



2. PROJECT PROFILE ON AGARBATHI MANUFACTURING

Category : Manufacturing

Total Cost of Project : Rs. 2,47,000/-

BEP : 47 %

I. INTRODUCTION OF BUSINESS IDEA:

Incense sticks or sandal sticks are familiar from olden days in various cultural and traditional functions and occasions. Agarabathis are available in various colours and varieties.

II. PRODUCT AND ITS APPLICATIONS:

The agarbathis are used in every house daily during pujas. It is also used in commercial places like shops, malls, entertainment area etc. The consumption of agarbathis will be more during festivals.

III. MARKET POTENTIAL:

This is daily consumable item and general stores and other wholesale stockists and distributors sell it. The street hawkers sell this product from door to door on regular basis. In the district, there are many religious places, wherein there exists regular demand. There is thus good potential for the unit especially in area nearby to the religious places.

IV. CAPACITY-INSTALLED REVENUE(1ST YEAR):

In first year the unit shall produce/sell 100 kg/day. The unit works for 300 days in a year.

Sl. No.	Product	Qty	Rate Per ton	Sales Amount
01	Agarbathi	30T	Rs.50,000	15,00,000

V. MANUFACTURING PROCESS AND QUALITY:

The bamboo sticks, which are used in manufacturing agarbathis, are available in local market. The charcoal powder is fixed with adhesive and the paste is prepared. This paste is again mixed with wooden powder and is rolled with bamboo sticks to prepare agarbathis. This agarbathis are dried and sent for packaging/further processing.



VI. COST OF PROJECT AND MEANS OF FINANCE, INCLUDING WORKING CAPITAL REQUIREMENTS:

A. COST OF PROJECT:

SI No.	Particulars	Amount (Rs).
01	Equipments	75,000
02	Other fixed assets	10,000
03	Preliminary and preoperative expenses	5,000
04	Deposits	40,000
05	Working Capital Requirements	1,17,000
	Total	2,47,000

B. MEANS OF FINANCE:

SI No.	Particulars	Amount (Rs).
01	Loan @ 75% (Excluding deposits)	1,85,000
02	Equity	62,000
	Total	2,47,000

C. WORKING CAPITAL REQUIREMENT:

Sl. No.	Particulars	Basis	Period	Amount
1	Raw-materials	5,72,000/12 x 1	1 M	48,000
2	Finished Goods	10,88,000/12 x ¼	1 W	23,000
3	Bills Receivable	15,00,000/12 x ¼	1W	31,000
4	Working exp	LS	1 m	15,000
	Total			1,17,000

VII. MAIN INPUTS REQUIREMENTS

A. MACHINERY:

Sl. No.	Particulars	Qty	Amount
1	Wooden tables	25	40,000
2	Aluminum vessels, blow lamp and stove etc	7	20,000
3	Other equipment and tools	1 Set	15,000
	Total		75,000

B. RAW-MATERIALS (P.A):

Sl.No.	Particulars	Qty	Rate	Total cost(Rs)
1	Charcoal Powder	3,000 kg	40/- kg	1,20,000
2	Wooden powder	3,000 kg	20/- kg	60,000
3	Adhesive paste	3,000 kg	40/- kg	1,20,000
4	Bamboo sticks	5,000 kg	40/- kg	2,00,000
5	Consumables and packing exp	PM	6,000Rs/PM	72,000
	Total			5,72,000



C. UTILITIES:

Sl. No.	Particulars	Monthly Charges (Rs.)	Annual Charges (Rs.)
1	Electricity water	2,000	24,000

D. MANPOWER REQUIREMENT:

Sl. No.	Workers	No.	Monthly Salary (Rs)	Annual Salary (Rs)
01	Supervisor	1	9,000	1,08,000
01	Skilled workers	2	5,000	1,20,000
02	Helpers	6	4,000	2,88,000
	Total	9		5,16,000

E. INFRASTRUCTURE REQUIREMENT:

Building	Built up space of 1000 sq.ft is required @ 1500 rent p.m.
Power	Only lighting power connection is required
Water	Water is required for both production and for general purposes

VIII. PROFITABILITY PROJECTION:

Particulars	Basis	Amount (Rs).
Sales Revenue	Ref : IV	15,00,000
Raw Materials	Ref : VII B	5,72,000
Man Power Expenses	Ref : VII D	5,16,000
Utilities	Ref : VIIC	24,000
Interest	@12%	22,000
Depreciation	@ 15 % SLM	11,000
Overheads	Rent, maintenance etc	1,50,000
Total Expenses		12,95,000
Profit		2,05,000

IX. FINANCIAL INDICATOR:

$\frac{\text{Break Even Point FC}}{\text{SR-VC}} * 100$	$\frac{183,000}{388,000} \times 100$	47 %
$\frac{\text{Payback period Cost of project}}{\text{Profit+ Depn.}}$	$\frac{247,000}{216,000}$	1 year 2 months



ADDRESS:

X. SUPPLIERS OF EQUIPMENTS:

Samanth traders
Teak mouldings, plywood etc
2nd cross Srinivasnagar,
Dharwad-01
Ph 0836-2210031

SUPPLIERS OF RAW MATERIAL:

Bharath Industrial Corporation
341/35, po-2104, 1st cross,
Dayanand nagar, Srirampuram,
Bangalore-21
Ph-080-23128433

XI. SPECIAL NOTE:

Short duration skill training on agarbathi is suggested at RUDSETI,