MODEL PROJECT REPORT

PROJECT REPORT
ON
BODY WASH GEL

SWAVALAMBI BHARAT ABHIYAN

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PROJECT AT A GLANCE

1	Name of the Entreprenuer		xxxxxxxxxx
2	Constitution (legal Status)		xxxxxxxxxx
3	Father / Spouse Name		xxxxxxxxxxxx
4	Unit Address	:	xxxxxxxxxxxxxxxxxxxxxxx
			District : xxxxxxx
			Pin: xxxxxxx State: xxxxxxxxxx
			Mobile xxxxxxx
5	Product and By Product	:	**BODYWASH GEL**
6	Name of the project / business activity proposed :		**BODYWASH GEL MANUFACTURING UNIT**
7	Cost of Project	:	Rs.16.09 Lakhs
8	Means of Finance		
	Term Loan		Rs.10.48 Lakhs
	Own Capital		Rs.1.61 Lakhs
	Working capital		Rs.4 Lakhs
9	Debt Service Coverage Ratio	:	2.80
10	Pay Back Period	:	5 Years
11	Project Implementation Period	:	5-6 Months
12	Break Even Point	:	30%
13	Employment	:	10 Persons
14	Power Requirement	:	30.00 HP
15	Major Raw materials	:	Deionized Water, Sodium Lauryl Sulphate,Cocamidopropyl Betaine, Disodium Cocamido, Propylene Glycol, Fragrance & other consumables
16	Estimated Annual Sales Turnover (Max Capacity)	:	94.24 Lakhs
17	Detailed Cost of Project & Means of Finance		

COST OF PROJECT

(Rs. In Lakhs)

Particulars	Amount
Land	Own/Rented
Building /Shed 1000 Sq ft	4.00
Plant & Machinery	6.15
Furniture & Fixtures	1.50
Working Capital	4.44
Total	**16.09**

MEANS OF FINANCE

Particulars	Amount
Own Contribution	1.61
Working Capital(Finance)	4.00
Term Loan	10.48
Total	**16.09**

BODYWASH GEL

Introduction: Body Wash gel is a specialized liquid product used for cleaning the body during showers. Not to be confused with liquid soaps, in fact, do not contain saponified oil. Instead, it uses synthetic detergents derived from either petroleum or plant sources. Body washes gels have a lower pH value than the traditional soap, which is also known to feel less drying to the skin. In certain cases, sodium stearate is added to the chemical combination to create a solid version of the shower gel. Body Wash gels have a high liquid consistency. Designed to foam when applied to the skin, many also contain foaming agents such as Sodium Lauryl Sulphate (SLS) and Sodium Coco Sulphate (SCS).Both these ingredients produce lather when they are applied to the skin and come into contact with water, but have very different molecular structures so can affect the skin in different ways. Unlike slippery soap bars, shower gels have a liquid format that many find more convenient to wash with. Their quick-foaming formulations are also highly effective at cleaning the body, without stripping the skin of its protective barrier.

Uses & Market Potential: Body Wash gels offer features like freshness, moisture-free skin and no dryness. In addition, the urban consumer spending on health and skin care products bolsters the market growth in the forecast period. The market opportunities for new entrants are lucrative and hold a lot of potential in terms of customer service and revenue generation. The global body wash gel market is anticipated to grow at a

positive CAGR of 3.6% by 2023. The shower gel market is driven by increase in use of shower gels in malls and supermarkets as compared to demand for conventional soap bars. A shower gel has a strong scent and smells like a perfume. Shower gels are becoming a better alternative to traditional bar soaps. Consumers are finding that traditional soaps make the skin dry by stripping out the moisture, due to presence of sodium hydroxide. This has led to growth in demand for shower gels as they hydrate the skin due to presence of various oils and moisturizers.

Raw Material: Major raw materials are as follows:

1. Deionized water
2. Sodium Lauryl Sulphate
3. Cocamidopropyl Betaine
4. Disodium Cocamido
5. Propylene Glycol
6. Fragrance & other consumables
7. Packing material

Machinery requirement: Major machinery and equipments are as follows:

Description	**Quantity**	**Rate**	**Value**
Steam Jacketed Kettle (Capacity 225 Ltr.)	1	82500	82500
Agitator	1	15000	15000
Homogenizer	1	242000	242000
Paste Filling & sealing machine	1	125000	125000
Storage Tank	1	100000	100000
Other equipments & hand tools	Ls		50000
Total Amount			**614500**
Net Amount(Round off)			**615000**

Manufacturing Process: In personal care products manufacturing, formulation of raw material with fragrance plays an important role. The raw material for Body Wash gel is procured from the local authorized vendor and stored in the inventory. In the first step, the deionized water and Cocamidopropyl Betaine are mixed in required proportion in a tank.

