FURNITURE INDUSTRY
IN CHENNAI
CHAPTER 3

FURNITURE INDUSTRY IN CHENNAI

INTRODUCTION

Traditionally the use of furniture was the privilege of the royal families and a select few who were in the upper clan of the Indian society. These users made furniture to suit their tastes and preferences hiring carpenters but the designs were either Portuguese or Victorian as India was under the foreign rule for about 400 years. However, the average Indians received their guests at home by using carpets and mats. Slowly, wooden stools, benches, and cane chairs found their way into the Indian household. Today furniture has become a product of necessity and has ceased to be a product of luxury anymore. It has now graduated into a status symbol reflecting the life style perceptions of the upper—middle class and the lower middle—class families.

Indian Furniture Industry

The furniture industry in India is considered as a "non organized" sector, with handicraft production accounting for about 85% of the furniture production in India.

The furniture sector in India only makes a marginal contribution to the formation of GDP, representing just a small percentage (about 0.5%).

Among all the types of furniture used, office furniture segment is the one that boasts the most important companies, both from the point of view of size and of the technological innovation of the production. The furniture industry employs a total of around 300,000 workers.
The total production of furniture in 2001-02 (according to Annual survey of Industry) was USD 3580 million.

Foreign trade picture with regard to furniture is not very impressive. In 2000, India ranked 48th among furniture exporters and 49th among importers. This situation can be explained by the high import duty applied, and on the other hand, from the low technological level of Indian companies and the local tastes and traditions that influence the style of the products offered, making them difficult to export.

According to data for index of industrial production, as many as 14 of the 17 two-digit industry groups have shown positive growth during the month of January 2005 as compared to the corresponding month of the previous year. However, Wood Products; Furniture and Fixtures' have shown a negative growth of 16.7%.\(^1\)

"Wood and Wood Products, Furniture and Fixtures" carry a weight of 27.01% in the total MANUFACTURING SECTOR. This category has however shown a decline in recent years.

The more recent data shown in the table below, obtained from ministry of commerce, shows the trend in this category over the past 6 months. Trend of furniture production (Aug 2004-Jan 2005).\(^2\)

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Table 3.1

Trend of Furniture Production
The visible consumption of furniture is estimated to be 15 USD per year per inhabitant but this average hides wide variation in populations in rural areas and cities.

Usually, a manufacturer or a craftsman has his own store where he presents products or imported furniture. Consumers choose in the store or order bespoke furniture.

FUTURE PROSPECTS

India presents a favourable outlook to sell furniture and it is expected that the furniture industry would grow further in the coming years. Two important reasons for this are:

First India’s large size and;

Secondly, Indian tastes have started to be more refined and Indian people are looking for more western furniture style.

The prospect of the furniture sector in India seems positive.

Several agreements have been signed between local producers looking for technology and European companies trying to reach a market or to reduce their costs.

A recent on-field UEA research, co-funded by the European Commission, has identified some 150 Indian companies (not only furniture manufacturers and retailers but also banks, hotels and enterprises) wishing to start commercial and/or industrial co-operation with EU counterparts. Their company profiles are quite complete.³
Legislation on various ways of setting up business and on intellectual property rights exists as well as a lot of advantages for foreign companies to establish business alone or with partners in India. Indian government is continuously taking steps to minimize entry-exit barriers for foreign companies and government is facing pressure to liberalise the duty structure. Further, in comparison with other countries such as China and Mexico, where the time required to start a business is less, India still involves more legal fulfillments. Hopefully, in coming years these shortcomings will be done away with.

India's place in the history of furniture is that of an adapter or transformer of imported Western styles rather than a creator of independent styles of its own. Domestic furniture in the sense in which it is known in Europe was not traditional in India before the 16th century, and even such familiar objects as tables and chairs were rarely used until the spread of Portuguese.

Examples of ancient furniture are extremely rare, but there is considerable knowledge of the pieces made by craftsmen in China, India, Egypt, Mesopotamia, Greece, and Rome from pictorial representations. Beds, tables, chairs, boxes, stools, chests, and other pieces were nearly always made of natural wood.

Mr. Sunil Suresh founder and CEO of Stanley Seating places the estimated potential between Rs.6000 and Rs.10000 crores annually in India. Mr. Arun Mahajan, Managing Director and Mr. Parameswaran, Chief operating officer both belonging to Style Spa, are optimistic that the potential would touch Rs.20000 crores worldwide with a 20% growth rate annually. Many of the foreign corporations are moving towards India to set up their captive centers in the IT Sector, BPO Sector and KPO Sector. For example, IBM, Microsoft and Accenture already have the facilities in Pune, Bangalore,
Hyderabad and Chennai. The growth in employment and income levels is sure to bring about an increase in family spending on household furniture.

