

PROJECT REPORT

Of

LAUNDRY SOAP

PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding Laundry soap 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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LAUNDRY SOAP

Introduction

Soap is the term for a salt of a fatty acid or for a variety of cleansing and lubricating products produced from such a substance. Household uses for soaps include washing, bathing, and other types of housekeeping, where soaps act as surfactants, emulsifying oils to enable them to be carried away by water. In industry, they are used as thickeners, components of some lubricants, and precursors to catalysts.

Laundry soap is formulated to wash and clean clothes.

Laundry soap contains skin friendly soaps in solution form that are anything but easy to utilize and exceptionally compelling in eliminating germs and microscopic organisms from clothes.

Laundry soaps are cleaning products that have become an essential commodity in our daily lives. Cleaning products play an essential role in our daily lives. By safely and effectively removing soils, germs and other contaminants, they help us to stay healthy, care for our homes and possessions, and make our surroundings more lively and pleasant.

Qualities of good Laundry Soap

1. It must be solid, strong and durable
2. It must have attractive scent or perfume.
3. It must NOT itch your hand or body (No scratching of any kind)

Formulation

Laundry soap are formulated using batch or continuous process of soap making. These cleansing products contain different ingredients that are used to improve their cleaning performance. The surfactant plays an important role in improving the cleansing action of detergent by reducing the surface tension of wash liquid thereby improving the wettability of washable fabric.

Ingredients

Some of the important ingredients of Laundry soap include – TALC Powder, AOS, Sodium Ciliate, Fatty acid, Caustic soda, Soda ash, fragrances, colours & more.

Description of Laundry soap Machine

Machinery for Laundry soap includes the following:

- Cooking kettle
- Sigma mixer
- Plodder/ extruder(Duplex/Single)
- Cutter
- Stamp & die
- Packaging machine (Automatic/ Normal)

Laundry soap Machines are used to produce soap from different types of raw material. With the help of this machine the work of mixing, formulation & packaging completes in a very short span.

Laundry soap Market Analysis

According to India Soap & Detergent Market Outlook, 2021, the overall market for detergent products is growing with a CAGR of 13.06% from the last five years.

Detergents are available in three forms, namely powder detergent, detergent cake/ Laundry soap/ bath soap and liquid detergent.

The detergent industry in India is mostly captured by organized players, but unorganized regional players have a significant hold on the rural areas. Ghadi, Nirma and Jyothy Laboratories are the major players in the organized market.

On the basis of pricing, the organized detergent cake market can be further divided into three categories, such as popular (economy), mid-range and premium. Domestic market of detergent cake is also increasing rapidly.

People trust on laundry soap products as it helps them to maintain hygiene on daily basis.

Laundry Soap Manufacturing Process

- Put all the raw material into the cooking kettle.
- After that mix the mixture into the sigma mixer.
- Next step is to extrude the material with the help of plodder/ extruder.
- Cut the final output into desired pieces.
- Stamping on the face of the soap.
- Packaging of Goods

Machinery & Equipment's required:

Name	Cost
Cooking kettle	450000
Sigma mixer	150000
Plodder/extruder	520000
cutter	40000
Stamp & die	160000
Packaging machine	300000
Total	16,20,000

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

Land & Building required:

Land required 1000 Square Feet (approx.)

Approximate rent for the same is 20000.

Labour Requirement:

3-4 Manpower is required for the Laundry soap unit.

Includes:

1 skilled Labour

2-3 Unskilled Labour

Raw Material Requirement of Laundry soap

- ❖ Talc Powder
- ❖ AOS
- ❖ Sodium silicate
- ❖ Fatty acid
- ❖ Costic soda
- ❖ Soda ash
- ❖ Perfume
- ❖ Colour

Average raw material cost per KG: Rs. 25-30

Laundry soap 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**
Constitution (legal Status)
- 2** : **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 : Laundry Soap
Name of the project / business
- 6** activity proposed :
- 7** Cost of Project : **Rs.** 19.62
- 8 Means of Finance**
- Term Loan **Rs.** 17.65 Lacs
25% of 19.62 Lacs
- KVIC Margin Money **Rs.** (4.91Lacs)
- Own Capital **Rs.** 2.46 Lacs
- 9** Debt Service Coverage Ratio :
- 10** Pay Back Period : 4 years 10 month
- 11** Project Implementation Period : 6 months
- 12** Employment :
- 13** Power Requirement : 20 KW connection
TALC , AOS, Sodium
- 14** Major Raw materials : Cilicate, Soda ash
55 Lacs (at 50%
capacity)
- 15** Estimated Annual Sales Turnover :