In the next step, Sodium Lauryl Sulphate and Disodium Cocamido are added into the tank in desired proportion. After this, the tank is heated to a temperature of 60°C by using steam jacketed kettle. The SLS is a foaming agent to form foam with water. The jacketed kettle, resembles a double boiler with one container placed inside another, is heated when steam is circulated through the outer container. Inside the interior kettle are blades that revolve to mix the oils as they are heated. Agitators are also used for continuous stirring.

After heating for 40-50 minutes the first group of ingredients has turned smooth. The steam is released from the outer container of the kettle, and the mixture is allowed to cool.

After this, Propylene Glycol, Triclosan, DMDM hydantoin are added into the mixture in required proportion. Continuous stirring is done with the help of agglomerator. The microbial cosmetic ingredients Methylpropanediol and Phenoxyethanol are added into the mixture in desired proportion.

After this, the mixture is poured into homogenizer to adjust pH. The desired fragrance is added into the mixture as per product requirement. After this, pH of the gel is tested. The pH of the body wash gel is adjusted by adding Ethyl Lauroyl in required proportion. The range of pH for body wash gel is kept between 7-8.

The gel prepared in the previous step is check for desired specifications. After this, they are filled in the bottles using filling machine. After this, they are packed and dispatched as per the required quantity.

Area: The industrial setup requires space for Inventory, workshop or manufacturing area, space for power supply utilities and auxiliary like Generator setup. Also some of the area of building is required for office staff facilities, documentation, office furniture, etc. Thus, the approximate total area required for complete industrial setup is 1500 to 2000Sqft. Civil work will cost Rs 4 Lac (Approx.)

Power Requirement: The power consumption required to run all the machinery could be approximated as 30 Hp

Manpower Requirement: There are requirement of skilled machine operators to run the machine set. Experience quality engineers are required for desired quality control. Some helpers are also required to transfer the material from one work station to other. Office staffs are required to maintain the documentation. The approximate manpower required is 10 including 1 Supervisor, 1 Plant operator, 2 unskilled worker, 2 Helper and 1 Security guard. 3 Skilled worker including Accountant, Manager and Sales person.

Bank Term Loan: Rate of Interest is assumed to be at 11%

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
- Udyog Aadhar Registration (Optional)
- Choice of a Brand Name of the product and secure the name with Trademark if require.
- NOC from State Pollution Control Board

Implementation Schedule:

S No.	Activity	Time required
1.	Acquisition of premises	1-2 Months
2.	Procurement & installation of Plant & Machinery	1-2 Months
3.	Arrangement of Finance	1.5-2 Months
4.	Requirement of required Manpower	1 Month
5.	Commercial Trial Runs	1 Month
	Total time Required (some activities shall run concurrently)	5-6 Months

FINANCIALS

PROJECTED BALANCE SHEET					
PARTICULARS	I	II	III	IV	V
SOURCES OF FUND					
Capital Account					
Opening Balance	-	3.86	6.00	8.35	10.80
Add: Additions	1.61	-	-	-	-
Add: Net Profit	4.25	4.63	6.35	6.95	7.45
Less: Drawings	2.00	2.50	4.00	4.50	5.00
Closing Balance	3.86	6.00	8.35	10.80	13.25
CC Limit	4.00	4.00	4.00	4.00	4.00
Term Loan	9.32	6.99	4.66	2.33	0.00
Sundry Creditors	0.67	0.79	0.88	0.97	1.05
TOTAL :	**17.85**	**17.77**	**17.89**	**18.10**	**18.31**
APPLICATION OF FUND					
Fixed Assets (Gross)	11.65	11.65	11.65	11.65	11.65
Gross Dep.	1.47	2.75	3.86	4.83	5.67
Net Fixed Assets	10.17	8.89	7.78	6.82	5.97
Current Assets					
Sundry Debtors	2.84	3.39	3.82	4.26	4.71
Stock in Hand	2.62	3.06	3.43	3.80	4.18
Cash and Bank	2.21	2.43	2.86	3.22	3.44
TOTAL :	**17.85**	**17.77**	**17.89**	**18.10**	**18.31**

