

KHADI & VILLAGE INDUSTRIES COMMISSION
PROJECT PROFILE FOR GRAMODYOG ROJGAR YOJANA

INTENSIVE FLAYING CENTER

The use of leather has substantially increased. The leather was used mainly in footweares and bags. Now a days all expensive furnishing Sofas, Chairs, Car seats and a number other decorative items, leather furnishings are extensively used. The availability of raw material is plenty. The leather has export market also.

1	Name of the Product	: Raw Hides , Skins & Other By-Products.
2	Project Cost	:
	a Capital Expenditure	
	Land	: Own
	Building Shed 1500 Sq.ft	: Rs. 300000.00
	Equipment	: Rs. 500000.00
	Total Capital Expenditure	Rs. 800000.00
	b Working Capital	Rs. 183000.00
	TOTAL PROJECT COST	: Rs. 983000.00

3 Estimated Annual Production of Raw Hides, Skins etc. : (Value in '000)

Sr.No.	Particulars	Capacity	Rate	Total Value
1	Raw Hides, Skins & By products			918.00
	TOTAL			918.00

4	Raw Material	: Rs. 420000.00
5	Lables and Packing Material	: Rs. 10000.00
6	Wages (Skilled & Unskilled)	: Rs. 200000.00
7	Salaries	: Rs. 72000.00

8 Administrative Expenses	:	Rs.	20000.00
9 Overheads	:	Rs.	50000.00
10 Miscellaneous Expenses	:	Rs.	10000.00
11 Depreciation	:	Rs.	65000.00
12 Insurance	:	Rs.	8000.00
13 Interest (As per the PLR)			
a. C.E.Loan		Rs.	104000.00
b. W.C.Loan	:	Rs.	23790.00
Total Interest		Rs.	127790.00
14 Working Capital Requirement	:		
Fixed Cost		Rs.	214000.00
Variable Cost		Rs.	703790.00
Requirement of WC per Cycle		Rs.	183558.00

15 Estimated Cost Analysis

Sr.No.	Particulars	Capacity Utilization(Rs in '000)			
		100%	60%	70%	80%
1	Fixed Cost	214.00	128.40	149.80	171.20
2	Variable Cost	704.00	422.40	492.80	563.20
3	Cost of Production	918.00	550.80	642.60	734.40
4	Projected Sales	1100.00	660.00	770.00	880.00
5	Gross Surplus	182.00	109.20	127.40	145.60
6	Expected Net Surplus	117.00	44.00	62.00	81.00

- 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.