

UP MSME 1-Connect

PROJECT REPORT

**PROJECT: TRIPHALA CHURNA
MANUFACTURING UNIT**

**PROJECT REPORT
OF
TRIPHALA CHURNA
MANUFACTURING UNIT
PURPOSE OF THE DOCUMENT**

This particular pre-feasibility is regarding Triphala Churna 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.]

PROJECT AT GLANCE

1 Name of Proprietor/Director	XXXXXXXXXX	
2 Firm Name	XXXXXXXXXX	
3 Registered Address	XXXXXXXXXX	
4 Nature of Activity	XXXXXXXXXX	
5 Category of Applicant	XXXXXXXXXX	
6 Location of Unit	XXXXXXXXXX	
7 Cost of Project	22.91	Rs. In Lakhs
8 Means of Finance		
i) Own Contribution	2.29	Rs. In Lakhs
ii) Term Loan	16.65	Rs. In Lakhs
iii) Working Capital	3.97	Rs. In Lakhs
9 Debt Service Coverage Ratio	3.31	
10 Break Even Point	35%	
11 Power Requirement	40	KW
12 Employment	8	Persons
13 Details of Cost of Project & Means of Finance		

COST OF PROJECT	
(in Lacs)	
PARTICULARS	Amount
Land & Building	Owned/Rented
Plant & Machinery	16.00
Miscellaneous Assets	2.50
Working capital Required	4.41
Total	22.91

MEANS OF FINANCE	
PARTICULARS	Amount
Own Contribution @ 10%	2.29
Term Loan @ 90%	16.65
Working Capital (Bank Finance)	3.97
Total	22.91

TRIPHALA CHURNA MANUFACTURING UNIT

1. INTRODUCTION



Triphala Churna is a powder, a combination of three fruits- haritaki, bibhitaki, and amla. These fruits are dried thoroughly, powdered and mixed in the right proportions to make Triphala churna. Triphala is generally used as a mild bowel cleanser as it promotes digestion. The synergistic effect of these three ingredients has a unique potential to detoxify and rejuvenate the body. Amla or Indian gooseberry has a cooling effect and promotes liver function and boosts immunity. Bibhitaki promotes the normal functioning of the respiratory system and cleanses the lungs. Haritaki detoxifies the body and helps in losing weight. Demand for Triphala Powder is growing due to its various applications in the healthcare industry as it is a safe remedy with no side effects. In addition, Triphala Powder contains high levels of vitamin C, which helps in the formation of collagen. Triphala Powder also contains various useful components, such as Chebulagic acid, Gallic acid, and chebulinic acid. It has also been found to be useful in digestion, providing relief from constipation, treatment of diabetes and eye diseases, immune system stimulation, gastrointestinal tract cleansing, gas relief, and in dentistry, as root canal irrigant in endodontics.

2. MARKET POTENTIAL

The global Ayurvedic herbs market was valued at \$9.5 billion in 2020, and is anticipated to reach \$21.6 billion by 2028, growing at a CAGR of 10.8% during the forecast period. A key factor driving the Ayurvedic herbs market is increasing popularity of natural and organic medicines and their benefits among the consumers. The commercialization of Triphala powder has hinged on the utilization the herbal formulation for a wide range of health conditions. Perhaps the major boost has come from the growing number of people around the world adopting the traditional Ayurveda medicine, native to India. Dietary food makers have been utilizing Triphala powder for its anti- inflammatory, antibacterial effects, and antioxidants. Of these, high antioxidant properties are much talked about. Thus, the powder is frequently demanded as a mild non-habit laxative in all ages of the population. Triphala Powder has been used as traditional Ayurvedic medicine since ancient times. Triphala Powder is an herbal remedy made from three dried fruits: Amla, Haritaki, and Bibhitaki. Since it contains three dehydrated fruit mixtures, it is referred to as "Tri-Phala." It is native to India. The demand for Triphala Powder is increasing due to its various applications in healthcare. This powder helps in reducing inflammation, heart diseases and is also known to protect against some forms of cancers. Triphala Powder is also used to heal dental cavities. In the global market, the demand for Triphala Powder is increasing as it is a good source of various ingredients, such as Vitamin C, Chebulagic, and Gallic acid. In the global market, the highest demand is being witnessed from Asia Pacific, Middle East, Europe, and African countries. Due to increasing demand, investors who have invested in this market can expect high returns during the forecast period. People in the Asia Pacific and the Middle East prefer to opt for herbal products as natural remedies have fewer side effects as compared to allopathic medicines. Increasing usage and demand for natural remedies is significantly boosting the consumption of Triphala. Triphala Powder is also known for hyperacidity and is helpful in appetite stimulation. The large purported medicinal value of Triphala is due to the phytochemical constituents it contains. The market has also garnered opportunities from a growing number of herbal practitioners and Ayurveda doctors recommending Triphala powder as the panacea for a wide range of health conditions. Prominently, the formulations are gathering steam in people who seek herbal medicines for improving their vigor and vitality, treating constipation, and promoting

