

# PROJECT REPORT

Of

# GRIPE WATER

## PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding Gripe water 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.]



**Lucknow Office:** Sidhivinayak Building ,  
27/1/B, Gokhley Marg, Lucknow-226001

**Delhi Office :** Multi Disciplinary Training  
Centre, Gandhi Darshan Rajghat,  
New Delhi 110002

**Email :** [info@udyami.org.in](mailto:info@udyami.org.in)  
**Contact :** +91 7526000333, 444, 555

## PROJECT AT GLANCE

<b>1 Name of Proprietor/Director</b>	XXXXXXXXXX
<b>2 Firm Name</b>	XXXXXXXXXX
<b>3 Registered Address</b>	XXXXXXXXXX
<b>4 Nature of Activity</b>	XXXXXXXXXX
<b>5 Category of Applicant</b>	XXXXXXXXXX
<b>6 Location of Unit</b>	XXXXXXXXXX
<b>7 Cost of Project</b>	23.61 Rs. In Lakhs
<b>8 Means of Finance</b>	
<b>i) Own Contribution</b>	2.36 Rs. In Lakhs
<b>ii) Term Loan</b>	15.84 Rs. In Lakhs
<b>iii) Working Capital</b>	5.41 Rs. In Lakhs
<b>9 Debt Service Coverage Ratio</b>	3.26
<b>10 Break Even Point</b>	22%
<b>11 Power Requirement</b>	50 KW
<b>12 Employment</b>	8 Persons
<b>13 Major Raw Materials</b>	Dill oil, fennel oil, sodium bicarbonate, ginger extract, deionized water, preservatives for freshness, natural fennel flavor, aqueous sugar base, clear fat pet bottles or glass bottles & labels.

### 14 Details of Cost of Project & Means of Finance

Cost of Project	Amount in Lacs
Particulars	Amount
Land and building	Owned/Leased
Plant & Machinery	16.60
Furniture & Fixture	-
Other Misc Assets	1.00
Working Capital Requirement	6.01
<b>Total</b>	<b>23.61</b>

Means of Finance	
Particulars	Amount
Own Contribution	2.36
Term Loan	15.84
Working capital Loan	5.41
<b>Total</b>	<b>23.61</b>

## 1. INTRODUCTION



Gripe water is a non-prescription product sold in many countries around the world to relieve colic and other gastrointestinal ailments and discomforts of infants. The original formula of gripe water contained alcohol and sugar in addition to sodium bicarbonate and dill oil. Present-day products do not contain alcohol and may contain fennel, ginger, chamomile, or lemon balm in addition to or replacement for dill oil. Some gripe water products still contain sugar, while others may contain charcoal. Gripe water is an over-the-counter herbal supplement available in liquid form and sold everywhere from drugstores to health food stores. Many brands market it to new parents as a remedy to ease infant gas and colic, among other baby ailments like teething and hiccups. Originally developed to treat fevers caused by malaria in the 1800s, gripe water's usage has evolved. It was nannies and mothers in England in the 1850s who started using the original version which, notably, included alcohol as a remedy for babies with colic. Gripe Water contains ingredients like Sarjikakshara and Mishreya tail, which are very useful in guarding babies against common stomach problems like afara, aitten, indigestion, and acidity. Its regular use helps relieve digestive problems during the teething process of the baby.

## **2 PRODUCT DESCRIPTION**

### **2.1 PRODUCT USES**

Many people use gripe water to soothe colic, believe the colic is caused by a baby's stomach troubles or gassiness. In theory, these herbs should help ease gas, thus relieving the discomfort that is causing the baby to cry. Gripe water Soothes uneasiness caused by indigestion, colic, and flatulence.

### **2.2 MANUFACTURING PROCESS**

This process can be broken down into the following steps-

**Raw material procurement**

**Production Process**

**Packing**

**Testing**

#### **Raw Material Procurement**

The raw materials are checked strictly as per established quality standards and requirements. Individual supplier assessment and supplier rating are done depending upon the rejection levels at the incoming quality control stage. Sorting of raw material will be done as per material type or specifications. The material will be stored in; dust-free, moisture-free, neat, and clean environment.

