KHADI & VILLAGE INDUSTRIES COMMISSION
PROJECT PROFILE FOR GRAMODYOG ROZGAR YOJANA

PRODUCTION OF GASKET SHELLAC COMPOUND (GASKET CEMENT)

On account of its high resistance to attack by oils and petroleum hydrocarbon, shellac is extensively used in automobile and aviation industry for making petrol and gastight seals in engine and fuel lines. Product made by the items given has been found to be superior to those ordinary available in the market as regards adhesion, flexibility, shock and oil resistance.

1. Name of the Product : Gasket Shellac Compound (Gasket Cement)

2. Project Cost :
   (a) Capital Expenditure
       Land : Own
       Building Shed 1900 Sq.ft. : Rs. 100000.00
       Equipment : Rs. 10000.00
       (SS Vessel with lid, Stop cock, Stirrer, Motor
        with speed regulator, weighing balance,
        measuring cylder, gravity meter & tools etc.)
       Total Capital Expenditure : Rs. 110000.00
   (b) Working Capital : Rs. 57000.00
   TOTAL PROJECT COST : Rs. 167000.00

3. Estimated Annual Production of Gasket Cement : (Value in '000)

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Particulars</th>
<th>Capacity (in Kg.)</th>
<th>Rate</th>
<th>Total Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Gasket Cement</td>
<td>2000.00</td>
<td>172.00</td>
<td>344.40</td>
</tr>
<tr>
<td></td>
<td>TOTAL</td>
<td>2000.00</td>
<td>172.00</td>
<td>344.40</td>
</tr>
</tbody>
</table>

4. Raw Material : Rs. 200000.00

5. Labels and Packing Material : Rs. 5000.00

6. Wages (Skilled & Unskilled) : Rs. 36000.00
7. Salaries : Rs. 36000.00  
8. Administrative Expenses : Rs. 20000.00  
9. Overheads : Rs. 20000.00  
10. Miscellaneous Expenses : Rs. 5000.00  
11. Depreciation : Rs. 6000.00  
12. Insurance : Rs. 1100.00  
13. Interest (As per the PLR)  
   (a) Capital Expenditure Loan : Rs. 14300.00  
   (b) Working Capital Loan : Rs. 7410.00  
   Total Interest : Rs. 21710.00  
14. Working Capital Requirement  
   Fixed Cost : Rs. 76400.00  
   Variable Cost : Rs. 268410.00  
   Requirement of Working Capital per Cycle : Rs. 57468.00  
15. Estimated Cost Analysis

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Particulars</th>
<th>Capacity Utilization (Rs.in l000)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>100%</td>
</tr>
<tr>
<td>1.</td>
<td>Fixed Cost</td>
<td>76.40</td>
</tr>
<tr>
<td>2.</td>
<td>Variable Cost</td>
<td>268.00</td>
</tr>
<tr>
<td>3.</td>
<td>Cost of Production</td>
<td>344.40</td>
</tr>
<tr>
<td>4.</td>
<td>Projected Sales</td>
<td>400.00</td>
</tr>
<tr>
<td>5.</td>
<td>Gross Surplus</td>
<td>55.60</td>
</tr>
<tr>
<td>6.</td>
<td>Expected Net Surplus</td>
<td>50.00</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 Premises-
   (a) Total Cost of Project will be reduced.
   (b) Profitability will be increased.
   (c) Interest on Capital Expenditure will be reduced.