



MODEL PROJECT REPORT



PROJECT REPORT ON ALL PURPOSE CREAM

SWAVALAMBI BHARAT ABHIYAN

**PROJECT REPORT
ON
ALL PURPOSE CREAM**



INTRODUCTION :

The function of a skin cream is to protect the skin against harshness from the environment and any dry conditions of the skin. A skin cream should aid the skin in carrying out its normal functions that is, restoring moisture to dry skin, allowing the elimination of waste matter through the pores, and the cooling of the body by evaporation of water (perspiration) and radiation, thus aiding in the maintenance of the normal body temperature. If the cream clogs the pores of the skin with heavy, insoluble, inert material, it results in a thick sticky coating on the skin and prevents sufficient normal skin function, being detrimental to health. Skin creams contain a variety of ingredients that range from common, such as mineral oil, to the exotic, such as placenta extract. Some skin creams may contain small amounts of vitamins or other “nutrients”. A basic and satisfactory skin cream can be prepared from stearic acid, lanolin, mineral oil, triethanolamine, and water. All Purpose Cream is a white viscous cream used to protect skin from dryness & humidity by providing adequate moisturizing effect. It is used in all seasons.

MARKET :

In market, few established brands like Lakme, Ponds, Ayur etc. are available. Besides, few MSME units are also having good market of their brands. Its popularity is increasing in service class, collegiate and other skin conscious people. Increasing number of beauty parlors are also enhancing its market potential. 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 @ 10.00% 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 6 monhs is involved in family starting the project on commercial basis.

TECHNICAL ASPECTS :

Process of manufacture :

Melt stearic acid, Bee wax, Lanolin and mix with LLP at the temp.80-85 C (Oil Phase) in the steel vessel. In another vessel heat water at 80 C and add Triethanolamine, Glycerine and preservative (Water Phase). Mix both the phases with continues slow stirring keeping the temp. 80 C. After one hour, start cooling with continues stirring. At about 40 C add perfume & mix well till a fine & flabby cream prepared.

Quality Specification :

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

Production Capacity :

a) Quantity **60,000 Kg**

Power Requirement :

Connected Load : 5 Kwh

Pollution Control :

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

Energy Conservation :

The use of shunt capacitors and adequate illumination will reduce the wastage of energy.

LABOUR REQUIREMENT:

6-7 Manpower is required for All Purpose Cream 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

ALL PURPOSE CREAM 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.
- SS Vessel with heating arrangement,
- 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	:	All purpose cream	
Name of the project / business activity proposed :		All purpose cream	
Cost of Project	:	Rs14.95lac	
Means of Finance			
Term Loan		Rs.4.44 Lacs	
KVIC Margin Money	-	As per Project Eligibility	
Own Capital		Rs.1.52 Lacs	
Working Capital		Rs.9 Lacs	
Debt Service Coverage Ratio	:	5.48	
Pay Back Period	:	5	Years
Project Implementation Period	:	8	Months
Break Even Point	:	31%	
Employment	:	11	Persons
Power Requirement	:	5.00	HP
Major Raw materials	:	Stearic Acid,Ethoxy Lanoline,Light Liquid Paraffin,TriethanolamineMethyl Paraben Glycerin etc	
Estimated Annual Sales Turnover	:	86.45	Lacs

COST OF PROJECT

(Rs. In Lacs)

Particulars	Amount
Land 400sq mts	Rented/Owned
Building /shed 300 Sq Mts	
Plant & Machinery	
Furniture & Fixtures	3.43
Pre-operative Expenses	1.00
Working Capital Requirement	0.50
	10.25
Total	15.17

MEANS OF FINANCE

Particulars	Amount
Own Contribution @10%	1.52
Term Loan	4.44
Workign Capital Finance	9.00
Total	14.95

Beneficiary's Margin Money (% of Project Cost)

Special General
5% 10%

PLANT & MACHINERY

1	S.S. Jacketed Vessel with heating arrangement & stirrer, speed control, Cap. 200 Kg	1.00	1,50,000.00
2	SS Vessel with heating arrangement,	1.00	50,000.00
3	Semi-automatic bottle filling machine.	1.00	45,000.00
4	Storage Tanks , SS, Cap. 200 Liters	2.00	30,000.00
5	Tools & Misc. equipments	LS	5,000.00
6	Water circulating Pump,1/2 HP	1.00	2,500.00
7	Testing & laboratory equipments	LS	30,000.00
8	Installation & Electrificationcharges @ 10% of machinery		30,750.00
			3,43,250.00

COMPUTATION OF MANUFACTURING OF ALL PURPOSE CREAM

Manufacturing Capacity per day	200.00	Kg
No. of Working Hour	8	
No of Working Days per month	25	
No. of Working Day per annum	300	
Total Production per Annum	60,000.00	Kg
Year	Capacity Utilisation	Kg
IST YEAR	65%	39,000
IIND YEAR	70%	42,000
IIIRD YEAR	75%	45,000
IVTH YEAR	80%	48,000
VTH YEAR	85%	51,000