It is expected to attract the foreign companies to move towards India to set up their own manufacturing facilities are enter into partnerships with the Indian companies. As a result suppliers of materials like solid wood and compressed wood are also eyeing the Indian market to take advantage of the projected growth.

ENTRY OF FURNITURE RELATED SUPPLIERS and service providers

The American Hardwood Export Council (AHEC), a joint venture between the US government and hardwood manufacturing companies in the US, is looking at India as the next big market for exporting hardwood.6

In an effort to tap the huge export potential in India, the council is setting up its India office at New Delhi in the next six months.

"We are coming to India for the first time with the intention of promoting hardwood exports. What we understand about India is that the growth here is explosive. We want to make use of the huge and growing construction industry here,” said Peter King, vice chairman, AHEC.7

King, who is in Bangalore to participate in the Indiawood 2006, an expo on woodworking machinery industry starting here on Thursday, told Business Standard that AHEC is looking at India as its next growth market after China and the EU. The American hardwood industry is valued over $2 billion, 12 per cent of which is exported.
AHEC, which promoted $100,000 worth of hardwood exports to India in 2005, aims to increase the exports to over $20 million in the next five years.

To promote hardwood consumption in India, AHEC is presently organising workshops in Mumbai and Bangalore on American hardwood lumber grading to the National Hardwood Lumber Association (NHLA) standard.

The first workshop was held in Mumbai on Wednesday and the second is being held in Bangalore on February 17, King said.

Eight companies from the US will display their products at the Indiawood 2006. "Though American hardwood exports to India are relatively limited at the moment, the future opportunities are vast for US hardwood exporters, particularly in the high-end interiors sector and among the highly-skilled Indian manufacturing base," King said.

The American hardwood industry can help Indian wood companies by offering a reliable, consistent supply of high quality products which are already well-established in high-end markets the world over, he added.

Hardwood is sourced from trees like oak, walnut, cherry and poplar in the US. The wood being exported to India will be kiln wood and dried wood which is suitable for making furniture, staircases, flooring and kitchen cabinets.

Italy, the second largest exporter of wood work machineries in the world, is not only keen on investing more in India, but also further improving relations with its wood working industry, Association of Italian Woodworking Machinery Manufacturers Managing Director Dr Poula Zanibon informed today.8
Talking to reporters on the sidelines of 'IndiaWood-2006,' Asia's biggest exposition on wood working industry, he said the wood working sector in India was growing, especially with regard to furniture, and Italy could extend better co-operation in this direction.

He pointed out that the wood trade volume of Italy to India was growing every year and it had already touched 3.8 million Euros in the last eight months.

Appreciating the Karnataka Government's new Industrial policy, Dr Zanibon said Italian traders would take advantage of it and forge close ties with the state.

He said the Advanced Woodworking Training Center, a technical school on Woodworking technology, a first of its kind initiative in India, was launched by the Italian Trade Commission and the Association with the support of the Indian Government. More than 35 courses were being conducted at the Institute, an Indo-Italian Project, and already over 1,200 artisans had been given training in woodworking technology.

Dr Zanibon said taking into consideration the success of the training school in the premises of the Institute of Wood Science and Technology in the city, the Association planned to open more such institutes in North India.

The Italian Government proposes to upgrade and expand its Woodworking Training Institute in the city, Italian Trade Commissioner to India Vittorio Mecozzi informed.

Talking to newsmen, he said it was proposed to upgrade the Institute from the conventional and semi-automatic machinery to CNC-aided machine details.
The Institute, set up in 2003, in association with the Association of Italian Woodworking Machinery Manufacturers (ACIMALL) and the Union Environment and Forests Ministry, offered more than 24 courses for youngsters.  

Mr Mecozzi said that as part of expansion, a group of technical instructors would be trained in Italy. Besides, talks were also underway with Italian woodworking machinery manufacturers for acquiring new machines.

ACIMALL Managing Director Dr Poulo Zanibon, who was also present, said it was contemplated to provide medium technology CNC machines.

It was also planned to provide training in Italy to some Indian woodworking professionals in furniture-making.

