Project Report For

Furniture shop

Prepared for

xxxxxxxxxxxxxxxxxxxxx

Project Location

xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx

Prepared by:
Download Project Report.com
1187/67, Ground Floor, Gruhalaxmi,
J.M. Road, near Balgandharva Chowk,
Pune, Maharashtra 411005.

Project For:
FURNITURE SHOP

C O N T E N T

CHAPTER NO. PARTICULAR

Project For:
FURNITURE SHOP

I. PROJECT AT A GLANCE

1. Name of Promoter	:	xxxxxxxxxxxxxxxxxxxxxxxxxx Address: xxxxxxxxxxxxxxx
2. Project Cost	:	Rs. 10.00 Lakhs
3. Mean of Finance		
A) T. L. facility from Bank	:	Rs 5.76 Lakhs
B) Cash Credit Loan from Bank	:	Rs 3.24 Lakhs
C) Own contribution	:	Rs 1.00 Lakhs
D) Subsidy	:	Rs 2.50 Lakhs
4. Rate of Interest	:	11.00% Per Annum
5. Repayment :		60 monthly instalments @ Rs. 0.13 Lakhs EMI
6. Nature of Project	:	Furniture Trading
7. Employment Potential	:	3 Nos.
8. Nature of the Firm	:	Proprietary Firm
9. Average Debt Coverage ratios	:	**2.11**

II. PROJECT DESCRIPTION

The proposed products of the unit are residential and commercial furniture products

The Indian furniture sector has witnessed a remarkable growth over the last few years driven by increased investments in infrastructure. The Interior sector, being closely associated with theinfrastructure sectors, is of strategic importance to India's economy.India on its quest to become a global superpower has made significant strides towards the development of its housing sector. Rapid urbanisation in big cities like Delhi, Mumbai, Ahmedabad, Bangalore, Chennai, Kolkata, Hyderabad, Pune, etc. has changed the Indian lifestyle drastically. There is also a noticeable growth in the income & purchasing power of the Indians and the homeownership rates. This is the reason now many Indians spend more on the interior design of their homes to make them unique, well equipped, and sophisticated.

Although there is an upsurge of influence from different countries in the Indian way of life, still Indians never wish to entirely replicate anything. People love to give their spaces an indigenous and unique touch...

Project For :
FURNITURE SHOP

II. ECONOMICS OF THE PROJECT

A. COST OF PROJECT

(Rs. Lacs)

S.No.	Particulars	Total	Spent	Bal. To be spent
1	Shop (Already Existing)	-	-	-
2	Equipments	5.40	-	5.40
3	Furniture & Electrical Installation	1.00	-	1.00
4	Working Capital	3.60	-	3.60
		10.00	-	10.00

Means of Finance :

a) Own Contribution (10%)	1.00
b) T L facility from Bank (90%)	5.76
c) Cash Credit facility from Bank (90%)	3.24
	10.00
d) Subsidy Entitlement Under CHIEF MINISTER EMPLOYMENT GENERATION PROGRAMME (CMEGP) @ 25% Category- Open	2.50

Project For :
FURNITURE SHOP

B. PROFITABILITY STATEMENT

(Rs. Lacs)

S.No.	Particulars	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6
1	Sales	18.00	25.00	30.00	33.00	36.30	39.93
	Add : Increase in Cl.Stock	2.81	1.09	0.78	0.47	0.52	0.57
	Total Turnover	20.81	26.09	30.78	33.47	36.82	40.50
2	Material Purchase	11.25	15.63	18.75	20.63	22.69	24.96
3	Overheads						
	a) Direct	4.02	4.42	4.76	5.05	5.46	5.73
	b) Indirect	1.60	1.76	1.94	2.03	2.13	2.24
4	Balance	3.94	4.29	5.33	5.76	6.53	7.57
5	Interest on TL & CC	0.98	0.87	0.75	0.62	0.47	0.39
6	Depreciation	0.69	0.61	0.55	0.49	0.43	0.39
7	Preliminery expenses W/off	-	-	-	-	-	-
8	Profit after Interest & Dep.	2.28	2.80	4.03	4.65	5.63	6.79
9	Income Tax	-	-	0.40	0.47	0.33	0.56
10	**Profit after Tax**	2.28	2.80	3.63	4.19	5.30	6.23
11	Add: Depreciation & Pre Exp.	0.69	0.61	0.55	0.49	0.43	0.39
12	Add : Interest on TL & CC	0.98	0.87	0.75	0.62	0.47	0.39
13	Cash Accruals	3.94	4.29	4.93	5.30	6.21	7.01
14	Instalments of TL & Interest	1.89	1.89	1.89	1.89	1.89	-
15	DSCR	1.58	1.77	2.11	2.30	2.78	-
16	Average DSCR	2.11					
17	N.P. to Total receipts	12.64	11.21	12.10	12.69	14.60	15.61