#### **Production Process**

- 1) Formulation: The formula or ingredients in gripe water vary by vendor. Oil, antacids, extracts and deionized water will be mixed to form the formula for gripe water. A formulation is a mixture of ingredients or chemicals that do not chemically react. This mixture of chemicals is designed to produce a final product with desirable characteristics.
- 2) Mixing: Automatic starrier will mix all the ingredients to form the gripe water and it will be stored in the storage tank. After production, Quality control will be done. And after quality control, it will be sent for packaging

A general formula for gripe water is represented in the table below.

\*For 5 ml contains:

Sajikhar (Sodium Bicarbonate I.P.)	45 mg
Suwa Tel (Dill Oil I.P 66)	0.00075 ml
Variyali Tel (Aniseed Oil I.P 66)	0.000375 ml
Jira Tel (Caraway Oil I.P.66)	0.000375 ml
Pudina Sat (Menthol I.P.)	0.5 mg
Aqueous Sugar Base	q.s



Formulation



Mixing



Testing



Labeling and packing

### Packaging

The material shall be packed in dry and leak-proof bottles. Procured bottles will be placed on an automatic filling machine. Where a product will be weighted and filled automatically and capped. Product labeling will be done after or before packaging.

### Testing

Quality control

## 3 PROJECT COMPONENTS

### 3.1 Land & Building

The land required for this manufacturing unit will be approx. around 4000 square feet. Land Purchase and Building Civil Work Cost have not been considered as part of the cost of project. It is expected that the premises will be on rental and approximate rentals assumed of the same will be Rs.15,000 per month.

- Workshop Area- This area includes the setup and foundation space for all equipment's, work floor area, etc. Total workshop area is approx.2500 Sq ft.

- Inventory Area- This area includes the storage space for all the raw materials and finished goods. Total inventory area is approx. 1000 Sq ft.
- Office Area – This space includes staff working region, their accommodation space. Total workshop area is approx. 300 Sq ft. This may be considered above the ground floor.
- Parking Space, Electric Mounting Space, and Others. This could be approx. 200 Sq ft.

Land and building requirement may vary depending on the size of project.

### **3.2 Plant & Machinery**

This is a semi-automatic type of plant and the production capacity is set to be 400 Litre of Gripe Water per day.

#### **Machines-**

##### **3.2.1 Mixing vessel**

Stainless Steel mixing vessel with a stirrer can be used for the mixing of the ingredients. A magnetic stirrer or magnetic mixer present in the mixing vessel employs a rotating magnetic field to cause a stir bar (or flea) immersed in a liquid to spin very quickly, thus stirring it.



##### **3.2.2 Automatic filling and capping machine**

This machine is used for gripe water filling and capping. Using such an automated solution ensures that every bottle has an equal and consistent fill of the product. It efficiently completes the cycle. A fully automatic filling machine comes with a capping machine.



### **3.2.3 Sticker labeling machine**

This machine is used for automatic sticker labeling. There are a set of principles that the sticker labeling machine requires to run the entire system of the machine. Firstly, the item/container which has to be labeled is kept on the sticker labelers at a particular speed of the conveyor present in the machine. Another working principle of the sticker labeler is that the technical fixture of the machine divides the items in a fixed space, and it allows the system to push the placed item to the aimed direction of the conveyor.



### **3.2.4 Printing machine (Optional)**

A laser or pad printing machine is used to print the company logo, name, and product-related information on the product.



<b>SL No.</b>	<b>Plant &amp; Machinery</b>	<b>Quantity</b>	<b>Amount</b>
1	Mixing machine	1	6,00,000
2	Automatic Filling & Capping Machine	1	5,50,000
3	Sticker Labelling Machine	1	3,50,000
4.	Printing Machine	1	1,60,000
	<b>TOTAL</b>		<b>16,60,000</b>



## **4 LICENSE & APPROVALS**

Basic registration required in this project:

- Company registration
- GST registration
- MSME Udyam registration
- BIS certification
- Trademark registration
- Food and Drug Administration approval

