KHADI & VILLAGE INDUSTRIES COMMISSION
PROJECT PROFILE FOR GRAMODYOG ROZGAR YOJANA

MANUFACTURING OF AGARBATTI

In the modern days more and more people have become more spiritual in all religious place and its importance have increased. There will not be any single house not only in rural but in cities which will be using Agarbatti now a days. The demand now has considerably increased. There is a good potentiality for marketing the product in the country besides the product has export potential also.

1. Name of the Product : Agarbatti

2. Project Cost :

   (a) Capital Expenditure

   Land :

   Building Shed 800 sq.ft. : Rs. 160000.00

   Equipment :

   Wooden Desk, Patla, Kadai, Spoons,
   measuring glass, tin trays, aluminium vessels,
   blow lamp, balance jars etc.
   Rs. 45000.00

   Total Capital Expenditure : Rs. 205000.00

   (b) Working Capital : Rs. 150000.00

   TOTAL PROJECT COST : Rs. 355000.00

3. Estimated Annual Production of Agarbatti:

   (Value in í000)

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Particulars</th>
<th>Capacity (NO.OF.PKT.)</th>
<th>Rate</th>
<th>Total Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Agarbatti (10 sticks in packet)</td>
<td>450000.00</td>
<td>2.000</td>
<td>932.70</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>450000.00</td>
<td>2.000</td>
<td>932.70</td>
</tr>
</tbody>
</table>

4. Raw Material : Rs. 600000.00

5. Labels and Packing Material : Rs. 100000.00

6. Wages (Skilled & Unskilled) : Rs. 230000.00

7. Salaries : Rs. 360000.00
8. Administrative Expenses : Rs. 2000.00

9. Overheads : Rs. 5000.00

10. Miscellaneous Expenses : Rs. 1000.00

11. Depreciation : Rs. 12500.00

12. Insurance : Rs. 2050.00

13. Interest (As per the PLR)
   (a) Capital Expenditure Loan : Rs. 26650.00
   (b) Working Capital Loan : Rs. 19500.00

Total Interest : Rs. 46150.00

14. Working Capital Requirement
   Fixed Cost : Rs. 67700.00
   Variable Cost : Rs. 864500.00
   Requirement of Working Capital per Cycle : Rs. 155367.00

15. Estimated Cost Analysis

<table>
<thead>
<tr>
<th>Sl.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>67.70</td>
</tr>
<tr>
<td>2.</td>
<td>Variable Cost</td>
<td>865.00</td>
</tr>
<tr>
<td>3.</td>
<td>Cost of Production</td>
<td>932.70</td>
</tr>
<tr>
<td>4.</td>
<td>Projected Sales</td>
<td>267.30</td>
</tr>
<tr>
<td>5.</td>
<td>Gross Surplus</td>
<td>267.30</td>
</tr>
<tr>
<td>6.</td>
<td>Expected Net Surplus</td>
<td>255.00</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.