KHADI & VILLAGE INDUSTRIES COMMISSION
PROJECT PROFILE FOR GRAMODYOG ROZGAR YOJANA

HAWAI CHAPPAL UNIT

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

1. Name of the Product : Hawai Chappal

2. Project Cost :

   (a) Capital Expenditure
       Land : Own
       Building Shed 500 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 Chappal : (Value in '000)

<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>Hawai Chappals</td>
<td></td>
<td></td>
<td>1531.00</td>
</tr>
<tr>
<td></td>
<td>TOTAL</td>
<td></td>
<td></td>
<td>1531.00</td>
</tr>
</tbody>
</table>

4. Raw Material : Rs. 120000.00

5. Labels 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) Capital Expenditure Loan : Rs. 45500.00
   (b) Working Capital 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 Working Capital per Cycle : Rs. 306156.00
15. Estimated Cost Analysis

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Particulars</th>
<th>Capacity Utilization (Rs. in ‘000)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>100%</td>
</tr>
<tr>
<td>1.</td>
<td>Fixed Cost</td>
<td>146.00</td>
</tr>
<tr>
<td>2.</td>
<td>Variable Cost</td>
<td>1385.00</td>
</tr>
<tr>
<td>3.</td>
<td>Cost of Production</td>
<td>1531.00</td>
</tr>
<tr>
<td>4.</td>
<td>Projected Sales</td>
<td>1700.00</td>
</tr>
<tr>
<td>5.</td>
<td>Gross Surplus</td>
<td>169.00</td>
</tr>
<tr>
<td>6.</td>
<td>Expected Net Surplus</td>
<td>144.00</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.