## Projected Profitability

<b>PROJECTED PROFITABILITY STATEMENT</b>						(in Lacs)
<b>PARTICULARS</b>	<b>1st year</b>	<b>2nd year</b>	<b>3rd year</b>	<b>4th year</b>	<b>5th year</b>	
Capacity Utilisation %	<b>30%</b>	<b>35%</b>	<b>40%</b>	<b>45%</b>	<b>50%</b>	
<b><u>SALES</u></b>						
<b>Gross Sale</b>						
GRUPE WATER PRODUCTION	114.27	142.32	169.90	201.98	236.45	
<b>Total</b>	<b>114.27</b>	<b>142.32</b>	<b>169.90</b>	<b>201.98</b>	<b>236.45</b>	
<b>COST OF SALES</b>						
Raw Material Consumed	72.00	88.20	105.60	124.20	144.00	
Electricity Expenses	3.60	4.20	4.80	5.40	6.00	
Depreciation	2.64	2.24	1.91	1.62	1.38	
Wages & labour	9.96	10.96	12.49	15.61	18.27	
Repair & maintenance	3.20	3.99	4.76	5.66	6.62	
Packaging	3.09	3.84	4.59	5.45	6.38	
<b>Cost of Production</b>	<b>94.48</b>	<b>113.43</b>	<b>134.14</b>	<b>157.94</b>	<b>182.65</b>	
<b>Add: Opening Stock</b>	<b>-</b>	<b>2.20</b>	<b>2.65</b>	<b>3.13</b>	<b>3.69</b>	
<b>Less: Closing Stock</b>	<b>2.20</b>	<b>2.65</b>	<b>3.13</b>	<b>3.69</b>	<b>4.26</b>	
Cost of Sales	92.28	112.99	133.66	157.39	182.07	
<b>GROSS PROFIT</b>	<b>21.99</b>	<b>29.34</b>	<b>36.24</b>	<b>44.59</b>	<b>54.37</b>	
	<b>19.24%</b>	<b>20.61%</b>	<b>21.33%</b>	<b>22.08%</b>	<b>23.00%</b>	
Salary to Staff	7.20	9.36	11.70	13.46	16.82	
Interest on Term Loan	1.56	1.37	0.98	0.60	0.21	
Interest on working Capital	0.60	0.60	0.60	0.60	0.60	
Rent	1.80	2.38	3.21	4.33	5.41	
Selling & Administrative Exp.	5.71	7.12	8.50	10.10	11.82	
<b>TOTAL</b>	<b>16.87</b>	<b>20.82</b>	<b>24.98</b>	<b>29.08</b>	<b>34.86</b>	
NET PROFIT	5.12	8.52	11.26	15.51	19.52	
	<b>4.48%</b>	<b>5.99%</b>	<b>6.63%</b>	<b>7.68%</b>	<b>8.25%</b>	
Taxation	0.03	0.73	1.39	2.03	3.28	
PROFIT (After Tax)	5.10	7.79	9.87	13.48	16.23	

## Projected Balance Sheet

<b><u>PROJECTED BALANCE SHEET</u></b>					<b>(in Lacs)</b>
<b>PARTICULARS</b>	<b>1st year</b>	<b>2nd year</b>	<b>3rd year</b>	<b>4th year</b>	<b>5th year</b>
<b><u>Liabilities</u></b>					
<b>Capital</b>					
Opening balance		5.46	8.75	12.12	15.96
Add: - Own Capital	2.36				
Add: - Retained Profit	5.10	7.79	9.87	13.48	16.23
Less: - Drawings	2.00	4.50	6.50	9.64	12.30
<b>Closing Balance</b>	<b>5.46</b>	<b>8.75</b>	<b>12.12</b>	<b>15.96</b>	<b>19.89</b>
Term Loan	14.08	10.56	7.04	3.52	-
Working Capital Limit	5.41	5.41	5.41	5.41	5.41
Sundry Creditors	1.68	2.06	2.46	2.90	3.36
Provisions & Other Liability	0.40	0.48	0.58	0.80	0.96
<b>TOTAL :</b>	<b>27.03</b>	<b>27.26</b>	<b>27.61</b>	<b>28.59</b>	<b>29.62</b>
<b><u>Assets</u></b>					
<b>Fixed Assets (Gross)</b>					
Gross Dep.	2.64	4.88	6.79	8.41	9.79
<b>Net Fixed Assets</b>	<b>14.96</b>	<b>12.72</b>	<b>10.81</b>	<b>9.19</b>	<b>7.81</b>
<b>Current Assets</b>					
Sundry Debtors	3.81	4.74	5.66	6.73	7.88
Stock in Hand	3.88	4.70	5.59	6.58	7.62
Cash and Bank	0.08	0.19	0.24	0.28	0.31
Loans & Advances /Other Current Assets	4.30	4.90	5.30	5.80	6.00
<b>TOTAL:</b>	<b>27.03</b>	<b>27.26</b>	<b>27.61</b>	<b>28.59</b>	<b>29.62</b>

