



3. PROJECT PROFILE ON CANDLE MAKING UNIT

Category : Manufacturing

Total Cost of Project : Rs2,97,500/-

BEP : 44 %

I. INTRODUCTION OF BUSINESS IDEA :

Candle making has been practiced as an art since time immemorial and despite the introduction of mass production methods, candles are still be made by well established methods which require only simple equipment. Most of this equipment can be fabricated by rural craftsmen.

A candle is simply a solid cylinder of tallow, wax or other solid fat, containing a wick which burns to produce light. When the wick is lit, the flame radiates sufficient heat to melt and form a small pool of wax at the top of the candle. The liquid wax is then drawn up the wick by capillary action into the flame where it vapourises and burns. The size of the flame is important and is related to the diameter of the candle.

II. PRODUCT AND ITS APPLICATION:

Candle making is a very flourishing industry in modern times owing to the versatile use of candles on various occasions and ceremonies. Candles are available in multifarious fascinating colours, designs and shapes.

III. MARKET POTENTIAL:

Fancy candles have very good potential. The demand for candles has been increasing owing to its diverse uses. Candles with different designs suiting to various occasions have to be made so as to ensure a better value addition as also good demand. The district has its demand met from outside especially in case of fancy candles. Hence, there is good demand for the proposed unit in the district.

IV. CAPACITY-INSTALLED, UTILISED AND SALES:

Sl. No.	Product	Qty	Rate Per kg.	Sales Amount
01	Candle	15 tons	Rs.1,00,000	15,00,000

V. MANUFACTURING PROCESS AND QUALITY:

There are four methods of producing candles on a small scale. These are as follows,

- 1. The Dipping Process:** This technique involves immersing the candle wick in molten wax then withdrawing it, so that it picks up wax as it emerges. The wax is allowed to cool and the process is repeated until the desired thickness has been built up. The equipment is very simple in principle and can also be easily made.



2. **The Pouring Process:** This technique involves suspending a wick in a container of molten wax and pouring hot wax which drips back into the main container and can be used again.
3. **The Molding or Casting Process:** The molding process consists of filling a mould, in which a wick has been positioned, with molten, allowing the wax to cool and then removing the completed candle from the mould. Except for very small outputs per day this is generally the adopted process.
4. **The Drawing Process:** A long length of wick is passed back and forth horizontal through a bath of wax thereby forming a candle' rope, which is accommodated on large drums which are manually operated.

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

A. Cost of Project:

Sl. No.	Particulars	Amount (Rs).
01	Equipments	80,000
02	Other fixed assets	10,000
03	Preliminary and preoperative expenses	15,000
04	Deposits	40,000
05	Working Capital Requirements	1,52,500
	Total	2,97,500

B. Means of Finance:

Sl. No.	Particulars	Amount (Rs).
01	Loan@75%	2,23,000
02	Equity	74,500
	Total	2,97,500

C. Working Capital Requirement:

Sl. No.	Particulars	Basis	Period	Amount (Rs).
1	Raw-materials	9,60,000/12 x 1	1m	80,000
2	Bills receivable	15,00,000/12 x ½	2w	62,500
3	Working expenses		1m	10000
	Total			1,52,500



VII. Main Inputs Requirements

A. Machinery:

Sl. No.	Particulars	Qty	Amount (Rs).
1	Moulds	3	50,000
2	Furnace	1	10,000
3	Weighing machine and other vessels	-	10,000
4	Packaging Machine		10,000
	Total		80,000

B. Raw-materials (p.a.):

Sl.No.	Particulars	Qty	Rate	Total cost (Rs)
1	Paraffin Wax	16 T	50,000 /T	8,00,000
2	Colours, thread			1,00,000
	Packing material			60,000
	Total			9,60,000

C. Utilities:

Sl. No.	Particulars	Monthly Charges (Rs)	Total Annual Charges (Rs)
1	Electricity, fuel and water	3,000	36,000

D. Man-power requirement:

Sl. No.	Workers	No.	Monthly Salary (Rs)	Annual Salary (Rs)
01	Supervisor	1	8,000	96,000
02	Skilled worker	1	5,000	60,000
03	Helper	1	4,000	48,000
	Total			2,04,000

E. Infrastructure Requirement:

Building	Built up space of 500 sq.ft is required
Power	Commercial power connection is required
Water	1 KL Water is required per day



VIII. Profitability Projection (Annual):

Particulars	Basis	Amount (Rs).
Sales Revenue	Ref: IV	15,00,000
Raw Materials	Ref: VII B	9,60,000
Man Power Expenses	Ref: VII D	2,04,000
Utilities	Ref: VIIC	36,000
Interest	@12%	27,000
Depreciation	@ 20%	16,000
Overheads	Rent, maintenance etc	90,000
Total Expenses		13,33,000
Profit		1,67,000

IX. FINANCIAL INDICATOR:

Break Even Point FC -----*100 SR-VC	133000 -----*100 300,000	44%
Payback period Cost of project ----- Profit+ Dep	 297,500 ----- 183,000	 1 year 8 month

Address:

X. SUPPLIERS OF MACHINERY / EQUIPMENTS:

Standard Engineering works
4th cross, 5th main,
Mattikere
Bangalore-54
080-23601636

Suppliers of raw material:

Reliable petro products, 51/4
Chikbegar gate, Hosur road
Bangalore-68
Ph 080-25730948