



MODEL PROJECT REPORT



PROJECT REPORT ON CHARCOAL FACEWASH



SWAVALAMBI BHARAT ABHIYAN

PROJECT AT A GLANCE

- 1 Name of the Entrepreneur : xxxxxxxxxx
- 2 Constitution (legal Status) : xxxxxxxxxx
- 3 Father / Spouse Name : xxxxxxxxxxxxxx
- 4 Unit Address : xxxxxxxxxxxxxxxxxxxxxx
 District : xxxxxxxx
 Pin: xxxxxxxx State: xxxxx
 Mobile xxxxxxxx
- 5 Product and By Product : **CHARCOAL FACEWASH**
- 6 Name of the project / business activity proposed : **CHARCOAL FACEWASH MAKING UNIT**
- 7 Cost of Project : Rs.17.8 Lakhs
- 8 Means of Finance
 Term Loan Rs.10.76 Lakhs
 Own Capital Rs.1.78 Lakhs
 Working Capital Rs.5.27 Lakhs
- 9 Debt Service Coverage Ratio : 3.09
- 10 Pay Back Period : 5 Years
- 11 Project Implementation Period : 5-6 Months
- 12 Break Even Point : 27%
- 13 Employment : 12 Persons
- 14 Power Requirement : 15.00 HP
- 15 Major Raw materials : Surfactants, Nitrosol, Citric Acid, Activated charcoal powder, Preservative and other additives.
- 16 Estimated Annual Sales Turnover (Max Capacity) : 176.66 Lakhs
- 17 Detailed Cost of Project & Means of Finance

COST OF PROJECT

(Rs. In Lakhs)

Particulars	Amount
Land	Own/Rented
Plant & Machinery	11.15
Furniture & Fixtures	0.80
Working Capital	5.85
Total	17.80

MEANS OF FINANCE

Particulars	Amount
Own Contribution	1.78
Working Capital(Finance)	5.27
Term Loan	10.76
Total	17.80

CHARCOAL FACEWASH MAKING UNIT

Introduction:

Soaps or Face washes are salts of fatty acids that are used for the purpose of cleaning the body. The soap present in the face wash solubilizes particles and grime which are then separated from the surface by washing it. They also kill the micro-organisms by disorganizing their membrane lipid bilayer and denaturing their proteins. It also emulsifies oils by enabling them to be carried away by running water. They are created by treating fats or oils with a base. A face wash is milder than soap as it is specially created for the face as the skin on the face is more sensitive compared to the rest of the body. A soap is alkaline in nature while our skin has acidic pH and this may strip away the moisture from our skin making it dry. The face wash on the other hand has milder surfactants instead of strong bases that does not change the pH of the skin much hence keeping its softness intact. Additionally, the presence of humectants in the face wash helps to retain moisture. While the main ingredients of a face wash are Surfactants, foam boosters, thickeners, etc. some ingredients are added to enhance their properties further and are called “special ingredients”. Activated charcoal is one such ingredient that enhances the cleansing properties of the face wash. Activated charcoal is a fine, black, odorless powder that is made by superheating sources of carbon in absence of air.



Uses & Market Potential:

The use of the Activated charcoal face wash is use absorb the toxins, dirt, grime, oil from the face and kills the micro-organisms due to the presence of the Activated charcoal in it. The global activated charcoal market size was valued at USD 4.2 Billion in 2018 and was anticipated to grow at an expanding CAGR while that of liquid soaps at expected to grow at a CAGR of 4% in the forecast period of 2020-2025. The market is driven by increasing concerns over health and hygiene by the people across the world. Moreover, the increasing living standards and rising disposable income are also leading the buyers to opt more aesthetically appealing and promising products that have effective ingredients like Activated Charcoal. The advertisement of the enhanced products have also contributed to the growth of the products. However, the rising concerns for the use of chemical substances such as Parabens, Sodium Lauryl Sulfate, Dioxane, etc. have somehow hindered the market to some extent and these products considered to be harmful for the skin. This has encouraged the use of natural products to be incorporated in the manufacturing of the Face Wash and Shower Gels.

Product:

Charcoal Facewash

Raw Material:

The raw materials required are:

- Surfactants
- Nitrosol
- Citric or Ascorbic Acid
- Activated charcoal powder

- Trisodium EDTA
- Foam Booster
- Moisturizing Agent
- Preservatives
- Other Additives

Manufacturing Process:

The steps are:

- ✓ Raw material procurement
- ✓ Mixing
- ✓ Addition of Solvent
- ✓ Thickener Preparation
- ✓ Dissolving
- ✓ Solution Preparation
- ✓ Colorant and additives addition
- ✓ Quality Testing
- ✓ Hopping
- ✓ Head Sealing
- ✓ Bottle Capping
- ✓ Labelling
- ✓ Storing

Area:

The industrial setup requires space for Inventory, workshop or manufacturing area, space for power supply utilities and polishing area. Also, some of the area of building is

required for office staff facilities, office furniture, etc. Thus, the approximate total area required for complete industrial setup is 2000-2500Sqft.