## Projected Cash Flow Statement

<b><u>PROJECTED CASH FLOW STATEMENT</u></b>					<b>(in Lacs)</b>
<b>PARTICULARS</b>	<b>1st year</b>	<b>2nd year</b>	<b>3rd year</b>	<b>4th year</b>	<b>5th year</b>
<b><u>SOURCES OF FUND</u></b>					
Own Margin	2.36				
Net Profit	5.12	8.52	11.26	15.51	19.52
Depreciation & Exp. W/off	2.64	2.24	1.91	1.62	1.38
Increase in Cash Credit	5.41	-	-	-	-
Increase In Term Loan	15.84	-	-	-	-
Increase in Creditors	1.68	0.38	0.41	0.43	0.46
Increase in Provisions & Oth labilities	0.40	0.08	0.10	0.22	0.16
	-				
<b>TOTAL :</b>	<b>33.46</b>	<b>11.22</b>	<b>13.67</b>	<b>17.79</b>	<b>21.52</b>
<b><u>APPLICATION OF FUND</u></b>					
Increase in Fixed Assets	17.60				
Increase in Stock	3.88	0.82	0.89	0.99	1.04
Increase in Debtors	3.81	0.94	0.92	1.07	1.15
Repayment of Term Loan	1.76	3.52	3.52	3.52	3.52
Loans & Advances /Other Current Assets	4.30	0.60	0.40	0.50	0.20
Drawings	2.00	4.50	6.50	9.64	12.30
Taxation	0.03	0.73	1.39	2.03	3.28
<b>TOTAL :</b>	<b>33.38</b>	<b>11.11</b>	<b>13.62</b>	<b>17.75</b>	<b>21.49</b>
Opening Cash & Bank Balance	-	0.08	0.19	0.24	0.28
Add : Surplus	0.08	0.11	0.05	0.04	0.03
Closing Cash & Bank Balance	<b>0.08</b>	<b>0.19</b>	<b>0.24</b>	<b>0.28</b>	<b>0.31</b>

## DSCR

<b><u>CALCULATION OF D.S.C.R</u></b>					
<b>PARTICULARS</b>	<b>1st year</b>	<b>2nd year</b>	<b>3rd year</b>	<b>4th year</b>	<b>5th year</b>
CASH ACCRUALS	7.74	10.03	11.78	15.10	17.61
Interest on Term Loan	1.56	1.37	0.98	0.60	0.21
<b>Total</b>	<b>9.30</b>	<b>11.40</b>	<b>12.76</b>	<b>15.70</b>	<b>17.82</b>
<b>REPAYMENT</b>					
Instalment of Term Loan	1.76	3.52	3.52	3.52	3.52
Interest on Term Loan	1.56	1.37	0.98	0.60	0.21
Total	3.32	4.89	4.50	4.12	3.73
<b>DEBT SERVICE COVERAGE RATIO</b>	<b>2.80</b>	<b>2.33</b>	<b>2.83</b>	<b>3.81</b>	<b>4.78</b>
<b>AVERAGE D.S.C.R.</b>					<b>3.26</b>

