



MODEL PROJECT REPORT



PROJECT REPORT ON ALMOND CREAM

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 : **ALMOND CREAM**
- 6 Name of the project / business activity proposed : **ALMOND CREAM PRODUCTION UNIT**
- 7 Cost of Project : Rs.17.01 Lakhs
- 8 Means of Finance
 Term Loan Rs.10.76 Lakhs
 Own Capital Rs.1.7 Lakhs
 Working Capital Rs.4.55 Lakhs
- 9 Debt Service Coverage Ratio : 3.12
- 10 Pay Back Period : 5 Years
- 11 Project Implementation Period : 5-6 Months
- 12 Break Even Point : 29%
- 13 Employment : 12 Persons
- 14 Power Requirement : 10.00 HP
- 15 Major Raw materials : Water,Oil,Fats,Oleic Acid,Emollients,Coloring Agents, Wetting Agents and Perfumes
- 16 Estimated Annual Sales Turnover (Max Capacity) : 170.62 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	5.06
Total	17.01

MEANS OF FINANCE

Particulars	Amount
Own Contribution	1.70
Working Capital(Finance)	4.55
Term Loan	10.76
Total	17.01

ALMOND CREAM PRODUCTION UNIT

Introduction:

Cream is a topical preparation that is typically applied to skin. These are applied to mucous membranes like those in the rectum are often used. There are semi-solid medication formulations containing one or even more medication components dissolved or spread in an adequate base. Traditionally, this concept has been applied to semi-solids that have a comparatively smooth consistency formed whether as oil-in-water (e.g., Fluocinolone Acetonide Cream) or water-in-oil (e.g., Cold Cream) emulsions. Almonds are the mainstays in nutrition. These are loaded with vitamins, nutrients and essential fatty acids, the oil derived from small but strong almond is being used for years for healthy hair and skin. Sweet almond oil is the oil obtained from fruit of deciduous almond tree (*Prunus dulcis*). Almonds could be roasted in various ways (for example hot air vs. oil roasting, temperature differences and period) to achieve light, medium or heavy roasts based upon the color and moisture content of generated almonds. Cold-pressed almond oil is processed at a low temp with no solvents, and cold-pressed oils can be more helpful to the skin.



Uses & Market Potential:

Uses are as follows:

- Helps in achieving even skin tone.
- Helps to relieve Psoriasis and Eczema
- Prevents skin rashes
- Almond Oil Prevents Tan

India's skincare products market was estimated at \$1.6 billion in the year 2017 as well as is expected to rise by 9% at CAGR to hit \$2.7 billion by year 2023, on the basis of increasing consumer spending, increasing supply for beauty products throughout all age classes, particularly young people, and increasing customer awareness of different face creams. Aspects Aimed to Create Rural Sector. The worldwide market for almond materials is expected to be USD 10.2 billion in year 2020 and is predicted to hit USD 16.9 billion by year 2025, with a CAGR of 10.5%.

Product:

Almond Cream

Raw Material:

The raw materials are mentioned below:

- Water
- Oil
- Fats
- Oleic Acid
- Emollients
- Coloring Agents
- Wetting Agents
- Perfumes

Manufacturing Process:

The steps are:

- ✓ Raw material procurement
- ✓ Weighing & measuring of ingredients and raw material
- ✓ Preparation of Oil Phase
- ✓ Heating of Mixtures
- ✓ Preparation of aqueous phase
- ✓ Packaging of cream

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 1500-2000Sqft.

Cost of Machines:

Machine	Quantity	Rate	Amount
Homogenizer Mixer	1	475000	475000
Tube Filling and crimping machine	1	190000	190000
Sigma Mixer	1	95000	95000
Transfer Pump	1	45000	45000
Labelling Machine	1	200000	200000
Storage Tank	1	110000	110000
Total Amount			1115000

Power Requirement- The estimated Power requirement is taken at 10 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	-	2.60	4.40	6.89	10.05
Add: Additions	1.70	-	-	-	-
Add: Net Profit	4.40	5.49	6.69	8.17	9.50
Less: Drawings	3.50	3.70	4.20	5.00	6.50
Closing Balance	2.60	4.40	6.89	10.05	13.05
CC Limit	4.55	4.55	4.55	4.55	4.55
Term Loan	9.56	7.17	4.78	2.39	-
Sundry Creditors	2.63	3.13	3.65	4.19	4.75
TOTAL :	19.35	19.25	19.87	21.19	22.36
<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	3.53	4.37	5.14	5.96	6.82
Stock in Hand	4.16	6.01	7.02	8.05	9.13
Cash and Bank	1.46	0.17	0.28	0.83	0.98
TOTAL :	19.35	19.25	19.87	21.19	22.36
	-	-	-	-	-

