

Khadi and Village Industries Commission Mumbai

PROJECT PROFILE ON CHEMICAL ETCHING ON WOOD

Introduction :

Chemical etching is a process involving artistic imagination to use the natural grain patterns on wood/waste wood to advantage. In this process, the artist creates various designs on wood, carves it out and using chemical etching brings forth the grain pattern to add beauty to the finished product. Relevant specifications are IS 799:1985- Liquor ammonia (second version), IS 5666:1970-Etch primer. Raw materials required for Chemical Etching on wood are waste wooden planks, chemicals.

Process of Manufacture: The manufacturing process involves the following steps are collect the waste pieces of wooden planks available from waste packing, using a hand grinder, clean the surface to expose the grain structure, depending on the pattern of the grain, draw the outline with pencil, using carving tools, carve out the required design, apply liquor ammonia to the surface using a brush, burn the surface on which ammonia was applied using a blow torch, clean the surface with the help of buffing wheel. **Market Potential :** -This is an entirely decorative item, which has a potential for use in interior decoration of hotels, restaurants, shops, offices and homes. Manufacturing activity is at present confined to certain areas in South India. The product needs to be marketed intensively. Demand could be generated by displaying the product in exhibitions, showrooms, art galleries & through intimate contacts with decorators, designers, architects, painting contractors, furniture designers, hotels, restaurants, industries and offices. The unit can be set up even in semi-urban areas where artisans working on wood are available. This activity can be done simultaneously alongwith their carpentry work.

1 Name of the Product : CHEMICAL ETCHING ON WOOD

2 Project Cost :

a Capital Expenditure

Land	:		Rs.	Own	-
Workshed in sq.ft	:		Rs.		-
Equipment	:		Rs.		40,000.00

1 Wood Carving tool kit, 2 Mechanical vice, 3 Chemical etching kit and preliminary & pre-operative expenses.

Total Capital Expenditure		Rs.	40,000.00
b Working Capital		Rs.	50,000.00
TOTAL PROJECT COST :		Rs.	90,000.00

3 Estimated Annual Production Capacity:

(Rs. in 000)

Sr.No.	Particulars	Capacity in No./Q.	Rate	Total Value
1	CHEMICAL ETCHING ON WOOD	2100.00		375.60
TOTAL		2100.00	0.00	375.60

4 Raw Material : Rs. 65,000.00

5 Labels and Packing Material : Rs. 5,000.00

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

7 Salaries Manager-1 Rs. 120,000.00

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8	Administrative Expenses	:	Rs.	4,000.00
9	Overheads	:	Rs.	20,000.00
10	Miscellaneous Expenses	:	Rs.	5,000.00
11	Depreciation	:	Rs.	4,000.00
12	Insurance	:	Rs.	400.00
13	Interest (As per the PLR)			
	a. C.E.Loan	:	Rs.	5,200.00
	b. W.C.Loan	:	Rs.	6,500.00
	Total Interest		Rs.	11,700.00
14	Working Capital Requirement	:		
	Fixed Cost		Rs.	134,600.00
	Variable Cost		Rs.	240,500.00
	Requirement of WC per Cycle		Rs.	62,517.00

15 Cost Analysis

Sr.No.	Particulars	Capacity Utilization(Rs in '000)			
		100%	60%	70%	80%
1	Fixed Cost	134.60	80.76	94.22	107.68
2	Variable Cost	241.00	144.60	168.70	192.80
3	Cost of Production	375.60	225.36	262.92	276.38
4	Projected Sales	550.00	330.00	385.00	440.00
5	Gross Surplus	174.40	104.64	122.08	139.52
6	Expected Net Surplus	170.00	101.00	118.00	136.00

- 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.