## Repayment schedule

REPAYMENT SCHEDULE OF TERM LOAN								
							Interest	11.00%
Year	Particulars	Amount	Addition	Total	Interest	Repayment	Closing Balance	
<b>1st</b>	Opening Balance							
	1st month	-	15.84	15.84	-	-	15.84	
	2nd month	15.84	-	15.84	0.15	-	15.84	
	3rd month	15.84	-	15.84	0.15	-	15.84	
	4th month	15.84	-	15.84	0.15		15.84	
	5th month	15.84	-	15.84	0.15		15.84	
	6th month	15.84	-	15.84	0.15		15.84	
	7th month	15.84	-	15.84	0.15	0.29	15.55	
	8th month	15.55	-	15.55	0.14	0.29	15.25	
	9th month	15.25	-	15.25	0.14	0.29	14.96	
	10th month	14.96	-	14.96	0.14	0.29	14.67	
	11th month	14.67	-	14.67	0.13	0.29	14.37	
	12th month	14.37	-	14.37	0.13	0.29	14.08	
					<b>1.56</b>	<b>1.76</b>		
<b>2nd</b>	Opening Balance							
	1st month	14.08	-	14.08	0.13	0.29	13.79	
	2nd month	13.79	-	13.79	0.13	0.29	13.49	
	3rd month	13.49	-	13.49	0.12	0.29	13.20	
	4th month	13.20	-	13.20	0.12	0.29	12.91	
	5th month	12.91	-	12.91	0.12	0.29	12.61	
	6th month	12.61	-	12.61	0.12	0.29	12.32	
	7th month	12.32	-	12.32	0.11	0.29	12.03	
	8th month	12.03	-	12.03	0.11	0.29	11.73	
	9th month	11.73	-	11.73	0.11	0.29	11.44	
	10th month	11.44	-	11.44	0.10	0.29	11.15	
	11th month	11.15	-	11.15	0.10	0.29	10.85	
	12th month	10.85	-	10.85	0.10	0.29	10.56	
					<b>1.37</b>	<b>3.52</b>		
<b>3rd</b>	Opening Balance							
	1st month	10.56	-	10.56	0.10	0.29	10.27	
	2nd month	10.27	-	10.27	0.09	0.29	9.97	
	3rd month	9.97	-	9.97	0.09	0.29	9.68	
	4th month	9.68	-	9.68	0.09	0.29	9.39	
	5th month	9.39	-	9.39	0.09	0.29	9.09	
	6th month	9.09	-	9.09	0.08	0.29	8.80	
	7th month	8.80	-	8.80	0.08	0.29	8.51	
	8th month	8.51	-	8.51	0.08	0.29	8.21	

	9th month	8.21	-	8.21	0.08	0.29	7.92
	10th month	7.92	-	7.92	0.07	0.29	7.63
	11th month	7.63	-	7.63	0.07	0.29	7.33
	12th month	7.33	-	7.33	0.07	0.29	7.04
					<b>0.98</b>	<b>3.52</b>	
<b>4th</b>	Opening Balance						
	1st month	7.04	-	7.04	0.06	0.29	6.75
	2nd month	6.75	-	6.75	0.06	0.29	6.45
	3rd month	6.45	-	6.45	0.06	0.29	6.16
	4th month	6.16	-	6.16	0.06	0.29	5.87
	5th month	5.87	-	5.87	0.05	0.29	5.57
	6th month	5.57	-	5.57	0.05	0.29	5.28
	7th month	5.28	-	5.28	0.05	0.29	4.99
	8th month	4.99	-	4.99	0.05	0.29	4.69
	9th month	4.69	-	4.69	0.04	0.29	4.40
	10th month	4.40	-	4.40	0.04	0.29	4.11
	11th month	4.11	-	4.11	0.04	0.29	3.81
	12th month	3.81	-	3.81	0.03	0.29	3.52
					<b>0.60</b>	<b>3.52</b>	
<b>5th</b>	Opening Balance						
	1st month	3.52	-	3.52	0.03	0.29	3.23
	2nd month	3.23	-	3.23	0.03	0.29	2.93
	3rd month	2.93	-	2.93	0.03	0.29	2.64
	4th month	2.64	-	2.64	0.02	0.29	2.35
	5th month	2.35	-	2.35	0.02	0.29	2.05
	6th month	2.05	-	2.05	0.02	0.29	1.76
	7th month	1.76	-	1.76	0.02	0.29	1.47
	8th month	1.47	-	1.47	0.01	0.29	1.17
	9th month	1.17	-	1.17	0.01	0.29	0.88
	10th month	0.88	-	0.88	0.01	0.29	0.59
	11th month	0.59	-	0.59	0.01	0.29	0.29
	12th month	0.29	-	0.29	0.00	0.29	-
					<b>0.21</b>	<b>3.52</b>	
	DOOR TO DOOR	60	MONTHS				
	MORATORIUM PERIOD	6	MONTHS				
	REPAYMENT PERIOD	54	MONTHS				

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