16 Detailed Cost of Project & Means of Finance

COST OF PROJECT

(Rs. In Lacs)

Particulars	Amount
Land	
Building & Civil	
Work	-
Plant &	
Machinery	19.12

MEANS OF FINANCE

Furniture & Fixtures	0.50
Pre-operative Expenses	
Contingencies	
Working Capital Requirement	5.00
Total	24.62

Particulars	Amount
Own Contribution	2.46
Bank Finance	17.65
working capital from bank	4.50
Total	24.62

KVIC Margin (25% of 19.62) Rs.
Monery 4,90,500

FINANCIAL ASSISTANCE REQUIRED

Term Loan of Rs. 17.65 Lacs and Working Capital limit of Rs. 4.5 Lacs

COST OF PROJECT

PARTICULARS	AMOUNT	AMOUNT	AMOUNT
Building Civil Work		10.00%	90.00%
Plant & Machinery	19.12	1.91	17.20
Furniture & Fixtures and Other Assets	0.50	0.05	0.45
Working capital	5.00	0.50	4.50
Total	24.62	2.56	22.15

MEANS OF FINANCE

PARTICULARS	AMOUNT
Own Contribution	2.46
Bank Loan	17.65
Working capital Limit	4.50
Total	24.62

COMPUTATION OF PRODUCTION OF LAUNDRY SOAP

Items to be Manufactured		
Laundry Soap		
machine capacity per day	1000	KG
machine capacity per annum	240000	KG
1 piece of soap Consists	100.00	gram
Total soap	2,400,000	soap

Production of Landry soap		
Production	Capacity	soap
1st year	50%	1,200,000
2nd year	55%	1,320,000
3rd year	60%	1,440,000
4th year	65%	1,560,000
5th year	70%	1,680,000

Raw Material Cost			
Year	Capacity Utilisation	KG	Amount (Rs. in lacs)
1st year	50%	26.00	31.20
2nd year	55%	26.50	34.98
3rd year	60%	27.00	38.88
4th year	65%	27.50	42.90
5th year	70%	28.00	47.04

Packaging Charges			
Raw Material	soap	Rate per piece	Amount (Rs. in lacs)
1st year	1,200,000	0.50	6.00
2nd year	1,320,000	0.60	7.92
3rd year	1,440,000	0.70	10.08
4th year	1,560,000	0.80	12.48
5th year	1,680,000	0.90	15.12

<u>COMPUTATION OF SALE</u>						
Particulars	1st year	2nd year	3rd year	4th year	5th year	
Op Stock	-	100,000	110,000	120,000	130,000	
Production	1,200,000	1,320,000	1,440,000	1,560,000	1,680,000	
Less : Closing Stock	100,000	110,000	120,000	130,000	140,000	
Net Sale	1,100,000	1,310,000	1,430,000	1,550,000	1,670,000	
sale price per piece	5.00	5.20	5.30	5.40	5.50	
Sales (in Lacs)	55.00	68.12	75.79	83.70	91.85	

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
Helper	7000	1	7000
Total Salary Per Month			19000
Total Annual Labour Charges	(in Lacs)		2.28

Utility Charges at 100% capacity (per month)