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PROJECTED PROFITABILITY STATEMENT

PARTICULARS	I	II	III	IV	V
A) SALES					
Gross Sale	56.84	67.79	76.39	85.21	94.24
Total (A)	**56.84**	**67.79**	**76.39**	**85.21**	**94.24**
B) COST OF SALES					
Raw Material Consumed	28.70	33.91	37.67	41.44	45.21
Elecricity Expenses	1.83	2.05	2.28	2.51	2.74
Repair & Maintenance	1.14	1.36	1.53	1.70	1.88
Labour & Wages	10.96	11.51	13.24	15.22	17.51
Depreciation	1.47	1.28	1.11	0.97	0.84
Cost of Production	44.10	50.11	55.83	61.85	68.18
Add: Opening Stock /WIP	-	1.67	1.93	2.17	2.42
Less: Closing Stock /WIP	1.67	1.93	2.17	2.42	2.68
Cost of Sales (B)	42.44	49.84	55.59	61.60	67.93
C) GROSS PROFIT (A-B)	14.40	17.94	20.81	23.61	26.31
	25.34%	**26.47%**	**27.23%**	**27.71%**	**27.92%**
D) Bank Interest (Term Loan)	1.14	0.93	0.67	0.42	0.16
ii) Interest On Working Capital	0.44	0.44	0.44	0.44	0.44
E) Salary to Staff	6.30	7.25	8.69	10.09	11.30
F) Selling & Adm Expenses Exp.	2.27	2.71	3.06	3.41	3.77
TOTAL (D+E)	**10.15**	**11.33**	**12.86**	**14.35**	**15.66**
H) NET PROFIT	4.25	6.62	7.94	9.26	10.65
	7.5%	**9.8%**	**10.4%**	**10.9%**	**11.3%**
I) Taxation	-	1.99	1.59	2.32	3.19
J) PROFIT (After Tax)	4.25	4.63	6.35	6.95	7.45

PROJECTED CASH FLOW STATEMENT					
PARTICULARS	**I**	**II**	**III**	**IV**	**V**
SOURCES OF FUND					
Own Contribution	1.61	-			
Reserve & Surplus	4.25	6.62	7.94	9.26	10.65
Depriciation & Exp. W/off	1.47	1.28	1.11	0.97	0.84
Increase In Cash Credit	4.00				
Increase In Term Loan	10.48	-	-	-	-
Increase in Creditors	0.67	0.12	0.09	0.09	0.09
TOTAL :	**22.49**	**8.02**	**9.14**	**10.32**	**11.58**
APPLICATION OF FUND					
Increase in Fixed Assets	11.65	-	-	-	-
Increase in Stock	2.62	0.44	0.37	0.38	0.38
Increase in Debtors	2.84	0.55	0.43	0.44	0.45
Repayment of Term Loan	1.16	2.33	2.33	2.33	2.33
Taxation	-	1.99	1.59	2.32	3.19
Drawings	2.00	2.50	4.00	4.50	5.00
TOTAL :	**20.27**	**7.80**	**8.72**	**9.96**	**11.36**
Opening Cash & Bank Balance	-	2.21	2.43	2.86	3.22
Add : Surplus	2.21	0.22	0.42	0.36	0.22
Closing Cash & Bank Balance	**2.21**	**2.43**	**2.86**	**3.22**	**3.44**

COMPUTATION OF MAKING OF BODYWASH GEL			
Item to be Manufactured Bodywash Gel			
Manufacturing Capacity per day		700	Bottles
No. of Working Hour		8	
No of Working Days per month		25	
No. of Working Day per annum		300	
Total Production per Annum		2,10,000	Bottles
Total Production per Annum		2,10,000	200 ml Bottles
Year		Capacity Utilisation	BODYWASH GEL
I		40%	84,000.00
II		45%	94,500.00
III		50%	1,05,000.00
IV		55%	1,15,500.00
V		60%	1,26,000.00

