

PROJECT PROFILE

ON

SAFETY LEATHER HAND GLOVES

PART-I

- NAME OF THE PRODUCT** : **SAFETY LEATHER HAND GLOVES.**
- QUALITY & STANDARD** : The following Indian Standard Specifications are available to guide the manufacturer of industrial hand gloves and to maintain quality control.
Leather gauntlets for workers IS 2573:1963.
Leather gauntlets for workers in iron and steel industry IS:2574:1963.
Leather Mitten for workers in iron and steel industry:IS:3575:1963.
- The split chrome leather used must have been processed properly to given the required pliability and stitch tear strength for assuming quality of gloves produced. The thread used for stitching must also conform to the prescribed standard.
- PRODUCTION CAPACITY** :
- | | |
|----------|--------------------------|
| Quantity | 75,000 Pairs (Per Annum) |
| Value | Rs. 3,26,100/- |
- MONTH & YEAR OF PREPARATION** : **February, 2013.**
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PROJECT PROFILE ON SAFETY LEATHER HAND GLOVES

PART-II

INTRODUCTION:

Safety Leather Hand Gloves serve as an item protective apparel for workers in factories. Hand gloves are various types and size. Fast moving sizes are 14", 16", 18" etc. The materials that go in the production of hands gloves vary from cotton fabrics and asbestos to variety of leathers. However, since supreme the production of Safety Leather Hand Gloves. Amongst leather chrome tanned split leather is predominantly in use possibly because of its cheap price and peculiar qualities needed for hand gloves as compared to other kind of leather. Chrome tanned split leather imparts special qualities to withstand roughness of the handling material and given enough flexibility and softness for the hand to move in the gloves easily and swiftly while working in the workshop. Such Safety Leather hand gloves are widely used in industry, Railway and Defence. Due to rapid industrialization and expansion of railways the use of safety leather hand gloves are expected to grow considerably.

MARKET POTENTIAL:

Looking to the internal and external demand it appears that we are not in a position to cope with the demand and such there is a good scope for starting new units for manufacture of safety leather hand gloves. Fortunately, the raw material is available in the country especially split leather due to increase in production of finished leathers based on hides.

BASIS & PRESUMPTIONS:

1. The production is based on a single shift basis of 8 hours per day and 25 working days in a month.
2. Time period for achieving full capacity utilisation is 3 years.

3. Labour will be engaged on monthly basis keeping in view the present rate prevailing in the market.
4. Rate of interest for fixed and working capital @ 14% per annum.
5. Margin money 25%.
6. Land and building, rented. Built up area, 100 sq. metres.

IMPLEMENTATION SCHEDULE

It will take one year to complete all the formalities before starting the commercial productions.

TECHNICAL ASPECTS

Process of Manufacture:

The leather is checked for uniform thickness, holes and flying cuts, if any. It is then marked with the pattern and then cut with the help of scissors or clicking knife into different components. After stitching all the components suitably, the gloves are tuned inside out. The gloves are then ready for packing and dispatch.

PRODUCTION CAPACITY (Per Annum):

Quantity	75,000 Pairs (Per Annum)
Value	Rs. 3,26,100/-

POLLUTION CONTROL:

This industry does not create any kind of pollution and as such there is no need to take any preventive measure for pollution control.

FINANCIAL ASPECTS:

(A) Fixed Capital

(i) Land & Building:

Covered Area (100 Sq. Metres) Rented @ Rs. 5,000/- p.m. : Rs. 5,000/-

(ii) Machinery & Equipments

Sl. No	Machinery Description	Imp/Ind	Qty Nos.	Rate (Rs.)	Value (In Rs.)
1.	Flat Bed Single needle industrial Sewing Machine Power Operated ½ HP Motor.	Ind.	5	10000	50,000/-
2.	Cylinder bed single needle machine power operated ½ HP Motor	Ind.	2	15000	30,000/-
3.	Cost of tools and fixtures				10,000/-
4.	Cost of office furniture and workshop furniture				35,000/-
5.	Electrification and installation of machinery @ 10%				8,000/-
				Total:-	1,33,000/-

(iii) Pre-operative Expenses **5,000/-**

(iv) Total Fixed Capital: (ii) + (iii) = **1,38,000/-**

(B) Working Capital (per month)**(i) Staff & Labour (Per Month):**

Sl. No.	Personnel	No.	Rate(Rs.)	Amount (In Rs.)
1.	Manager	1	12,000/-	12,000/-
2.	Supervisor	2	10,000/-	10,000/-
3.	Accountant/Storekeeper	1	8,000/-	8,000/-
4.	Clerk-cum- Cashier	1	6,000/-	6,000/-
5.	Watchman-cum-Peon	1	5,000/-	5,000/-
6.	Sweeper (Part Time)	1	3,000/	3,000/-
7.	Skilled Workers	7	6,000/-	42,000/-
8.	Unskilled Workers	4	5,000/-	20,000/-
Total:				1,06,000/-
	Perquisites @ 15% on the total salary			15,900/-
Grand Total				1,21,900/-

