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 a major producer of lac, accounting for nearly 70-80% of the total world production. Lac is considered to be an 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 are Ber and Palas. It is gathered that each family on average had 6 Ber and 23 trees.

1 Name of the Product: LAC

2 Project Cost:
   a Capital Expenditure
      Land: Rs. 200000.00
      Building Shed 1000 Sq.ft: Rs. 200000.00
      Equipment: Rs. 150000.00
      (S.S. Top Working Table, Two head bottle washing machine, Cap sealing M/c, Plastic drums, Aluminium Vessels, S.S. Knife, ladles, small utensils, mug, cups, balance etc.)
      Total Capital Expenditure: Rs. 350000.00
   b Working Capital: Rs. 164000.00

   TOTAL PROJECT COST: Rs. 514000.00

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

<table>
<thead>
<tr>
<th>Sr.No.</th>
<th>Particulars</th>
<th>Quintals</th>
<th>Rate</th>
<th>Total Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>LAC</td>
<td>370.00</td>
<td>2600.00</td>
<td>986.00</td>
</tr>
<tr>
<td></td>
<td>TOTAL</td>
<td>370.00</td>
<td>2600.00</td>
<td>986.00</td>
</tr>
<tr>
<td>4</td>
<td>Raw Material</td>
<td></td>
<td></td>
<td>Rs. 350000.00</td>
</tr>
<tr>
<td>5</td>
<td>Lables and Packing Material</td>
<td></td>
<td></td>
<td>Rs. 100000.00</td>
</tr>
</tbody>
</table>
6 Wages (Skilled & Unskilled) : Rs. 90000.00
7 Salaries : Rs. 96000.00
8 Administrative Expenses : Rs. 60000.00
9 Overheads : Rs. 200000.00
10 Miscellaneous Expenses : Rs. 20000.00
11 Depreciation : Rs. 25000.00
12 Insurance : Rs. 3500.00

13 Interest (As per the PLR)
   a. C.E.Loan : Rs. 45500.00
   b. W.C.Loan : Rs. 21320.00

Total Interest Rs. 66820.00

14 Working Capital Requirement :
   Fixed Cost Rs. 225000.00
   Variable Cost Rs. 761320.00
   Requirement of WC per Cycle Rs. 164387.00

15 Cost Analysis

<table>
<thead>
<tr>
<th>Sr.No.</th>
<th>Particulars</th>
<th>Capacity Utilization(Rs in '000)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>100%</td>
</tr>
<tr>
<td>1</td>
<td>Fixed Cost</td>
<td>225.00</td>
</tr>
<tr>
<td>2</td>
<td>Variable Cost</td>
<td>761.00</td>
</tr>
<tr>
<td>3</td>
<td>Cost of Production</td>
<td>986.00</td>
</tr>
<tr>
<td>4</td>
<td>Projected Sales</td>
<td>1200.00</td>
</tr>
<tr>
<td>5</td>
<td>Gross Surplus</td>
<td>214.00</td>
</tr>
<tr>
<td>6</td>
<td>Expected Net Surplus</td>
<td>189.00</td>
</tr>
</tbody>
</table>

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.