

Khadi and Village Industries Commission Mumbai

PROJECT PROFILE ON LEATHR BRIEFCASE

Introduction :

The Leather Brief Case is a consumer item. It has many uses. People generally use it for carrying their belongings on long journey. Leather Brief Cases are found in a number of varieties depending upon the material, fashion design, capacity etc. and are made in different sizes, such as 18" X 10"; 14" X 6", 12" X 6" etc. as per the customers' demand. Thick, glossy, soft and resilient leathers are suitable for making the Leather Brief Cases. Generally, Natural Dry Milled Leathers (NDM), Printed Dry Milled Leathers (PDM) and Printed Leathered are used. However, other materials can also be used as per requirement.

1 Name of the Product : LEATHER BRIEFCASE

2 Project Cost :

a Capital Expenditure

Land	:		Rs.	Own
Work shed in sq.ft rented	:	0	Rs.	-
Equipment	:		Rs.	434,000.00

Flat Bed Single Needle Industrial Stitching Machine (31K) with Motor and Accessories, Cylinder Bed Industrial Stitching Machine- Heavy Needle with Motor and Accessories, Skiving Machine, Strap Cutting Machine, Shearig Machine, Riveting Machine, Workshop Tools & Equipment, Work table (3ft X 8ft ) Steel frame, ply board Top, Steel Racks, Electrification & Installation. Misc. Assets like Office equipment, furniture etc.

Total Capital Expenditure	Rs.	434,000.00
b Working Capital	Rs.	1,070,000.00
<b>TOTAL PROJECT COST :</b>	<b>Rs.</b>	<b>1,504,000.00</b>

3 Estimated Annual Production Capacity:

(Rs. in 000)

Sr.No.	Particulars	Capacity in No./Q.	Rate	Total Value
1	LEATHER BRIEFCASE	4800.00	1356.00	6509.76
<b>TOTAL</b>		<b>4800.00</b>	<b>1356.00</b>	<b>6509.76</b>

4 Raw Material : Rs. 5,500,000.00

5 Labels and Packing Material : Rs. 75,000.00

6 Wages (2-Skilled & 2- Unskilled) Rs. 300,000.00

7 Salaries (1-Manager) Rs. 120,000.00

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<b>8</b>	<b>Administrative Expenses</b>	<b>:</b>	<b>Rs.</b>	<b>120,000.00</b>
<b>9</b>	<b>Overheads</b>	<b>:</b>	<b>Rs.</b>	<b>120,000.00</b>
<b>10</b>	<b>Miscellaneous Expenses</b>	<b>:</b>	<b>Rs.</b>	<b>75,000.00</b>
<b>11</b>	<b>Depreciation</b>	<b>:</b>	<b>Rs.</b>	<b>43,400.00</b>
<b>12</b>	<b>Insurance</b>	<b>:</b>	<b>Rs.</b>	<b>4,340.00</b>
<b>13</b>	<b>Interest (As per the PLR)</b>			
	<b>a. C.E.Loan</b>	<b>:</b>	<b>Rs.</b>	<b>56,420.00</b>
	<b>b. W.C.Loan</b>	<b>:</b>	<b>Rs.</b>	<b>139,100.00</b>
	<b>Total Interest</b>		<b>Rs.</b>	<b>195,520.00</b>
<b>14</b>	<b>Working Capital Requirement</b>	<b>:</b>		
	<b>Fixed Cost</b>		<b>Rs.</b>	<b>375,760.00</b>
	<b>Variable Cost</b>		<b>Rs.</b>	<b>6,134,100.00</b>
	<b>Requirement of WC per Cycle</b>		<b>Rs.</b>	<b>1,084,977.00</b>

**15 Cost Analysis**

Sr.No.	Particulars	Capacity Utilization(Rs in '000)			
		100%	60%	70%	80%
<b>1</b>	<b>Fixed Cost</b>	375.76	225.46	263.03	300.61
<b>2</b>	<b>Variable Cost</b>	6134.00	3680.40	4293.80	4907.20
<b>3</b>	<b>Cost of Production</b>	6509.76	3905.86	4556.83	4594.41
<b>4</b>	<b>Projected Sales</b>	7500.00	4500.00	5250.00	6000.00
<b>5</b>	<b>Gross Surplus</b>	990.24	594.14	693.17	792.19
<b>6</b>	<b>Expected Net Surplus</b>	947.00	551.00	650.00	749.00

- Note :
- 1.All figures mentioned above are only indicative.
  - 2.This is model project profile for guidance
  - 3.Cost of Project, and its prioiflity will be changed depends on the area, availability of raw Material, man power, power requirement and various other factors etc..