

**KHADI & VILLAGE INDUSTRIES COMMISSION  
PROJECT PROFILE FOR GRAMODYOG ROZGAR YOJANA  
HAWAI CHAPPAL UNIT**

The most common and widely used sponge chappels (Hawai) are very much in demand. Simple production with innovative designs has given a fantastic movements of this variety in the market. Good market opportunity, very good profit potentiality and more employment generation are the salient features of the product.

<b>1. Name of the Product</b>	<b>:</b>	<b>Hawai Chappal</b>
<b>2. Project Cost</b>	<b>:</b>	
(a) Capital Expenditure		
Land	:	Own
Building Shed 500 Sq.ft.	:	Rs. 200000.00
Equipment	:	Rs. 150000.00
Total Capital Expenditure	:	Rs. 350000.00
(b) Working Capital	:	Rs. 306000.00
<b>TOTAL PROJECT COST</b>	<b>:</b>	<b>Rs. 656000.00</b>

**3. Estimated Annual Production of Hawai Chappal : (Value in ₹000)**

Sl. No.	Particulars	Capacity	Rate	Total Value
1.	Hawai Chappals			1531.00
	<b>TOTAL</b>			<b>1531.00</b>

<b>4. Raw Material</b>	<b>:</b>	<b>Rs. 1200000.00</b>
<b>5. Labels and Packing Material</b>	<b>:</b>	<b>Rs. 5000.00</b>
<b>6. Wages (Skilled &amp; Unskilled)</b>	<b>:</b>	<b>Rs. 120000.00</b>

<b>7. Salaries</b>	:	<b>Rs. 72000.00</b>
<b>8. Administrative Expenses</b>	:	<b>Rs. 15000.00</b>
<b>9. Overheads</b>	:	<b>Rs. 20000.00</b>
<b>10. Miscellaneous Expenses</b>	:	<b>Rs. 10000.00</b>
<b>11. Depreciation</b>	:	<b>Rs. 25000.00</b>
<b>12. Insurance</b>	:	<b>Rs. 3500.00</b>
<b>13. Interest (As per the PLR)</b>		
(a) Capital Expenditure Loan	:	Rs. 45500.00
(b) Working Capital Loan	:	Rs. 39780.00
<b>Total Interest</b>	:	<b>Rs. 85280.00</b>
<b>14. Working Capital Requirement</b>		
<b>Fixed Cost</b>	:	<b>Rs. 146000.00</b>
<b>Variable Cost</b>	:	<b>Rs. 1384780.00</b>
<b>Requirement of Working Capital per Cycle</b>	:	<b>Rs. 306156.00</b>
<b>15. Estimated Cost Analysis</b>		

Sl. No.	Particulars	Capacity Utilization (Rs. in ₹000)			
		100 %	60 %	70 %	80 %
1.	<b>Fixed Cost</b>	146.00	87.60	102.20	116.80
2.	<b>Variable Cost</b>	1385.00	831.00	969.50	1108.00
3.	<b>Cost of Production</b>	1531.00	918.60	1071.70	1224.80
4.	<b>Projected Sales</b>	1700.00	1020.00	1190.00	1360.00
5.	<b>Gross Surplus</b>	169.00	101.40	118.30	135.20
6.	<b>Expected Net Surplus</b>	144.00	76.00	93.00	110.00

**Note:**

- All figures mentioned above are only indicative and may vary from place to place.
- If the investment on Building is replaced by Rental Premises-
  - Total Cost of Project will be reduced.
  - Profitability will be increased.
  - Interest on Capital Expenditure will be reduced.