

PROJECT REPORT
ON
'SUGAR GLOBULES (HOMEOPATHIC MEDICINE)'

PURPOSE OF THE DOCUMENT

**This particular pre-feasibility is regarding 'Sugar Globules
(Homeopathic Medicine)'**

The objective of the pre-feasibility report is primarily to facilitate potential entrepreneurs in project identification for investment and in order to serve his objective; the document covers various aspects of the project concept development, start-up, marketing, finance and management.

[We can modify the project capacity and project cost as per your requirement.
We can also prepare project report on any subject as per your requirement.]

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ON
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INTRODUCTION:

The project proposes to manufacture Sugar Globules which is an adjunct for taking Homeopathic medicines. Homeopathy is a medical science developed by Dr. Samuel Hahnemann (1755-1843), a German physician. It is based on the principle that “like cures like”. In simple words, it means that any substance, which can produce symptoms in a healthy person, can cure similar symptoms in a person who is sick. This idea is referred to as the “Law of Similars“, and was understood by Aristotle and Hippocrates and mentioned in ancient Hindu manuscripts. It was Hahnemann, however, who turned it into a science of healing.

PRODUCT AND ITS APPLICATION

As progress of Medical Science increasing day by day likewise the side effect of allopathic medicines are also being seen in the world. Looking to the adverse effect of allopathic medicines population of this era is moving towards the Ayurvedic &

Homeopathic Medicines because it is well known that adverse effect of homeopathic & Ayurvedic medicines are quite low.

Therefore, demand of homeopathic medicines is increasing day by day, looking to the demand of Homeopathic drugs, demand of sugar globules is also increasing because Homeopathic medicines can only be taken with sugar globules of water due to sweet in nature & easy solubility in mouth sugar globules are mainly being used by homeopathic doctors.

The sugar globules have good absorption power than other globules and easily absorbs by the homeopathic drug without any change in composition & property.

MARKET :

Basic consumption of sugar globules is in homeopathy, because drug used in homeopathy is either to be taken with sugar globules or water. Therefore due to sweet taste these globules are being used by doctors or physician of homeopathy. Basic difference between manufacturing cost & ceiling prize is very high, hence it can be sale to wholesalers only.

IMPLEMENTATION SCHEDULE

The major activities and their implementation schedule are furnished below. The assessment of the items required for implementation of the project has been considered and accounted from the date of sanction of the loan:

Sno	Activities	Period in No. months
1	Application to financial institutions, submission of documents, certificates for loan and other formalities	1
2	Placement of orders for machinery and equipments and application for power connection	1
3	Procurement of raw materials	1
4	Clearing machinery, installation, electrification etc.	1
5	Trial and commercial production	1
	Total	5

BASIS & PRESUMPTIONS:

The project has been drafted taking into account of the following aspects :

1.	No. of working shift in a day	One
2	Duration of shift in term of time	8 hours
3	Number of working days in a year	300
4	Working efficiency of the units in first year	65%
5	Building (built up are) will be in accordance with the provision laid down by FSSAI.	
6	The estimates are drawn from a production capacity generally considered techno-economically viable for a modern type of manufacturing unit.	
7	The wages of the Staff & Labour is taken as per the prevailing Labour Wages Laws.	
8	The entire expenditure will be borne by entrepreneur.	
9	The rate of interest has been shown as applicable.-11%	
10	Plant & Machinery, Testing equipment & all other equipments used in manufacturing such type of products may also be employed in manufacturing all other similar type medicines.	
11	Although the unit is free from pollution & effluent discharge but still provision of exhaust fan may ensure the fresh environment.	

MANUFACTURING PROCESS:

Manufacturing process of sugar globules may be shown as following :-

1. Grinding of sugar.
2. Formation of Globules
3. Drying
4. Coating

1. Grinding :

Sugar is grinded by grinder to fine mesh & further filter through sieve to remove unwanted material if any.

2. Formation of Globules:

Powdered sugar mixed with water & paste is formed. This paste is rubbed on the surface of sieve to prepare granules of sugar.

