

KHADI & V.I. COMMISSION
PROJECT PROFILE FOR GRAMODYOG ROJGAR YOJNA
PROJECT PROFILE ON PRODUCTION OF SHELLAC VARNISH
(FRENCH POLISH IMPROVED QUALITY)

The Shellac Varnish due to its high quality and smooth shining has a good demand than the Chemical Varnish. It is lasting for more duration. The offices, hotels and houses are extensively used Shellac Varnish for style and strength.

1	Name of the Product	:	Production of Shellac Varnish
2	Project Cost	:	
	a Capital Expenditure		
	Land	:	
	Building Shed 1500 sq.ft.	Rs.	300000.00
	Equipment	: Rs.	8000.00
	Stainless steel vat with lid & stopcock at bottom, stand, Mechanical stirrer 1/2 h.p. electrical motor with speed regulator, S.S. reservoir for filtered varnish with lid, weighing balance, measuring cylinders sp. gravity meter etc.		
	Total Capital Expenditure	Rs.	308000.00
	b Working Capital	Rs.	60000.00
	TOTAL PROJECT COST	: Rs.	368000.00

3 Estimated Annual Production of Varnish (Value. In '000)

Sr.No.	Particulars	Capacity	Rate	Total Value
1	Shellac Varnish	4540.00	78.00	3.54
	TOTAL	4540.00		3.54

4	Raw Material	:	Rs. 220000.00
5	Lables and Packing Material	:	Rs. 1000.00

6	Wages (Skilled & Unskilled)	:	Rs.	32000.00
7	Salaries	:	Rs.	36000.00
8	Administrative Expenses	:	Rs.	1000.00
9	Overheads	:	Rs.	12000.00
10	Miscellaneous Expenses	:	Rs.	1000.00
11	Depreciation	:	Rs.	15800.00
12	Insurance	:	Rs.	3080.00
13	Interest (As per the PLR)			
	a. C.E.Loan	:	Rs.	40040.00
	b. W.C.Loan	:	Rs.	7800.00
	Total Interest		Rs.	47840.00
14	Working Capital Requirement	:		
	Fixed Cost		Rs.	81120.00
	Variable Cost		Rs.	272800.00
	Requirement of WC per Cycle		Rs.	58987.00

15 Estimated Cost Analysis

Sr.No.	Particulars	Capacity Utilization(Rs in '000)			
		100%	60%	70%	80%
1	Fixed Cost	81.12	48.67	56.78	64.90
2	Variable Cost	273.00	163.80	191.10	218.40
3	Cost of Production	354.12	212.47	247.88	283.30
4	Projected Sales	400.00	240.00	280.00	320.00
5	Gross Surplus	45.88	27.53	32.12	36.70
6	Expected Net Surplus	30.00	12.00	16.00	21.00

- 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
a. Total Cost of Project will be reduced.
b. Profitability will be increased.
c. Interest on C.E.will be reduced.