He said that as part of the Indo-Italian Trade Promotion, the Italian government and ACIMALL would sponsor an Indian wood industry and trade delegation, essentially comprising end users, to Xylexpo, the World's largest wood machinery fair to be held in Milan from May 16 to 20 this year.

THE MAJOR PLAYERS

There are 3 players in the furniture Industry in India.

Firstly, the multinationals like Godrej India and Style Spa have their retail outlets and franchises in all the metropolitan cities and are also expanding into smaller towns. These companies also account for furniture exports to Europe and the countries in the Middle East.
Secondly, companies like Usha Lexus belonging to the Usha group and Lifestyle have the network in north India and south India.

Thirdly, there are the local manufacturers who sell their products through their own retail outlets and also through other outlets on consignment basis.

These 3 categories together contribute only 20% of the total market potential. Hence more companies and multinationals are soon expected to step into the market to take advantage of the growing demand.

The US based $2 billion upholstered furniture company, La-Z-Boy Incorporation, will enter the Indian market in partnership with Stanley Seating, a Rs.50 crore company that has been custom making leather seat upholstery for luxury car makers.

According to Mr. Sunil Suresh, the CEO of the Stanley Seating, the company obtained the sole partner license amidst stiff competition from Godrej, Durian and others.

La-Z-Boy sells 16000 pieces a day across 65 countries with manufacturing plants all over the world. They are making a debut in India through Stanley Seating which will also distribute their furniture in Sri Lanka, Pakistan, Bangladesh and Nepal. In India, Stanley Seating will initially tie up with 75 dealers in the first year of operations in Delhi, Gurgaon, Mumbai, Bangalore and Hyderabad. India was selected as a target market based on its vibrant economy and growing demand for products.
THE PROMINENT INDIAN PLAYERS

GODREJ & BOYCE

This company which is more than 100 years old, is an household name in India manufacturing and supplying the wide range of products from consumer goods to consumer durables and appliances. The furniture division specializes in steel furniture for offices and also wardrobes for the household popularly known as Store well. Recently, this division also started import and distribution of household wooden furniture through the Godrej showrooms. Though it has established itself as a pioneer in office furniture it is yet to make a big headway in household furniture. However, the company is planning diversification in this area and will very soon start manufacturing of household furniture.

Godrej & Boyce is foraying into the consultancy business is also planning to introduce products for hospital and school segments.

Instead of providing only furniture for offices, the company is planning to offer consultancy to decorate the office space. "We have began in a small way. But going forward, this will be a growth area for the company," said Manoj Ganjawala, vice-president (marketing and sales).

Moreover, the company is firming up new product lines for hospital and school segments, as these two sectors are witnessing a boom.

At the same time, it is also focusing on the IT and ITeS sector. "This sector is growing at 30 per cent and accounts for 37 per cent of the total office furniture market," Ganjawala said.
The furniture and interior division of Godrej & Boyce is hoping to clock a turnover Rs.600 crore this year, contributing 30 per cent to the company’s turnover.

It has a national market share of 20 per cent within the organised sector. In the unorganised sector, too, it is a significant contributor.

The office segment is valued at Rs.3,000 crore and the home segment at Rs.6,000 crore.

The factory-finished products of the home segment is growing at 20 per cent, while the entire segment is registering only a 5 per cent growth.

The company is also planning to consolidate its international presence.

It has four manufacturing facilities located in Oman, Malaysia, Vietnam and Singapore catering to local markets.

In India, too, the company has four manufacturing facilities — three in Mumbai and one in Guwahati.

**STYLES SPA**

Promoted by the Birla group of companies in 1998, this company was formerly known as Gautier. Every piece of Style Spa furniture is built to exacting technical and aesthetic specifications. Matching such standards demanded by a factory that is equally flawless.\(^\text{11}\)

The giant $15-million factory in Chennai, South India - 225,000 square feet of imported equipment and dedicated employees - is well suited to the task. This plant can churn out 200,000 pieces of furniture annually. The high levels
of technology, of both material and machinery, ensure absolute consistency in fit and finish, from the first unit to the last.

Be it a TV cabinet or a bed, each Style Spa product follows the same path to perfection. Computer-simulated creations from the design team begin life as panels of particle board (a high-quality tailored wood based product that's eco-friendly, attractive and easy to work to with). Passing through lamination, sawing, edge-binding and varnishing sections, they emerge as prototypes that are tested and checked rigorously. Finally, only after a strict quality-control crew is impressed, mass production is flagged off. The finished furniture, made to last for generations, makes its way to showrooms and homes right from India to Europe.

