

## "KVIC- PMEGP-(Gramodyog Rojgar Yojana)"

### PROJECT PROFILE ON MANUFACTURING EMPTY GELATINE CAPSULES

#### Introduction:

Empty Gelatine capsule is used in bulk quantity by the pharmaceutical industries various types of medicines come in the form of capsules. The medicine being injected in the empty capsule the product requires very high degree of precision in terms of quality, transparency and strength. The estimated demand of capsules is around 25,000 million pieces whereas the total installed capacity at present is not more than 12,000 million pieces. This represents only the domestic demand and doesn't take into account the export potential. Enquiries are being received from Australia, Sri Lanka, Indonesia, Pakistan etc. for supply of capsules. With technological advancement the machines involved in capsule manufacturing is now available indigenously. Thus the capital outlay is reduced dramatically and hence the return on investment is much higher. **Manufacturing Process & Technology:** These types of capsules are usually prepared from gelatin and sugar. The B.P. and U.S.P. permits gelatin with 0.15% Sulphur Dioxide to prevent decomposition during manufacturing. Capsules are gelatin sheets and the gelatin used must be of the highest quality, purity transparency, colour and strength. Other raw materials required are Edible colour, Paraffin, Solvent Oil, Lubricating oil etc. The manufacturing is handled by a simple machine where precise adjustments and settings are required before the machine is fit to handle large scale production.

1 **Name of the Product :** **EMPTY GELATINE CAPSULES MANUFACTURING**

2 **Project Cost :**

a Capital Expenditure

Land	:		<b>Own</b>		
Workshed in sq.ft on rent	:	500	Rs.	100,000.00	
Equipment	:		Rs.	900,000.00	

Capsule making m/c-Rs.6.00 lacs, Hydraulic Power Pack - Rs.2.00 lacs, Screw conveyors-Rs.0.50 lacs, Packaging m/c - Rs.0.50 lacs.

Total Capital Expenditure Rs. **1,000,000.00**

b Working Capital Rs. **435,000.00**

**TOTAL PROJECT COST :** Rs. **1,435,000.00**

3 **Estimated Annual Production Capacity:**

(Rs. In 000)

Sr.No.	Particulars	Capacity in nos.		Total Value
1	Empty Gelatine Capsules	60,00,000	0.43	2625.00
<b>TOTAL</b>		<b>0.00</b>	<b>0.43</b>	<b>2625.00</b>

4 **Raw Material** : Rs. **1,100,000.00**

5 **Lables and Packing Material** : Rs. **80,000.00**

6 **Wages ( 7-Skilled & 7-Unskilled)** : Rs. **1,008,000.00**

7 **Salaries (MANAGER-1)** Rs. **120,000.00**

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8	Administrative Expenses	:	Rs.	45,000.00
9	Overheads	:	Rs.	50,000.00
10	Miscellaneous Expenses	:	Rs.	25,000.00
11	Depreciation	:	Rs.	95,000.00
12	Insurance	:	Rs.	10,000.00
13	Interest (As per the PLR)			
	a. C. E. Loan	:	Rs.	130,000.00
	b. W. C. Loan	:	Rs.	56,550.00
	Total Interest		Rs.	186,550.00
14	Working Capital Requirement	:		
	Fixed Cost		Rs.	330,000.00
	Variable Cost		Rs.	2,294,550.00
	Requirement of W. C. per Cycle		Rs.	437,425.00

**15 Cost Analysis**

Sr.No.	Particulars	Capacity Utilization(Rs in '000)			
		100%	60%	70%	80%
1	Fixed Cost	330.00	198.00	231.00	264.00
2	Variable Cost	2295.00	1377.00	1606.50	1836.00
3	Cost of Production	2625.00	1575.00	1837.50	1870.50
4	Projected Sales	3000.00	1800.00	2100.00	2400.00
5	Gross Surplus	375.00	225.00	262.50	300.00
6	Expected Net Surplus	280.00	130.00	168.00	205.00

- Note :
1. All figures mentioned above are only indicative.
  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.