

PROJECT REPORT

Of

LIQUID HANDWASH

PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding **Liquid Handwash Unit**.

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.]



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LIQUID HANDWASH

Introduction

Liquid Hand wash is formulated to wash and clean hands. Making hand liquid soap for children, can be used soft ingredients.

Liquid Hand washes contains skin friendly soaps in solution form that are anything but easy to utilize and exceptionally compelling in eliminating germs and microscopic organisms from our hands. These hand washes are particularly defined for visit use on hands for delicately cleaning them for sterile reasons.

Uses of Liquid Hand wash

The typical reason of using liquid hand wash is to remove the unwanted build-up of germs from the hands.

Formulation

Liquid Hand wash is generally made by combining a surfactant, most often sodium lauryl sulfate or sodium laureth sulfate, with a co-surfactant, most often cocamidopropyl betaine in water. The sulphate ingredient act as a surfactant essentially heavy duty soap.

Ingredients

Liquid hand wash contains anionic surfactant, cocamide, surfactant, coco betaine as amphoteric surfactant, opaque agent as making opaque, dye, fragrance, glycerine for prevention hand outside conditions and etc.

Qualities of Liquid Hand wash

- pleasing foam
- Ease of rinsing
- Minimal skin irritation
- Thick or creamy feeling
- Pleasant fragrance

Many Hand wash are pearlescent. This effect is achieved by the addition of tiny flakes of suitable materials, e.g. glycol distearate, chemically derived from stearic acid.

Description of Liquid Hand wash Machine

Machinery for Liquid Hand Wash Unit includes the following:

- Mixer tank
- Filler Machine

Liquid Hand wash Machines are used to produce Liquid Hand SLES, COCO mide etc. substance from the raw material. With the help of this machine the work of mixing, formulation & packaging completes in a very short span.

Liquid Hand Wash Market Analysis

Global surfactants market demand was 15.93 million tons in 2014 and is expected to reach 24.19 million tons by 2022, growing at a CAGR of 5.4% from 2015 to 2022.

According to “India Hand Hygiene Market Outlook, 2021”, players like Reckitt Benckiser, Hindustan Unilever, Godrej and Dabur India collectively capture more than 70% of the overall market. Various brands operating in the market include names like Dettol, Lifebuoy, Palmolive, Santoor, Savlon, Fem, Protakt, Pears, Lux, Medimix, Hamam, Chandrika, etc. Dettol and Lifebuoy are the prominent brands which are the most used product in India. Health concerns have now become a major factor for Indian consumers and so are the manufacturers who are trying to market these products with same aspect. The consumption of liquid hand wash is high as compared to hand sanitizers as the latter is still a new category for many consumers. People trust on liquid hand wash products as it helps them to maintain hygiene on daily basis, while hand sanitizers are more convenient where water and soaps are not available.

Liquid Hand wash Manufacturing Process

- Cold blending
- Add all the chemicals in proportionate ratio.
- Mixing of the all ingredients
- Settling of the mixed material for minimum 6 Hours
- Add DM water in it (60%)
- Pouring
- Filling
- Packaging

Machinery & Equipment's required:

Name	Cost
Mixer Tank	200000
Filler & packaging Machine	50000
Total	2,52,500

- ❖ Cost of the machine is exclusive of GST & value of the machine varies with the change in batch size.

Land & Building required:

Land required 600 Square Feet (approx.)

Approximate rent for the same is 12000.

Labour Requirement:

3-4 Manpower is required for the Liquid Hand wash unit.

Includes:

1 skilled Labour

2-3 Unskilled Labour

Raw Material Requirement of Liquid Hand Wash

- ❖ SLES
- ❖ Glycerine
- ❖ COCO Made
- ❖ OCO Made propyl butane
- ❖ Perfume
- ❖ Colour
- ❖ NACL
- ❖ DM Water

Average raw material cost per Litre: Rs. 45-50

Liquid Hand wash License & registration

For Proprietor:

- Obtain the GST registration.
- Obtain the license from cosmetic & Drug Control Department.
- Fire/ Pollution Registration as required.
- Choice of a Brand Name of the product and secure the name with Trademark if required.