Particulars	value	Description
Power connection required	20	KWH
consumption per day	160	units
Consumption per month	3200	units
Rate per Unit	7	Rs.
power Bill per month	22400	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					
Laundry soap	55.00	68.12	75.79	83.70	91.85
Total	55.00	68.12	75.79	83.70	91.85
<u>COST OF SALES</u>					
Raw Material Consumed	31.20	34.98	38.88	42.90	47.04
Electricity Expenses	2.69	2.96	3.25	3.58	3.94
Depreciation	2.92	2.48	2.11	1.80	1.53
Consumables	1.65	2.04	2.27	2.09	1.84
Repair & maintenance	0.83	1.02	1.14	1.26	1.84
other direct expenses	1.10	0.48	0.53	0.59	0.64
Bottle charges	6.00	7.92	10.08	12.48	15.12
Cost of Production	46.38	51.88	58.27	64.69	71.94
Add: Opening Stock /WIP	-	3.87	4.32	4.86	5.39
Less: Closing Stock /WIP	3.87	4.32	4.86	5.39	6.00
Cost of Sales	42.52	51.42	57.73	64.15	71.34
GROSS PROFIT	12.48	16.70	18.06	19.55	20.51
salary to staff	2.28	2.51	2.76	3.03	3.19
Interest on Term Loan	1.75	1.63	1.30	0.97	0.08
Interest on working Capital	0.50	0.50	0.50	0.50	0.50
Rent	2.40	2.64	2.90	3.19	3.51
Selling & adm Exp	1.65	2.04	2.27	2.93	3.40
TOTAL	8.57	9.31	9.73	10.62	10.68
NET PROFIT	3.91	7.38	8.33	8.93	9.84
Taxation		0.50	0.69	0.82	1.01
PROFIT (After Tax)	3.91	6.89	7.64	8.11	8.83

PROJECTED BALANCE SHEET

PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
<u>Liabilities</u>					
Capital					
opening balance		2.88	5.76	8.90	12.41
<i>Add:- Own Capital</i>	2.46				
Add:- Retained Profit	3.91	6.89	7.64	8.11	8.83
Less:- Drawings	3.50	4.00	4.50	4.60	6.00
Closing Blance	2.88	5.76	8.90	12.41	15.24
Subsidy Reserve	4.91	4.91	4.91	-	-
Term Loan	16.15	13.15	10.15	2.24	-
Working Capital Limit	4.50	4.50	4.50	4.50	4.50
Sundry Creditors	1.30	1.46	1.62	2.68	2.74
Provisions & Other Liab	0.30	0.40	0.55	0.66	0.83
TOTAL :	30.04	30.19	30.64	22.50	23.31
<u>Assets</u>					
Fixed Assets (Gross)	19.62	19.62	19.62	19.62	19.62
Gross Dep.	2.92	5.40	7.51	9.31	10.84
Net Fixed Assets	16.70	14.22	12.10	10.31	8.78
FD of Subsidy	4.91	4.91	4.91		
Current Assets					
Sundry Debtors	2.06	3.41	4.89	4.53	4.98
Stock in Hand	4.91	5.78	6.80	6.82	7.96
Cash and Bank	1.46	1.87	1.93	0.84	1.61
TOTAL :	30.04	30.19	30.64	22.50	23.31

PROJECTED CASH FLOW STATEMENT

PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
<u>SOURCES OF FUND</u>					
Own Margin	2.46				
Net Profit	3.91	7.38	8.33	8.93	9.84
Depreciation & Exp. W/off	2.92	2.48	2.11	1.80	1.53
Increase in Cash Credit	4.50	-	-	-	-
Increase In Term Loan	17.65	-	-	-	-
Increase in Creditors	1.30	0.16	0.16	1.06	0.06
Increase in Provisions & Oth lib	0.30	0.10	0.15	0.11	0.17
increase in subsidy	4.91				
TOTAL :	37.96	10.12	10.75	11.90	11.59
<u>APPLICATION OF FUND</u>					
Increase in Fixed Assets	19.62				
Increase in Stock	4.91	0.88	1.02	0.02	1.13
Increase in Debtors	2.06	1.34	1.49 -	0.36	0.44
Repayment of Term Loan	1.50	3.00	3.00	7.91	2.24
Increase in FD	4.91	-	-	-	
Drawings	3.50	4.00	4.50	4.60	6.00
Taxation	-	0.50	0.69	0.82	1.01
TOTAL :	36.49	9.72	10.70	12.99	10.82
Opening Cash & Bank Balance	-	1.46	1.87	1.93	0.84
Add : Surplus	1.46	0.41	0.05 -	1.09	0.77
Closing Cash & Bank Balance	1.46	1.87	1.93	0.84	1.61