The lesser known Indian furniture industry is growing by leaps and bounds with Style Spa Furniture Limited planning to open showrooms in South Asian Association for Regional Cooperation (Saarc) countries this year.

Styles Spa's Managing Director Arun Mahajan said they have been exporting office furniture to the United Kingdom, France, Dubai and Mauritius and the demand is growing. They are now tapping the home furniture market in Saarc countries which has a great potential. They plan to open showrooms in these countries, including Pakistan and Sri Lanka.

He said though exports to the UK doubled within a year and stood at Rs.8 crore, it was only 10 per cent of the total turnover of the company which is expected to touch Rs.75 crore in the year 2003-04 year and Rs.100 crore in 2004-05.

The K.K. Birla group company, which had its turnover of Rs.10 crore in 1998-99, has grown over the years and now as far as the product range goes, it
has plans firmed up for furniture and home-related accessories like furnishings, table lamps, curios and artefacts.

However, exports give a quality edge because the company had to compete with international brands.

The furniture industry in India is still unorganised with only 20 per cent in the organised sector though the home furniture market in the world is worth Rs.20,000 crore and during the past three years it grew by 20 per cent per annum.

According to a World Bank study, the organised furniture industry is expected to grow by 20 per cent a year and India, Russia and Brazil will witness a boom.

Style Spa Chief Operations Officer K. A. Parameswaran said that they certainly want to take advantage of the boom in domestic market. They already have 60 showrooms all over the country, including the metros, but this year they will add 25 more showrooms in places like Chandigarh, Ludhiana, Jammu, Dehar Dun, Faridabad, Lucknow, Kanpur, and many more.

Interestingly, the Style Spa factory, located at Kakkalur in Tamil Nadu, 40 km from Chennai, has a workforce of 350 people, but none of them are carpenters as the entire production process is mechanised.

This factory is one of Asia’s largest and most modern plants manufacturing furniture. The factory is equipped to handle all aspects of furniture production, including design with an internationally trained team.

**USHA LEXUS**

This company belonging to the Usha group is popular in North India and South India. It manufactures and markets solid wood furniture through its
own retail outlets. It is one of the popular national brands in household furniture enjoying the brand image created by the Usha group for household appliances and electrical fittings. It is planning to set up showrooms in the smaller towns to cater to the requirements of the consumers in the urban and semi-urban parts of the country.

THE CHENNAI SCENERIO

Chennai, formerly known as Madras, is the capital of the state of Tamil Nadu and is India's fourth largest city. It is located on the Coromandel Coast of the Bay of Bengal. With an estimated population of 7.45 million (2005), the 367-year-old city is the 41st largest metropolitan area in the world. Chennai boasts of a long history from ancient South Indian empires through colonialism to its evolution in the 20th century as an IT hub.

The region served as an important administrative, military, and economic center as far back as the 1st century. Records indicate that the ancient province of Tondaimandalam had its capital and military headquarters at Puzhal, which today is a small village on the northwest fringe of Chennai.

It is hypothesized that the apostle St. Thomas had immigrated to India in 52 to preach the teachings of Jesus, and he preached from on top of a hillock in the southwest part of the city. He was later said to be assassinated around the year 70.

Over the centuries many rulers ruled over the region as the South Indian empires grew stronger. The Pallavas who were the most prominent built several large temples in and around Chennai, which include the Kapaleeshwarar temple at Mylapore and the Shore Temple at Mahabalipuram.
Modern Chennai had its origins as a colonial city and its initial growth was closely tied to its importance as an artificial harbour and trading centre.

Today, Chennai has become a preferred destination for the IT segment, the BPO segment and the KPO segment as also the LPO segment in the service sector. The IT highway from Madhyakailash branching off from the Sardhar Patel road, Adyar stretches 20 km upto Kelambakkam in the old Mahabalipuram road. All the Indian IT majors such as the Infosis, the Tata consultancy services, the Wipro, Cognizant technology services and Polaris labs have their software division on the IT highway. In addition, there are a number of engineering colleges and arts and science colleges located on this highway starting from Thorapakkam. The busy commercial centre in T. Nagar and Parry’s corner and the East coast road connecting the southern parts of the state with a number of amusement parks are the other prominent locations in the city.

MANUFACTURERS IN CHENNAI

Furniture manufacturers are spread out throughout the city networking with small and big showrooms of retailers in the urban and semi-urban outskirts of Chennai. They also have their own retail outlets in the prominent commercial centers like T.Nagar, Annanagar and Royapetah high road in South Chennai which incidentally has the maximum number of retail outlets.