(ii) Raw Material (Per month):

Sl. No	Item description	Qty.	Rate (Rs.)	Value (In Rs.)
1.	Chrome tanned split leather (3.5 pairs per kg)	1786 Kg	45/Kg	80,370/-
2.	Thread	6250 Pairs	0.70/Pair	4,375/-
3.	Cartons for Packing	65 Nos.	35/Carton	2,275/-
			Total:	87,020/-

(iii) Utilities: (Per Month)

1.	Power	Rs.	4,000/-
2.	Water	Rs.	500/-
	Total:	Rs.	4,500/-

(iv) Other Contingent Expense (Per Month):

1.	Rent	Rs.	5,000/-
2.	Postage & Stationery	Rs.	500/-
3.	Repair & Maintenance	Rs.	1,000/-
4.	Transportation Charges	Rs.	1,000/-
5.	Telephone	Rs.	1,000/-
6.	Advertisement & Publicity	Rs.	1,000/-
7.	Insurance	Rs.	500/-
8.	Misc. Expenses	Rs.	1,000/-
	Total:	Rs.	11,000/-

(v) Total Recurring expenses (per month):

i.	Staff & Labour	Rs.	1,21,900/-
ii.	Raw Material	Rs.	87,000/-
iii.	Utilities	Rs.	4,500/-
iv.	Other contingent expenses	Rs.	11,000/-
	Total:	Rs.	2,24,400/-

(vi) Total Working Capital for 3 months: 2,24,400/- X 3 = Rs.6,73,200/-

(C) TOTAL CAPITAL INVESTMENT:

1.	Fixed Capital	Rs.	1,38,000/-
2.	Working Capital for 3 months	Rs.	6,73,200/-
	Total:	Rs.	8,11,200/-

FINANCIAL ANALYSIS:**(1) Cost Of Production (Per Annum)**

1.	Total Recurring Expenditure	Rs.	26,92,800/-
2.	Depreciation on Machinery @ 10%	Rs.	8,000/-
3.	Depreciation on tools and equipment @ 25%	Rs.	2,500/-
4.	Depreciation on furniture @ 20%	Rs.	7,000/-
5.	Interest on Total Capital Investment @ 14%	Rs.	1,13,600/-
	Total:	Rs.	28,23,900/-

(2) Turn Over(per year) by Sales

Products	Quantity (Nos.)	Rate (Rs.)	Value (Rs.)
Safety Leather Hand Gloves	75,000 Pairs	42/Pairs	31,50,000/-

(3) Net Profit (per year)
(Before Income Tax)

Annual Turnover	(-) Cost of Production		
31,50,000/-	(-) 28,23,900/-	Rs.	3,26,100/-

(4) Net Profit Ratio:

<u>Net profit X 100</u>	<u>3,26,100/- X 100</u>	
Turn Over/Annum	31,50,000/-	= 10.35%

(5) Rate of Return on Investment:
(Net Profit/Total Capital Investment)

<u>Annual Profit X 100</u>	<u>3,26,100/- X 100</u>	
Total Capital Investment	8,11,200/-	= 40.19%

(6) Break Even Point/Analysis:**Fixed Cost (Per Annum):**

1.	Rent	Rs.	60,000/-
2.	Total Depreciation	Rs.	17,500/-
3.	Interest on Capital Investment	Rs.	1,13,600/-
4.	40% of Wages of Staff & Labour	Rs.	5,85,120/-
5.	40% of other contingent expenses and utilities	Rs.	50,400/-
6.	Insurance	Rs.	6,000/-
	Total Fixed Cost:	Rs.	8,32,620/-

Break Even Point:

<u>Fixed Cost X 100</u>	<u>8,32,620/- X 100</u>	
Fixed Cost + Annual Profit	8,32,620/- + 3,26,100/-	= 71%

Name & Addresses of Machinery & Equipment Suppliers**Sl.No. Name & Address**

1. M/s. Singer Sewing Machine Co.
Nehru Bazar, Jaipur.
2. M/s. Industrial Sewing Machine Co. Ltd.,
Kakad Chambers, 5th Floor,
Dr. Annie Besant Road,
Mumbai
3. M/s. Peelu Sales Coropration,
Meera Hussani Chouraha,
Hing Ki Mandi,
Agra (U.P.)
4. M/s.Gordon Woodroffee Leather Mfg. Co. Ltd,
Pallavaram,
Chennai-43
5. M/s. Usha Leather Industries,
Dharavi,
Mumbai-17
6. M/s Mehala Machines India,
P. Road, Kanpur.
7. M/s Jai Laxmi Impex,
Plot No. 2, Gopal Nagar, Kanpur-208011.

Name & Addresses of Raw Material Suppliers

1. Local Tanneries of Kanpur.
