

PROLECT PROFILE

PRODUCT = INDUSTRIAL HAND GLOVES

QUALITY & STANDARD = IS.2573-1986
IS-2574-1963 (Inactive)
I.S- 3575-1963 (Inactive)

PRODUCTION CAPACITY = 75,000 PAIRS PER YEAR

MONTH & YEAR OF PREPARATION = NOVEMBER, 2010

PREPARED BY

MSME-DEVELOPMENT INSTITUTE,
GOVT. OF INDIA. MINISTRY OF MSME
CHAMBAGHAT, SOLAN(H.P)-173213
PHONE NO.01792-230766,230265
E-mail: dcdi-solan@dcmsme.gov.in
Website; www.msmedihimachal.nic.in

INDUSTRIAL HAND GLOVES

A. INTRODUCTION:-

Industrial Leather Hand Gloves serve as an item of protective apparel for workers in factories. Hand Gloves are of various sizes. Fast moving sizes are 14", 16" & 18" etc. The materials that go in the production of hand gloves vary from cotton fabrics and asbestos to variety of leathers. Leather however, since supreme in the production of hand gloves. Among leather, chrome tanned split leather is predominantly in use possibly because of its cheapness and peculiar qualities needed for hand gloves as compared to other kind of leathers. Chrome tanned split leather imparts special qualities to withstand roughness of handling materials and gives enough flexibility and softness for the hand to move in the gloves easily and swiftly while working in the workshop. Such industrial hand gloves are widely used in Industries, Railways and Defence. Due to rapid industrialization, expansion of Railways and modernization of Defence and consciousness about its utility the industrial hand gloves is expected to grow considerably.

B. MARKET DEMAND.

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

C. BASIS AND PRESUMPTIONS.

1	Working Hours	8 hours per day single shift basis, 25 working days in a month.
2	To achieve full capacity utilization the probable period	3 Years
3.	Labour and Wages	Monthly Salary basis
4.	Interest on total capital investment	13%
5.	Margin money	25%
6.	Pay back period of the product	2 to 3 Years

D.IMPLEMENTATION SCHEDULE:-

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

E. TECHNICAL ASPECTS.

i) Process of Manufacture.

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

ii) Quality Specifications:-

The following Indian Standardized Specifications are available to guide the manufacture of industrial hand gloves and to maintain quality control.

- i. Leather gauntlets and Mittens : IS: 2573-1986
- ii. Leather gauntlets for workers Iron and Steel Industries : IS: 2574-1963

- iii. Leather Mittens for workers Iron and Steel Industries : IS: 2575-1963
(Note: Standards at Sr. No. ii & iii are inactive, but if available, can be used for technical guidance)

iii)Production Capacity (Per Year)

- Quantity : 75,000 Pairs Per Year
Value : Rs. 43,50,000
iv) Power : 4 KWH (including light load)

V . Pollution Control .

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

Vi). Energy Conservation. The industry is not energy intensive by nature, but saving can be ensured by using good quality energy efficient motors.

F. FINANCIAL ASPECTS:-

A) Fixed Capital

1) LAND & BUILDING

200Sq.Mtrs covered area Rented Rs. 8,000/-PM

2) MACHINERY & EQUIPMENTS

Sl. No	Description	No	Price (Rs.)	Value (Rs.)
1.	Flat bed Single Needle industrial Sewing Machine power operated ½ HP motor	5	10,000/-	50,000
2.	Cylinder bed Single Needle Industrial Sewing Machine Power operated ½ HP motor	3	40,000/-	1,20,000

3.	Tools @Equipments	LS		20,000
4.	Furniture (both for office & workshop)	LS		33,000
5.	Electrification& installation of machinery	10%	of basic M/c price	17,000
		TOTAL		2,40,000

3) Preoperative Expenses : Rs.10, 000/-

Total Fixed Cost : Rs. 2, 50,000/-

B) WORKING CAPITAL (PM)

i) Staff & Labour(PM)

Sl.No	Designation	No	Salary(Rs)	Total(Rs)
1.	Manager	1	10,000	10,000
2.	Account Clerk (part time)	1	4000	4,000
3.	Clickers	2	5,000	10,000
4.	Stitchers	8	5,000	40,000
5.	Helpers	2	3,000	6,000

Total= 70,000/-

Perquisites@15% = 10,500 /-

Total 80,500/-

ii)Raw Materials(Per Month)

