UP MSME 1-Connect

PROJECT REPORT

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PROJECT:

Vitamin C Capsule Manufacturing Unit

PROJECT REPORT
OF

VITAMIN C CAPSULE
MANUFACTURING UNIT

PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding Vitamin C Capsule Manufacturing 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.]

1-CONNECT
UTTAR PRADESH MSME

PROJECT AT GLANCE

1	**Name of Proprietor/Director**	XXXXXXXX	
2	**Firm Name**	XXXXXXXX	
3	**Registered Address**	XXXXXXXX	
4	**Nature of Activity**	XXXXXXXX	
5	**Category of Applicant**	XXXXXXXX	
6	**Location of Unit**	XXXXXXXX	
7	**Cost of Project**	26.42	Rs. In Lakhs
8	**Means of Finance**		
	i) Own Contribution	2.64	Rs. In Lakhs
	ii) Term Loan	17.78	Rs. In Lakhs
	iii) Working Capital	6.00	Rs. In Lakhs
9	**Debt Service Coverage Ratio**	2.55	
10	**Break Even Point**	0.73	
11	**Power Requiremnet**	30 KW	

12 Employment 8 Persons

13 Details of Cost of Project & Means of Finance

Cost of Project	**Amount in Lacs**
Particulars	**Amount**
Land	Owned/Leased
Building & Civil Work	Owned/Leased
Plant & Machinery	18.00
Furniture & Fixture	0.75
Other Misc Assets	1.00
Working Capital Requirement	6.67
Total	**26.42**

Means of Finance	
Particulars	**Amount**
Own Contribution	2.64
Term Loan	17.78
Working capital Loan	6.00
Total	**26.42**

VITAMIN C CAPSULE MANUFACTURING UNIT

1. INTRODUCTION

Vitamin C (also known as ascorbic acid) is abundant in vegetables and fruits. A water-soluble vitamin C is a powerful antioxidant which helps the body to form and maintain the connective tissue, including bones, blood vessels, and skin. Vitamin C is one of the safest and most effective nutrients. The benefits of vitamin C may include protection against immune system deficienc ies, cardiovascular disease, prenatal health problems, eye disease, and even skin wrinkling. Also, to maintain healthy skin, blood vessels, bones and cartilage, helping with wound healing. Vitamin c is chemically the simplest of the vitamins and for this reason was among the first to be isolated, characterized, and purified and to have its structure determined. More vitamin C is produced industrially than any other vitamin, or indeed all the other vitamins put together. It is one of the few pure chemical compounds which is taken routinely by human beings in gram quantities (a possible challenger is sugar).

It appears to have no harmful effects even in these large amounts and it is a medicine which it is a pleasure to take, especially in the form of fruit or vegetables. It can be use in the form of chewable tablets and capsules.

2. MARKET POTENTIAL:

The market size of vitamin C is expected to grow from USD 982.59 Million in 2018 to USD 1,604.40 Million by the end of 2025 at a Compound Annual Growth Rate (CAGR) of 7.25%. Vitamin C market size is mainly driven by strong application scope in cosmetics, pharmaceutica l, animal feed, and processed food industries. It is used to protect against cardiovascular disease, eye problems, immune system deficiencies, skin wrinkling, and prenatal health issues. Vitamin C Market is driven due to rising health awareness and need for healthy lifestyle. Ascorbic acid production is hugely dependent on the availability of raw material. The global Ascorbic Acid market is expected to witness moderate growth over the forecast period on account of increasing demand from pharmaceutical industry. The major end-user industries of ascorbic acid are pharmaceuticals, food & beverages, personal care, and others. The pharmaceutical industry is the largest consumer of ascorbic acid. About one-third of a total production of ascorbic acid is used for vitamin preparations in the pharmaceutical industry. The rest is mainly applied as an additive to food and feed to enhance product quality and stability. Ascorbic acid added to foodstuffs during processing or before packing protects color, aroma, and nutrient content. The usage of ascorbic acid in food & beverages industry is expected to grow at a healthy CAGR during the forecast period.