weight loss. They are used to promote appetite. While Triphala is generally considered safe and has potential health benefits, it may cause side effects in some people. For example, due to its natural laxative effects, it may cause diarrhea and abdominal discomfort, especially in high doses.

3. PRODUCT DESCRIPTION

3.1 PRODUCT USES

Triphala can be used for various health related issues.

- a) Triphala contains some antioxidants that perform protective functions in the body.
- b) Triphala has been shown to protect against certain cancers in several test-tube and animal studies.
- c) Triphala may benefit dental health in several ways.
- d) Some studies have shown that Triphala may help with fat loss, especially in the belly area.
- e) Triphala has been used since ancient times as a natural treatment for digestive issues like constipation.

3.2 RAW MATERIAL REQUIREMENT

The ingredients used in the Triphala Churna are Amlaki (Emblica Officinalis), Bibhitaka (Terminalia bellerica), Haritaki (Terminalia chebula) can be purchased from the local market.

- 1) **Amla** (Emblica Officinalis): More commonly known as Indian gooseberry, amla plays an important role in Ayurvedic medicine.



- 2) **Bibhitaki** (*Terminalia bellirica*): *Bibhiaki* is a large tree that commonly grows in Southeast Asia. Its fruit is used as a treatment for common ailments like bacterial and viral infections.



- 3) **Haritaki** (*Terminalia chebula*) is a medicinal tree that grows throughout the Middle East, India, China, and Thailand. The small, green fruit of the *Terminalia chebula* tree is used as medicine.



4)Other: Packing materials, etc.



3.1 MANUFACTURING PROCESS

This process can be broken down into the following steps-

a) Raw material procurement

b) Production Process

- Grinding
- Sieving
- Mixing

c) Packing

d) Testing

4. PROJECT COMPONENTS

PLANT & MACHINERY

This is a semi-automatic type of plant and the production capacity is set to be 600 Kg Triphala Churna per day.

Sl. No.	Name of the machineries
1.	Thermo Chamber
2.	Grinder
3.	Powder sieving machine
4.	Mixing/Blending machine
5.	Oven/Dryer
6.	Packing machine

PROJECTED PROFITABILITY STATEMENT					(in Lacs)
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
Capacity Utilisation %	30%	35%	40%	45%	50%
<u>SALES</u>					
Gross Sale					
TRIPHALA CHURNA	84.38	105.49	126.35	149.46	174.19
Total	84.38	105.49	126.35	149.46	174.19
<u>COST OF SALES</u>					
Raw Material Consumed	54.00	66.15	79.20	93.96	109.80
Electricity Expenses	2.30	2.69	3.07	3.46	3.84
Depreciation	2.78	2.36	2.00	1.70	1.45
Wages & labour	7.80	8.58	9.01	9.32	9.42
Repair & maintenance	0.84	1.58	1.90	2.24	2.61
Packaging	0.93	1.27	1.52	1.79	2.09
Cost of Production	68.65	82.62	96.70	112.48	129.21
Add: Opening Stock	-	1.60	1.93	2.26	2.62
Less: Closing Stock	1.60	1.93	2.26	2.62	3.01
Cost of Sales	67.05	82.30	96.37	112.11	128.82
GROSS PROFIT	17.33	23.19	29.98	37.35	45.37
	20.54%	21.98%	23.73%	24.99%	26.05%
Salary to Staff	6.36	7.63	9.16	10.62	11.90
Interest on Term Loan	1.64	1.44	1.03	0.63	0.22
Interest on working Capital	0.44	0.44	0.44	0.44	0.44
Rent	1.80	2.34	3.04	3.95	5.14
Selling & Administrative Exp.	1.01	2.64	3.79	5.68	6.97
TOTAL	11.25	14.49	17.46	21.32	24.66
NET PROFIT	6.09	8.70	12.52	16.03	20.71
	7.22%	8.25%	9.91%	10.72%	11.89%
Taxation	0.23	0.56	1.25	2.18	3.59
PROFIT (After Tax)	5.85	8.15	11.27	13.84	17.12