Project For :
FURNITURE SHOP

C. CASH FLOW STATEMENT

(Rs. Lacs)

S.No.	Particulars	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6
A	**CASH INFLOW :**						
1	Collection from Debtors	17.25	23.96	28.75	31.63	34.79	38.27
2	T.L. from Bank	5.76					
3	CC from bank	3.24					
4	Capital	1.00	-	-	-	-	-
5	Subsidy	2.50	-	-	-	-	-
	TOTAL (A)	29.75	23.96	28.75	31.63	34.79	38.27
B	**CASH OUTFLOW :**						
1	Fixed Assets	6.40	-	-	-	-	-
2	Payment to creditors	9.40	14.91	18.24	20.32	22.35	24.58
3	Direct overheads	4.02	4.42	4.76	5.05	5.46	5.73
4	Indirect Overheads	1.60	1.76	1.94	2.03	2.13	2.24
5	Interest on Bank Loan	0.98	0.87	0.75	0.62	0.47	0.39
6	Income Tax	-	-	0.40	0.47	0.33	0.56
7	Term Loan Repayment	0.91	1.02	1.14	1.27	1.42	-
8	Drawings	0.50	0.50	0.50	0.50	0.50	0.50
	TOTAL (B)	23.81	23.48	27.73	30.26	32.66	34.00
	SUMMERY:						
	Op. Cash & Bank Balance.	-	5.94	6.42	7.44	8.80	10.93
	Add : Surplus / (Deficit)	5.94	0.48	1.02	1.37	2.13	4.26
	Cl. Cash & Bank Balance.	5.94	6.42	7.44	8.80	10.93	15.19

Project For :
FURNITURE SHOP

D. BALANCE SHEET

(Rs. Lacs)

S.No.	Particulars	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6
A	**ASSETS :**						
1	Fixed Assets	5.71	5.10	4.55	4.06	3.63	3.25
2	Investments	-	-	-	-	-	-
3	Current Assets	9.50	12.11	15.16	18.38	22.53	29.03
4	Loans & Advances	-	-	-	-	-	-
	TOTAL (A)	15.21	17.21	19.72	22.44	26.17	32.27
B	**LIABILITIES:**						
1	Capital	5.28	7.58	10.71	14.39	19.20	24.93
2	Secured loans						
	Term Loan	4.85	3.83	2.69	1.42	-	-
3	Sundry Creditors	1.85	2.57	3.08	3.39	3.73	4.10
4	Current Liabilities						
	Cash Credit	3.24	3.24	3.24	3.24	3.24	3.24
	TOTAL (B)	15.21	17.21	19.72	22.44	26.17	32.27

Project For :
FURNITURE SHOP

(Rs. Lacs)

E. CAPITAL ACCOUNT

S.No.	Particulars	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6
1	Op. Balance	-	5.28	7.58	10.71	14.39	19.20
2	Additions	3.50	-	-	-	-	-
3	Net Profit for the year.	2.28	2.80	3.63	4.19	5.30	6.23
	Sub Total	5.78	8.08	11.21	14.89	19.70	25.43
4	Less : Drawings	0.50	0.50	0.50	0.50	0.50	0.50
5	Cl. Balance	5.28	7.58	10.71	14.39	19.20	24.93

Project For :
FURNITURE SHOP

(Rs. Lacs)

