

PROJECT REPORT

ON 'FACE WASH'

PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding Face wash.

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 Contact :
+91 7526000333, 444,555



PROJECT REPORT ON FACE WASH



INTRODUCTION :

Face Wash is a liquid soap used for washing the face especially. Its washing quality is very good and it is very soft to the skin. Day by day it is becoming very popular in all class of the society basically, the face wash is a liquid soap. And it is specialty soap for face and sensitive skins. Additionally, almost every age group of the population use this product these days. So it is getting rapid popularity in the Indian market. Additionally, you can produce liquid body wash from the same production unit.

Generally, face washes provide a number of benefits. These are

- Nourishes skin
- Unclogs pores
- Removes pollutants
- Cleanse the skin due to their antimicrobial properties
- Controls excessive oil
- Rejuvenates the skin
- Anti-inflammatory properties smooth the skin
- Removes dead cells etc.

There are several different types of face wash you can find in the market. Broadly, you can find two types such as for men and for women. Additionally, you will find face wash for dry skin, normal skin, oily skin, for face lightening, etc. Herbal products are also gaining rapid popularity. Some of the most popular brands are Ponds, Lakme, Himalaya, Garnier, Nivea, Neutrogena etc. However, in the Indian market, there is an enough scope of establishing new brands in the marke

MARKET :

In Some of the world's best face wash brands belong to India. And it is one of the essential personal care products today. Additionally, the product is not only popular in the metro cities but also popular in the small towns and rural areas.

People are becoming more conscious about their personal care, looks, and beauty. Broadly, these are the major reasons for the increasing popularity of the product. Additionally, TV advertising, brand promotion, and the wide availability play a substantial role in enhancing the market.

Any individual can start this business as small medium and large scale basis. Additionally, the production process is simple. The business doesn't demand any sort of complex machinery. The raw materials are also widely available in the market throughout the country.

In market, few established brands like Ponds, Pears, and Johnson & Johnson etc are available. Besides, few SSI units are also having good market of their brands. Its popularity is increasing in service class, collegiate and other skin conscious people. There is good potential of Face Wash of good quality and economical prices.

BASIS & PRESUMPTIONS :

1. The basis of calculation of production capacity is on single shift basis and working of 25 days per month.
2. Rate of interest has been taken @ 11.50% per annum on an average on working capital and total capital investment.
3. The minimum wages for labour prescribed under Wages Act has been calculated.
4. Whereas some names of manufacturers and suppliers of raw materials, machinery & equipments are at the end of the profile are by no means exclusive or exhaustive.
5. The cost of machinery & equipments indicated in the profile are approximate those prevailing at the time of preparation of the profile.
6. Non-refundable deposits of preparation of project report may be considered under pre-operative expenses.
7. The provision made in raw materials, utilities, overhead etc. is drawn on the basis of local market conditions/ observations and in approximate. The entrepreneur may find out the exact cost from the concerned sources.
8. License is required under Drug & Cosmetic Act from state drug controller.

IMPLEMENTATION SCHEDULE

The implementation of the project includes various jobs/exercise such as procurement of technical knowhow, transfer of technology, market surveys and tie- ups, preparation of project report, selection of site, registration, financing of project, procurement of machinery and raw material etc. recruitment of staff, erection/commissioning of machines, trial production and commercial productions etc. In order to efficiently and successfully implement the project in the shortest period , According to which a minimum period of 8 monhs is involved in family starting the project on commercial basis.

TECHNICAL ASPECTS :

Process of manufacture :

Firstly, mix the Nonyl Phenol Ethoxylate and water (40% of the total volume) slowly with a stirrer. After mixing, add the Diethylene glycol slowly to the mixer with slow stirring. Now add SLES followed by perfume and color. Then the continued circulation of cool water is necessary to control the temperature. Next step is packaging. Finally, pack the material in bottles after cooling at room temperature.

Basic Required raw materials are

- Nonyl Phenol Ethoxylate
- Diethylene glycol
- SLES
- Colour
- Perfume
- HDPE bottles
- Corrugated box

Quality Specification :

It may be manufactured as per customer's specification but under Drug & Cosmetic

Power Requirement : Connected Load 5 Kwh

Pollution Control

Though there is no discharge of effluent during manufacturing of Face Wash but care should be taken to avoid the chemicals in washings.