3. PRODUCT DESCRIPTION

4.1 PRODUCT USES

- ✓ May reduce your risk of chronic disease.
- ✓ May help manage high blood pressure.
- ✓ May lower your risk of heart disease.
- ✓ May reduce blood uric acid levels and help prevent gout attacks.
- ✓ Helps prevent iron deficiency.
- ✓ Boosts immunity

4.2 PRODUCT RAW M ATERIAL

The ultimate raw material for the production of vitamin C (ascorbic acid) is corn or wheat. This is converted via starch to glucose by specialist companies, and then to sorbitol. We produce the pure final products from sorbitol in a series of biotechnical, chemical processing and purification steps.

4.3 MANUFACTURING PROCESS

The vitamin C production and packaging in capsule follows various steps as given below:

1) **Formulation**

2) **Pre-blending**

3) **Wet Granulation**

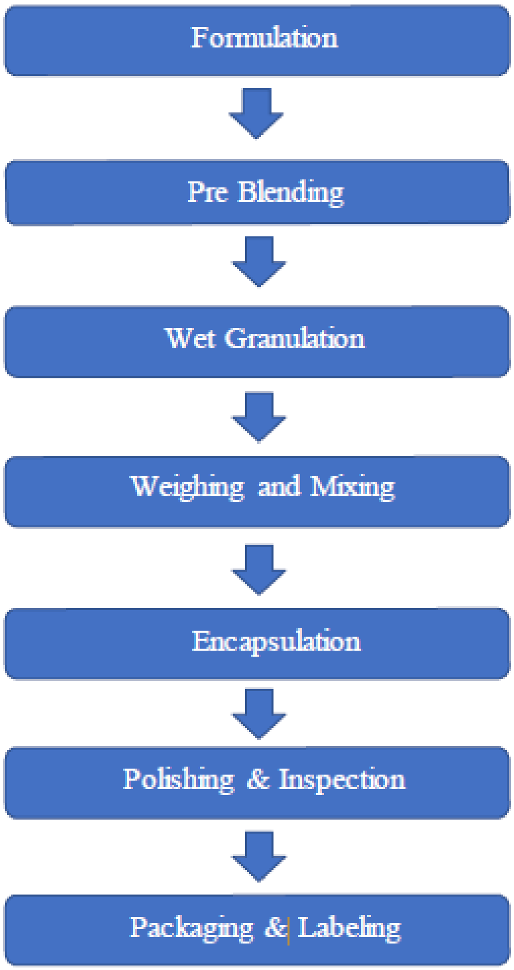
4) **Weighing and Mixing**

5) **Encapsulation**

6) **Polishing and Inspection**

7) **Packaging and Labeling**

<u>FLOW CHART OF THE PROCESS</u>



4. PROJECT COMPONENTS

Plant & Machinery

S.No.	Machine
1.	Reactor
2.	Distillation Unit
3.	Evaporator
4.	Encapsulation Unit

PROJECTED PROFITABILITY STATEMENT (in Lacs)

PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
Capacity Utilisation %	**55%**	**60%**	**65%**	**70%**	**75%**
SALES					
Gross Sale					
Vitamin C capsule	86.21	103.85	118.23	133.50	150.47
Total	**86.21**	**103.85**	**118.23**	**133.50**	**150.47**
COST OF SALES					
Raw Material Consumed	54.45	62.37	70.93	80.23	90.26
Electricity Expenses	3.17	3.63	3.93	4.23	4.54
Depreciation	2.93	2.49	2.12	1.80	1.54
Wages & labour	6.24	6.86	7.55	8.31	9.14
Repair & maintenance	1.29	1.56	2.36	2.67	3.01
Consumables	4.74	6.23	7.09	8.01	9.03
Cost of Production	72.82	83.14	93.99	105.26	117.50
Add: Opening Stock	-	3.64	4.16	4.70	5.26
Less: Closing Stock	3.64	4.16	4.70	5.26	5.88
Cost of Sales	69.18	82.63	93.45	104.69	116.89
GROSS PROFIT	**17.04**	**21.22**	**24.79**	**28.81**	**33.58**
G.P Ratio	*19.76%*	*20.43%*	*20.97%*	*21.58%*	*22.32%*
Salary to Staff	2.64	3.17	3.80	4.56	5.47
Interest on Term Loan	1.75	1.54	1.10	0.67	0.24
Interest on working Capital	0.66	0.66	0.66	0.66	0.66
Rent	2.40	2.76	3.17	3.65	4.09
Selling & Administrative Exp.	5.17	6.23	7.09	8.01	8.28
TOTAL	**12.62**	**14.36**	**15.83**	**17.55**	**18.73**
NET PROFIT	4.42	6.86	8.95	11.25	14.85
Taxation	0.10	0.31	0.59	1.00	1.72
PROFIT (After Tax)	4.32	6.55	8.36	10.25	13.13
N.P Ratio	*5.01%*	*6.31%*	*7.07%*	*7.68%*	*8.73%*