PROJECTED PROFITABILITY STATEMENT

PARTICULARS	I	II	III	IV	V
<u>A) SALES</u>					
Gross Sale	88.22	109.14	128.55	149.02	170.62
Total (A)	88.22	109.14	128.55	149.02	170.62
<u>B) COST OF SALES</u>					
Raw Material Consumed	52.65	62.65	73.04	83.82	95.00
Electricity Expenses	0.67	0.78	0.90	1.01	1.12
Repair & Maintenance	1.32	1.64	1.93	2.24	2.56
Labour & Wages	15.88	19.85	23.81	27.62	31.77
Depreciation	1.75	1.49	1.27	1.09	0.93
Cost of Production	72.27	86.41	100.95	115.77	131.38
Add: Opening Stock /WIP	-	2.41	2.88	3.36	3.86
Less: Closing Stock /WIP	2.41	2.88	3.36	3.86	4.38
Cost of Sales (B)	69.86	85.94	100.47	115.28	130.86
C) GROSS PROFIT (A-B)	18.35	23.20	28.09	33.75	39.76
	20.81%	21.26%	21.85%	22.65%	23.31%
D) Bank Interest i) (Term Loan)	1.17	0.95	0.69	0.43	0.16
ii) Interest On Working Capital	0.50	0.50	0.50	0.50	0.50
E) Salary to Staff	10.08	12.90	15.74	18.89	22.67
F) Selling & Adm Expenses Exp.	2.21	3.06	3.86	4.77	5.46
G) TOTAL (D+E+F)	13.95	17.41	20.79	24.59	28.79
H) NET PROFIT	4.40	5.79	7.30	9.16	10.97
	5.0%	5.3%	5.7%	6.1%	6.4%
I) Taxation	-	0.29	0.61	1.00	1.47
J) PROFIT (After Tax)	4.40	5.49	6.69	8.17	9.50

PROJECTED CASH FLOW STATEMENT

PARTICULARS	I	II	III	IV	V
<u>SOURCES OF FUND</u>					
Own Contribution	1.70	-	-	-	-
Reserve & Surplus	4.40	5.79	7.30	9.16	10.97
Depreciation & Exp. W/off	1.75	1.49	1.27	1.09	0.93
Increase In Cash Credit	4.55	-	-	-	-
Increase In Term Loan	10.76	-	-	-	-
Increase in Creditors	2.63	0.50	0.52	0.54	0.56
TOTAL :	25.80	7.78	9.09	10.79	12.46
<u>APPLICATION OF FUND</u>					
Increase in Fixed Assets	11.95	-	-	-	-
Increase in Stock	4.16	1.85	1.00	1.03	1.08
Increase in Debtors	3.53	0.84	0.78	0.82	0.86
Repayment of Term Loan	1.20	2.39	2.39	2.39	2.39
Taxation	-	0.29	0.61	1.00	1.47
Drawings	3.50	3.70	4.20	5.00	6.50
TOTAL :	24.34	9.07	8.98	10.24	12.31
Opening Cash & Bank Balance	-	1.46	0.17	0.28	0.83
Add : Surplus	1.46	- 1.29	0.11	0.55	0.15
Closing Cash & Bank Balance	1.46	0.17	0.28	0.83	0.98

COMPUTATION OF CLOSING STOCK & WORKING CAPITAL

PARTICULARS	I	II	III	IV	V
<u>Finished Goods</u>					
(10 Days requirement)	2.41	2.88	3.36	3.86	4.38
<u>Raw Material</u>					
(10 Days requirement)	1.76	3.13	3.65	4.19	4.75
Closing Stock	4.16	6.01	7.02	8.05	9.13

COMPUTATION OF WORKING CAPITAL REQUIREMENT

Particulars	Amount	Margin(10%)	Net
			Amount
Stock in Hand	4.16		
Less:			
Sundry Creditors	2.63		
Paid Stock	1.53	0.15	1.38
Sundry Debtors	3.53	0.35	3.18
Working Capital Requirement			4.55
Margin			0.51
MPBF			4.55
Working Capital Demand			4.55

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>	6.15	6.99	7.96	9.25	10.42
Interest on Term Loan	1.17	0.95	0.69	0.43	0.16
Total	7.32	7.94	8.65	9.68	10.59
<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	3.10	2.38	2.81	3.44	4.15
AVERAGE D.S.C.R.			3.12		

Assumptions:

1. Production Capacity of Almond Cream Production unit is taken at 1300 Tubes per day. First year, Capacity has been taken @ 30%. Capacity per tube is 100 ml.
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 12 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 10 HP.
10. Selling Prices & Raw material costing has been increased by 3% & 2% respectively in the subsequent years.