



PROJECT PROFILE ON LEATHER CHAPPALS (KOLHAPURI CHAPPALS)

Category : Manufacturing

Total Cost of Project : Rs. 1,92,000/-
BEP : 39 %

I. INTRODUCTION OF BUSINESS IDEA :

Athani taluk of Belgaum district is familiar for manufacture of leather sleepers (Kolhapuri Chappals). Kolhapuri chappals are very well known all over the state. They are preferred for their quality and design. As town consist of more no. of artisans, there is an ample scope of manufacturing of leather chappals (Kolhapuri chappals). The artisans also get the raw materials easily at cheaper rates. The kolhapuri chappals are familiar for its designs and skill. Hence it is having good demand in neighboring states of Maharashtra and Goa, even in Karnataka state.

II. PRODUCT AND ITS APPLICATIONS:

Leather chappals of various sizes and designs are used as regular footwear by people from all ages.

III. MARKET POTENTIAL:

The kolhapuri chappals are familiar for its designs and skill. These chappals are sold all over the state and even in Maharashtra. and Goa. There is good demand for these chapplas as the skills are inherent in Athani. The promoters can have tie up with footwear shops in the neighboring districts.

IV. CAPACITY-REVENUE AND SALES(1st year):

Sl. No.	Product	Qty	Rate Per kg	Sales Amount
01	Leather chappals	7,500 pairs	Rs.120/pair	9,00,000

V. MANUFACTURING PROCESS AND QUALITY:

The raw animals' skins are purchased in local market and it is processed to form soft leather. Later it is cut into various sizes. It is stitched with straps and rings as required. Wherever required the rubber soul is fixed with resins.



VI. COST OF PROJECT AND MEANS OF FINANCE, INCLUDING WORKING CAPITAL REQUIREMENTS:

A. COST OF PROJECT:

Sl. No	Particulars	Amount (Rs).
1	Equipments	48,000
2	Other fixed assets	10,000
3	Preliminary and preoperative expenses	10000
4	Deposits	50,000
5	Working Capital Requirements	74,000
	Total	1,92,000

B. MEANS OF FINANCE:

Sl. No	Particulars	Amount (Rs).
1	Loan @ 75%	1,44,000
2	Equity	48,000
	Total	1,92,000

C. WORKING CAPITAL REQUIREMENT:

Sl. No.	Particulars	Basis	Period	Amount
1	Raw-materials	3,10,000/12 x 1	1 M	26,000
2	Bills Receivable	9,00,000/12 x ½	½ m	38,000
3	Working exp		1 m	10,000
	Total			74,000

VII. Main Inputs Requirements

A. Machinery:

Sl. No.	Particulars	Qty	Amount (Rs).
1	Grinder Machine	1	10000
2	Polishing machine	1	5000
3	Shouldering machine	2	8000
4	Tools and accessories	-	25,000
	Total		48,000



B. Raw-materials (p.a.):

Sl No.	Particulars	Qty	Rate	Total cost(Rs)
1	Leather	1,500 sheets	140	2,10,000
2	Rubber sheets	700 sheets	100	70,000
3	Other consumables			30,000
	Total			3,10,000

C. Utilities:

Sl. No.	Particulars	Monthly Charges (Rs)	Total Annual Charges (Rs)
1	Electricity	1,500	18,000

D. Man-power requirement:

Sl. No.	Workers	No.	Monthly Salary (Rs)	Annual Salary (Rs)
01	Skilled workers	1	7,000	84,000
02	Helper	3	6,000	2,16,000
	Total	4		3,00,000

E. Infrastructure Requirement:

Building	Built up space of 400 sq.ft is required
Power	Lighting power connection is required
Water	1 Kl Water per day is required

VIII. Profitability Projection (Annual):

Particulars	Basis	Amount (Rs).
Sales Revenue (Projected)	Ref : IV	9,00,000
Raw Materials	Ref : VII B	3,10,000
Man Power Expenses	Ref : VII D	3,00,000
Utilities	Ref : VIIC	18,000
Interest	@12%	17,000
Depreciation	@ 20 %	10,000
Overheads	Rent, maintenance etc	80,000
Total Expenses		7,35,000
Profit		1,65,000



IX. FINANCIAL INDICATOR:

Break Even Point $\frac{FC}{SR-VC} * 100$	$\frac{1,07,000}{2,72,000} \times 100$	39 %
Payback period $\frac{\text{Cost of project}}{\text{Profit+ Dep}}$	$\frac{1,92,000}{1,75,000}$	1 year 2months

ADDRESS:

X. SUPPLIERS OF MACHINERY / EQUIPMENTS:

Local Dealer of equipments in Athani

Suppliers of raw material:

Local dealers in Athani.

XI. Special Note:

A short term skill training on leather chappals by KVIC- charmalaya, Athani is suggested.