Sl.No	Particulars	Qty	Rate(Rs)	Value(Rs)
1.	Chrome Tanned Split Leather (3.5 pairs per Kg. including wastage)	1786 Kg.	105/-	1,87,530
2.	Thread	6250 Pairs	3/-	18,750
3.	Carton for packing(1 – Carton pack for 100 pairs)	63	60/-	3,780

Total= 2,10,060

Say= 2,10,100

iii) Utilities (Per Month)

1. Power and Fuel	4 KWH @ Rs.4/- 6 Hrs per day	Approx. Rs.	2,500/-
2. Water		Rs.	<u>500/-</u>
			3,000

iv) Other Contingent Expenses(pm)

Sl. No	Particulars	Value (Rs.)
1	Rent	8,000
2	Stationery& postage	500
<u>3</u>	Telephone	1,000
<u>4</u>	Consumable store (cleaning agents etc.)	500
<u>5</u>	Repair & maintenance	1,000
<u>6</u>	Advertisement& publicity	1000
<u>7</u>	Travelling Expenses	1,500
<u>8</u>	Miscellaneous Expenses	1,500
	<u>Total</u>	15,000

V) Total Recurring Expenses (Pm)	(Rs.)
1. Personnel	80,500
2. Raw Materials	2, 10, 100
3. Utilities	3,000
4. Other Contingent Expenses	<u>15,000</u>

Working Capital 3, 08,600
 Working Capital for 3 month 9, 25,800
 Say = Rs. 9.26 Lakh

C) Total Capital Investment

1. Fixed Capital 2,50,000
 2. Working (for 3months) 9,26,000
 Total 11, 76,000
 = Rs. 11.76 Lakh

–

Machinery Utilization

75 to 85% of major machinery will be regularly utilised

FINANCIAL ANALYSIS:-

i) Cost of production(per year)

Sl.No	Particulars	Value(Rs)
1	Total Recurring Expenditure	37,04,000
2	Depreciation on machinery @10%	17,000
3	Depreciation on Tools & Equipment @ 25%	5,000
4	Depreciation on Furniture @ 20% (Approx.)	7,000
5	Interest on Total Investment @ 13%	1,53,000
Total		= 38,86,000

2)Turnover (Per Year,)

75,000 pairs Industrial Hand Gloves @ Rs. 58/- per pair Rs.43,50,000

3. Net Profit (Per Year)

Turnover (-) Cost of Production = Profit
43.50 - 38.86 = 4.64 Lakh

4. Net Profit Ratio

$$\frac{4.64 \times 100}{43.50} = 10.66 \%$$

5. Rate of return on total investment:

$$\frac{4.64 \times 100}{11.76} = 39.46 \%$$

6. BREAK EVEN POINT:

Fixed Cost:

Sl.	Description	(Rs.)
a)	Depreciation on machinery, Furniture, Tools & Equipments	29,000
b)	Rent	96,000
c)	Interest on total capital investment	1,53,000
d)	40% of Salary & Wages	3,86,400
e)	40% of the other contingent expenses and utilities	48,000
	Total	7,12,400

$$\begin{aligned} \text{B.E.P} &= \frac{\text{Fixed cost} \times 100}{\text{Fixed Cost} + \text{Profit}} \\ &= \frac{7.124 \times 100}{7.124 + 4.64} \\ &= 60.56 \% \end{aligned}$$

Addresses of Machinery Suppliers

1. M/s Leather and packaging Machinery Corp.1/23-B Asaf Ali Road New Delhi.
2. M/s Atlanta(P) Ltd ,Atur House Worli Naka Mumbai-18.
3. M/s Indian Sewing Co. Ltd,No 207, D.N Road Mumbai
4. M/s Indian Agencies,51-A Ruchmond Road, Bangluru-25.
5. M/s Peelu Sales Corporation, Meera Hussani Chouraha, Hing Ki Mandi, Agra.

Addresses of Raw Material Suppliers

1. M/S Asia Tannery(p) Ltd, No.1/A Jajmau, Kanpur (UP)
2. M/S Tata Exports, Tannery Division, Dewas (MP)
3. M/SWestern Tannery Dharvi Mumbai-17

4. M/S Alam Tannery, No .3.Gulam Gilani Road , Kolkota-39 (West Bengal)
5. M/S Modi Treads, Modinagar (UP)