Jayabharatham Furniture and Appliances, popularly known as JFA,\textsuperscript{12} has a well knit retail network in Chennai and the other parts of the state. It is a 70 year old company, which deals in solid wood, compressed wood and metal furniture. Styles Spa ltd. has 2 of its showrooms in Egmore and Annanagar and a number of franchises. Godrej & boyce and Usha lexus also have their showrooms in Mylapore and Egmore. The other local players are concentrated in Royapettah, T.nagar and Annanagar.
Sivasakthi Woodworks operating under the brand name Nitraa specializes in compressed wood furniture for bedroom and also makes entertainment and computer furniture. It has an All India retail network on dealership basis and has its own retail outlets in Royapettah and Guindy.

THE PROMINENT DEALERS

Sathya furniture is a pioneer dealer with retail outlets in Mylapore, Ambattur and Velachery in Chennai. With 25 years of standing, it is among the first few companies to anticipate the growth potential and take advantage of it.

Modfurn is a 20000 sq.ft. showroom located at Royapettah that deals with imported furniture for all requirements like living room, dining room, bedroom, entertainment and computer furniture. Promoted by the JFA it imports furniture from Switzerland, Germany, UK and other parts of the world.

The Ekbote logs and lumbers (P) ltd., a Pune based manufacturing company has a retail outlet at T.nagar in Chennai and is also net worked with prominent dealers in the city. Operating under the brand name ‘Simply’, it promotes household furniture for living room, dining room, bedroom, entertainment and computer furniture. Life style chain is also a notable dealer promoting the sale of furniture through all its life style showrooms located in prominent parts of the city. Carryfour in Annanagar, Goldhouse, Imperial furniture and Anush are the other notable dealers in T.Nagar.

Annual potential is estimated between Rs.1200 crores and Rs.1500 crores according to the COO of Styles Spa. The demand is expected to grow @ 15% annually. One of the main reasons for this growth is the increase in the income levels of people, thanks to the boom in the service sector. In addition, the IT companies are offering interest free furniture loans to its employees which need not be repaid if the employee stays for a minimum period of 2 years in the company according to Mr. J.Umashankar of Hexaware ltd. This
measure aimed at employee retention has become popular and is now followed by other companies in the service sector with varying clauses and conditions. For the purpose of this study, household furniture is classified into 3 categories, viz. solid wood, compressed wood and metal furniture based on the raw materials used. It is also classified as living room, dining room, bedroom, entertainment and computer furniture based on utility. Office furniture segment falls outside the purview of this study and plastic furniture is also not considered for this study.

Solid wood furniture includes furniture for all uses made out of teak wood and padak the most widely used natural wood material in India.

Compressed wood includes particle boards and medium density fibre wood made of tailored wood paste which gives a sleek finish and is ready to assemble.

Metal furniture includes only powder-coated, mile-steel tubular furniture which is now become very popular among the lower income groups on account of its affordable prices. The higher income group also prefers this category as it is eco-friendly and will withstand the vagaries of transportation on account of re-location. It is also quite easy to replace it once in every 5 years or more.

RECENT TRENDS

There has been an increased focus on sale through organized sales and exhibitions in the developing countries like Dubai, Malaysia and India. These furniture fares are organized on a large scale to attract suppliers and consumers from all over the world. The Indian furniture manufacturers like Godrej & boyce, Styles Spa, Ushalexus are among the prominent players who exhibit their products in these fares. In the International scenario India is competing with China and Malaysia to bag orders from Europe, Australia and U.S. The Malaysian International Furniture Fair (MIFF) is an annual feature conducted
in Kolalambur. The MIFF fair for 2006 is scheduled to start on 7th March and go on up to 17th March 2006, in a sprawling area of 70000 sq. m in 2 venues. This represents a 6 fold increasing space compared to the 12000 sq. m affair in the year 1994. Concept furniture and trend setting are the main thrust areas of the MIFF which hopes to transact a business of 600 million US$ in the 2006 fair.

Taking cue from the international fares, large-scale furniture exhibition and fares are also Conducted in India. In Chennai the Interior and Exterior Furniture Expo which is conducted annually is very popular and a big success among the furniture suppliers and consumers.

