KHADI & VILLAGE INDUSTRIES COMMISSION
PROJECT PROFILE FOR GRAMODYOG ROZGAR YOJANA
FOOTWEAR AND LEATHER GOODS UNIT

Use of footwear 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 attractive children footwears are high in demand. There is a good scope for the export of quality products.

1. Name of the Product : Footwear and 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 1000)

<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>Footwear and LeatherGoods</td>
<td>45000.00 Pairs</td>
<td>21.00</td>
<td>948.50</td>
</tr>
<tr>
<td></td>
<td>TOTAL</td>
<td>45000.00 Pairs</td>
<td>21.00</td>
<td>948.50</td>
</tr>
</tbody>
</table>

4. Raw Material : Rs. 500000.00
5. Labels 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) Capital Expenditure Loan : Rs. 29250.00
   (b) Working Capital 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 Working Capital per Cycle : Rs. 189614.00
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>133.50</td>
</tr>
<tr>
<td>2.</td>
<td>Variable Cost</td>
<td>815.00</td>
</tr>
<tr>
<td>3.</td>
<td>Cost of Production</td>
<td>948.50</td>
</tr>
<tr>
<td>4.</td>
<td>Projected Sales</td>
<td>1100.00</td>
</tr>
<tr>
<td>5.</td>
<td>Gross Surplus</td>
<td>151.50</td>
</tr>
<tr>
<td>6.</td>
<td>Expected Net Surplus</td>
<td>134.00</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.