

PROJECT PROFILE

ON

CAMPBOR TABLETS

Month & Year
July 2010

**PREPARED BY
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Supported by

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STIFTUNG **FÜR DIE FREIHEIT**

CAMPHOR TABLETS

INTRODUCTION

Camphor is an essential item for almost all religious functions in homes as an incense material. It is used in temples and during religious festivals.

It has been the tradition of people to burn camphor while opening shops, offices and other commercial establishments. The major consumer is Hindu community.

A lot of camphor is used as an ingredient for preparing Ayurvedic and Siddha medicines.

Camphor tablet manufacturing can be started with a small investment and any layman can venture into this project.

PRODUCT USES

Camphor tablets are used by people all over the country for performing religious functions, auspicious occasions and day to day worship.

MARKET POTENTIAL

Camphor tablets are consumer items and are used for religious purpose, in homes, temples, shops and commercial establishment. The demand is at the peak during festivals and religious functions. Many players are there in the field of manufacturing camphor tablets and yet the market is so enormous that there is always scope for more new units.

TECHNICAL ASPECTS

INSTALLED CAPACITY

The installed capacity of the unit proposed is 7200 kgs per annum of tables of 1 gm each, packed in plastic pouches, weighing 50 gm per pouch of 50 tablets. The unit will work for 8 hours per day for 300 days per annum (50 tablets per minute x 60 mts X 8 hours X 300 days = 7200 kgs.).

PLANT AND MACHINERY

SI No	Machinery Description	Value
1.	Camphor tableting Machine	40250
2.	Dies & weighing Machine	5750
3.	Heat Sealing Equipment hand operated	1725
	TOTAL	47725

MANUFACTURING PROCESS

Raw camphor powder is moistened with water and tabletted in the tableting M/c. and packed in polythene bags. The tablet can be made in any shape and size, usually round or square tablets 1 to 1.5 cm are made.

RAW MATERIALS

Sl. No	Raw Material		Value
1.	Raw Camphor	7200 kgs x Rs.310	22.32
2.	Plastic bags	144000 nos x 9 p	0.13
	Total		22.45

LAND & BUILDING

Built up area-Sq. ft	200
Rent p.m.-Rs	2000
Advance-10 months. Rs	20000

UTILITIES

Power:

A single phase load of ½ HP is sufficient for the operation of the tab letting m/c.

Water:

Water in a limited quantity for process and for human consumption required.

Man Power:

Category	Nos.	Monthly Salary	Total monthly Salary
Operator	1	6000	6000
Helper/Packer	1	4000	4000
			10000
Add : Benefits	20%		2000
Total			12000
Total wages per annum [Rs.lakhs]			Rs.1.44

IMPLEMENTATION SCHEDULE

As the machines and materials are easily available, the project can be implemented within a month's time.

COST OF PRODUCTION & PROFITABILITY

ASSUMPTIONS

Installed capacity	7200 kgs. (144000 boxes of 50 gms each) on single shift basis.
Capacity utilisation	Year-1 -60% Year -2 -70% Year-3 onwards- 80%
Selling price	Rs.380.00 per kg
Raw materials	Rs.22.45 lakhs at 100% utilisation.
Power	Rs.0.15 lakh per annum at 100%
Wages and salaries	Rs. 1.44 lakhs as per the break up given

	above with increase of 5% every year.
Repairs and Maintenance	Rs.0.06 lakh per annum Rs. 500 pm with annual increase of 10%.
Depreciation	Written down value method -15 % on machinery
Selling general and administrative expenses	Rs.0.84 lakh per annum (Rs.7000 per month) with an annual increase by 5% on every year.
Interest on Term loan	12% per annum
Interest on working capital	12 % per annum
Income tax	33.22 % on profits

LIST OF MACHINERY SUPPLIERS

1. M/s C.Naveenchandra & Co., No.284, Linghi Chetty Street, Chennai 600 001.
2. M/s. Bhaskar Industries, No.19, Workshop Road, Simmakal, Madurai.

LIST OF RAW MATERIAL SUPPLIER

1. Arihant Enterprises, 110,Amman Koil Street, Kondithoppu, Chennai 600 079
(Agents of Camphor & Allied Products Ltd.)

PACKING MATERIALS

All major plastic packing material manufacturers list shown in yellow pages of cities

FINANCIAL ASPECTS

1. COST OF PROJECT

	[Rs.lakhs]
Land & Building (Advance)	0.20
Machinery	0.48
Other Misc. assets	0.05
Pre-Operative expenses	0.10
Margin for WC	0.63
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	1.46

2. MEANS OF FINANCE

Capital	1.10
Term Loan	0.36
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	1.46

3. COST OF PRODUCTION & PROFITABILITY STATEMENTS

	[Rs.lakhs]		
Years	1	2	3
Installed Capacity (Kg.)	7200	7200	7200
Utilisation	60%	70%	80%
Production/Sales (Kg.)	4320	5040	5760
Selling Price	Rs.380	per kg.	
Sales Value (Rs.lakhs)	16.42	19.15	21.89
Raw Materials	13.47	15.72	17.96
Power	0.09	0.11	0.12
Wages & Salaries	1.44	1.51	1.59
Repairs & Maintenance	0.06	0.06	0.06

Depreciation	0.07	0.06	0.05
Cost of Production	15.13	17.46	19.78
Selling, Admin, & General expenses	0.84	0.88	0.92
Interest on Term Loan	0.04	0.04	0.03
Interest on Working Capital	0.30	0.30	0.30
Total	16.31	18.68	21.03
Profit Before Tax	0.11	0.47	0.86
Provision for tax	0.00	0.00	0.00
Profit After Tax	0.11	0.47	0.86
Add: Depreciation	0.07	0.06	0.05
Cash Accruals	0.18	0.53	0.91

4. WORKING CAPITAL:

	Months Consumptions	Values	%	Margin Amount	Bank Finance
Raw Materials	1.00	1.12	25%	0.28	0.84
Finished goods	0.50	0.63	25%	0.16	0.47
Debtors	1.00	1.37	10%	0.14	1.23
Expenses	1.00	0.05	100%	0.05	0.00
		3.17		0.63	2.54

6. PROFITABILITY RATIOS BASED ON 80% UTILISATION

$\frac{\text{Profit after Tax}}{\text{Sales}}$	=	$\frac{0.86}{21.89}$	4%
$\frac{\text{Profit before Interest and Tax}}{\text{Total Investment}}$	=	$\frac{1.19}{4.00}$	30%
$\frac{\text{Profit after Tax}}{\text{Promoters Capital}}$	=	$\frac{0.86}{1.10}$	78%

7. BREAK EVEN LEVEL

Fixed Cost (FC):

	[Rs.lakhs]
Wages & Salaries	1.59
Repairs & Maintenance	0.06
Depreciation	0.05

Admin. & General expenses	0.92
Interest on TL	<u>0.03</u>
	<u>2.65</u>
Profit Before Tax (P)	0.86

$$\text{BEL} = \frac{\text{FC} \times 100}{\text{FC} + \text{P}} = \frac{2.65}{3.51} \times \frac{80}{100} \times 100$$

60% of installed capacity