

**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
	<b>TOTAL</b>	<b>4540.00</b>		<b>3.54</b>

**4 Raw Material : Rs. 220000.00**

**5 Lables and Packing Material : Rs. 1000.00**

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

#### **15 Estimated Cost Analysis**

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

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