Profit |
|-----------|--|--------------|
| 1 | Annual Gross Profit (INR) = Annual Sales – Annual Recurring Cost | 5,28,540 |
| 2 | % of profit on sales | 15.97% |
| 3 | Break-even point analysis | |
| A. | Net sales (in Rs. lakh) | 31.72 |
| B. | Variable cost | |
| B1 | Raw Materials | 7.73 |
| B2 | Other expenses | 0.7 |
| B3 | Interest on Working Capital Loan | 2.51 |
| | Total variable cost | 10.94 |
| C. | Contribution (A-B) | 20.78 |

| | | |
|-----------|-------------------------------------|---------------|
| D. | Fixed & Semi-fixed Costs | |
| D1 | Salary | 0.75 |
| D2 | Repair & maintenance | 0.05 |
| D3 | Interest on Term Loan | 2.51 |
| D4 | Depreciation | 0.16 |
| | Total fixed cost | 3.47 |
| E. | BREAK EVEN POINT | 59.40% |

Break-even point

$$\frac{\text{Annual Fixed Cost} \times 100}{\text{Annual Sales} - \text{Annual Variable Cost}} = \%$$

PROFITABILITY CALCULATIONS

| Sr. No. | Particulars | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|----------|---------------------------|--------|--------|--------|--------|--------|
| | Gross Sales (Lakh) | 31.72 | 34.9 | 38.4 | 38.4 | 38.4 |
| A | Less: (Lakh) | | | | | |
| 1. | Recurring Cost | 25.13 | 27.6 | 30.4 | 30.4 | 30.4 |
| 2. | Depreciation | 0.16 | 0.18 | 0.19 | 0.19 | 0.19 |
| 3. | Interest | 2.51 | 2.76 | 3.04 | 3.04 | 3.04 |
| B | Production cost | 27.8 | 30.58 | 33.64 | 33.64 | 33.64 |
| C | Gross Profit | 3.92 | 4.31 | 4.74 | 4.74 | 4.74 |
| | Taxes @ 30% | 1.18 | 1.29 | 1.42 | 1.42 | 1.42 |
| | Net Profit | 2.74 | 3.02 | 3.32 | 3.32 | 3.32 |

References

- Bamboo And Cane Furniture Manufacturing - :NSTFDC: <http://www.nstfdc.net>
- Model Project Profile on Cane Furniture – MSME-<https://www.msmedithrissur.gov.in>
- Cane And Bamboo Handicraft – TIMEIS-<https://www.techno-preneur.net>
- Detailed Project Report (DPR) – NCD-<https://www.ncdc.in>
- Video link-
<https://youtu.be/Xe9VftVOHgg>
<https://youtu.be/E6mYLM0uOck>

MANUFACTURES/ SUPPLIERS OF MACHINERY

- CANBAM Cane And Bamboo Furniture And Baskets –Address-B-216, New Ashok Nagar Delhi, 110096
India,Mobile No-099996 34311
- Aao Sai Cane And Bamboo Furniture- Address-Janta Flat, B-92, Chilla Gaon, Block 30, Mayur Vihar, Delhi, 110091,Phone No- 098105 90028
- MP Cane Furniture Manufacturers In India,
Address- Plot No. 13, First Floor, Guru Nanak Vihar Rd, Chander Vihar, New Delhi, Delhi 110041,Mobile No- 9911421313, 9911319786, Email Id - mpmakeinindia@gmail.com

STATUTORY/ GOVERNMENT APPROVALS

There is statutory requirement of FSSAI license for setting up of food processing industry. Moreover, MSME & GST registration, IEC Code for Export of end products and local authority clearance may be required for Shops and Establishment, for Fire and Safety requirement and registration for ESI, PF and Labour laws may be required if applicable. Entrepreneur may contact State Pollution Control Board wherever it is applicable.

DISCLAIMER:

This is an indicative illustration of project profile; the above calculation can vary with the locations. Only few machine manufacturers are mentioned in the profile, although many machine manufacturers are available in the market. The addresses given for machinery manufacturers have been taken from reliable sources to the best of knowledge and contacts. However, no responsibility is admitted, in case any inadvertent error or incorrectness is noticed therein. Further, the same have been given by way of information only and do not carry any recommendation.

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