Cost of Machines:

Machine	Quantity	Rate
Homogenizer Mixer	1	475000
Tube filling and crimping machine	1	190000
Stainless steel jacketed mixer vessel	1	95000
Transfer Pump	1	45000
Labeling Machine	1	200000
Storage Tank	1	110000
Total Amount	-	1115000

Power Requirement- The estimated Power requirement is taken at 15 HP.

Manpower Requirement— Following manpower is required:

- Machine operator-2
- Skilled/unskilled worker-3
- Helper-4
- Manager cum Accountant-1
- Sales Personnel-2

FINANCIALS

PROJECTED BALANCE SHEET

PARTICULARS	I	II	III	IV	V
<u>SOURCES OF FUND</u>					
<u>Capital Account</u>					
Opening Balance	-	2.89	4.82	7.47	10.51
Add: Additions	1.78	-	-	-	-
Add: Net Profit	4.31	5.43	6.64	8.04	9.44
Less: Drawings	3.20	3.50	4.00	5.00	6.00
Closing Balance	2.89	4.82	7.47	10.51	13.95
CC Limit	5.27	5.27	5.27	5.27	5.27
Term Loan	9.56	7.17	4.78	2.39	-
Sundry Creditors	3.04	3.61	4.21	4.84	5.48
TOTAL :	20.75	20.88	21.73	23.00	24.70
<u>APPLICATION OF FUND</u>					
Fixed Assets (Gross)	11.95	11.95	11.95	11.95	11.95
Gross Dep.	1.75	3.25	4.52	5.60	6.53
Net Fixed Assets	10.20	8.70	7.43	6.35	5.42
Current Assets					
Sundry Debtors	4.26	5.27	6.21	7.20	8.24
Stock in Hand	4.63	6.72	7.85	9.03	10.26
Cash and Bank	1.67	0.18	0.24	0.43	0.78
TOTAL :	20.75	20.88	21.73	23.00	24.70
	-	-	-	-	-

PROJECTED PROFITABILITY STATEMENT

PARTICULARS	I	II	III	IV	V
<u>A) SALES</u>					
Gross Sale	91.35	113.02	133.11	154.32	176.66
Total (A)	91.35	113.02	133.11	154.32	176.66
<u>B) COST OF SALES</u>					
Raw Material Consumed	60.75	72.29	84.28	96.71	109.62
Electricity Expenses	1.01	1.17	1.34	1.51	1.68
Repair & Maintenance	1.83	2.26	2.66	3.09	3.53
Labour & Wages	12.73	15.91	19.41	23.29	27.48
Depreciation	1.75	1.49	1.27	1.09	0.93
Cost of Production	78.06	93.13	108.96	125.69	143.24
Add: Opening Stock /WIP	-	2.60	3.10	3.63	4.19
Less: Closing Stock /WIP	2.60	3.10	3.63	4.19	4.77
Cost of Sales (B)	75.46	92.63	108.43	125.13	142.65
C) GROSS PROFIT (A-B)	15.89	20.39	24.68	29.19	34.01
	17.39%	18.04%	18.54%	18.92%	19.25%
D) Bank Interest i) (Term Loan)	1.17	0.95	0.69	0.43	0.16
ii) Interest On Working Capital	0.58	0.58	0.58	0.58	0.58
E) Salary to Staff	8.19	10.32	12.18	14.86	17.08
F) Selling & Adm Expenses Exp.	1.64	2.83	3.99	4.32	5.30
G) TOTAL (D+E+F)	11.58	14.68	17.44	20.18	23.13
H) NET PROFIT	4.31	5.71	7.24	9.01	10.88
	4.7%	5.1%	5.4%	5.8%	6.2%
I) Taxation	-	0.28	0.60	0.96	1.45
J) PROFIT (After Tax)	4.31	5.43	6.64	8.04	9.44

PROJECTED CASH FLOW STATEMENT

PARTICULARS	I	II	III	IV	V
<u>SOURCES OF FUND</u>					
Own Contribution	1.78	-	-	-	-
Reserve & Surplus	4.31	5.71	7.24	9.01	10.88
Depreciation & Exp. W/off	1.75	1.49	1.27	1.09	0.93
Increase In Cash Credit	5.27	-	-	-	-
Increase In Term Loan	10.76	-	-	-	-
Increase in Creditors	3.04	0.58	0.60	0.62	0.65
TOTAL :	26.90	7.78	9.11	10.71	12.45
<u>APPLICATION OF FUND</u>					
Increase in Fixed Assets	11.95	-	-	-	-
Increase in Stock	4.63	2.09	1.13	1.18	1.23
Increase in Debtors	4.26	1.01	0.94	0.99	1.04
Repayment of Term Loan	1.20	2.39	2.39	2.39	2.39
Taxation	-	0.28	0.60	0.96	1.45
Drawings	3.20	3.50	4.00	5.00	6.00
TOTAL :	25.24	9.27	9.05	10.52	12.11
Opening Cash & Bank Balance	-	1.67	0.18	0.24	0.43
Add : Surplus	1.67	1.49	0.06	0.19	0.35
Closing Cash & Bank Balance	1.67	0.18	0.24	0.43	0.78