COMPUTATION OF CLOSING STOCK & WORKING CAPITAL

PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
<u>Finished Goods</u>					
	3.87	4.32	4.86	5.39	6.00
<u>Raw Material</u>					
	1.04	1.46	1.94	1.43	1.96
Closing Stock	4.91	5.78	6.80	6.82	7.96

COMPUTATION OF WORKING CAPITAL REQUIREMENT

TRADITIONAL METHOD					
Particulars	Amount	Own Margin		Bank Finance	
Finished Goods & Raw Material	4.91				
Less : Creditors	1.30				
Paid stock	3.61	10%	0.36	90%	3.24
Sundry Debtors	2.06	10%	0.21	90%	1.86
	5.67		0.57		5.10
WORKING CAPITAL LIMIT DEMAND (from Bank)					
				4.50	

2nd Method		
PARTICULARS	1st year	2nd year
Total Current Assets	8.43	11.06
Other Current Liabilities	1.60	1.86
Working Capital Gap	6.83	9.20
Min Working Capital		
25% of WCG	1.71	2.30
Actual NWC	2.33	4.70
item III - IV	5.12	6.90
item III - V	4.50	4.50
MPBF (Lower of VI & VII)	4.50	4.50

3rd Method		
PARTICULARS	1st year	2nd year
Total Current Assets	8.43	11.06
Other Current Liabilities	1.60	1.86
Working Capital Gap	6.83	9.20
Min Working Capital		
25% of Current Assets	2.11	2.76
Actual NWC	2.33	4.70
item III - IV	4.72	6.44
item III - V	4.50	4.50
MPBF (Lower of VI & VII)	4.50	4.50

COMPUTATION OF DEPRECIATION

Description	Plant & Machinery	Furniture	TOTAL
Rate of Depreciation	15.00%	10.00%	
Opening Balance	-	-	-
Addition	19.12	0.50	19.62
Total	19.12	0.50	19.62
Less : Depreciation	2.87	0.05	2.92
WDV at end of Year	16.25	0.45	16.70
Additions During The Year	-	-	-
Total	16.25	0.45	16.70
Less : Depreciation	2.44	0.05	2.48
WDV at end of Year	13.81	0.41	14.22
Additions During The Year	-	-	-
Total	13.81	0.41	14.22
Less : Depreciation	2.07	0.04	2.11
WDV at end of Year	11.74	0.36	12.10
Additions During The Year	-	-	-
Total	11.74	0.36	12.10
Less : Depreciation	1.76	0.04	1.80
WDV at end of Year	9.98	0.33	10.31
Additions During The Year	-	-	-
Total	9.98	0.33	10.31
Less : Depreciation	1.50	0.03	1.53
WDV at end of Year	8.48	0.30	8.78
s	-	-	-
Total	8.48	0.30	8.78

Less : Depreciation	1.27	0.03	1.30
WDV at end of Year	7.21	0.27	7.48
Less : Depreciation	1.08	0.03	1.11
WDV at end of Year	6.13	0.24	6.37
Less : Depreciation	0.92	0.02	0.94
WDV at end of Year	5.21	0.22	5.42

CALCULATION OF D.S.C.R

PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
CASH ACCRUALS	6.83	9.37	9.75	9.91	10.36
Interest on Term Loan	1.75	1.63	1.30	0.97	0.08
Total	8.58	11.00	11.04	10.87	10.44
<u>REPAYMENT</u>					
Instalment of Term Loan	1.50	3.00	3.00	7.91	2.24
Interest on Term Loan	1.75	1.63	1.30	0.97	0.08
Total	3.25	4.63	4.30	8.88	2.32
DEBT SERVICE COVERAGE RATIO	2.64	2.38	2.57	1.23	4.50
AVERAGE D.S.C.R.	2.66				

