

POLYMER AND CHEMICAL BASED INDUSTRY**KHADI & VILLAGE INDUSTRIES COMMISSION**
PROJECT PROFILE FOR GRAMODYOG ROJGAR YOJANA**MANUFACTURING SHELLAC INSULATING VARNISH(Air-Drying)**

Insulating varnish 'air-drying' type , which is required to give an over coat on the electrical parts after fabricating the machine, such as electrical accessories of motor parts before assembling. This type of air drying varnish is also required to coat the surface of electrical conductors. The scheme can give employment for 2 persons by producing 4094 liters of varnish.

1	Name of the product	Shellac Insulating Varnish(Air-Drying)		
2	Project Cost			
	a) Capital Expenditure	Rs. 90,000.00		
	Land & Building Shed 300 sq.ft.X 300			
	▪ Equipment (SS Vats-50 lits, Mech. Stirrer with 0.5 HP Motor, 50 lits SS reservoir with stopcock bottom, Weighing balance, Measuring Cylinder and other tools implements))	Rs. 25,000.00		
	Total capital expenditure	Rs.1,15,000.00		
	b) Working capital	Rs.1,53,525.00		
	Total project cost	Rs.2,68,525.00		
3	Estimated Annual Production of Varnish (Rs. In lakhs)			
Sr.No	Particulars	Capacity in Litrs	Rate/Litrs	Total Value
1	Shellac Insulating Varnish	4094.00 (Air- Drying)	150.00	614.10
	Total	4094.00	150.00	614.10
4	Raw Materials	3,52,542.00		
5	Labels and Packaging materials	25,000.00		
6	Wages(Skilled & unskilled)	1,00,000.00		
7	Salaries	48,000.00		
8	Administrative Expenses	25,000.00		
9	Overheads	20,000.00		
10	Miscellaneous expenses	7,500.00		
11	Depreciation	7,000.00		
12	Insurance	1150.00		
13	Interest as per PLR			
	a) Capital Expenditure Loan	14,950.00		
	b) Working Capital Loan	19,958.00		
	Total interest	34,908.00		

14	Working capital requirement <ul style="list-style-type: none"> ▪ Fixed Cost ▪ Variable Cost ▪ Requirement of W.C. per cycle 	96,600.00 5,17,500.00 1,53,525.00
----	--	---

Contd..

: 2 :

15. Estimated cost analysis

Sr. No	Particulars	Capacity Utilization (Rs.'000)			
		100%	60%	70%	80%
1	Fixed Cost	96.60	57.96	67.62	77.28
2	Variable Cost	517.50	310.50	362.25	414.00
3	Cost of Production	614.10	368.46	429.87	491.28
4	Projected sales	818.80	491.28	573.16	655.04
5	Gross Surplus	204.70	122.82	143.29	163.76
6	Expected Net Surplus	197.70	115.82	136.29	156.76

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 premises

- a) Total cost of project will be reduced.
- b) Profitability will be increased.
- c) Interest on C.E. will be reduced.