

# UP MSME 1-Connect

## PROJECT REPORT

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PROJECT:

**Napthalene Balls**

# PROJECT REPORT

Of

## Napthalene Balls

### PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding **Napthalene Balls Unit**.

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.]

## PROJECT REPORT

ON

### NAPHTHALENE BALLS



**Introduction:** Naphthalene balls are used as a moth repellent. Now para-discloro benzene in cubcake form is also used for the purpose. The scheme aims at utilizing crude Naphthalene available from coke oven batteries of steel plants. However, availability of raw materials must be ensured before setting up the unit.

Naphthalene Balls are used to prevent the attack of insects. They are extensively used as a household preservative of woolen clothes and as a deodorant tablet for the toilets, urinals, bathrooms, etc. These are manufactured from naphthalene flakes by a tablet making machine having its ball shape die. This industry requires a little machinery and technical know-how. Naphthalene ball manufacturing can profitably be started on a small scale basis.

**Market Potential:** The demand of Naphthalene balls is increasing gradually with the increase of population and urbanization and improving living conditions. In view of this there seems good scope of the product.

#### PROJECTED BALANCE SHEET

| PARTICULARS | IST YEAR | IIND YEAR | IIIRD YEAR | IVTH YEAR | VTH YEAR |
|-------------|----------|-----------|------------|-----------|----------|
|-------------|----------|-----------|------------|-----------|----------|

**SOURCES OF FUND**

|                         |              |              |              |              |              |
|-------------------------|--------------|--------------|--------------|--------------|--------------|
| Capital Account         | 2.40         | 2.40         | 2.40         | 2.40         | 2.40         |
| Retained Profit         | 7.05         | 16.63        | 27.75        | 41.36        | 57.30        |
| Term Loan               | 13.04        | 9.78         | 6.52         | 3.26         | 0.53         |
| Cash Credit             | 8.57         | 8.57         | 8.57         | 8.57         | 8.57         |
| Sundry Creditors        | 0.67         | 0.78         | 0.90         | 1.01         | 1.12         |
| Provisions & Other Liab | 0.36         | 0.40         | 0.44         | 0.48         | 0.53         |
| <b>TOTAL :</b>          | <b>32.09</b> | <b>38.56</b> | <b>46.57</b> | <b>57.07</b> | <b>70.45</b> |

**APPLICATION OF FUND****Fixed Assets ( Gross)**

|                  |       |       |       |       |       |
|------------------|-------|-------|-------|-------|-------|
|                  | 13.75 | 13.75 | 13.75 | 13.75 | 13.75 |
| Gross Dep.       | 1.96  | 3.68  | 5.15  | 6.40  | 7.47  |
| Net Fixed Assets | 11.79 | 10.07 | 8.60  | 7.35  | 6.28  |

**Current Assets**

|                     |      |       |       |       |       |
|---------------------|------|-------|-------|-------|-------|
| Sundry Debtors      | 2.63 | 3.36  | 3.85  | 4.34  | 4.83  |
| Stock in Hand       | 7.56 | 8.82  | 10.08 | 11.34 | 12.60 |
| Cash and Bank       | 7.61 | 13.55 | 21.02 | 30.72 | 43.08 |
| Deposits & Advances | 2.50 | 2.75  | 3.03  | 3.33  | 3.66  |

**TOTAL :**

|              |              |              |              |              |
|--------------|--------------|--------------|--------------|--------------|
| <b>32.09</b> | <b>38.56</b> | <b>46.57</b> | <b>57.07</b> | <b>70.45</b> |
|--------------|--------------|--------------|--------------|--------------|

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**PROJECTED CASH FLOW STATEMENT**

| PARTICULARS                       | IST YEAR     | IIND YEAR    | IIIRD YEAR   | IVTH YEAR    | VTH YEAR     |
|-----------------------------------|--------------|--------------|--------------|--------------|--------------|
| <b><u>SOURCES OF FUND</u></b>     |              |              |              |              |              |
| Share Capital                     | 2.40         | -            |              |              |              |
| Reserve & Surplus                 | 7.83         |              |              | 17.01        |              |
|                                   |              | 10.64        | 13.91        |              | 19.93        |
| Depriciation & Exp. W/off         | 1.96         | 1.72         | 1.47         | 1.25         | 1.07         |
| Increase in Cash Credit           | 8.57         | -            | -            | -            | -            |
| Increase In Term Loan             |              | -            | -            | -            | -            |
|                                   | 13.04        |              |              |              |              |
| Increase in Creditors             | 0.67         | 0.11         | 0.11         | 0.11         | 0.11         |
| Increase in Provisions            | 0.36         | 0.04         | 0.04         | 0.04         | 0.05         |
| <b>TOTAL :</b>                    |              |              |              | <b>18.41</b> |              |
|                                   | <b>34.83</b> | <b>12.51</b> | <b>15.53</b> |              | <b>21.16</b> |
| <b><u>APPLICATION OF FUND</u></b> |              |              |              |              |              |
| Increase in Fixed Assets          |              |              |              |              |              |
|                                   | 13.75        | -            | -            | -            | -            |

