The use of leather has substantially increased. The leather was used mainly in footwears 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 and 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 l000)

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Particulars</th>
<th>Capacity</th>
<th>Rate</th>
<th>Total Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Raw Hides, Skins and By-Products</td>
<td></td>
<td></td>
<td>918.00</td>
</tr>
<tr>
<td>2.</td>
<td>TOTAL</td>
<td></td>
<td></td>
<td>918.00</td>
</tr>
</tbody>
</table>

4. **Raw Material**: Rs. 420000.00
5. **Labels 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) Capital Expenditure Loan : Rs. 104000.00
   (b) Working Capital 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 Working Capital per Cycle : Rs. 183558.00
15. Estimated Cost Analysis

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Particulars</th>
<th>Capacity Utilization (Rs. in 10000)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>100%</td>
</tr>
<tr>
<td>1.</td>
<td>Fixed Cost</td>
<td>214.00</td>
</tr>
<tr>
<td>2.</td>
<td>Variable Cost</td>
<td>704.00</td>
</tr>
<tr>
<td>3.</td>
<td>Cost of Production</td>
<td>918.00</td>
</tr>
<tr>
<td>4.</td>
<td>Projected Sales</td>
<td>1100.00</td>
</tr>
<tr>
<td>5.</td>
<td>Gross Surplus</td>
<td>182.00</td>
</tr>
<tr>
<td>6.</td>
<td>Expected Net Surplus</td>
<td>117.00</td>
</tr>
</tbody>
</table>

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 Capital Expenditure will be reduced.