Implementation Schedule

S.N.	Activity	Time Required (in Months)
1	Acquisition Of premises	1
2	Construction (if Applicable)	1- 2 Months
3	Procurement & installation of Plant & Machinery	1
4	Arrangement of Finance	1
5	Requirement of required Manpower	1
	Total time Required (some activities shall run concurrently)	2-3 Months

Conclusion:

After completion of manufacturing process, product is ready to sell in the market. This machine can be installed with low investment & one can earn a good Margin of profit by doing this business.

PROJECT AT A GLANCE

- 1** Name of the Entrepreneur **XX**
- 2** Constitution (legal Status) : XX
- 3** Father's/Spouce's Name **XX**
- 4** Unit Address
- Taluk/Block: **XX**
- District : **XX**
- Pin:
- E-Mail **XX**
- Mobile **XX**
- 5** Product and By Product : chalk
- Name of the project / business activity proposed :
- 6** activity proposed :
- 7** Cost of Project : **Rs.** 3.35
- 8 Means of Finance**
- Term Loan **Rs.** 3.02 Lacs
25% of 3.35 Lacs
- KVIC Margin Money **Rs.** (0.84Lacs)
- Own Capital **Rs.** 1.34 Lacs
- 9** Debt Service Coverage Ratio :
- 10** Pay Back Period : 4 years 3 month
- 11** Project Implementation Period : 6 months
- 12** Employment :
- 13** Power Requirement : 5 KW connection
SLES, Glycerin, NACL,
- 14** Major Raw materials : COCO made, DM water
- Estimated Annual Sales Turnover : 132 Lacs (at 50% capacity)
- 15** Detailed Cost of Project & Means of Finance :
- 16** of Finance

COST OF PROJECT

(Rs. In Lacs)

Particulars	Amount
Land	
Building & Civil Work	-
Plant & Machinery	2.95
Furniture & Fixtures	0.40
Pre-operative Expenses	

MEANS OF FINANCE

Contingencies	
Working Capital Requirement	10.00
Total	13.35

Particulars	Amount
Own Contribution	1.34
Bank Finance	3.02
working capital from bank	9.00
Total	13.35
KVIC Margin Money	(25% of 3.45) Rs. 83,750

FINANCIAL ASSISTANCE REQUIRED

Term Loan of Rs. 3.02 Lacs and Working Capital limit of Rs. 9 Lacs

COST OF PROJECT

PARTICULARS	AMOUNT	AMOUNT	AMOUNT
		10.00%	90.00%
Building Civil Work			
Plant & Machinery	2.95	0.30	2.66
Furniture & Fixtures and Other Assets	0.40	0.04	0.36
Working capital	10.00	1.00	9.00
Total	13.35	1.44	12.02

MEANS OF FINANCE

PARTICULARS	AMOUNT
Own Contribution	1.34
Bank Loan	3.02
Working capital Limit	9.00
Total	13.35

COMPUTATION OF PRODUCTION OF LIQUID HANDWASH

Items to be Manufactured		
Liquid Handwash		
machine capacity per day		1000 Liter
machine capacity per annum		240000Liter
One bottle consists	200.00	MI
Total Bottles	1,200,000	Bottle

Production of Liquid Handwash		
Production	Capacity	Bottle
1st year	50%	600,000
2nd year	55%	660,000
3rd year	60%	720,000
4th year	65%	780,000
5th year	70%	840,000

Raw Material Cost			
Year	Capacity Utilisation	Rate per Liter	Amount (Rs. in lacs)
1st year	50%	50.00	60.00
2nd year	55%	50.00	66.00
3rd year	60%	51.00	73.44
4th year	65%	52.00	81.12
5th year	70%	53.00	89.04

Bottle Charges			
Raw Material	Bottle	Rate per Bottle	Amount (Rs. in lacs)
1st year	600,000	10.00	60.00
2nd year	660,000	10.00	66.00
3rd year	720,000	11.00	79.20
4th year	780,000	12.00	93.60
5th year	840,000	13.00	109.20

<u>COMPUTATION OF SALE</u>						
Particulars	1st year	2nd year	3rd year	4th year	5th year	
Op Stock	-	50,000	55,000	60,000	65,000	
Production	600,000	660,000	720,000	780,000	840,000	
Less : Closing Stock	50,000	55,000	60,000	65,000	70,000	
Net Sale	550,000	655,000	715,000	775,000	835,000	
sale price per Bottle	24.00	24.00	25.00	26.00	27.00	
Sales (in Lacs)	132.00	157.20	178.75	201.50	225.45	