F. SALES

S.No.	Particulars	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6
1	Sales per annum	18.00	25.00	30.00	33.00	36.30	39.93
2	Total Sale	18.00	25.00	30.00	33.00	36.30	39.93
3	Sundry Debtors (Credit period allowed 15 days)	0.75	1.04	1.25	1.38	1.51	1.66
4	Collection from Debtors	17.25	23.96	28.75	31.63	34.79	38.27

Project For :
FURNITURE SHOP

(Rs. Lacs)

G. MATERIAL CONSUMPTION AND INVENTORY

S.No.	Particulars	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6
1	Sale of material	18.00	25.00	30.00	33.00	36.30	39.93
2	Purchases of Material	11.25	15.63	18.75	20.63	22.69	24.96
3	Sundry Creditors (Assume 60 day Cedit Period allowed)	1.85	2.57	3.08	3.39	3.73	4.10
4	Payment to creditors	9.40	14.91	18.24	20.32	22.35	24.58
5	Stock of Material	2.81	3.91	4.69	5.16	5.67	6.24

Project For :
FURNITURE SHOP

(Rs. Lacs)

H. DIRECT OVERHEADS

S.No.	Particulars	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6
1	Staff Salary (Monthly salary- Rs. 7,000/- per staff) (No. of staff- 3)	2.52	2.77	2.95	3.14	3.46	3.63
2	Other Overheads	1.50	1.65	1.82	1.91	2.00	2.10
	Total	4.02	4.42	4.76	5.05	5.46	5.73

Project For :
FURNITURE SHOP

(Rs. Lacs)

I. INDIRECT OVERHEADS

S.No.	Particulars	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6
1	Travelling & Conveyance	0.50	0.55	0.61	0.64	0.67	0.70
2	Repairs & Maint.	0.25	0.28	0.30	0.32	0.33	0.35
3	Electricity Expenses (Off.)	0.36	0.40	0.44	0.46	0.48	0.50
4	Telephone Expenses	0.24	0.26	0.29	0.30	0.32	0.34
5	Misc. Expenses	0.25	0.28	0.30	0.32	0.33	0.35
		1.60	1.76	1.94	2.03	2.13	2.24

Project For :
FURNITURE SHOP

J. TERM LOAN REPAYMENT AND INTEREST THEREON

(Rs. Lacs)

S.No.	Particulars	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6
1	TL / Op. Bal.	5.76	4.85	3.83	2.69	1.42	-
2	Repayment during the year	0.91	1.02	1.14	1.27	1.42	-
3	Cl. Balance	4.85	3.83	2.69	1.42	-	-
4	Interest at 11 per cent p.a.	0.59	0.48	0.36	0.23	0.09	-
5	Total repayment with Interest	1.89	1.89	1.89	1.89	1.89	-
6	Interest on CC (at 12 per cent p.a.)	0.39	0.39	0.39	0.39	0.39	0.39
	Total Interest	0.98	0.87	0.75	0.62	0.47	0.39

Term Loan Repayment Schedule

MONTHS	EMI	INTEREST	PRINCIPAL REPAYMENT	OST PRINCIPAL
0				5.76
1	0.13	0.05	0.07	5.69
2	0.13	0.05	0.07	5.61
3	0.13	0.05	0.07	5.54
4	0.13	0.05	0.07	5.47
5	0.13	0.05	0.08	5.39
6	0.13	0.05	0.08	5.32
7	0.13	0.05	0.08	5.24
8	0.13	0.05	0.08	5.16
9	0.13	0.05	0.08	5.08
10	0.13	0.05	0.08	5.01
11	0.13	0.05	0.08	4.93
12	0.13	0.05	0.08	4.85
First Year	**1.50**	**0.59**	**0.91**	
13	0.13	0.04	0.08	4.76
14	0.13	0.04	0.08	4.68
15	0.13	0.04	0.08	4.60
16	0.13	0.04	0.08	4.52
17	0.13	0.04	0.08	4.43

