

"KVIC- REGP-(Gramodyog Rojgar Yojana)"

Project Profile on Belting Leather

Introduction :

Leather belting is made out of vegetable tanned leather from Buffalo hides, stuffed with fish oil and tallow and mostly used for transmission of mechanical power. It possesses a fairly high degree of tensile strength, resistance against friction and has enough durability.

Process of manufacture : Wet salted buffalo hides of good quality are selected and soaked overnight, washed and green fleshed. Then paste and limed with sodium sulphate, hypo and lime. Next day unhaired and relimed with lime and caustic soda in water for a day. Then fleshed and rounded into butts, bellies and shoulders. The butts portions are taken for making belting leather.

1 **Name of the Product :** **Belting Leather**

2 **Project Cost :**

a Capital Expenditure

Land

:

Own

Workshed in sq.ft On rent Rs.

Equipment : Rs.

1,200,000.00

1) Declining paddles, 2) Wooden drums, 3) Wooden drums for stuffing, 4) Fleshing machine, 5) Band Knife splitting machine, 6) Jack setting machine, 7) Toggles board, 8) Parallel straps, 9) Buffing machine, 10) Tools and equipment

Total Capital Expenditure Rs.

1,200,000.00

b Working Capital Rs.

1,100,000.00

TOTAL PROJECT COST :

Rs.

2,300,000.00

3 **Estimated Annual Production Capacity:**

(Rs. in 000)

Sr.No.	Particulars	Capacity in No..	Rate Rs	Total Value
1	Belting Leather	30000.00		7796.00
TOTAL		30000.00	0.00	6998.00

4 **Raw Material** : **Rs.** **6,300,000.00**

5 **Labels and Packing Material** : **Rs.** **5,000.00**

6 **Wages (7-Skilled & 7-Unskilled)** : **Rs.** **1,008,000.00**

7 **Salaries Manager-1** **Rs.** **120,000.00**

8	Administrative Expenses	:	Rs.	20,000.00
9	Overheads	:	Rs.	20,000.00
10	Miscellaneous Expenses	:	Rs.	12,000.00
11	Depreciation	:	Rs.	120,000.00
12	Insurance	:	Rs.	12,000.00
13	Interest (As per the PLR)			
	a. C.E.Loan	:	Rs.	156,000.00
	b. W.C.Loan	:	Rs.	143,000.00
	Total Interest		Rs.	299,000.00
14	Working Capital Requirement	:		
	Fixed Cost		Rs.	320,000.00
	Variable Cost		Rs.	7,476,000.00
	Requirement of WC per Cycle		Rs.	1,299,333.00

15 Cost Analysis

Sr.No.	Particulars	Capacity Utilization(Rs in '000)			
		100%	60%	70%	80%
1	Fixed Cost	320.00	192.00	224.00	256.00
2	Variable Cost	7476.00	4485.60	5233.20	5980.80
3	Cost of Production	7796.00	4677.60	5457.20	5489.20
4	Projected Sales	8500.00	5100.00	5950.00	6800.00
5	Gross Surplus	704.00	422.40	492.80	563.20
6	Expected Net Surplus	584.00	302.00	373.00	443.00

- Note :
1. All figures mentioned above are only indicative.
 2. If the investment on Building is replaced by Rental then
 - a. Total Cost of Project will be reduced.
 - b. Profitability will be increased.
 - c. Interest on C.E.will be reduced.