Production Capacity :

Capacity Installed

Quantity 67500 kg

LABOUR REQUIREMENT:

5-6 Manpower is required for Face wash manufacturing Includes:

- 1 Chemist
- 2 Skilled Labour
- 4 Unskilled Labour

BANK LOAN

Rate of Interest is assumed to be at 10.00%

DEPRECIATION

Depreciation has been calculated as per the provisions of Income Tax Act, 1961

APPROVALS & REGISTRATION REQUIREMENT:

Basic registration required in this project:

- GST Registration
- Udyam Registration
- License under Drugs and cosmetics act
- Choice of Brand name of the product and secure the name with Trademark if required
- NOC from State Pollution Control Board

FACE WASH MANUFACTURING PLANT SETUP & MACHINES

2000 Sq Ft space is sufficient for starting a small scale operation. Apart from the production area, you will need to have space for storage and office work. Check the location before finalizing the place. You must have electricity, adequate water supply, and good drainage system. Additionally, you must have a laboratory setup for testing and quality maintenance.

Some of the basic required machines are

- S.S. Jacketed Vessel with stirrer & speed control.
- Semi-automatic bottle filling machine.
- Storage Tanks , LLDPE,
- Tools & Misc. equipment
- Water circulating Pump
- Testing & laboratory equipment

FINANCIAL ASPECTS :

PROJECT AT A GLANCE

Product and By Product	:	Face Cream	
Name of the project / business activity proposed :		Face Cream	
Cost of Project	:	Rs.17.95lac	
Means of Finance			
Term Loan		Rs.3.77 Lacs	
KVIC Margin Money	-	As per Project Eligibility	
Own Capital		Rs.1.21 Lacs	
Working Capital		Rs.7.09 Lacs	
Debt Service Coverage Ratio	:	6.58	
Pay Back Period	:	5	Years
Project Implementation Period	:	8	Months
Break Even Point	:	27%	
Employment	:	10	Persons
Power Requirement	:	5.00	HP
Major Raw materials	:	Nonyl Phenol Ethoxylate , Diethylene glycol ,SLES	
Estimated Annual Sales Turnover	:	58.35	Lacs

COST OF PROJECT

(Rs. In Lacs)

Particulars	Amount
Land 3500 Sqft	Rented/Owned
Building /shed 2000 Sq Ft	
Plant & Machinery	3.19
Furniture & Fixtures	0.50
Pre-operative Expenses	0.50
Working Capital Requirement	7.88
Total	12.06

MEANS OF FINANCE

Particulars	Amount
Own Contribution @10%	1.21
Term Loan	3.77
Working Capital Finance	7.09
Total	12.06

Beneficiary's Margin Money

(% of Project Cost)

Special General

5% 10%

PLANT & MACHINERY

S N	PARTICULARS	QTY.	RATE	AMOUNT IN RS.
1	S.S. Jacketed Vessel with stirrer & speed control.Capacity 300 kg	1	2,00,000.00	2,00,000.00
2	Semi-automatic bottle filling machine.	1	50,000.00	50,000.00
3	Storage Tanks , LLDPE,Cap. 200 Liters	5	5,000.00	5,000.00
4	Tools & Misc. equipments	LS	5,000.00	5,000.00
5	Water circulating Pump,1/2 HP	1	2,500.00	2,500.00
6	Testing & laboratory equipments	LS	30,000.00	30,000.00
. 7	Installation & Electrification charges @ 10% of machinery	-	25,000.00	25,000.00
Total				3,17,500.00

COMPUTATION OF MANUFACTURING OF FACE WASH

Manufacturing Capacity per day	225.00	Kg
No. of Working Hour	8	
No of Working Days per month	25	
No. of Working Day per annum	300	
Total Production per Annum	67,500.00	Kg
Year	Capacity Utilisation	Kg
IST YEAR	65%	43,875
IIND YEAR	70%	47,250
IIIRD YEAR	75%	50,625
IVTH YEAR	80%	54,000
VTH YEAR	85%	57,375

COMPUTATION OF RAW MATERIAL

Item Name	Quantity of	Unit Rate of	Total Cost
	Raw Material KG	/KG	Per Annum (100%)
Nonyl Phenol Ethoxylate	30,420.00	100.00	30,42,000.00
Diethylene glycol	6,780.00	60.00	4,06,800.00
SLES	3,420.00	50.00	1,71,000.00
Colour	36.00	700.00	25,200.00
Perfume LS	LS		5,000.00
HDPE Bottles 200 gm each	3,37,500.00	4.00	13,50,000.00
Corrugated Boxes			14,000.00
Total			50,14,000.00
Annual Consumption cost (In Lacs)			50.14

Raw Material Consumed	Capacity Utilisation	Amount (Rs.)
IST YEAR	65%	32.59
IIND YEAR	70%	35.10
IIIRD YEAR	75%	37.61
IVTH YEAR	80%	40.11
VTH YEAR	85%	42.62