PROJECTED BALANCE SHEET					(in Lacs)
PARTICULARS	**1st year**	**2nd year**	**3rd year**	**4th year**	**5th year**
Liabilities					
Capital					
Opening balance		3.96	7.01	10.37	14.13
Add:- Own Capital	2.64				
Add:- Retained Profit	4.32	6.55	8.36	10.25	13.13
Less:- Drawings	3.00	3.50	5.00	6.50	9.50
Closing Balance	**3.96**	**7.01**	**10.37**	**14.13**	**17.76**
Term Loan	15.80	11.85	7.90	3.95	-
Working Capital Limit	6.00	6.00	6.00	6.00	6.00
Sundry Creditors	2.72	3.12	3.55	4.01	4.51
Provisions and other liabilities	0.50	0.75	1.13	1.69	2.53
TOTAL :	**28.98**	**28.73**	**28.95**	**29.78**	**30.80**
Assets					
Fixed Assets (Gross)	19.75	19.75	19.75	19.75	19.75
Gross Dep.	2.93	5.42	7.53	9.34	10.88
Net Fixed Assets	**16.83**	**14.34**	**12.22**	**10.41**	**8.87**
Current Assets					
Loans and advances	0.50	0.80	1.00	1.20	1.50
Sundry Debtors	4.31	5.19	5.91	6.68	7.52
Stock in Hand	6.36	7.28	8.25	9.27	10.39
Cash and Bank	0.99	1.13	1.57	2.22	2.52
TOTAL :	**28.98**	**28.73**	**28.95**	**29.78**	**30.80**

PROJECTED CASH FLOW STATEMENT (in Lacs)

PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
SOURCES OF FUND					
	2.64				
Net Profit	4.42	6.86	8.95	11.25	14.85
Depreciation & Exp. W/off	2.93	2.49	2.12	1.80	1.54
Increase in Cash Credit	6.00	-	-	-	-
Increase In Term Loan	17.78	-	-	-	-
Increase in Creditors	2.72	0.40	0.43	0.47	0.50
Increase in Provisions and other liabilities	0.50	0.25	0.38	0.56	0.84
TOTAL :	**36.98**	**10.00**	**11.88**	**14.09**	**17.73**
APPLICATION OF FUND					
Increase in Fixed Assets	19.75				
Increase in Stock	6.36	0.91	0.97	1.03	1.11
Increase in Debtors	4.31	0.88	0.72	0.76	0.85
Increase in loans and advances	0.50	0.30	0.20	0.20	0.30
Repayment of Term Loan	1.98	3.95	3.95	3.95	3.95
Drawings	3.00	3.50	5.00	6.50	9.50
Taxation	0.10	0.31	0.59	1.00	1.72
TOTAL :	**35.99**	**9.86**	**11.43**	**13.44**	**17.43**
Opening Cash & Bank Balance	-	0.99	1.13	1.57	2.22
Add : Surplus	0.99	0.14	0.44	0.64	0.30
Closing Cash & Bank Balance	**0.99**	**1.13**	**1.57**	**2.22**	**2.52**

CALCULATION OF D.S.C.R					
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
CASH ACCRUALS	7.24	9.04	10.48	12.06	14.67
Interest on Term Loan	1.75	1.54	1.10	0.67	0.24
Total	8.99	10.58	11.58	12.73	14.90
REPAYMENT					
Instalment of Term Loan	1.98	3.95	3.95	3.95	3.95
Interest on Term Loan	1.75	1.54	1.10	0.67	0.24
Total	3.72	5.49	5.05	4.62	4.19
DEBT SERVICE COVERAGE RATIO	**2.42**	**1.93**	**2.29**	**2.76**	**3.56**
AVERAGE D.S.C.R.					**2.55**