COMPUTATION OF CLOSING STOCK & WORKING CAPITAL

PARTICULARS	I	II	III	IV	V
<u>Finished Goods</u>					
(10 Days requirement)	2.60	3.10	3.63	4.19	4.77
<u>Raw Material</u>					
(10 Days requirement)	2.03	3.61	4.21	4.84	5.48
Closing Stock	4.63	6.72	7.85	9.03	10.26

COMPUTATION OF WORKING CAPITAL REQUIREMENT

Particulars	Amount	Margin(10%)	Net
			Amount
Stock in Hand	4.63		
Less:			
Sundry Creditors	3.04		
Paid Stock	1.59	0.16	1.43
Sundry Debtors	4.26	0.43	3.84
Working Capital Requirement			5.27
Margin			0.59
MPBF			5.27
Working Capital Demand			5.27

REPAYMENT SCHEDULE OF TERM LOAN						11.0%	
Year	Particulars	Amount	Addition	Total	Interest	Repayment	CI Balance
I	Opening Balance						
	Ist Quarter	-	10.76	10.76	0.30	-	10.76
	Iind Quarter	10.76	-	10.76	0.30	-	10.76
	IIIrd Quarter	10.76	-	10.76	0.30	0.60	10.16
	Ivth Quarter	10.16	-	10.16	0.28	0.60	9.56
					1.17	1.20	
II	Opening Balance						
	Ist Quarter	9.56	-	9.56	0.26	0.60	8.96
	Iind Quarter	8.96	-	8.96	0.25	0.60	8.37
	IIIrd Quarter	8.37	-	8.37	0.23	0.60	7.77
	Ivth Quarter	7.77		7.77	0.21	0.60	7.17
					0.95	2.39	
III	Opening Balance						
	Ist Quarter	7.17	-	7.17	0.20	0.60	6.57
	Iind Quarter	6.57	-	6.57	0.18	0.60	5.98
	IIIrd Quarter	5.98	-	5.98	0.16	0.60	5.38
	Ivth Quarter	5.38		5.38	0.15	0.60	4.78
					0.69	2.39	
IV	Opening Balance						
	Ist Quarter	4.78	-	4.78	0.13	0.60	4.18
	Iind Quarter	4.18	-	4.18	0.12	0.60	3.59
	IIIrd Quarter	3.59	-	3.59	0.10	0.60	2.99
	Ivth Quarter	2.99		2.99	0.08	0.60	2.39
					0.43	2.39	
V	Opening Balance						
	Ist Quarter	2.39	-	2.39	0.07	0.60	1.79
	Iind Quarter	1.79	-	1.79	0.05	0.60	1.20
	IIIrd Quarter	1.20	-	1.20	0.03	0.60	0.60
	Ivth Quarter	0.60		0.60	0.02	0.60	- 0.00
					0.16	2.39	
Door to Door Period 60 Months Moratorium Period 6 Months Repayment Period 54 Months							

CALCULATION OF D.S.C.R

PARTICULARS	I	II	III	IV	V
<u>CASH ACCRUALS</u>	6.06	6.93	7.92	9.13	10.36
Interest on Term Loan	1.17	0.95	0.69	0.43	0.16
Total	7.23	7.88	8.61	9.56	10.53
<u>REPAYMENT</u>					
Repayment of Term Loan	1.20	2.39	2.39	2.39	2.39
Interest on Term Loan	1.17	0.95	0.69	0.43	0.16
Total	2.36	3.34	3.08	2.82	2.55
DEBT SERVICE COVERAGE RATIO	3.06	2.36	2.79	3.39	4.12
AVERAGE D.S.C.R.			3.09		

Assumptions:

1. Production Capacity of Charcoal Facewash Making unit is taken at 1500 Tubes per day. First year, Capacity has been taken @ 30%. Capacity per tube is 100 gm.
2. Working shift of 10 hours per day has been considered.
3. Raw Material stock and Finished goods closing stock has been taken for 10 days.
4. Credit period to Sundry Debtors has been given for 14 days.
5. Credit period by the Sundry Creditors has been provided for 15 days.
6. Depreciation and Income tax has been taken as per the Income tax Act,1961.
7. Interest on working Capital Loan and Term loan has been taken at 11%.
8. Salary and wages rates are taken as per the Current Market Scenario.
9. Power Consumption has been taken at 15 HP.
10. Selling Prices & Raw material costing has been increased by 3% & 2% respectively in the subsequent years.