BREAK UP OF LABOUR CHARGES

Particulars	Wages	No of	Total
	Per Month	Employees	Salary
Skilled	12000	1	12000
Unskilled	10000	2	20000
Total Salary Per Month			32000
Total Annual Labour Charges	(in Lacs)		3.84

BREAK UP OF STAFF Charges

Particulars	Wages	No of	Total
	Per Month	Employees	Salary
Accountant	12000	1	12000
chemical engineer	25000	1	25000
Helper	7000	1	7000
Total Salary Per Month			44000
Total Annual Labour Charges	(in Lacs)		5.28

Utility Charges at 100% capacity (per month)

Particulars	value	Description
Power connection required	5	KWH
consumption per day	40	units
Consumption per month	1000	Units
Rate per Unit	7	Rs.
power Bill per month	7000	Rs.

PROJECTED PROFITABILITY STATEMENT					
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
Capacity Utilisation %	50%	55%	60%	65%	70%
<u>SALES</u>					
Gross Sale					
Shampoo	132.00	157.20	178.75	201.50	225.45
Total	132.00	157.20	178.75	201.50	225.45
<u>COST OF SALES</u>					
Raw Mateiral Consumed	60.00	66.00	73.44	81.12	89.04
Elecricity Expenses	0.84	0.92	1.02	1.12	1.23
Depriciation	0.48	0.41	0.35	0.30	0.26
Consumables	3.96	4.72	5.36	5.04	4.51
Repair & maintenace	1.98	2.36	2.68	3.02	3.38
other direct expenses	2.64	1.10	1.25	1.41	1.58
Bottle charges	60.00	66.00	79.20	93.60	109.20
Cost of Production	129.90	141.51	163.30	185.61	209.20
Add: Opening Stock /WIP	-	10.83	11.79	13.61	15.47
Less: Closing Stock /WIP	10.83	11.79	13.61	15.47	17.43
Cost of Sales	119.08	140.54	161.49	183.75	207.23
GROSS PROFIT	12.92	16.66	17.26	17.75	18.22
salary to staff	5.28	5.81	6.39	7.03	7.38
Interest on Term Loan	0.30	0.27	0.20	0.14	0.00
Interest on working Capital	0.99	0.99	0.99	0.99	0.99
Rent	1.44	1.58	1.74	1.92	2.11
Selling & adm Exp	2.64	4.72	4.47	4.03	3.38
TOTAL	10.65	13.37	13.79	14.10	13.86
NET PROFIT	2.28	3.29	3.47	3.65	4.36
Taxation					-
PROFIT (After Tax)	2.28	3.29	3.47	3.65	4.36

PROJECTED BALANCE SHEET

PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
<u>Liabilities</u>					
Capital					
opening balance		3.61	6.40	9.17	12.02
<i>Add:- Own Capital</i>	1.34				
Add:- Retained Profit	2.28	3.29	3.47	3.65	4.36
Less:- Drawings	-	0.50	0.70	0.80	1.00
Closing Blance	3.61	6.40	9.17	12.02	15.38
Subsidy Reserve	0.84	0.84	0.84	-	-
Term Loan	2.72	2.12	1.52	0.08	-
Working Capital Limit	9.00	9.00	9.00	9.00	9.00
Sundry Creditors	3.00	3.08	3.67	4.06	4.45
Provisions & Other Liab	0.30	0.40	0.55	0.66	0.83
TOTAL :	19.47	21.84	24.75	25.81	29.66
<u>Assets</u>					
Fixed Assets (Gross)	3.35	3.35	3.35	3.35	3.35
Gross Dep.	0.48	0.89	1.25	1.55	1.80
Net Fixed Assets	2.87	2.46	2.10	1.80	1.55
FD of Subsidy	0.84	0.84	0.84		
Current Assets					
Sundry Debtors	1.65	4.59	5.96	6.30	8.45
Stock in Hand	11.58	12.62	14.53	16.48	18.55
Cash and Bank	2.53	1.34	1.32	1.23	1.16
TOTAL :	19.47	21.84	24.75	25.81	29.70

