

**Introduction :**

Leather wallets and purses are used to carry currency notes, coins, visiting cards, stamps, credit cards etc. Leather wallets and purses are fancy leather goods and novelty items. It is one of the most fashionable items used by large number of people. It is a fashion oriented and labour intensive industry.

**1 Name of the Product : LEATHER WALLETTS AND PURSES**

**2 Project Cost :**

a Capital Expenditure

Land	:		Rs.	Own
Work shed in sq.ft	rented	0	Rs.	-
Equipment	:		Rs.	560,000.00

Flat bed single Needle industrial stitching machine with motor and accessores, Cylinder Bed Industrial Imp. Stitchnng machine with motor and accessores, Embossing Machine, Skiving Machine, Grinding Tools, Hand tools, Workshop Furniture, Office equipment and furniture, Electrification & installation.

Total Capital Expenditure	Rs.	560,000.00
b Working Capital	Rs.	1,100,000.00
<b>TOTAL PROJECT COST :</b>	<b>Rs.</b>	<b>1,660,000.00</b>

**3 Estimated Annual Production Capacity: (Rs. in 000)**

Sr.No.	Particulars	Capacity in No./Q.	Rate	Total Value
1	LEATHER WALLETTS AND PURSES	150000.00	47.00	7141.40
<b>TOTAL</b>		<b>150000.00</b>	<b>47.00</b>	<b>7141.40</b>

4	Raw Material	:	Rs.	6,000,000.00
5	Labels and Packing Material	:	Rs.	75,000.00
6	Wages (2-Skilled & 2- Unskilled)		Rs.	300,000.00
7	Salaries (1-Manager)		Rs.	120,000.00

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<b>8</b>	<b>Administrative Expenses</b>	<b>:</b>	<b>Rs.</b>	<b>150,000.00</b>
<b>9</b>	<b>Overheads</b>	<b>:</b>	<b>Rs.</b>	<b>175,000.00</b>
<b>10</b>	<b>Miscellaneous Expenses</b>	<b>:</b>	<b>Rs.</b>	<b>100,000.00</b>
<b>11</b>	<b>Depreciation</b>	<b>:</b>	<b>Rs.</b>	<b>56,000.00</b>
<b>12</b>	<b>Insurance</b>	<b>:</b>	<b>Rs.</b>	<b>5,600.00</b>
<b>13</b>	<b>Interest (As per the PLR)</b>			
	<b>a. C.E.Loan</b>	<b>:</b>	<b>Rs.</b>	<b>72,800.00</b>
	<b>b. W.C.Loan</b>	<b>:</b>	<b>Rs.</b>	<b>143,000.00</b>
	<b>Total Interest</b>		<b>Rs.</b>	<b>215,800.00</b>
<b>14</b>	<b>Working Capital Requirement</b>	<b>:</b>		
	<b>Fixed Cost</b>		<b>Rs.</b>	<b>448,400.00</b>
	<b>Variable Cost</b>		<b>Rs.</b>	<b>6,693,000.00</b>
	<b>Requirement of WC per Cycle</b>		<b>Rs.</b>	<b>1,785,350.00</b>

**15 Cost Analysis**

<b>Sr.No.</b>	<b>Particulars</b>	<b>Capacity Utilization(Rs in '000)</b>			
		<b>100%</b>	<b>60%</b>	<b>70%</b>	<b>80%</b>
<b>1</b>	<b>Fixed Cost</b>	448.40	269.04	313.88	358.72
<b>2</b>	<b>Variable Cost</b>	6693.00	4015.80	4685.10	5354.40
<b>3</b>	<b>Cost of Production</b>	7141.40	4284.84	4998.98	5043.82
<b>4</b>	<b>Projected Sales</b>	8000.00	4800.00	5600.00	6400.00
<b>5</b>	<b>Gross Surplus</b>	858.60	515.16	601.02	686.88
<b>6</b>	<b>Expected Net Surplus</b>	803.00	459.00	545.00	631.00

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