COMPUTATION OF RAW MATERIAL					
Item Name		Quantity of Raw Material	Unit	Unit Rate	Total CostPer Annum (100%)
Deionized Water		18,000.00	Ltr	14.00	2,52,000.00
Sodium Lauryl Sulphate		13,000.00	Kg	170.00	22,10,000.00
Cocoamidopropyl Betaine		8,000.00	Ltr	85.00	6,80,000.00
Disodium Cocamido		2,200.00	Ltr	120.00	2,64,000.00
Propylene Glycol		1,600.00	Kg	100.00	1,60,000.00
Packing material(200 ml Bottles)		2,15,000.00	No.s	14.00	30,10,000.00
Fragrance & other consumables		Lumsum			6,00,000.00
Total					**71,76,000.00**
Total Raw material in Rs lacs					71.76

Raw Material Consumed	Capacity Utilisation		Amount (Rs.)		
I	40%		28.70		
II	45%		33.91	5% Increase in Cost	
III	50%		37.67	5% Increase in Cost	
IV	55%		41.44	5% Increase in Cost	
V	60%		45.21	5% Increase in Cost	

COMPUTATION OF SALE					
Particulars	**I**	**II**	**III**	**IV**	**V**
Op Stock	-	2,800.00	3,150.00	3,500.00	3,850.00
Production	84,000.00	94,500.00	1,05,000.00	1,15,500.00	1,26,000.00
	84,000.00	97,300.00	1,08,150.00	1,19,000.00	1,29,850.00
Less : Closing Stock(10 Days)	2,800.00	3,150.00	3,500.00	3,850.00	4,200.00
Net Sale	81,200.00	94,150.00	1,04,650.00	1,15,150.00	1,25,650.00
Sale Price per Packet	70.00	72.00	73.00	74.00	75.00
Sale (in Lacs)	**56.84**	**67.79**	**76.39**	**85.21**	**94.24**

COMPUTATION OF CLOSING STOCK & WORKING CAPITAL					
PARTICULARS	I	II	III	IV	V
Finished Goods					
(10 Days requirement)	1.67	1.93	2.17	2.42	2.68
Raw Material					
(10 Days requirement)	0.96	1.13	1.26	1.38	1.51
Closing Stock	**2.62**	**3.06**	**3.43**	**3.80**	**4.18**

COMPUTATION OF WORKING CAPITAL REQUIREMENT			
Particulars	**Amount**	**Margin(10%)**	**Net Amount**
Stock in Hand	2.62		
Less:			
Sundry Creditors	0.67		
Paid Stock	**1.95**	**0.20**	**1.76**
Sundry Debtors	2.84	0.28	2.56
Working Capital Requirement			**4.32**
Margin			0.48
MPBF			**4.32**
Working Capital Demand			**4.00**

BREAK UP OF LABOUR				
Particulars		Wages	No of	Total
		Per Month	Employees	Salary
Supervisor		25,000.00	1	25,000.00
Plant Operator		16,000.00	1	16,000.00
Unskilled Worker		12,000.00	2	24,000.00
Helper		8,000.00	2	16,000.00
Security Guard		6,000.00	1	6,000.00
				87,000.00
Add: 5% Fringe Benefit				4,350.00
Total Labour Cost Per Month				91,350.00
Total Labour Cost for the year (In Rs. Lakhs)			7	10.96

BREAK UP OF SALARY				
Particulars		Salary	No of	Total
		Per Month	Employees	Salary
Manager		20,000.00	1	20,000.00
Accountant cum store keeper		16,000.00	1	16,000.00
Sales		14,000.00	1	14,000.00
Total Salary Per Month				50,000.00
Add: 5% Fringe Benefit				2,500.00
Total Salary for the month				52,500.00
Total Salary for the year (In Rs. Lakhs)			3	6.30

COMPUTATION OF DEPRECIATION					
Description	Land	Building/shed	Plant & Machinery	Furniture	**TOTAL**
Rate of Depreciation		**10.00%**	**15.00%**	**10.00%**	
Opening Balance	Leased		-	-	-
Addition	-	4.00	6.15	1.50	11.65
	-	4.00	6.15	1.50	11.65
		-	-	-	
TOTAL		4.00	6.15	1.50	11.65
Less : Depreciation	-	0.40	0.92	0.15	1.47
WDV at end of Ist year	-	3.60	5.22	1.35	10.17
Additions During The Year	-	-	-	-	-
	-	3.60	5.22	1.35	10.17
Less : Depreciation	-	0.36	0.78	0.14	1.28
WDV at end of IInd Year	-	3.24	4.44	1.22	8.89
Additions During The Year	-	-	-	-	-
	-	3.24	4.44	1.22	8.89
Less : Depreciation	-	0.32	0.67	0.12	1.11
WDV at end of IIIrd year	-	2.92	3.77	1.09	7.78
Additions During The Year	-	-	-	-	-
	-	2.92	3.77	1.09	7.78
Less : Depreciation	-	0.29	0.57	0.11	0.97
WDV at end of IV year	-	2.62	3.21	0.98	6.82
Additions During The Year	-	-	-	-	-
	-	2.62	3.21	0.98	6.82
Less : Depreciation	-	0.26	0.48	0.10	0.84
WDV at end of Vth year	-	2.36	2.73	0.89	5.97