PROJECTED CASH FLOW STATEMENT

PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
<u>SOURCES OF FUND</u>					
Own Margin	1.34				
Net Profit	2.28	3.29	3.47	3.65	4.36
Depreciation & Exp. W/off	0.48	0.41	0.35	0.30	0.26
Increase in Cash Credit	9.00	-	-	-	-
Increase In Term Loan	3.02	-	-	-	-
Increase in Creditors	3.00	0.08	0.59	0.38	0.40
Increase in Provisions & Oth lib	0.30	0.10	0.15	0.11	0.17
increase in subsidy	0.84				
TOTAL :	20.25	3.88	4.56	4.44	5.18
<u>APPLICATION OF FUND</u>					
Increase in Fixed Assets	3.35				
Increase in Stock	11.58	1.04	1.91	1.95	2.06
Increase in Debtors	1.65	2.94	1.37	0.34	2.16
Repayment of Term Loan	0.30	0.60	0.60	1.44	0.03
Increase in FD	0.84	-	-	-	
Drawings	-	0.50	0.70	0.80	1.00
Taxation	-	-	-	-	-
TOTAL :	17.72	5.08	4.58	4.53	5.25
Opening Cash & Bank Balance	-	2.53	1.34	1.32	1.23
Add : Surplus	2.53 -	1.19 -	0.02 -	0.09 -	0.07
Closing Cash & Bank Balance	2.53	1.34	1.32	1.23	1.16

COMPUTATION OF CLOSING STOCK & WORKING CAPITAL

PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
<u>Finished Goods</u>					
	10.83	11.79	13.61	15.47	17.43
<u>Raw Material</u>					
	0.75	0.83	0.92	1.01	1.11
Closing Stock	11.58	12.62	14.53	16.48	18.55

COMPUTATION OF WORKING CAPITAL REQUIREMENT

TRADITIONAL METHOD					
Particulars	Amount	Own Margin		Bank Finance	
Finished Goods & Raw Material	11.58				
Less : Creditors	3.00				
Paid stock	8.58	10%	0.86	90%	7.72
Sundry Debtors	1.65	10%	0.17	90%	1.49
	10.23		1.02		9.20
WORKING CAPITAL LIMIT DEMAND (from Bank)				9.00	

2nd Method		
PARTICULARS	1st year	2nd year
Total Current Assets	15.76	18.54
Other Current Liabilities	3.30	3.48
Working Capital Gap	12.46	15.06
Min Working Capital		
25% of WCG	3.11	3.77
Actual NWC	3.46	6.06
item III - IV	9.34	11.30
item III - V	9.00	9.00
MPBF (Lower of VI & VII)	9.00	9.00

3rd Method		
PARTICULARS	1st year	2nd year
Total Current Assets	15.76	18.54
Other Current Liabilities	3.30	3.48
Working Capital Gap	12.46	15.06
Min Working Capital		
25% of Current Assets	3.94	4.64
Actual NWC	3.46	6.06
item III - IV	8.52	10.43
item III - V	9.00	9.00
MPBF (Lower of VI & VII)	9.00	9.00

COMPUTATION OF DEPRECIATION

Description	Plant & Machinery	Furniture	TOTAL
Rate of Depreciation	15.00%	10.00%	
Opening Balance	-	-	-
Addition	2.95	0.40	3.35
Total	2.95	0.40	3.35
Less : Depreciation	0.44	0.04	0.48
WDV at end of Year	2.51	0.36	2.87
Additions During The Year	-	-	-
Total	2.51	0.36	2.87
Less : Depreciation	0.38	0.04	0.41
WDV at end of Year	2.13	0.32	2.46
Additions During The Year	-	-	-
Total	2.13	0.32	2.46
Less : Depreciation	0.32	0.03	0.35
WDV at end of Year	1.81	0.29	2.10
Additions During The Year	-	-	-
Total	1.81	0.29	2.10
Less : Depreciation	0.27	0.03	0.30
WDV at end of Year	1.54	0.26	1.80
Additions During The Year	-	-	-
Total	1.54	0.26	1.80
Less : Depreciation	0.23	0.03	0.26
WDV at end of Year	1.31	0.24	1.55
s	-	-	-

Total	1.31	0.24	1.55
Less : Depreciation	0.20	0.02	0.22
WDV at end of Year	1.11	0.21	1.33
Less : Depreciation	0.17	0.02	0.19
WDV at end of Year	0.95	0.19	1.14
Less : Depreciation	0.14	0.02	0.16
WDV at end of Year	0.80	0.17	0.98

