

## KHADI & V.I. COMMISSION PROJECT PROFILE FOR GRAMODYOG ROJGAR YOJNA

### PROJECT PROFILE ON PRODUCTION OF LAC

The scheme has been made for those who are traditionally experienced in this line. India is major producer of lac accounting for nearly 70-80% of the total world production. Lac is considered to be important subsidiary occupation for poor tribals in almost all the major lac producing states of the country. There are four lac varieties produced and derive their names from Hindi months. Baisakhi and Agni are the two main commercial varieties as they together contribute 85% of the annual lac production. The two common lac host species namely (1) Ber and (2) Palas. It is gathered that each family on an average had 6 Ber and 23 trees.

<b>1 Name of the Product</b>	<b>:</b>	<b>LAC</b>
<b>2 Project Cost</b>	<b>:</b>	
a Capital Expenditure		
Land	<b>:</b>	
Building Shed 1000 Sq.ft	<b>:</b>	Rs. 200000.00
Equipment	<b>:</b>	Rs. 150000.00
(S.S.Top Working Table, Two head bottle washing machine, Cap sealing M/c, Plastic drums, Aluminium Vessles, S.S.Knife, laddles small utensils, mug, cups, balance etc..)		
Total Capital Expenditure	<b>:</b>	Rs. 350000.00
b Working Capital	<b>:</b>	Rs. 164000.00
<b>TOTAL PROJECT COST</b>	<b>:</b>	<b>Rs. 514000.00</b>

### 3 Estimated Annual Production of LAC : ( Value in '000 )

Sr.No.	Particulars	Quintals	Rate	Total Value
1	LAC	370.00	2600.00	986.00
	<b>TOTAL</b>	<b>370.00</b>	<b>2600.00</b>	<b>986.00</b>

<b>4 Raw Material</b>	<b>:</b>	<b>Rs. 350000.00</b>
<b>5 Lables and Packing Material</b>	<b>:</b>	<b>Rs. 100000.00</b>

<b>6 Wages (Skilled &amp; Unskilled)</b>	<b>:</b>	<b>Rs.</b>	<b>90000.00</b>
<b>7 Salaries</b>	<b>:</b>	<b>Rs.</b>	<b>96000.00</b>
<b>8 Administrative Expenses</b>	<b>:</b>	<b>Rs.</b>	<b>60000.00</b>
<b>9 Overheads</b>	<b>:</b>	<b>Rs.</b>	<b>200000.00</b>
<b>10 Miscellaneous Expenses</b>	<b>:</b>	<b>Rs.</b>	<b>20000.00</b>
<b>11 Depreciation</b>	<b>:</b>	<b>Rs.</b>	<b>25000.00</b>
<b>12 Insurance</b>	<b>:</b>	<b>Rs.</b>	<b>3500.00</b>
<b>13 Interest (As per the PLR)</b>			
a. C.E.Loan	<b>:</b>	<b>Rs.</b>	<b>45500.00</b>
b. W.C.Loan	<b>:</b>	<b>Rs.</b>	<b>21320.00</b>
<b>Total Interest</b>		<b>Rs.</b>	<b>66820.00</b>
<b>14 Working Capital Requirement</b>	<b>:</b>		
<b>Fixed Cost</b>		<b>Rs.</b>	<b>225000.00</b>
<b>Variable Cost</b>		<b>Rs.</b>	<b>761320.00</b>
<b>Requirement of WC per Cycle</b>		<b>Rs.</b>	<b>164387.00</b>

### 15 Cost Analysis

Sr.No.	Particulars	Capacity Utilization(Rs in '000)			
		100%	60%	70%	80%
1	<b>Fixed Cost</b>	225.00	135.00	157.50	180.00
2	<b>Variable Cost</b>	761.00	456.60	532.70	608.08
3	<b>Cost of Production</b>	986.00	591.60	690.20	788.80
4	<b>Projected Sales</b>	1200.00	720.00	840.00	960.00
5	<b>Gross Surplus</b>	214.00	128.40	149.80	171.20
6	<b>Expected Net Surplus</b>	189.00	113.40	132.30	151.20

- Note : 1. All figures mentioned above are only indicative and may vary from place to place.  
2. If the investment on Building is replaced by Rental then
- Total Cost of Project will be reduced.
  - Profitability will be increased.
  - Interest on C.E.will be reduced.