REPAYMENT SCHEDULE OF TERM LOAN

Interest 11.00%

Year	Particulars	Amount	Addition	Total	Interest	Repayment	Closing Balance
1st	Opening Balance						
	1st month	-	17.65	17.65	-	-	17.65
	2nd month	17.65	-	17.65	0.16	-	17.65
	3rd month	17.65	-	17.65	0.16	-	17.65
	4th month	17.65	-	17.65	0.16		17.65
	5th month	17.65	-	17.65	0.16		17.65
	6th month	17.65	-	17.65	0.16		17.65
	7th month	17.65	-	17.65	0.16	0.250	17.40
	8th month	17.40	-	17.40	0.16	0.250	17.15
	9th month	17.15	-	17.15	0.16	0.250	16.90
	10th month	16.90	-	16.90	0.15	0.250	16.65
	11th month	16.65	-	16.65	0.15	0.250	16.40
	12th month	16.40	-	16.40	0.15	0.250	16.15
					1.75	1.500	
2nd	Opening Balance						
	1st month	16.15	-	16.15	0.15	0.250	15.90
	2nd month	15.90	-	15.90	0.15	0.250	15.65
	3rd month	15.65	-	15.65	0.14	0.250	15.40
	4th month	15.40	-	15.40	0.14	0.250	15.15
	5th month	15.15	-	15.15	0.14	0.250	14.90
	6th month	14.90	-	14.90	0.14	0.250	14.65
	7th month	14.65	-	14.65	0.13	0.250	14.40
	8th month	14.40	-	14.40	0.13	0.250	14.15
	9th month	14.15	-	14.15	0.13	0.250	13.90
	10th month	13.90	-	13.90	0.13	0.250	13.65
	11th month	13.65	-	13.65	0.13	0.250	13.40
	12th month	13.40	-	13.40	0.12	0.250	13.15

					1.63	3.000	
3rd	Opening Balance						
	1st month	13.15	-	13.15	0.12	0.250	12.90
	2nd month	12.90	-	12.90	0.12	0.250	12.65
	3rd month	12.65	-	12.65	0.12	0.250	12.40
	4th month	12.40	-	12.40	0.11	0.250	12.15
	5th month	12.15	-	12.15	0.11	0.250	11.90
	6th month	11.90	-	11.90	0.11	0.250	11.65
	7th month	11.65	-	11.65	0.11	0.250	11.40
	8th month	11.40	-	11.40	0.10	0.250	11.15
	9th month	11.15	-	11.15	0.10	0.250	10.90
	10th month	10.90	-	10.90	0.10	0.250	10.65
	11th month	10.65	-	10.65	0.10	0.250	10.40
	12th month	10.40	-	10.40	0.10	0.250	10.15
					1.30	3.000	
4th	Opening Balance						
	1st month	10.15	-	10.15	0.09	0.250	9.90
	2nd month	9.90	-	9.90	0.09	0.250	9.65
	3rd month	9.65	-	9.65	0.09	0.250	9.40
	4th month	9.40	-	9.40	0.09	0.250	9.15
	5th month	9.15	-	9.15	0.08	0.250	8.90
	6th month	8.90	-	8.90	0.08	0.250	8.65
	7th month	8.65	-	8.65	0.08	0.250	8.40
	8th month	8.40	-	8.40	0.08	0.250	8.15
	9th month	8.15	-	8.15	0.07	0.250	7.90
	10th month	7.90	-	7.90	0.07	0.250	7.65
	11th month	7.65	-	7.65	0.07	0.250	7.40
	12th month(Subsidy adjusted)	7.40	-	7.40	0.07	5.160	2.24
					0.97	7.910	
5th	Opening Balance						
	1st month	2.24	-	2.24	0.02	0.250	1.99

2nd month	1.99	-	1.99	0.02	0.250	1.74
3rd month	1.74	-	1.74	0.02	0.250	1.49
4th month	1.49	-	1.49	0.01	0.250	1.24
5th month	1.24	-	1.24	0.01	0.250	0.99
6th month	0.99	-	0.99	0.01	0.250	0.74
7th month	0.74	-	0.74	0.01	0.250	0.49
8th month	0.49	-	0.49	0.00	0.250	0.24
9th month	0.24	-	0.24	0.00	0.240	0.00
				0.08	2.24	
DOOR TO DOOR	58	MONTH				
MORATORIUM PERIOD	6	MONTH				
REPAYMENT PERIOD	52	MONTH				

Supplier Details:

S L Machinery

Address:

Plot No. 930, Tyre Wall Gali,
Mundka, Delhi.

DISCLAIMER

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