REPAYMENT SCHEDULE OF TERM LOAN						11.0%	
Year	**Particulars**	**Amount**	**Addition**	**Total**	**Interest**	**Repayment**	**Cl Balance**
I	Opening Balance						
	Ist Quarter	-	10.48	10.48	0.29	-	10.48
	Iind Quarter	10.48	-	10.48	0.29	-	10.48
	IIIrd Quarter	10.48	-	10.48	0.29	0.58	9.90
	Ivth Quarter	9.90	-	9.90	0.27	0.58	9.32
					1.14	1.16	
II	Opening Balance						
	Ist Quarter	9.32	-	9.32	0.26	0.58	8.73
	Iind Quarter	8.73	-	8.73	0.24	0.58	8.15
	IIIrd Quarter	8.15	-	8.15	0.22	0.58	7.57
	Ivth Quarter	7.57		7.57	0.21	0.58	6.99
					0.93	2.33	
III	Opening Balance						
	Ist Quarter	6.99	-	6.99	0.19	0.58	6.40
	Iind Quarter	6.40	-	6.40	0.18	0.58	5.82
	IIIrd Quarter	5.82	-	5.82	0.16	0.58	5.24
	Ivth Quarter	5.24		5.24	0.14	0.58	4.66
					0.67	2.33	
IV	Opening Balance						
	Ist Quarter	4.66	-	4.66	0.13	0.58	4.08
	Iind Quarter	4.08	-	4.08	0.11	0.58	3.49
	IIIrd Quarter	3.49	-	3.49	0.10	0.58	2.91
	Ivth Quarter	2.91		2.91	0.08	0.58	2.33
					0.42	2.33	
V	Opening Balance						
	Ist Quarter	2.33	-	2.33	0.06	0.58	1.75
	Iind Quarter	1.75	-	1.75	0.05	0.58	1.16
	IIIrd Quarter	1.16	-	1.16	0.03	0.58	0.58
	Ivth Quarter	0.58		0.58	0.02	0.58	- 0.00
					0.16	2.33	

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**
CASH ACCRUALS	5.73	5.91	7.47	7.92	8.30
Interest on Term Loan	1.14	0.93	0.67	0.42	0.16
Total	6.86	6.84	8.14	8.33	8.46
REPAYMENT					
Repayment of Term Loan	1.16	2.33	2.33	2.33	2.33
Interest on Term Loan	1.14	0.93	0.67	0.42	0.16
Total	2.30	3.26	3.00	2.75	2.49
DEBT SERVICE COVERAGE RATIO	**2.98**	**2.10**	**2.71**	**3.04**	**3.40**
AVERAGE D.S.C.R.			**2.80**		

COMPUTATION OF ELECTRICITY				
(A) POWER CONNECTION				
Total Working Hour per day		Hours	8	
Electric Load Required		HP	30	
Load Factor			0.7460	
Electricity Charges		per unit	7.50	
Total Working Days			300	
Electricity Charges				4,02,840.00
Add : Minimim Charges (@ 10%)				
(B) DG set				
No. of Working Days			300	days
No of Working Hours			0.3	Hour per day
Total no of Hour			90	
Diesel Consumption per Hour			8	
Total Consumption of Diesel			720	
Cost of Diesel			65.00	Rs. /Ltr
Total cost of Diesel			0.47	
Add : Lube Cost @15%			0.07	
Total			**0.54**	
Total cost of Power & Fuel at 100%				4.57
Year		**Capacity**		**Amount**
				(in Lacs)
I		40%		1.83
II		45%		2.05
III		50%		2.28
IV		55%		2.51
V		60%		2.74