PROJECTED BALANCE SHEET					
(in Lacs)					
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
<u>Liabilities</u>					
Capital					
Opening balance		4.15	6.29	9.06	12.40
Add:- Own Capital	2.29				
Add:- Retained Profit	5.85	8.15	11.27	13.84	17.12
Less:- Drawings	4.00	6.00	8.50	10.50	14.00
Closing Balance	<u>4.15</u>	<u>6.29</u>	<u>9.06</u>	<u>12.40</u>	<u>15.52</u>
Term Loan	14.80	11.10	7.40	3.70	-
Working Capital Limit	3.97	3.97	3.97	3.97	3.97
Sundry Creditors	1.26	1.54	1.85	2.19	2.56
Provisions & Other Liability	1.00	1.50	1.80	2.16	2.59
TOTAL :	25.18	24.41	24.08	24.43	24.65
<u>Assets</u>					
Fixed Assets (Gross)	18.50	18.50	18.50	18.50	18.50
Gross Dep.	2.78	5.13	7.14	8.84	10.29
Net Fixed Assets	15.73	13.37	11.36	9.66	8.21
Current Assets					
Sundry Debtors	2.81	3.52	4.21	4.98	5.81
Stock in Hand	2.86	3.47	4.10	4.82	5.58
Cash and Bank	3.28	3.25	3.40	3.67	3.56
Loans & Advances /Other Current Assets	0.50	0.80	1.00	1.30	1.50
TOTAL :	25.18	24.41	24.08	24.43	24.65
	-	-	-	-	-

<u>PROJECTED CASH FLOW STATEMENT</u>					
(in Lacs)					
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
<u>SOURCES OF FUND</u>					
Own Margin	2.29				
Net Profit	6.09	8.70	12.52	16.03	20.71
Depreciation & Exp. W/off	2.78	2.36	2.00	1.70	1.45
Increase in Cash Credit	3.97	-	-	-	-
Increase In Term Loan	16.65	-	-	-	-
Increase in Creditors	1.26	0.28	0.30	0.34	0.37
Increase in Provisions & Oth labilities	1.00	0.50	0.30	0.36	0.43
	-				
TOTAL :	34.04	11.84	15.13	18.44	22.96
<u>APPLICATION OF FUND</u>					
Increase in Fixed Assets	18.50				
Increase in Stock	2.86	0.61	0.63	0.71	0.76
Increase in Debtors	2.81	0.70	0.70	0.77	0.82
Repayment of Term Loan	1.85	3.70	3.70	3.70	3.70
Loans & Advances /Other Current Assets	0.50	0.30	0.20	0.30	0.20
Drawings	4.00	6.00	8.50	10.50	14.00
Taxation	0.23	0.56	1.25	2.18	3.59
TOTAL :	30.76	11.87	14.98	18.17	23.07
Opening Cash & Bank Balance	-	3.28	3.25	3.40	3.67
Add : Surplus	3.28	-0.03	0.15	0.27	-0.11
Closing Cash & Bank Balance	3.28	3.25	3.40	3.67	3.56

<u>CALCULATION OF D.S.C.R</u>					
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
CASH ACCRUALS	8.63	10.50	13.27	15.55	18.57
Interest on Term Loan	1.64	1.44	1.03	0.63	0.22
Total	10.27	11.95	14.30	16.18	18.79
<u>REPAYMENT</u>					
Instalment of Term Loan	1.85	3.70	3.70	3.70	3.70
Interest on Term Loan	1.64	1.44	1.03	0.63	0.22
Total	3.49	5.14	4.73	4.33	3.92
DEBT SERVICE COVERAGE RATIO	2.94	2.32	3.02	3.74	4.79
AVERAGE D.S.C.R.	3.31				