3. Drying :

These granules are dried in tray drier to remove/eliminate moisture of the product.

4. Coating :

Dried sugar globules transferred in to coating machine having arrangement of spray drier for coating with sugar solution to desired size
Colour of the product should be translucent or opaque in nature.

POLLUTION CONTROL:

There is no pollution, however, unit has to obtain N.O.C. from Pollution Control Authorities.

MANPOWER

Following Manpower is required for starting Manufacturing unit : -

Chemist	1
Production Supervisor	1
Skilled worker	2
Semi skilled worker	2
Accountant	1
Sales	1
Guard	1
Peon	1
Total	10

POWER AND FUEL

Proper Arrangements for the Electricity Connection Load has to be made from the Concerned State Electricity Board.

Total connected load (KW) : 25

In Addition to the Connection Load taken, Arrangements for DG Set shall also be done as per requirement.

BANK LOAN

Rate of Interest is assumed to be at 11.00%

DEPRECIATION

Depreciation has been calculated as per the provisions of Income Tax Act, 1961

APPROVALS & REGISTRATION REQUIREMENT:

- Basic registration required in this project:
- GST Registration
- Udyog Aadhar Registration(Optional)
- Choice of a Brand Name of the product and secure the name with Trademark if required
- NOC from State Pollution Control Board
- The Drugs and Pharmaceutical Industry in general is highly regulated in India. Regulatory authorities at the Central level and the State level monitor the same. The Department of Ayush (Ayurveda, Unani, Siddha and homeopathy) will be issuing quality standard certificates for herbal and homeopathic medicines for domestic use and export purposes.

Ayush has two types of certification schemes for manufacturing units engaged in production of ayurveda, unani, siddha and homeopathic medicines.

The Ayush Standard Mark will be issued as certification for manufacturers who meet the domestic regulatory requirements. These companies can sell their products within the country.

FINANCIAL ASPECTS

PROJECT AT A GLANCE

Product and By Product	:	Sugar Globules	
Name of the project / business activity proposed :	:	Sugar Globules	
Cost of Project	:	Rs.22 Lacs	
Means of Finance			
Term Loan		Rs.9.54 Lacs	
KVIC Margin Money	-	As per Project Eligibility (10% or 5%)	
Own Capital		Rs.4.45 Lacs	
Working Capital		Rs.8 Lacs	
Debt Service Coverage Ratio	:	3.66	
Pay Back Period	:	5	Years
Project Implementation Period	:	6	Months
Break Even Point	:	35%	
Employment	:	10	Persons
Power Requirement	:	25	HP
Major Raw materials	:	Sugar	
Estimated Annual Sales Turnover (Max Utilized Capacity)	:	80.14	Lacs

COST OF PROJECT

(Rs. In Lacs)

Particulars	Amount
Land 2500 SqFt	Rented/Owned
Building & Civil Work (2000SqFt)	
Plant & Machinery	10.00
Furniture & Fixtures	0.58
Pre-operative Expenses	0.75
Working Capital Requirement	10.67
Total	22.00

MEANS OF FINANCE

Particulars	Amount
Own Contribution	4.45
Term Loan	9.54
Working Capital Finance	8.00
Total	22.00

Beneficiary's Margin Monery

10%

PLANT & MACHINERY

1	Grinder with motor of 5 HP for grinding of sugar	1	1,25,000.00	1,25,000.00
2	Tray drier capacity of 26 trays, electrically heated, complete with fan, heating coil, digital temperaturecontroller & indicator having arrangement of circulating air.	1	2,00,000.00	2,00,000.00
3	Sieves of different Mesh	3	15,000.00	45,000.00
4	Tableting Machine with Motors & Punches	1	1,10,000.00	1,10,000.00
5	Coating pan made of SS with arrangement of Heater and air blower.	1	1,25,000.00	1,25,000.00
6	Degrader having arrangement of 13 Nos. sieves of various mesh & 3 HP motor capacity 100 kg. per hour	1	2,50,000.00	2,50,000.00
7	Physical weighing balance	1	20,000.00	20,000.00
8	Lab equipment, glass ware plastic wave & other equipment like sealing machine etc.	LS	50,000.00	50,000.00
9	Erection & Electrification @ 10%			75,000.00
	Total			10,00,000.00

COMPUTATION OF MANUFACTURING OF SUGAR GLOBULES

Manufacturing Capacity per day	0.47	MT
No. of Working Hour	8	
No of Working Days per month	25	
No. of Working Day per annum	300	
Total Production per Annum	140.00	MT
Year	Capacity	MT
	Utilisation	
IST YEAR	65%	91.00
IIND YEAR	70%	98.00
IIIRD YEAR	75%	105.00
IVTH YEAR	80%	112.00
VTH YEAR	85%	119.00

COMPUTATION OF RAW MATERIAL

Item Name	Quantity	Rate Per MT	Total Cost
	MT	Rs	Per Annum (100%)
Sugar	150.00	32,000.00	48.00
Polyethylene bag for packaging & Additives used for brightness of colour			1.00
Annual Consumption cost		Rs in lac	49.00

Raw Material Consumed	Capacity	Amount (Rs.)
	Utilisation	
IST YEAR	65%	31.85
IIND YEAR	70%	34.30
IIIRD YEAR	75%	36.75
IVTH YEAR	80%	39.20
VTH YEAR	85%	41.65

COMPUTATION OF SALE

Particulars	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
Op Stock	-	6.83	7.35	7.88	8.40
Production	91.00	98.00	105.00	112.00	119.00
	91.00	104.83	112.35	119.88	127.40
Less : Closing Stock	6.83	7.35	7.88	8.40	8.93
Net Sale	84.18	97.48	104.48	111.48	118.48
Sale Price per MT	65,000.00	65,650.00	66,306.50	66,969.57	67,639.27
Sale (in Lacs)	54.71	63.99	69.27	74.65	80.14

COMPUTATION OF CLOSING STOCK & WORKING CAPITAL

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
<u>Finished Goods</u>					
(15 Days requirement)	3.23	3.46	3.70	3.95	4.20
<u>Raw Material</u>					
(15 Days requirement)	1.59	1.72	1.84	1.96	2.08
Closing Stock	4.82	5.18	5.54	5.91	6.28

COMPUTATION OF WORKING CAPITAL REQUIREMENT

Particulars	Total Amount
Stock in Hand	4.82
Sundry Debtors	5.47
Total	10.29
Sundry Creditors	1.06
Working Capital Requirement	9.23
Margin	0.92
MPBF	8.31
Working Capital Finance	8.00

REPAYMENT SCHEDULE OF TERM LOAN

Year	Particulars	Amount	Addition	Total	Interest	Repayment	CI Balance
IST YEAR	Opening Balance						
	Ist Quarter	-	9.54	9.54	0.26	-	9.54
	IInd Quarter	9.54	-	9.54	0.26	-	9.54
	IIIrd Quarter	9.54	-	9.54	0.26	0.53	9.01
	Ivth Quarter	9.01	-	9.01	0.25	0.53	8.48
					1.04	1.06	
IIND YEAR	Opening Balance						
	Ist Quarter	8.48	-	8.48	0.23	0.53	7.95
	IInd Quarter	7.95	-	7.95	0.22	0.53	7.42
	IIIrd Quarter	7.42	-	7.42	0.20	0.53	6.89
	Ivth Quarter	6.89		6.89	0.19	0.53	6.36
					0.85	2.12	
IIIRD YEAR	Opening Balance						
	Ist Quarter	6.36	-	6.36	0.17	0.53	5.83
	IInd Quarter	5.83	-	5.83	0.16	0.53	5.30
	IIIrd Quarter	5.30	-	5.30	0.15	0.53	4.77
	Ivth Quarter	4.77		4.77	0.13	0.53	4.24
					0.61	2.12	
IVTH YEAR	Opening Balance						
	Ist Quarter	4.24	-	4.24	0.12	0.53	3.71
	IInd Quarter	3.71	-	3.71	0.10	0.53	3.18
	IIIrd Quarter	3.18	-	3.18	0.09	0.53	2.65
	Ivth Quarter	2.65		2.65	0.07	0.53	2.12
					0.38	2.12	
VTH YEAR	Opening Balance						
	Ist Quarter	2.12	-	2.12	0.06	0.53	1.59
	IInd Quarter	1.59	-	1.59	0.04	0.53	1.06
	IIIrd Quarter	1.06	-	1.06	0.03	0.53	0.53
	Ivth Quarter	0.53		0.53	0.01	0.53	- 0.00
					0.15	2.12	

PROJECTED BALANCE SHEET

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
<u>SOURCES OF FUND</u>					
Capital Account					
Opening Balance	-	6.27	7.85	9.98	12.60
Add: Additions	4.45	-	-	-	-
Add: Net Profit	4.81	5.58	7.13	8.62	9.83
Less: Drawings	3.00	4.00	5.00	6.00	7.00
Closing Balance	6.27	7.85	9.98	12.60	15.43
Term Loan	8.48	6.36	4.24	2.12	-
Cash Credit	8.00	8.00	8.00	8.00	8.00
Sundry Creditors	1.06	1.14	1.23	1.31	1.39
Provisions & Other Liab	0.36	0.40	0.44	0.48	0.53
TOTAL :	24.17	23.75	23.88	24.51	25.35
<u>APPLICATION OF FUND</u>					
Fixed Assets (Gross)	11.33	11.33	11.33	11.33	11.33
Gross Dep.	1.67	3.09	4.30	5.33	6.21
Net Fixed Assets	9.66	8.24	7.03	6.00	5.12
Current Assets					
Sundry Debtors	5.47	6.40	6.93	7.47	8.01
Stock in Hand	4.82	5.18	5.54	5.91	6.28
Cash and Bank	2.22	1.93	2.39	2.14	2.93
Deposits & Advances	2.00	2.00	2.00	3.00	3.00
TOTAL :	24.17	23.75	23.88	24.51	25.35

PROJECTED PROFITABILITY STATEMENT

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
<u>A) SALES</u>					
Gross Sale	54.71	63.99	69.27	74.65	80.14
Total (A)	54.71	63.99	69.27	74.65	80.14
B) COST OF SALES	2.87	3.09	3.31	3.53	3.75
Raw Material Consumed	31.85	34.30	36.75	39.20	41.65
Electricity Expenses	2.91	3.13	3.36	3.58	3.80
Repair & Maintenance	0.55	0.64	0.69	0.75	0.80
Labour & Wages	6.07	6.68	7.35	8.08	8.89
Depreciation	1.67	1.42	1.21	1.03	0.88
Cost of Production	43.05	46.17	49.36	52.64	56.03
Add: Opening Stock /WIP	-	3.23	3.46	3.70	3.95
Less: Closing Stock /WIP	3.23	3.46	3.70	3.95	4.20
Cost of Sales (B)	39.82	45.94	49.12	52.39	55.77
C) GROSS PROFIT (A-B)	14.90	18.05	20.16	22.26	24.36
	27.22%	28.21%	29.09%	29.82%	30.40%
D) Bank Interest (Term Loan)	1.04	0.85	0.61	0.38	0.15
Bank Interest (C.C. Limit)	0.80	0.80	0.80	0.80	0.80
E) Salary to Staff	4.75	5.23	5.75	6.32	6.96
F) Selling & Adm Expenses Exp.	1.09	3.20	3.46	3.73	4.01
G) Rent for Factory Premises	2.40	2.40	2.40	2.40	2.40
TOTAL (D+E)	10.08	12.47	13.03	13.64	14.31
H) NET PROFIT	4.81	5.58	7.13	8.62	10.05
I) Taxation					0.23
J) PROFIT (After Tax)	4.81	5.58	7.13	8.62	9.83



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