18	0.13	0.04	0.08	4.35
19	0.13	0.04	0.09	4.26
20	0.13	0.04	0.09	4.18
21	0.13	0.04	0.09	4.09
22	0.13	0.04	0.09	4.00
23	0.13	0.04	0.09	3.91
24	0.13	0.04	0.09	3.83
Second Year	**1.50**	**0.48**	**1.02**	
25	0.13	0.04	0.09	3.74
26	0.13	0.03	0.09	3.64
27	0.13	0.03	0.09	3.55
28	0.13	0.03	0.09	3.46
29	0.13	0.03	0.09	3.37
30	0.13	0.03	0.09	3.27
31	0.13	0.03	0.10	3.18
32	0.13	0.03	0.10	3.08
33	0.13	0.03	0.10	2.98
34	0.13	0.03	0.10	2.89
35	0.13	0.03	0.10	2.79
36	0.13	0.03	0.10	2.69
Third Year	**1.50**	**0.36**	**1.14**	
37	0.13	0.02	0.10	2.59
38	0.13	0.02	0.10	2.48
39	0.13	0.02	0.10	2.38
40	0.13	0.02	0.10	2.28
41	0.13	0.02	0.10	2.17
42	0.13	0.02	0.11	2.07
43	0.13	0.02	0.11	1.96
44	0.13	0.02	0.11	1.86
45	0.13	0.02	0.11	1.75
46	0.13	0.02	0.11	1.64
47	0.13	0.02	0.11	1.53
48	0.13	0.01	0.11	1.42
Fourth Year	**1.50**	**0.23**	**1.27**	
49	0.13	0.01	0.11	1.30
50	0.13	0.01	0.11	1.19
51	0.13	0.01	0.11	1.08
52	0.13	0.01	0.12	0.96
53	0.13	0.01	0.12	0.85
54	0.13	0.01	0.12	0.73
55	0.13	0.01	0.12	0.61
56	0.13	0.01	0.12	0.49
57	0.13	0.00	0.12	0.37
58	0.13	0.00	0.12	0.25
59	0.13	0.00	0.12	0.12
60	0.13	0.00	0.12	0.00
Fifth Year	**1.50**	**0.09**	**1.42**	

Project For :
FURNITURE SHOP

K. CURRENT ASSETS

(Rs. Lacs)

S.No.	Particulars	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6
1	Cl. Stock of Materials	2.81	3.91	4.69	5.16	5.67	6.24
	Total Inventory	2.81	3.91	4.69	5.16	5.67	6.24
2	Cash and bank Balance	5.94	6.42	7.44	8.80	10.93	15.19
3	Sundry Debtors	0.75	1.79	3.04	4.42	5.93	7.59
	Total	9.50	12.11	15.16	18.38	22.53	29.03

Project For :
FURNITURE SHOP

L. FIXED ASSETS AND DEPRECIATION

(Rs. Lacs)

S.No.	Particulars	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6
1	Equipments						
	Op. Balance	-	4.86	4.37	3.94	3.54	3.19
	Additions	5.40	-				
	Total	5.40	4.86	4.37	3.94	3.54	3.19
	Less : Depreciation	0.54	0.49	0.44	0.39	0.35	0.32
	Cl. WDV	4.86	4.37	3.94	3.54	3.19	2.87
2	Furniture & Electrical Installation						
	Op. Balance	-	0.85	0.72	0.61	0.52	0.44
	Additions	1.00	-		-		
	Total	1.00	0.85	0.72	0.61	0.52	0.44
	Less : Depreciation	0.15	0.13	0.11	0.09	0.08	0.07
	Cl. WDV	0.85	0.72	0.61	0.52	0.44	0.38
	Total Depreciation	0.69	0.61	0.55	0.49	0.43	0.39
	Cl. WDV	5.71	5.10	4.55	4.06	3.63	3.25

Project For :
FURNITURE SHOP

M. WORKING CAPITAL

(Rs. Lacs)

S.No.	Particulars	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6
1	Total Current Assets	9.50	12.11	15.16	18.38	22.53	29.03
2	Total Current Liabilities	1.85	2.57	3.08	3.39	3.73	4.10
3	Working Capital	7.65	9.55	12.08	14.99	18.80	24.92