

KHADI & VILLAGE INDUSTRIES COMMISSION
PROJECT PROFILE FOR GRAMODYOG ROJGAR YOJNA

FOOTWERAR & LEATHER GOODS UNITS

The Village Leather Industry is one of the oldest traditional industry in the country as well as it is an important activity in KVI sector as it provides considerable employment to the weaker section ,mainly SC,ST and minority communities by extending technical ,marketing and financial support .Use of footwear was till recently restricted to the cities and urban areas. But now the use of footwear has become as essential for the rural population also. With the increase in the population the demand for the footwear is also increasing . The gents ladies and attractive children foot wears are high in demand/. There is a good scope for the export of quality products.

1. **Name of the product.** : Footwear & Leather Goods
2. **Project Cost.** :
- a. Capital Expenditure
- Land :
- Building Shed (1000sq.ft.): Rs.5,00,000.00
- Machinery & Equipment : Rs.5,50,000.00
- Total Capital expenditure** : Rs. 10,50,000.00
- b Working Capital : Rs. 7,30,000.00
- TOTAL PROJECT COST** : Rs.17,80,000.00

1. Estimated Annual Production of Footwear (Value in '000')

| Sr. No. | Particulars | Capacity | Rate(Rs.) | Total Value (Rs.) |
|---------|--------------------------|--------------|------------|-------------------|
| 1 | Footwear & Leather Goods | 24,000 pairs | 152.00 | 3652.00 |
| | Total | | | 3652.00 |

4. Raw Material : Rs.24,00,000.00
- 5.Lables and packing Material : Rs.1,20,000.00
- 6.Wages (Skilled & Unskilled) : Rs.3,12,500.00
- 7.Salaries : Rs.1,20,000.00

Contd..2.

: 2 :

| | | |
|-----|------------------------------|-------------------|
| 8 | Administrative Expenses | : Rs.40,000.00 |
| 9. | Overheads | : Rs.50,000.00 |
| 10 | Miscellaneous Expenses | : Rs.12,500.00 |
| 11. | Depreciation | : Rs.80,000.00 |
| 12. | Insurance | : Rs.1,05,000.00 |
| 13. | Interest (As per the PLR) | |
| | a. C.E.Loan | : Rs.1,31,250 |
| | b.W.C.Loan | : Rs.3,60,310.00 |
| | Total Interest | : Rs.4,91,560.00 |
| 14. | Working Capital Requirements | |
| | Fixed cost | : Rs.4,08,750.00 |
| | Variable cost | : Rs 32,42,810.00 |
| | Requirement of WC per Cycle | : Rs.7,30,300.00 |

14.Estimated Cost Analysis

| Sr. No. | Particulars | Capacity Utilization (Rs.in '000') | | | |
|---------|----------------------|------------------------------------|---------|---------|---------|
| | | 100% | 60% | 70% | 80% |
| 1 | Fixed Cost | 4,09.00 | 245.00 | 286.00 | 327.00 |
| 2 | Variable Cost | 3243.00 | 1946.00 | 2270.00 | 2594.00 |
| 3 | Cost of production | 3652.00 | 2191.00 | 2556.00 | 2922.00 |
| 4 | Projected Sales | 4748.00 | 2849.00 | 3324.00 | 3798.00 |
| 5 | Gross Surplus | 1096.00 | 658.00 | 767.00 | 877.00 |
| 6 | Expected Net Surplus | 1016.00 | 610.00 | 711.00 | 813.00 |

Note :

1. All figures mentioned above are only indicative and may vary from place to place and also the varieties of the products depending on the raw materials used and the designs.
2. If the investment on Building is replaced by using Rental building the following benefits can be derived.
 - a. Reduction in total cost of project will be come down.
 - b. Increase in profit.
 - c. Reduction of interest on C.E. loan.

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