COMPUTATION OF CLOSING STOCK & WORKING CAPITAL

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
<u>Finished Goods</u>					
(30Days requirement)	2.46	2.70	2.95	3.21	3.48
<u>Raw Material</u>					
(30 Days requirement)	3.26	3.51	3.76	4.01	4.26
Closing Stock	5.72	6.21	6.71	7.22	7.74

COMPUTATION OF WORKING CAPITAL REQUIREMENT

Particulars	Total Amount
Stock in Hand	5.72
Sundry Debtors	2.92
Total	8.63
Less:Sundry Creditors	0.76
Working Capital Requirement	7.87
Lss:Margin	0.79
Working Capital Finance	7.09

COMPUTATION OF SALE

Particulars	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
Op Stock	-	2,193.75	2,362.50	2,531.25	2,700.00
Production	43,875.00	47,250.00	50,625.00	54,000.00	57,375.00
	43,875.00	49,443.75	52,987.50	56,531.25	60,075.00
Less : Closing Stock	2,193.75	2,362.50	2,531.25	2,700.00	2,868.75
Net Sale	41,681.25	47,081.25	50,456.25	53,831.25	57,206.25
Sale Price per Kg #	140.00	142.80	145.66	148.57	151.54
Sale (in Lacs)	58.35	67.23	73.49	79.98	86.69
#Face wash may be packed and sold in bottles of 200 gm each @ 28/- each					

PROJECTED BALANCE SHEET

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
<u>SOURCES OF FUND</u>					
Capital Account	1.21	2.29	3.72	4.95	6.87
Retained Profit	6.08	7.43	8.23	9.92	11.67
Less Withdrawal	5.00	6.00	7.00	8.00	9.00
Closing capital	2.29	3.72	4.95	6.87	9.53
Term Loan	3.77	2.82	1.88	0.94	0.63
Cash Credit	7.09	7.09	7.09	7.09	7.09
Sundry Creditors	0.76	0.82	0.88	0.94	0.99
Provisions & Other Liab	0.36	0.40	0.44	0.48	0.53
TOTAL :	14.26	14.84	15.23	16.31	17.51
<u>APPLICATION OF FUND</u>					
Fixed Assets (Gross)	3.69	3.69	3.69	3.69	3.69
Gross Dep.	0.50	0.96	1.34	1.68	1.96
Net Fixed Assets	3.18	2.73	2.34	2.01	1.72
Current Assets					
Sundry Debtors	2.92	3.36	3.67	4.00	4.33
Stock in Hand	5.72	6.21	6.71	7.22	7.74
Cash and Bank	2.45	2.54	2.50	3.08	3.71
TOTAL :	14.26	14.84	15.23	16.31	17.51

PROJECTED PROFITABILITY STATEMENT

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
<u>A) SALES</u>					
Gross Sale	58.35	67.23	73.49	79.98	86.69
Total (A)	58.35	67.23	73.49	79.98	86.69
B) COST OF SALES					
Raw Material Consumed	32.59	35.10	37.61	40.11	42.62
Electricity Expenses	0.47	0.50	0.54	0.57	0.61
Repair & Maintenance	-	0.67	0.73	0.80	0.87
Labour & Wages	5.28	5.81	6.39	7.03	7.73
Depriciation	0.50	0.45	0.39	0.33	0.28
Consumables,packaging and Other Expenses	2.92	3.36	3.67	4.00	4.33
Cost of Production	41.76	45.89	49.33	52.84	56.44
Add: Opening Stock /WIP	-	2.46	2.70	2.95	3.21
Less: Closing Stock /WIP	2.46	2.70	2.95	3.21	3.48
Cost of Sales (B)	39.30	45.65	49.08	52.58	56.17
C) GROSS PROFIT (A-B)	19.05	21.58	24.41	27.39	30.52
	33%	32%	33%	34%	35%
D) Bank Interest (Term Loan)	0.28	0.34	0.25	0.15	0.05
Bank Interest (C.C. Limit)	0.81	0.81	0.81	0.81	0.81
E) Salary to Staff	5.28	5.81	6.39	7.03	7.73
F) Rental expenses	3.00	3.00	3.00	3.00	3.00
G) Selling & Adm Expenses Exp.	2.92	3.36	3.67	4.00	4.33
TOTAL (D+E)	12.30	13.33	14.13	14.99	15.93
H) NET PROFIT	6.76	8.25	10.29	12.40	14.58
I) Taxation	0.68	0.83	2.06	2.48	2.92
J) PROFIT (After Tax)	6.08	7.43	8.23	9.92	11.67



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