|                             |              |              |              |              |              |
|-----------------------------|--------------|--------------|--------------|--------------|--------------|
| Increase in Stock           | 7.56         | 1.26         | 1.26         | 1.26         | 1.26         |
| Increase in Debtors         | 2.63         | 0.73         | 0.49         | 0.49         | 0.49         |
| Increase in Deposits & Adv  | 2.50         | 0.25         | 0.28         | 0.30         | 0.33         |
| Repayment of Term Loan      | -            | 3.26         | 3.26         | 3.26         | 2.73         |
| Taxation                    | 0.78         | 1.06         | 2.78         | 3.40         | 3.99         |
| <b>TOTAL :</b>              |              | <b>6.57</b>  | <b>8.06</b>  | <b>8.71</b>  | <b>8.80</b>  |
|                             | <b>27.23</b> |              |              |              |              |
| Opening Cash & Bank Balance | -            | 7.61         |              | 21.02        |              |
|                             |              |              | 13.55        |              | 30.72        |
| Add : Surplus               |              |              |              |              |              |
| Closing Cash & Bank Balance | 7.61         | 5.95         | 7.46         | 9.70         | 12.36        |
|                             | <b>7.61</b>  |              |              | <b>30.72</b> |              |
|                             |              | <b>13.55</b> | <b>21.02</b> |              | <b>43.08</b> |

| <b><u>PROJECTED PROFITABILITY STATEMENT</u></b> |                 |                  |                   |                  |                 |
|---|-----------------|------------------|-------------------|------------------|-----------------|
| <b>PARTICULARS</b>                              | <b>IST YEAR</b> | <b>IIND YEAR</b> | <b>IIIRD YEAR</b> | <b>IVTH YEAR</b> | <b>VTH YEAR</b> |
| <b><u>A) SALES</u></b>                          |                 |                  |                   |                  |                 |
|   | 52.65           | 67.28            |                   | 77.03            | 86.78           |
|   |                 |                  |                   |                  | 96.53           |
| Gross Sale                                      | <b>52.65</b>    | <b>67.28</b>     | <b>77.03</b>      |                  | <b>96.53</b>    |
|   |                 |                  |                   | <b>86.78</b>     |                 |

|                                 |             |             |              |              |              |
|---------------------------------|-------------|-------------|--------------|--------------|--------------|
| <b>Total (A)</b>                |             |             |              |              |              |
| <b>B) COST OF SALES</b>         |             |             |              |              |              |
| Raw Mateiral Consumed           | 28.80       | 33.60       | 38.40        | 43.20        | 48.00        |
| Elecricity Expenses             | 1.72        | 2.01        | 2.29         | 2.58         | 2.86         |
| Repair & Maintenance            | -           | 0.67        | 0.77         | 0.87         | 0.97         |
| Labour & Wages                  | 5.54        | 6.10        | 6.71         | 7.38         | 8.12         |
| Depriciation                    | 1.96        | 1.72        | 1.47         | 1.25         | 1.07         |
| Consumables,packaging and Other | 2.63        | 3.36        | 3.85         | 4.34         | 4.83         |
|                                 | 40.66       | 47.46       | 53.49        |              | 65.84        |
| Expenses                        |             |             |              | 59.62        |              |
| <b>Cost of Production</b>       |             |             |              |              |              |
| <b>Add: Opening Stock /WIP</b>  | -           | 4.68        | 5.46         | 6.24         | 7.02         |
| <b>Less: Closing Stock /WIP</b> | 4.68        | 5.46        | 6.24         | 7.02         | 7.80         |
| Cost of Sales (B)               | 35.98       | 46.68       | 52.71        | 58.84        | 65.06        |
| <b>C) GROSS PROFIT (A-B)</b>    |             |             |              |              |              |
|                                 | 16.67       | 20.59       | 24.32        | 27.94        | 31.46        |
|                                 | <b>32%</b>  | <b>31%</b>  | <b>32%</b>   | <b>32%</b>   | <b>33%</b>   |
| D) Bank Interest (Term Loan )   | 1.12        | 1.36        | 0.98         | 0.61         | 0.24         |
| Bank Interest ( C.C. Limit )    | 0.86        | 0.86        | 0.86         | 0.86         | 0.86         |
| E) Salary to Staff              | 5.81        | 6.39        | 7.03         | 7.73         | 8.50         |
| F) Selling & Adm Expenses Exp.  | 1.05        | 1.35        | 1.54         | 1.74         | 1.93         |
| TOTAL (D+E)                     |             |             |              |              |              |
| H) NET PROFIT                   | <b>8.84</b> | <b>9.95</b> | <b>10.41</b> | <b>10.93</b> | <b>11.53</b> |
|                                 | 7.83        | 10.64       | 13.91        | 17.01        | 19.93        |
| I) Taxation                     | 0.78        | 1.06        | 2.78         | 3.40         | 3.99         |

|                       |      |      |       |       |       |
|-----------------------|------|------|-------|-------|-------|
| J) PROFIT (After Tax) | 7.05 | 9.58 | 11.13 | 13.61 | 15.95 |
|-----------------------|------|------|-------|-------|-------|



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