REPAYMENT SCHEDULE OF TERM LOAN

Interest 11.00%

Year	Particulars	Amount	Addition	Total	Interest	Repayment	Closing Balance
1st	Opening Balance						
	1st month	-	3.02	3.02	-	-	3.02
	2nd month	3.02	-	3.02	0.03	-	3.02
	3rd month	3.02	-	3.02	0.03	-	3.02
	4th month	3.02	-	3.02	0.03		3.02
	5th month	3.02	-	3.02	0.03		3.02
	6th month	3.02	-	3.02	0.03		3.02
	7th month	3.02	-	3.02	0.03	0.050	2.97
	8th month	2.97	-	2.97	0.03	0.050	2.92
	9th month	2.92	-	2.92	0.03	0.050	2.87
	10th month	2.87	-	2.87	0.03	0.050	2.82
	11th month	2.82	-	2.82	0.03	0.050	2.77
	12th month	2.77	-	2.77	0.03	0.050	2.72
					0.30	0.300	
2nd	Opening Balance						
	1st month	2.72	-	2.72	0.02	0.050	2.67
	2nd month	2.67	-	2.67	0.02	0.050	2.62
	3rd month	2.62	-	2.62	0.02	0.050	2.57
	4th month	2.57	-	2.57	0.02	0.050	2.52
	5th month	2.52	-	2.52	0.02	0.050	2.47
	6th month	2.47	-	2.47	0.02	0.050	2.42
	7th month	2.42	-	2.42	0.02	0.050	2.37
	8th month	2.37	-	2.37	0.02	0.050	2.32
	9th month	2.32	-	2.32	0.02	0.050	2.27
	10th month	2.27	-	2.27	0.02	0.050	2.22
	11th month	2.22	-	2.22	0.02	0.050	2.17
	12th month		-		0.02	0.050	

		2.17		2.17			2.12
					0.27	0.600	
3rd	Opening Balance						
	1st month	2.12	-	2.12	0.02	0.050	2.07
	2nd month	2.07	-	2.07	0.02	0.050	2.02
	3rd month	2.02	-	2.02	0.02	0.050	1.97
	4th month	1.97	-	1.97	0.02	0.050	1.92
	5th month	1.92	-	1.92	0.02	0.050	1.87
	6th month	1.87	-	1.87	0.02	0.050	1.82
	7th month	1.82	-	1.82	0.02	0.050	1.77
	8th month	1.77	-	1.77	0.02	0.050	1.72
	9th month	1.72	-	1.72	0.02	0.050	1.67
	10th month	1.67	-	1.67	0.02	0.050	1.62
	11th month	1.62	-	1.62	0.01	0.050	1.57
	12th month	1.57	-	1.57	0.01	0.050	1.52
					0.20	0.600	
4th	Opening Balance						
	1st month	1.52	-	1.52	0.01	0.050	1.47
	2nd month	1.47	-	1.47	0.01	0.050	1.42
	3rd month	1.42	-	1.42	0.01	0.050	1.37
	4th month	1.37	-	1.37	0.01	0.050	1.32
	5th month	1.32	-	1.32	0.01	0.050	1.27
	6th month	1.27	-	1.27	0.01	0.050	1.22
	7th month	1.22	-	1.22	0.01	0.050	1.17
	8th month	1.17	-	1.17	0.01	0.050	1.12
	9th month	1.12	-	1.12	0.01	0.050	1.07
	10th month	1.07	-	1.07	0.01	0.050	1.02
	11th month	1.02	-	1.02	0.01	0.050	0.97
	12th month(Subsidy adjusted)	0.97	-	0.97	0.01	0.890	0.08
					0.14	1.440	
5th	Opening Balance						
	1st month		-		0.00	0.050	

	0.08		0.08			0.03
2nd month	0.03	-	0.03	0.00	0.030	(0.00)
				0.00	0.03	
DOOR TO DOOR	50	MONTHS				
MORATORIUM PERIOD	6	MONTHS				
REPAYMENT PERIOD	44	MONTHS				

Supplier Details:

S L Machinery	Address: Plot No. 930, Tyre Wall Gali, Mundka, Delhi.
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