

**Khadi and Village Industries Commission Mumbai**

**PROJECT PROFILE ON LEATHER APRONS**

**Introduction :**

The Leather Aprons serve as an item of protective wear item for the industrial workers in the factories. Leather Aprons are of various types and sizes, such as 24" X 36"; 40" X 60" ; 60" X 90" and 90" X 110" etc. The principal material that goes in the production of this product is Chrome Tanned Leather/Split Leather. Amongst the leathers, chrome tanned split leather is predominantly in use, possibly because of its cheapness and particular qualities required for leather aprons as compared to other kind of leathers. Chrome tanned split leather enables to withstand the rough handling and gives enough flexibility and softness for the user quite easily and swiftly while working in the workshop. Such Leather Aprons are widely used in various industries, Defence and Railways. There exists a very good scope for ancillarisation of this product in the Indian Industries as well as for export.

**1 Name of the Product : LEATHER APRONS**

**2 Project Cost :**

a Capital Expenditure

Land	:		Rs.	Own
Work shed in sq.ft rented	:	0	Rs.	-
Equipment	:		Rs.	175,000.00

Flat Bed Single Needle Industrial Sewing M/c, Cylinder Bed single Needle Industrial Sewing M/c, Tools & Equipment, Cost of Office Equipments, Workshop Furniture and Fixture

Total Capital Expenditure	Rs.	175,000.00
b Working Capital	Rs.	950,000.00
<b>TOTAL PROJECT COST :</b>	<b>Rs.</b>	<b>1,125,000.00</b>

**3 Estimated Annual Production Capacity:**

(Rs. in 000)

Sr.No.	Particulars	Capacity in No./Q.	Rate	Total Value
1	LEATHER APRONS	74000 pcs	78.00	5773.50
<b>TOTAL</b>		<b>0.00</b>	<b>78.00</b>	<b>5773.50</b>

<b>4 Raw Material</b>	:	<b>Rs.</b>	<b>5,000,000.00</b>
<b>5 Labels and Packing Material</b>	:	<b>Rs.</b>	<b>75,000.00</b>
<b>6 Wages (1-Skilled &amp; 1- Unskilled)</b>		<b>Rs.</b>	<b>150,000.00</b>
<b>7 Salaries (1-Manager)</b>		<b>Rs.</b>	<b>120,000.00</b>

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<b>8</b>	<b>Administrative Expenses</b>	<b>:</b>	<b>Rs.</b>	<b>120,000.00</b>
<b>9</b>	<b>Overheads</b>	<b>:</b>	<b>Rs.</b>	<b>120,000.00</b>
<b>10</b>	<b>Miscellaneous Expenses</b>	<b>:</b>	<b>Rs.</b>	<b>40,000.00</b>
<b>11</b>	<b>Depreciation</b>	<b>:</b>	<b>Rs.</b>	<b>17,500.00</b>
<b>12</b>	<b>Insurance</b>	<b>:</b>	<b>Rs.</b>	<b>1,750.00</b>
<b>13</b>	<b>Interest (As per the PLR)</b>			
	<b>a. C.E.Loan</b>	<b>:</b>	<b>Rs.</b>	<b>22,750.00</b>
	<b>b. W.C.Loan</b>	<b>:</b>	<b>Rs.</b>	<b>123,500.00</b>
	<b>Total Interest</b>		<b>Rs.</b>	<b>146,250.00</b>
<b>14</b>	<b>Working Capital Requirement</b>	<b>:</b>		
	<b>Fixed Cost</b>		<b>Rs.</b>	<b>304,500.00</b>
	<b>Variable Cost</b>		<b>Rs.</b>	<b>5,468,500.00</b>
	<b>Requirement of WC per Cycle</b>		<b>Rs.</b>	<b>962,167.00</b>

**15 Cost Analysis**

Sr.No.	Particulars	Capacity Utilization(Rs in '000)			
		100%	60%	70%	80%
<b>1</b>	<b>Fixed Cost</b>	304.50	182.70	213.15	243.60
<b>2</b>	<b>Variable Cost</b>	5469.00	3281.40	3828.30	4375.20
<b>3</b>	<b>Cost of Production</b>	5773.50	3464.10	4041.45	4071.90
<b>4</b>	<b>Projected Sales</b>	6200.00	3720.00	4340.00	4960.00
<b>5</b>	<b>Gross Surplus</b>	426.50	255.90	298.55	341.20
<b>6</b>	<b>Expected Net Surplus</b>	409.00	238.00	281.00	324.00

- Note :
- 1.All figures mentioned above are only indicative.
  - 2.This is model project profile for guidance
  - 3.Cost of Project, and its prioiflity will be changed depends on the area, availability of raw Material, man power, power requirement and various other factors etc..