

PROJECT REPORT

Of

UTENSIL CLEANING POWDER

PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding **Utensil Cleaning Powder**.

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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PROJECT AT A GLANCE

- 1 Name of the Entrepreneur : xxxxxxxxx
- 2 Constitution (legal Status) : xxxxxxxxx
- 3 Father / Spouse Name : xxxxxxxxxxxx
- 4 Unit Address : xxxxxxxxxxxxxxxxxxxxxxxxx
- District : xxxxxxx
Pin: xxxxxxx State: xxxxxxxxx
Mobile : xxxxxxx
- 5 Product and By Product : **UTENSIL CLEANING POWDER**
- 6 Name of the project / business activity proposed : **UTENSIL CLEANING POWDER UNIT**
- 7 Cost of Project : Rs.24.44 Lakhs
- 8 Means of Finance
Term Loan Rs.18 Lakhs
Own Capital Rs.2.44 Lakhs
Working capital Rs.4 Lakhs
- 9 Debt Service Coverage Ratio : 2.41
- 10 Pay Back Period : 5 Years
- 11 Project Implementation Period : 5-6 Months
- 12 Break Even Point : 29%
- 13 Employment : 9 Persons
- 14 Power Requirement : 20.00 HP
- 15 Major Raw materials : Oleum, Soda Ash, Water, Sodium Hypochlorite, Sodium Hydroxide, Dolomite Powder, Trisodium Phosphate, Sodium Perborate, Other salts, Packing material
- 16 Estimated Annual Sales Turnover (Max Capacity) : 140.04 Lakhs
- 17 Detailed Cost of Project & Means of Finance

COST OF PROJECT

(Rs. In Lakhs)

Particulars	Amount
	Own/Rented
Land	19.00
Plant & Machinery	1.00
Furniture & Fixtures	4.44
Working Capital	24.44
Total	24.44

MEANS OF FINANCE

Particulars	Amount
Own Contribution	2.44
Working Capital(Finance)	18.00
Term Loan	4.00
Total	24.44

UTENSIL CLEANING POWDER

Introduction: Cleaning Powder have wide applications in removing soil, dirt, oil, etc. from cooking utensils. They are widely used for cleaning purpose. Utensils washing powder is used to clean utensils. Previously ash and clay were used for the same purpose but for cleanliness and safety of hands, utensils washing powders growing demand is justified. Utensils washing powder are commonly known as Dish washing powder. The main action involved in removing dirt is abrasion action, but no scratches are to be formed by its abrasive action while cleaning is in progress.



Uses & Market Potential: The use of utensils washing powder is steadily increasing now-a-days all over the country. This increase has been necessitated by extensive use of modern and sophisticated kitchenware like stainless steel utensils, pressure cookers, crockery etc; in many homes in the country. The standard of living of the people is increasing, so the use of costly and modern kitchenware will also invariably increase. This is not restricted to metropolitan cities but also to other big towns where the use of costly

kitchenware has of late, increased tremendously. The utensils washing powder has well demand both for household and industrial use.

Raw material requirement: The raw materials required are as follow:

1. Oleum
2. Soda Ash
3. Water
4. Sodium Hypochlorite
5. Sodium Hydroxide
6. Dolomite Powder
7. Trisodium Phosphate(TSP)
8. Sodium Perborate
9. Other salts
10. Packing material

Machinery & Equipment's required:

Name	Cost
Weighing Machine	50000
Slurry Mixer(Capacity 500-1500 ltr.)	300000
Chemical Storage Tank(Capacity 500-1000 ltr.)	200000
Water Storage Tank(500-2000 Ltr.)	15000
Slurry Pump(Low Pressure)	60000
Evaporative Tower(Capacity 500kg/hr)	700000
Powder Mixer	75000
Slurry Tank(Capacity 500-1500 ltr.)	90000
Silo(Capacity 50-100 ton)	200000
Slurry Pump(High Pressure)	60000
Filling and sealing Machine	150000
Total Amount	1900000

Manufacturing Process: Oleum and Soda Ash are drawn from their separate storage tanks in metered quantities and mixed together in a slurry mixer to prepare a thick acid slurry which is then feed to another slurry mixer in which its mixed along with water which acts as a thinner for acid slurry. This slurry is then feed to another slurry mixer; in which its mixed with sodium hypochlorite and sodium hydroxide to obtain the required sulfonate slurry or the required acid slurry. The various other ingredients like Dolomite powder, Trisodium Phosphate (TSP) and various other salts are mixed together with prepared slurry in another slurry mixer. The prepared slurry is then held in a slurry tank which acts as a holding tank for heating tower. A set of pumps is then used to feed this slurry to the evaporating tower which essentially evaporates the water out of the slurry converting it into a powder. This powder is supplied to powder storage silo from where it's feed to a powder mixer in metered quantity along with good oxidizers like sodium perborate. The obtained mixture is required cleaning powder which can be passed through a filter to remove large grains to ensure product quality. The finished washing powder is stored in a separate silo from where it's supplied to filling and sealing machine of the washing powder. