



MODEL PROJECT REPORT



PROJECT REPORT ON CAMPHOR TABLET

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1. INTRODUCTION

CAMPHOR TABLET (KAPOOR)



Camphor is a white, crystalline substance with a strong scent and pungent taste. Camphor is a flammable, waxy, and transparent with a pleasant odor, produced from distillation of wood and bark of the camphor tree which is predominantly found in Asia. In addition to its natural origin, camphor can also be produced synthetically from turpentine oil. Globally, rising demand for camphor ointments used for treating chest congestion, growth in food industry owing to growing population, and increasing demand from the pharmaceutical industry are the prime growth drivers of camphor market. In addition, the camphor of turpentine oil derived from rosine can be synthesized. Properties of sublimation give its various uses.

2. MARKET POTENTIAL:

India is a vast country and the Indian people follow various religions, speak different languages and follow different customs and traditions. In spite of

this diversity, one thing is common among all Indians is they are all deeply religious and practice their religious activities on daily basis. So depending upon their belief, practice method and convenience, almost all the people use any one or two from agarbatti(incense sticks), candles or Kapoor(camphor tablets). This itself speaks volumes of the paramount importance Agarbatti, candles and Kapoor has. Besides, they are also used as air- freshener, and illumination.

In addition, on-going research and development activities to develop the new application scope for camphor and rising population in emerging economies such as China, India and others will create new opportunities for camphor market.

Camphor Tablets market was valued at US\$ 93.9 Mn in 2016 and is expected to reach US\$ 145.6 Mn by 2022, growing at a CAGR of 7.6% during the forecast period 2016-2022. Food is also expected to fuel demand for growth of camphor tablets during the forecast period from 2016 to 2022.

3. PRODUCT DESCRIPTION

3.1 PRODUCT BENEFITS & USES

- Camphor tablets are used for wide range of medical properties as it helps reduce pain and swelling, helps relax worn out muscles and reduces congestion and cough.
- They are used in manufacturing various medicines. Growing demand from the pharmaceutical industry is therefore the major factor driving the growth of camphor tablets in the market.
- High consumption of camphor tablets for religious rituals in India is another factor boosting market growth for camphor tablets. Camphor

is believed to be holy and sacred stuff which is offered to god for thanks giving.

- Camphor tablets are also used in the agriculture to keep away insects and moths. It is used as repellent in agriculture and even for household activities to keep away reptiles and insects. Therefore steady demand is observed for camphor tablets from the agriculture industry.
- Camphor tablets are also used in skin care products as it helps reduce acne and pimples. Therefore, chemical industry makes use of camphor in many skin care products and hair care products due to the beneficial properties of camphor.
- Europe consumes camphor for preparation of almost all sweet dishes. Camphor is the essential ingredient in the cookbooks of Arabians. In India, camphor is used as an essence in some of the sweet dishes.

3.2 RAW MATERIAL

- Camphor powder and hexamine are the basic raw material for the manufacturing of camphor tablet.

S.N.	Particulars	Price
1	Camphor Powder	Rs. 800-1000 Per KG
2	Hexamine	Rs. 130-180 Per KG
3	Sodium	Rs. 20 -30
4	Wax	Rs. 130-150

3.3 MANUFACTURING PROCESS

Camphor Tablet Production Process

All raw material are procured form vendor and stored in raw material warehouse as per production requirement. The raw material are brought to plant and camphor powder & hexamine are mixed manually in proportionate quantity. Raw material is fed to the respective hopper utilizing appropriate material handling equipment.

With the help of specific die attached in camphor tablet machine, camphor tablets are manufactured.

After manufacturing of camphor tablet with the help of packaging machine, final packaging of product is completed.

Dispatch of goods & sale of product in market.

4. PROJECT COMPONENTS

4.1 Land

Land required 500 square feet

Approximate rent for the same is Rs.10,000 per month.

4.2 Plant & Machinery

Manufacturing section

3 types of machines are available according to the Die

S.N.	Item Description	Rate
1	5 Die Kapoor making machine (6-8 KG Per hour production capacity)	Rs. 60,000
2	10-12 Die Kapoor making machine	Rs. 90,000

	(12-15 KG Per hour production capacity)	
3	20 Die Kapoor making machine (20-25 KG Per hour production capacity)	Rs. 1,45,000

Packaging Section

2 types of packaging machines are available

S.N.	Item Description	Rate
1	Manual tablet packaging machine	22,000
2	Automatic tablet packaging machine	1,55,000

Note:

- Cost of the machine is exclusive of GST
- This project report is prepared based upon 20 die Kapoor making machine with automatic tablet packaging machine.
- Cost of Plant & machinery is (1,45,000+1,55,000)=3,00,000 +GST @ 18%

4.3 Misc. Assets

S.N.	Item Description	Rate
1	Genset -5 KVA	40,000
2	Furniture and equipment's	20,000

4.4 Power Requirement

The borrower shall require power load of 3 KVA which shall be applied with Power Corporation. However, for standby power arrangement the borrower shall also purchase DG Set.

4.5 Manpower Requirement

2-3 Manpower are required for the camphor tablet manufacturing unit.

Includes:

1 Skilled Labour

1 Unskilled Labour

1 Helper

5. FINANCIALS

5.1 Cost of Project

FINANCIAL ASSISTANCE REQUIRED				
Term Loan of Rs. 3.73 lakh and Working Capital limit of Rs. 3.00 Lacs				
(in Lacs)				
<u>COST OF PROJECT</u>	PARTICULARS	AMOUNT	Own Contribution	Bank Finance
	Land & Building		10.00% Owned /rented	90.00%
	Plant & Machinery	3.54	0.35	3.19
	Furniture & Fixtures and Other Assets	0.60	0.06	0.54
	Working capital	3.33	0.33	3.00
	Total	7.47	0.75	6.73

5.2 Means of Finance

<u>MEANS OF FINANCE</u>	PARTICULARS	AMOUNT
	Own Contribution	0.75
	Bank Loan	3.73
	Working capital Limit	3.00
	Total	7.47

5.3 Projected Balance Sheet

PROJECTED BALANCE SHEET					
(in Lacs)					
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
<u>Liabilities</u>					
Capital					
opening balance		1.30	2.26	3.27	4.34
Add:- Own Capital	0.75				
Add:- Retained Profit	1.80	2.96	4.01	5.07	6.05
Less:- Drawings	1.25	2.00	3.00	4.00	5.00
Closing Balance	1.30	2.26	3.27	4.34	5.39
Term Loan	3.31	2.48	1.66	0.83	-
Working Capital Limit	3.00	3.00	3.00	3.00	3.00
Sundry Creditors	2.52	2.97	3.44	3.93	4.46
Provisions & Other Liab	0.25	0.38	0.56	0.68	0.84
TOTAL :	10.38	11.09	11.93	12.78	13.69
<u>Assets</u>					
Fixed Assets (Gross)	4.14	4.14	4.14	4.14	4.14
Gross Dep.	0.59	1.10	1.53	1.90	2.21
Net Fixed Assets	3.55	3.04	2.61	2.24	1.93
Current Assets					
Sundry Debtors	1.90	2.33	2.71	3.10	3.51
Stock in Hand	4.41	5.18	5.99	6.84	7.74
Cash and Bank	0.52	0.53	0.62	0.59	0.51
TOTAL :	10.38	11.09	11.93	12.78	13.69

5.4 Projected Cash Flow

PROJECTED CASH FLOW STATEMENT (in Lacs)					
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
<u>SOURCES OF FUND</u>					
Own Margin	0.75				
Net Profit	1.80	2.96	4.01	5.08	6.17
Depriciation & Exp. W/off	0.59	0.51	0.43	0.37	0.32
Increase in Cash Credit	3.00	-	-	-	-
Increase In Term Loan	3.73	-	-	-	-
Increase in Creditors	2.52	0.45	0.47	0.50	0.52
Increase in Provisions & Oth lib	0.25	0.13	0.19	0.11	0.17
TOTAL :	12.64	4.04	5.10	6.06	7.18
<u>APPLICATION OF FUND</u>					
Increase in Fixed Assets	4.14				
Increase in Stock	4.41	0.77	0.81	0.85	0.90
Increase in Debtors	1.90	0.44	0.37	0.39	0.41
Repayment of Term Loan	0.41	0.83	0.83	0.83	0.83
Drawings	1.25	2.00	3.00	4.00	5.00
Taxation	-	-	-	0.01	0.12
TOTAL :	12.11	4.04	5.01	6.08	7.26
Opening Cash & Bank Balance	-	0.52	0.53	0.62	0.59
Add : Surplus	0.52	0.00	0.09	(0.02)	(0.09)
Closing Cash & Bank Balance	0.52	0.53	0.62	0.59	0.51

5.5 Projected Profitability

PROJECTED PROFITABILITY STATEMENT					
(in Lacs)					
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
Capacity Utilization %	35%	40%	45%	50%	55%
<u>SALES</u>					
Gross Sale					
Camphor Tablet	56.86	70.01	81.18	92.96	105.37
Total	56.86	70.01	81.18	92.96	105.37
COST OF SALES					
Raw Material Consumed	50.40	59.33	68.75	78.68	89.14
Electricity Expenses	0.18	0.19	0.21	0.23	0.26
Depreciation	0.59	0.51	0.43	0.37	0.32
Labour	1.80	1.98	2.18	2.40	2.64
Repair & maintenace	0.71	0.88	1.01	1.16	1.32
Consumables	0.51	0.63	0.73	0.84	0.95
Packaging Charges	0.45	0.56	0.65	0.74	0.84
Cost of Production	54.64	64.07	73.96	84.42	95.46
Add: Opening Stock /WIP	-	2.73	3.20	3.70	4.22
Less: Closing Stock /WIP	2.73	3.20	3.70	4.22	4.77
Cost of Sales	51.91	63.60	73.47	83.90	94.91
GROSS PROFIT	4.95	6.41	7.71	9.06	10.47

staff charges	0.60	0.66	0.73	0.80	0.88
Interest on Term Loan	0.33	0.29	0.21	0.13	0.04
Interest on working Capital	0.30	0.30	0.30	0.30	0.30
Rent	1.20	1.32	1.45	1.60	1.76
selling & adm exp	0.71	0.88	1.01	1.16	1.32
TOTAL	3.14	3.45	3.70	3.99	4.30
NET PROFIT	1.80	2.96	4.01	5.08	6.17
Taxation				0.01	0.12
PROFIT (After Tax)	1.80	2.96	4.01	5.07	6.05

5.6 Production and Yield

<u>COMPUTATION OF PRODUCTION OF Camphor Tablet</u>		
Items to be Manufactured		
Camphor Tablet		
Machine capacity per Hour	20	KG
Operational Capacity per hour (Taken)	10	KG
Total production per day	80	KG
machine capacity per annum	24,000	KG
Wastage	5%	of input
Final output	22,800	KG
Camphor Tablet Packets		
1 packet weight	100	Grams
Total Camphor Tablet Packets in 1 KG	10	Packets
Total Camphor Tablet production per Annum	228,000	Packets

Production of Camphor Tablet		
Production	Capacity	Packets
1st year	35%	79,800
2nd year	40%	91,200
3rd year	45%	102,600
4th year	50%	114,000
5th year	55%	125,400

Raw Material Cost			
Year	Capacity Utilization	Rate (per KG)	Amount (Rs. in lacs)
1st year	35%	600.00	50.40
2nd year	40%	618.00	59.33
3rd year	45%	636.54	68.75
4th year	50%	655.64	78.68
5th year	55%	675.31	89.14

5.7 Sales Revenue

<u>COMPUTATION OF SALE</u>					
Particulars	1st year	2nd year	3rd year	4th year	5th year
Op Stock	-	3,990	4,560	5,130	5,700
Production	79,800	91,200	102,600	114,000	125,400
Less : Closing Stock	3,990	4,560	5,130	5,700	6,270
Net Sale	75,810	90,630	102,030	113,430	124,830
sale price per Packet	75.00	77.25	79.57	81.95	84.41
Sales (in Lacs)	56.86	70.01	81.18	92.96	105.37

5.8 Working Capital Assessment

COMPUTATION OF CLOSING STOCK & WORKING CAPITAL (in Lacs)					
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
<u>Finished Goods</u>					
	2.73	3.20	3.70	4.22	4.77
<u>Raw Material</u>					
	1.68	1.98	2.29	2.62	2.97
Closing Stock	4.41	5.18	5.99	6.84	7.74

COMPUTATION OF WORKING CAPITAL REQUIREMENT					
TRADITIONAL METHOD					
Particulars	Amount	Own Margin		Bank Finance	
Finished Goods & Raw Material	4.41				
Less : Creditors	2.52				
Paid stock	1.89	10%	0.19	90%	1.70
Sundry Debtors	1.90	10%	0.19	90%	1.71
	3.79		0.38		3.41
WORKING CAPITAL LIMIT DEMAND (from Bank)				3.00	

2nd Method		
PARTICULARS	1st year	2nd year
Total Current Assets	6.83	8.04
Other Current Liabilities	2.77	3.34
Working Capital Gap	4.06	4.70
Min Working Capital		
25% of WCG	1.02	1.18
Actual NWC	1.06	1.70
item III - IV	3.05	3.53
item III - V	3.00	3.00
MPBF (Lower of VI & VII)	3.00	3.00

5.9 Power, Salary & Wages Calculation

Utility Charges (per month)		
Particulars	value	Description
Power connection required	3	KWH
consumption per day	24	units
Consumption per month	600	units
Rate per Unit	7	Rs.
power Bill per month	4,200	Rs.

<u>BREAK UP OF LABOUR CHARGES</u>			
Particulars	Wages	No of	Total
	Rs. per Month	Employees	Salary
Skilled (in thousand rupees)	9,000	1	9,000
Unskilled (in thousand rupees)	6,000	1	6,000
Total salary per month			15,000
Total annual labour charges	(in lacs)		1.80

<u>BREAK UP OF Staff CHARGES</u>			
Particulars	Salary	No of	Total
	Rs. per Month	Employees	Salary
Helper	5,000	1	5,000
Total salary per month			5,000
Total annual Staff charges	(in lacs)		0.60

5.10 Financial Ratio Analysis

<u>CALCULATION OF D.S.C.R</u>					
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
CASH ACCRUALS	2.39	3.47	4.44	5.45	6.49
Interest on Term Loan	0.33	0.29	0.21	0.13	0.04
Total	2.73	3.76	4.65	5.58	6.53
<u>REPAYMENT</u>					
Instalment of Term Loan	0.41	0.83	0.83	0.83	0.83
Interest on Term Loan	0.33	0.29	0.21	0.13	0.04
Total	0.75	1.12	1.04	0.96	0.87
DEBT SERVICE COVERAGE RATIO	3.65	3.35	4.48	5.84	7.48
AVERAGE D.S.C.R.	4.96				

5.11 Other Financial Analysis

(in Lacs)			
COMPUTATION OF DEPRECIATION			
Description	Plant & Machinery	Furniture	TOTAL
Rate of Depreciation	15.00%	10.00%	
Opening Balance	-	-	-
Addition	3.54	0.60	4.14
Total	3.54	0.60	4.14
Less : Depreciation	0.53	0.06	0.59
WDV at end of Year	3.01	0.54	3.55
Additions During The Year	-	-	-
Total	3.01	0.54	3.55
Less : Depreciation	0.45	0.05	0.51
WDV at end of Year	2.56	0.49	3.04
Additions During The Year	-	-	-
Total	2.56	0.49	3.04
Less : Depreciation	0.38	0.05	0.43
WDV at end of Year	2.17	0.44	2.61
Additions During The Year	-	-	-
Total	2.17	0.44	2.61
Less : Depreciation	0.33	0.04	0.37
WDV at end of Year	1.85	0.39	2.24
Additions During The Year	-	-	-
Total	1.85	0.39	2.24
Less : Depreciation	0.28	0.04	0.32
WDV at end of Year	1.57	0.35	1.93

REPAYMENT SCHEDULE OF TERM LOAN							
						Interest	10.00%
Year	Particulars	Amount	Addition	Total	Interest	Repayment	Closing Balance
1st	Opening Balance						
	1st month	-	3.73	3.73	-	-	3.73
	2nd month	3.73	-	3.73	0.03	-	3.73
	3rd month	3.73	-	3.73	0.03	-	3.73
	4th month	3.73	-	3.73	0.03		3.73
	5th month	3.73	-	3.73	0.03		3.73
	6th month	3.73	-	3.73	0.03		3.73
	7th month	3.73	-	3.73	0.03	0.07	3.66
	8th month	3.66	-	3.66	0.03	0.07	3.59
	9th month	3.59	-	3.59	0.03	0.07	3.52
	10th month	3.52	-	3.52	0.03	0.07	3.45
	11th month	3.45	-	3.45	0.03	0.07	3.38
	12th month	3.38	-	3.38	0.03	0.07	3.31
					0.33	0.41	
2nd	Opening Balance						
	1st month	3.31	-	3.31	0.03	0.07	3.24
	2nd month	3.24	-	3.24	0.03	0.07	3.17
	3rd month	3.17	-	3.17	0.03	0.07	3.11
	4th month	3.11	-	3.11	0.03	0.07	3.04
	5th month	3.04	-	3.04	0.03	0.07	2.97
	6th month	2.97	-	2.97	0.02	0.07	2.90
	7th month	2.90	-	2.90	0.02	0.07	2.83
	8th month	2.83	-	2.83	0.02	0.07	2.76
	9th month	2.76	-	2.76	0.02	0.07	2.69
	10th month	2.69	-	2.69	0.02	0.07	2.62
	11th month	2.62	-	2.62	0.02	0.07	2.55
	12th month	2.55	-	2.55	0.02	0.07	2.48
					0.29	0.83	
3rd	Opening Balance						
	1st month	2.48	-	2.48	0.02	0.07	2.42
	2nd month	2.42	-	2.42	0.02	0.07	2.35
	3rd month	2.35	-	2.35	0.02	0.07	2.28
	4th month	2.28	-	2.28	0.02	0.07	2.21
	5th month	2.21	-	2.21	0.02	0.07	2.14

6th month	2.14	-	2.14	0.02	0.07	2.07
7th month	2.07	-	2.07	0.02	0.07	2.00
8th month	2.00	-	2.00	0.02	0.07	1.93
9th month	1.93	-	1.93	0.02	0.07	1.86
10th month	1.86	-	1.86	0.02	0.07	1.79
11th month	1.79	-	1.79	0.01	0.07	1.73
12th month	1.73	-	1.73	0.01	0.07	1.66
				0.21	0.83	
4th	Opening Balance					
1st month	1.66	-	1.66	0.01	0.07	1.59
2nd month	1.59	-	1.59	0.01	0.07	1.52
3rd month	1.52	-	1.52	0.01	0.07	1.45
4th month	1.45	-	1.45	0.01	0.07	1.38
5th month	1.38	-	1.38	0.01	0.07	1.31
6th month	1.31	-	1.31	0.01	0.07	1.24
7th month	1.24	-	1.24	0.01	0.07	1.17
8th month	1.17	-	1.17	0.01	0.07	1.10
9th month	1.10	-	1.10	0.01	0.07	1.04
10th month	1.04	-	1.04	0.01	0.07	0.97
11th month	0.97	-	0.97	0.01	0.07	0.90
12th month	0.90	-	0.90	0.01	0.07	0.83
				0.13	0.83	
5th	Opening Balance					
1st month	0.83	-	0.83	0.01	0.07	0.76
2nd month	0.76	-	0.76	0.01	0.07	0.69
3rd month	0.69	-	0.69	0.01	0.07	0.62
4th month	0.62	-	0.62	0.01	0.07	0.55
5th month	0.55	-	0.55	0.00	0.07	0.48
6th month	0.48	-	0.48	0.00	0.07	0.41
7th month	0.41	-	0.41	0.00	0.07	0.35
8th month	0.35	-	0.35	0.00	0.07	0.28
9th month	0.28	-	0.28	0.00	0.07	0.21
10th month	0.21	-	0.21	0.00	0.07	0.14
11th month	0.14	-	0.14	0.00	0.07	0.07
12th month	0.07	-	0.07	0.00	0.07	-
				0.04	0.83	
DOOR TO DOOR	60	MONTHS				
MORATORIUM PERIOD	6	MONTHS				
REPAYMENT PERIOD	54	MONTHS				

6. LICENSE & APPROVALS

For Proprietor:

- Obtain the GST registration.
- Additionally, obtain the Udyog Aadhar registration Number.
- Choice of a Brand Name of the product and secure the name with Trademark if required.

Implementation Schedule

S.N.	Activity	Time Required (in Months)
1	Acquisition Of premises	1
2	Procurement & installation of Plant & Machinery	1
3	Arrangement of Finance	1
4	Requirement of required Manpower	1
	Total time Required (some activities shall run concurrently)	2-3 Months

7. ASSUMPTIONS

Item	Remarks
Sales Volume Increase Per Annum	5%
Sales Price Increase Per Annum	5%
Increase in Staff Salaries	10% Per annum
Increase in Utilities	10% Per Annum
Loan Period	5 years
Loan Installments	Monthly
Financial Charges	10% per annum
Working Days Per annum	300 Days