

WAX CANDLES

I. INTRODUCTION:

Although it is an age of electrical illumination, light out of wax candles has got its charm and pleasure. Wax candles in fact are daily house-hold necessity for a few occasional necessity for all including for churches and others.

II. MARKET POTENTIAL

Candles are mass consumption items and are widely used for lighting and illumination in household, churches and other religious places, hotels and restaurants etc. the demand for candles is increasing day by day due to its various usage's. Artistic and decoration candles also have very good potential

III. BASIS AND PRESUMPTIONS:

The estimates are drawn for a production capacity generally considered techno-economically viable for model type of manufacturing activity.

The main raw material for the candles is paraffin wax and is a controlled item and the Directorate of Industries of the state makes its allocation to the user. The other raw materials i.e stark acid, wick etc. may be purchased from local market.

IV. IMPLEMENTATION SCHEDULE:

The product is very simple to manufacture just by using moulds. Hence 1-2 months is sufficient for complete implementation of the project including the processing of moulds and raw materials.

V. TECHNICAL ASPECTS:

1.Process of Manufacturing:

Free wick is to be winded in required moulds in the given grews, lubricate the lubricating oil, screw the moulds as per the number given, melt the wax and add colour mix it well. Pour the melted wax into the ready moulds, keep the moulds for cooling for about ½ an hour, unscrew the plates of the moulds and take out the candles fro it and pack it in either number or weight.

2.Quality Specification :

As per customers requirements.

3.Production Capacity per annum

Quantity: 15 tones per annum

Value: Rs. 4,25,300

4.Motive Power : Only for lighting.

VI. TOTAL CAPITAL INVESTMENTS

S.No	Description	Value Rs.
1	Fixed Capital	27000
2	Working capital	50700
	Total cost	77700

VII. MEANS OF FINANCE

1.Promoter's Contribution (5% of total cost)	3885
2.PMRY subsidy (15% of total cost or Rs.7500,whichever is less)	7500
3.Bank loan[total cost-(Promoter's Contribution+ PMRY subsidy)	66315

VIII. FINANCIAL ASPECTS

1. FIXED CAPITAL

i.Land & Buildings: Rented premises at a rent of Rs. 1000 pm.

ii Machinery & Equipment

S.No	Description	Quantity	Value Rs.
1	Moulds of various sizes		20000
2	Wax Melting Vessels		2000
3	Stove for melting wax		2000
4	Common Balance		1000
5	Miscellaneous		2000
	Total		27000

2. WORKING CAPITAL

i)Staff & Labour per month

S.No	Designation	No	@ Rs.	Value Rs.
1	Supervisor	1	3000	3000
2	Semi-skilled worker	1	2000	2000
	Total			5000

ii)Raw Material (p.m.)

S.No	Description	Quantity	Value Rs.
1	Paraffin wax	1250 kg.	37500
2	Wicks	54 bundles	2000
3	Lubricating oil		500
4	Packing materials	1300 covers	1000
	Total		41000

iii. Utilities per month

S.No.	Description	Value Rs.
1	Power	500
2	Water	200
	Total	700

iv.Other expenses per month

S.No	Description	Value Rs.
1	Conveyance, postage, telephone	1500
2	Printing , stationery, misc. expenses	1500
	Total	3000

v.Total working capital per month

S.No	Description	Value Rs.,
1	Rent	1000
2	Staff and labour	5000
3	Raw materials	41000
4	Utilities	700
5	Other expenses.	3000
	Total	50700

IX. COST OF PRODUCTION PER ANNUM

S.No	Description	Value Rs.
1	Total working capital	608400
2	Depreciation	2000
3	Interest	11655
	Total	622055

X. TURNOVER PER YEAR

S.No	Item	Quantity	Rate	Value Rs.
1	Wax Candles	15 MT	45 /MT	675000
	Total			675000

XI. FIXED COST PER YEAR

S.No	Description	Value Rs.
1	Depreciation	2000
2	Interest	11655
3	Rent	12000
4	40% of salaries & wages	24000
5	40% of other expenses (utilities + OE)	17760
	Total	67415

XII. PROFIT ANALYSIS

Net Profit : sale-total cost=675000-622055=52945

% of Profit on Sale: Profit / Sale x100 =52945/675000]100=7.84%

% of Return on Investment: Profit / (Investment) x 100=52945/77700]100=68.14

Break-Even Analysis : FC / (FC+Profit) x100=67415/67415+52945]100 =56%

XIII. MACHINERY SUPPLIERS

Local dealers and manufacturers.