

KHADI & VILLAGE INDUSTRIES COMMISSION
PROJECT PROFILE FOR GRAMODYOG ROJGAR YOJANA

FOOTWEAR & LEATHER GOODS UNIT

Use of footwear was till recently was restricted to the cities and urban areas. But now the use of footwear has become an essential for the rural population also. With the increase in the population the demand for the footwear is also increasing. The gents ladies and attractivek children footwears 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	:	Own
Building Shed 500 Sq.ft	:	Rs. 100000.00
Equipment	:	Rs. 125000.00
Total Capital Expenditure		Rs. 225000.00
b Working Capital		Rs. 189000.00
TOTAL PROJECT COST	:	Rs. 414000.00

3 Estimated Annual Production of Footwear : (Value in '000)

Sr.No.	Particulars	Capacity	Rate	Total Value
1	Footwear & Leather Goods	45000.00 Pairs	21.00	948.50
	TOTAL			948.50

4 Raw Material	:	Rs. 500000.00
5 Lables and Packing Material	:	Rs. 10000.00
6 Wages (Skilled & Unskilled)	:	Rs. 250000.00
7 Salaries	:	Rs. 72000.00

8	Administrative Expenses	:	Rs.	20000.00
9	Overheads	:	Rs.	30000.00
10	Miscellaneous Expenses	:	Rs.	10000.00
11	Depreciation	:	Rs.	17500.00
12	Insurance	:	Rs.	2250.00
13	Interest (As per the PLR)			
	a. C.E.Loan	:	Rs.	29250.00
	b. W.C.Loan	:	Rs.	24570.00
	Total Interest		Rs.	53820.00
14	Working Capital Requirement	:		
	Fixed Cost		Rs.	133500.00
	Variable Cost		Rs.	814570.00
	Requirement of WC per Cycle		Rs.	189614.00

15 Estimated Cost Analysis

Sr.No.	Particulars	Capacity Utilization(Rs in '000)			
		100%	60%	70%	80%
1	Fixed Cost	133.50	80.10	93.45	106.80
2	Variable Cost	815.00	489.00	570.50	652.00
3	Cost of Production	948.50	569.10	663.95	758.00
4	Projected Sales	1100.00	660.00	770.00	880.00
5	Gross Surplus	151.50	90.90	106.05	121.00
6	Expected Net Surplus	134.00	73.00	89.00	104.00

Note : 1. All figures mentioned above are only indicative and may vary from place to place.

2. If the investment on Building is replaced by Rental Premises

a. Total Cost of Project will be reduced.

b. Profitability will be increased.

c. Interest on C.E. will be reduced.