REPAYMENT SCHEDULE OF TERM LOAN							
						Interest	11.00%
Year	Particulars	Amount	Addition	Total	Interest	Repayment	Closing Balance
1st	Opening Balance						
	1st month	-	17.78	17.78	-	-	17.78
	2nd month	17.78	-	17.78	0.16	-	17.78
	3rd month	17.78	-	17.78	0.16	-	17.78
	4th month	17.78	-	17.78	0.16	-	17.78
	5th month	17.78	-	17.78	0.16	-	17.78
	6th month	17.78	-	17.78	0.16	-	17.78
	7th month	17.78	-	17.78	0.16	0.33	17.45
	8th month	17.45	-	17.45	0.16	0.33	17.12
	9th month	17.12	-	17.12	0.16	0.33	16.79
	10th month	16.79	-	16.79	0.15	0.33	16.46
	11th month	16.46	-	16.46	0.15	0.33	16.13
	12th month	16.13	-	16.13	0.15	0.33	15.80
					1.75	**1.98**	
2nd	Opening Balance						
	1st month	15.80	-	15.80	0.14	0.33	15.47
	2nd month	15.47	-	15.47	0.14	0.33	15.14
	3rd month	15.14	-	15.14	0.14	0.33	14.81
	4th month	14.81	-	14.81	0.14	0.33	14.48
	5th month	14.48	-	14.48	0.13	0.33	14.15
	6th month	14.15	-	14.15	0.13	0.33	13.83
	7th month	13.83	-	13.83	0.13	0.33	13.50
	8th month	13.50	-	13.50	0.12	0.33	13.17
	9th month	13.17	-	13.17	0.12	0.33	12.84
	10th month	12.84	-	12.84	0.12	0.33	12.51
	11th month	12.51	-	12.51	0.11	0.33	12.18
	12th month	12.18	-	12.18	0.11	0.33	11.85
					1.54	**3.95**	
3rd	Opening Balance						
	1st month	11.85	-	11.85	0.11	0.33	11.52
	2nd month	11.52	-	11.52	0.11	0.33	11.19
	3rd month	11.19	-	11.19	0.10	0.33	10.86
	4th month	10.86	-	10.86	0.10	0.33	10.53
	5th month	10.53	-	10.53	0.10	0.33	10.20
	6th month	10.20	-	10.20	0.09	0.33	9.87
	7th month	9.87	-	9.87	0.09	0.33	9.55
	8th month	9.55	-	9.55	0.09	0.33	9.22
	9th month	9.22	-	9.22	0.08	0.33	8.89
	10th month	8.89	-	8.89	0.08	0.33	8.56
	11th month	8.56	-	8.56	0.08	0.33	8.23
	12th month	8.23	-	8.23	0.08	0.33	7.90
					1.10	**3.95**	

4th	Opening Balance					
	1st month	7.90	-	7.90	0.07	0.33	7.57
	2nd month	7.57	-	7.57	0.07	0.33	7.24
	3rd month	7.24	-	7.24	0.07	0.33	6.91
	4th month	6.91	-	6.91	0.06	0.33	6.58
	5th month	6.58	-	6.58	0.06	0.33	6.25
	6th month	6.25	-	6.25	0.06	0.33	5.92
	7th month	5.92	-	5.92	0.05	0.33	5.60
	8th month	5.60	-	5.60	0.05	0.33	5.27
	9th month	5.27	-	5.27	0.05	0.33	4.94
	10th month	4.94	-	4.94	0.05	0.33	4.61
	11th month	4.61	-	4.61	0.04	0.33	4.28
	12th month	4.28	-	4.28	0.04	0.33	3.95
					0.67	**3.95**	
5th	Opening Balance						
	1st month	3.95	-	3.95	0.04	0.33	3.62
	2nd month	3.62	-	3.62	0.03	0.33	3.29
	3rd month	3.29	-	3.29	0.03	0.33	2.96
	4th month	2.96	-	2.96	0.03	0.33	2.63
	5th month	2.63	-	2.63	0.02	0.33	2.30
	6th month	2.30	-	2.30	0.02	0.33	1.97
	7th month	1.97	-	1.97	0.02	0.33	1.65
	8th month	1.65	-	1.65	0.02	0.33	1.32
	9th month	1.32	-	1.32	0.01	0.33	0.99
	10th month	0.99	-	0.99	0.01	0.33	0.66
	11th month	0.66	-	0.66	0.01	0.33	0.33
	12th month	0.33	-	0.33	0.00	0.33	-
					0.24	**3.95**	

DOOR TO DOOR	60	MONTHS
MORATORIUM PERIOD	6	MONTHS
REPAYMENT PERIOD	54	MONTHS

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