

KHADI & VILLAGE INDUSTRIES COMMISSION
PROJECT PROFILE FOR GRAMODYOG ROJGAR YOJANA

HAWAI CHAPPAL UNIT

The most common and widely used sponge chappels (Hawai) are very much in demand. Simple production with innovative designs has given a fantastic movements of this variety in the market. Good market opportunity very good profit potentiality and more employment generation are the salient feature of the product.

1	Name of the Product	:	Hawai Chappal
2	Project Cost	:	
	a Capital Expenditure		
	Land	:	Own
	Building Shed 1000 Sq.ft	:	Rs. 200000.00
	Equipment	:	Rs. 150000.00
	Total Capital Expenditure		Rs. 350000.00
	b Working Capital		Rs. 306000.00
	TOTAL PROJECT COST	:	Rs. 656000.00

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

Sr.No.	Particulars	Capacity	Rate	Total Value
1	Hawai Chappals			1531.00
	TOTAL			1531.00

4	Raw Material	:	Rs. 1200000.00
5	Lables and Packing Material	:	Rs. 5000.00
6	Wages (Skilled & Unskilled)	:	Rs. 120000.00
7	Salaries	:	Rs. 72000.00

8 Administrative Expenses	:	Rs.	15000.00
9 Overheads	:	Rs.	20000.00
10 Miscellaneous Expenses	:	Rs.	10000.00
11 Depreciation	:	Rs.	25000.00
12 Insurance	:	Rs.	3500.00
13 Interest (As per the PLR)			
a. C.E.Loan	:	Rs.	45500.00
b. W.C.Loan	:	Rs.	39780.00
Total Interest		Rs.	85280.00
14 Working Capital Requirement	:		
Fixed Cost		Rs.	146000.00
Variable Cost		Rs.	1384780.00
Requirement of WC per Cycle		Rs.	306156.00

15 Estimated Cost Analysis

Sr.No.	Particulars	Capacity Utilization(Rs in '000)			
		100%	60%	70%	80%
1	Fixed Cost	146.00	87.60	102.20	116.80
2	Variable Cost	1385.00	831.00	969.50	1108.00
3	Cost of Production	1531.00	918.60	1071.70	1224.80
4	Projected Sales	1700.00	1020.00	1190.00	1360.00
5	Gross Surplus	169.00	101.40	118.30	135.20
6	Expected Net Surplus	144.00	76.00	93.00	110.00

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

- Total Cost of Project will be reduced.
- Profitability will be increased.
- Interest on C.E.will be reduced.