The 'Zak Interior Exterior Expo & International Furniture Fare' is planned to prompt traffic among a varied set of buyer groups. This fair provides outlets for Interiors, Architectural Consultancy, Design Educational Institutions, Furnishing Fabrics, Furniture-Modern, Traditional & Antiquated Upholstered Furniture & Loose Covers & many more. Architects, Interior Designers / Decorators, Wholesalers, Distributors, Manufacturer, Importers / Exporters, Consumers are the target visitors. The Fare is a unique platform to display an array of services and products of Exporters / Importers / Dealers / Manufacturers / Designers of furniture, interiors and exteriors related products.

This fair is organized by Zak Trade Fares and Exhibitions private Limited at Nandambakkam in Chennai.

PRIVATE EXHIBITIONS

Furniture manufacturers and dealers also organized exclusive exhibitions at the time of launching or for promoting a sale. The big players like Styles Spa prefer Sir. Raja Muthiah Hall in Egmore for this purpose. The medium and small players organized their sale in popular marriage Halls during off-seasons particularly in July-August or December-January. These periods are considered inauspicious for conducting marriages and the halls are
available for a longer period at a lower rent. They also organize festival sale in
their own showrooms during the famous festivals of Dhasara, Diwali and
Pongal. This sale is marked by heavy discount sale ranging up to 50%.

These promotional schemes are aimed at enhancing the sale of furniture
both during off-seasons and taking advantage of the consumers’ preferences for
purchase of furniture during festival seasons. The consumers believe that this is
not only on account of sentiment but is also cost effective due to the high
discounts offered by the dealers.

EXHIBITIONS IN OTHER TOWNS

Now-a-days the manufacturers and dealers also organize exclusive
exhibitions for their products in smaller and potential towns both within the
state of Tamilnadu and outside Tamilnadu. Since, they have no retail outlets of
their own in these towns the manufacturers and the dealers use this exhibitions
to probe these areas for setting up their own showroom are networking with
local players.

PROBLEMS OF FURNITURE INDUSTRY

More than one million units have stuck up at one crore turnover for the
last 5 years. When the flood gates were opened under WTO, many countries
mainly Chinese origin are flooding India with products mostly electronics,
hardware, toys, furniture and many consumer goods and consumer durable
products. Particularly, the adverse impact on the furniture Industry is being
increasingly felt by the small scale local players who have to compete with
imported furniture from China and Malaysia.

They do not come under excise duty, whereas the units in India
manufacturing the same items are subject to excise duty. Once SSI units
crosses more than one Crore per unit, they have to pay 16% duty plus VAT in
addition to the excise duty of 16% + sales tax already paid on raw materials. This is a kind of step-motherly treatment to local industries, opined SSI units, in a press note issued in Hyderabad.

We are unable to compete with imported goods and also with the other similar manufacturers who are below excise limits of exemption. In addition, the units are unable to compete with the unscrupulous people who sell the products without any duty and tax, informed P. Seshanjaneyulu, President of Anantpur District Chamber of Commerce & Industry.

As the SSI could not afford in building brand image, products are sold with the mercy of dealers. Further, most of the units are highly labour oriented. The other problem is the escalation in prices putting the SSI units under severe pressure. We are also surprised that, when metal rates go up in London, why should we increase it here, said Seshanjaneyulu.

Today the SSI units are also confronted with a peculiar problem of excess labour. For instance, 5 years back to achieve Rupees one Crore turnover, the industry needed 50 labourers and 50 tons of raw material. Today at the escalated prices only 25 tonnes will be sufficient to reach one Crore turnover. Hence, the less tonnage of consumption of raw material will automatically make the unit force to retrench 50% of the labour, added another SSI unit owner.

For SSI Units, when the growth comes to a halt by reaching one Crore turnover, many entrepreneurs are getting frustrated and after few years they are leaving SSI units and diverting into some other business.

Hence, the SSI units strongly appeal to Central Government to either give total exemption of excise duty or keep a higher turnover limit of Rs 5 Crore instead of present One crore limit. This will bring about phenomenal growth in this sector.
CONCLUSION

This chapter provides the background of the furniture industry in India in all its dimensions such as the future prospects, growth potential, and the challenges faced by the industry. As the study is focused on Chennai metropolitan city of Tamil Nadu in India, a brief history of Chennai and its present population, important commercial centers, and major players in the furniture industry are briefly touched upon. The next chapter presents the factors of purchase behavior of consumers of furniture. It also includes the sources of influence, information, and affordability of consumers. This is aimed at understanding and analyzing the purchase behavior patterns of consumers of household furniture in terms of the factors influencing the lifestyle perceptions.
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