

**KHADI & VILLAGE INDUSTRIES COMMISSION**  
**PROJECT PROFILE FOR GRAMODYOG ROJGAR YOJANA**

**MANUFACTURING OF AGARBATTI**

In the modern days more and more people have become more spiritual in all religious places 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 have considerably increased. There is a good potentiality for marketing the product in the country besides the product has export potential also.

<b>1 Name of the Product</b>	<b>: Agarbatti</b>		
<b>2 Project Cost</b>	<b>:</b>		
a Capital Expenditure			
Land	:		
Building Shed 800 sq.ft.	Rs.	160000.00	
Equipment	: Rs.	45000.00	
Wooden Desk, Patla, Kadai, Spoons, measuring glass, tin trays, aluminium vessels, blow lamp, balance jars etc.			
Total Capital Expenditure	Rs.	205000.00	
b Working Capital	Rs.	150000.00	
<b>TOTAL PROJECT COST</b>	<b>: Rs.</b>	<b>355000.00</b>	

**3 Estimated Annual Production of Agarbatti (Value in '000)**

Sr.No.	Particulars	Cap.(No. of Pkt.)	Rate	Total Value
1	Agarbatti (10 sticks in 1 packet)	450000.00	2.000	932.70
	TOTAL	450000.00	2.000	932.70

<b>4 Raw Material</b>	<b>: Rs.</b>	<b>600000.00</b>
<b>5 Lables and Packing Material</b>	<b>: Rs.</b>	<b>10000.00</b>
<b>6 Wages (Skilled &amp; Unskilled)</b>	<b>: Rs.</b>	<b>230000.00</b>
<b>7 Salaries</b>	<b>: Rs.</b>	<b>36000.00</b>

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. C.E.Loan	: Rs.	26650.00
	b. W.C.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 WC per Cycle	Rs.	155367.00

#### 15 Estimated Cost Analysis

Sr.No.	Particulars	Capacity Utilization(Rs in '000)			
		100%	60%	70%	80%
1	Fixed Cost	67.70	40.62	47.39	54.16
2	Variable Cost	865.00	519.00	605.50	692.00
3	Cost of Production	932.70	559.62	652.89	746.16
4	Projected Sales	1200.00	720.00	840.00	960.00
5	Gross Surplus	267.30	160.38	187.11	213.84
6	Expected Net Surplus	255.00	148.00	175.00	201.00

**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.