REPAYMENT SCHEDULE OF TERM LOAN

Interest 11.00%

Year	Particulars	Amount	Addition	Total	Interest	Repayment	Closing Balance
1st	Opening Balance						
	1st month	-	16.65	16.65	-	-	16.65
	2nd month	16.65	-	16.65	0.15	-	16.65
	3rd month	16.65	-	16.65	0.15	-	16.65
	4th month	16.65	-	16.65	0.15		16.65
	5th month	16.65	-	16.65	0.15		16.65
	6th month	16.65	-	16.65	0.15		16.65
	7th month	16.65	-	16.65	0.15	0.31	16.34
	8th month	16.34	-	16.34	0.15	0.31	16.03
	9th month	16.03	-	16.03	0.15	0.31	15.73
	10th month	15.73	-	15.73	0.14	0.31	15.42
	11th month	15.42	-	15.42	0.14	0.31	15.11
	12th month	15.11	-	15.11	0.14	0.31	14.80
					1.64	1.85	
2nd	Opening Balance						
	1st month	14.80	-	14.80	0.14	0.31	14.49
	2nd month	14.49	-	14.49	0.13	0.31	14.18
	3rd month	14.18	-	14.18	0.13	0.31	13.88
	4th month	13.88	-	13.88	0.13	0.31	13.57
	5th month	13.57	-	13.57	0.12	0.31	13.26
	6th month	13.26	-	13.26	0.12	0.31	12.95
	7th month	12.95	-	12.95	0.12	0.31	12.64
	8th month	12.64	-	12.64	0.12	0.31	12.33
	9th month	12.33	-	12.33	0.11	0.31	12.03
	10th month	12.03	-	12.03	0.11	0.31	11.72
	11th month	11.72	-	11.72	0.11	0.31	11.41
	12th month	11.41	-	11.41	0.10	0.31	11.10
					1.44	3.70	
3rd	Opening Balance						
	1st month	11.10	-	11.10	0.10	0.31	10.79
	2nd month	10.79	-	10.79	0.10	0.31	10.48
	3rd month	10.48	-	10.48	0.10	0.31	10.18
	4th month	10.18	-	10.18	0.09	0.31	9.87
	5th month	9.87	-	9.87	0.09	0.31	9.56
	6th month	9.56	-	9.56	0.09	0.31	9.25
	7th month	9.25	-	9.25	0.08	0.31	8.94
	8th month	8.94	-	8.94	0.08	0.31	8.63
	9th month	8.63	-	8.63	0.08	0.31	8.33
	10th month	8.33	-	8.33	0.08	0.31	8.02
	11th month	8.02	-	8.02	0.07	0.31	7.71

	12th month	7.71	-	7.71	0.07	0.31	7.40
					1.03	3.70	
4th	Opening Balance						
	1st month	7.40	-	7.40	0.07	0.31	7.09
	2nd month	7.09	-	7.09	0.07	0.31	6.78
	3rd month	6.78	-	6.78	0.06	0.31	6.47
	4th month	6.47	-	6.47	0.06	0.31	6.17
	5th month	6.17	-	6.17	0.06	0.31	5.86
	6th month	5.86	-	5.86	0.05	0.31	5.55
	7th month	5.55	-	5.55	0.05	0.31	5.24
	8th month	5.24	-	5.24	0.05	0.31	4.93
	9th month	4.93	-	4.93	0.05	0.31	4.62
	10th month	4.62	-	4.62	0.04	0.31	4.32
	11th month	4.32	-	4.32	0.04	0.31	4.01
	12th month	4.01	-	4.01	0.04	0.31	3.70
					0.63	3.70	
5th	Opening Balance						
	1st month	3.70	-	3.70	0.03	0.31	3.39
	2nd month	3.39	-	3.39	0.03	0.31	3.08
	3rd month	3.08	-	3.08	0.03	0.31	2.77
	4th month	2.77	-	2.77	0.03	0.31	2.47
	5th month	2.47	-	2.47	0.02	0.31	2.16
	6th month	2.16	-	2.16	0.02	0.31	1.85
	7th month	1.85	-	1.85	0.02	0.31	1.54
	8th month	1.54	-	1.54	0.01	0.31	1.23
	9th month	1.23	-	1.23	0.01	0.31	0.92
	10th month	0.92	-	0.92	0.01	0.31	0.62
	11th month	0.62	-	0.62	0.01	0.31	0.31
	12th month	0.31	-	0.31	0.00	0.31	-
					0.22	3.70	
	DOOR TO DOOR	60		MONTHS			
	MORATORIUM PERIOD	6		MONTHS			
	REPAYMENT PERIOD	54		MONTHS			

DISCLAIMER

The views expressed in this Project Report are advisory in nature. UP MSME assume no financial liability to anyone using the content for any purpose. All the materials and content contained in Project report is for educational purpose and reflect the views of the industry which are drawn from various research material sources from internet, experts, suppliers and various other sources. The actual cost of the project or industry will have to be taken on case to case basis considering specific requirement of the project, capacity and type of plant and other specific factors/cost directly related to the implementation of project. It is intended for general guidance only and must not be considered a substitute for a competent legal advice provided by a licensed industry professional. UP MSME hereby disclaims any and all liability to any party for any direct, indirect, implied, punitive, special, incidental or other consequential damages arising directly or indirectly from any use of the Project Report Content, which is provided as is, and without warranties.