COMPUTATION OF RAW MATERIAL

Item Name	Quantity of	Unit Rate of	Total Cost
	Raw MaterialKG	/KG	Per Annum (100%)
Stearic Acid	6,780.00	73.00	4,94,940.00
Bee Wax	480.00	120.00	57,600.00
Ethoxy Lanoline	1,824.00	800.00	14,59,200.00
Light Liquid Paraffin	11,340.00	80.00	9,07,200.00
Triethanolamine	480.00	138.00	66,240.00
Borax	2,280.00	65.00	1,48,200.00
Methyl Paraben	45.00	250.00	11,250.00
Eethyl Paraben	45.00	350.00	15,750.00
Glycerin	1,824.00	85.00	1,55,040.00
Perfume	360.00	800.00	2,88,000.00
Water	19,800.00	-	-
Plastic Jar 100 gm Cap	2,11,200.00	5.00	10,56,000.00
Plastic Jar 200 gm Cap	1,20,600.00	6.50	7,83,900.00
Corrugated Boxes	LS		25,000.00
Total			54,68,320.00

Raw Material Consumed	Capacity Utilisation	Amount (Rs.)
IST YEAR	65%	35.54
IIND YEAR	70%	38.28
IIIRD YEAR	75%	41.01
IVTH YEAR	80%	43.75
VTH YEAR	85%	46.48

COMPUTATION OF CLOSING STOCK & WORKING CAPITAL

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
<u>Finished Goods</u>					
(30Days requirement)	4.54	2.86	3.06	3.26	3.47
<u>Raw Material</u>					
(30 Days requirement)	3.55	3.83	4.10	4.37	4.65
Closing Stock	8.09	6.68	7.16	7.64	8.12

COMPUTATION OF WORKING CAPITAL REQUIREMENT

Particulars	Total
	Amount
Stock in Hand	8.09
Sundry Debtors	2.98
Total	11.07
Less:Sundry Creditors	0.83
Working Capital Requirement	10.25
Less:Margin	1.25
Working Capital Finance	9.00

COMPUTATION OF SALE

Particulars	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
Op Stock	-	3,900.00	2,100.00	2,250.00	2,400.00
Production	39,000.00	42,000.00	45,000.00	48,000.00	51,000.00
	39,000.00	45,900.00	47,100.00	50,250.00	53,400.00
Less : Closing Stock	3,900.00	2,100.00	2,250.00	2,400.00	2,550.00
Net Sale	35,100.00	43,800.00	44,850.00	47,850.00	50,850.00
Sale Price per Kg #	170.00	170.00	170.00	170.00	170.00
Sale (in Lacs)	59.67	74.46	76.25	81.35	86.45

PROJECTED BALANCE SHEET

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
<u>SOURCES OF FUND</u>					
Capital Account	1.52	3.54	6.98	10.09	13.80
Retained Profit	6.03	8.44	8.11	8.71	9.18
Less: Withdrawal	4.00	5.00	5.00	5.00	5.00
	3.54	6.98	10.09	13.80	17.98
Term Loan	4.44	3.33	2.22	1.11	-
Cash Credit	9.00	9.00	9.00	9.00	9.00
Sundry Creditors	0.83	0.89	0.96	1.02	1.08
Provisions & Other Liab	0.36	0.40	0.44	0.48	0.53
TOTAL :	18.17	20.60	22.70	25.41	28.05
<u>APPLICATION OF FUND</u>					
Fixed Assets (Gross)	4.43	4.43	4.43	4.43	4.43
Gross Dep.	0.56	1.10	1.56	1.95	2.29
Net Fixed Assets	3.87	3.33	2.88	2.48	2.15
Current Assets					
Sundry Debtors	2.98	3.72	3.81	4.07	4.32
Stock in Hand	8.09	6.68	7.16	7.64	8.12
Cash and Bank	1.23	3.86	4.85	6.22	7.46
Deposits & Advances	2.00	3.00	4.00	5.00	6.00
TOTAL :	18.17	20.60	22.70	25.41	28.05

PROJECTED PROFITABILITY STATEMENT

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
<u>A) SALES</u>					
Gross Sale	59.67	74.46	76.25	81.35	86.45
Total (A)	59.67	74.46	76.25	81.35	86.45
B) COST OF SALES					
Raw Mateiral Consumed	35.54	38.28	41.01	43.75	46.48
Elecricity Expenses	0.47	0.50	0.54	0.57	0.61
Repair & Maintenance	-	0.74	0.76	0.81	0.86
Labour & Wages	5.81	6.39	7.03	7.73	8.50
Depriciation	0.56	0.53	0.46	0.39	0.34
Consumables,packaging and Other Expenses	2.98	3.72	3.81	4.07	4.32
Cost of Production	45.37	50.17	53.61	57.32	61.12
Add: Opening Stock /WIP	-	4.54	2.86	3.06	3.26
Less: Closing Stock /WIP	4.54	2.86	3.06	3.26	3.47
Cost of Sales (B)	40.83	51.85	53.41	57.12	60.91
C) GROSS PROFIT (A-B)	18.84	22.61	22.84	24.23	25.53
	32%	30%	30%	30%	30%
D) Bank Interest (Term Loan)	0.38	0.46	0.34	0.21	0.07
Bank Interest (C.C. Limit)	1.04	1.04	1.04	1.04	1.04
E) Salary to Staff	5.41	5.95	6.55	7.20	7.92
F) Selling & Adm Expenses Exp.	3.00	3.00	3.00	3.00	3.00
G) Selling & Adm Expenses Exp.	2.98	3.72	3.81	4.07	4.32
TOTAL (D+E)	12.81	14.17	14.73	15.51	16.35
H) NET PROFIT	6.03	8.44	8.11	8.71	9.18
I) Taxation					
J) PROFIT (After Tax)	6.03	8.44	8.11	8.71	9.18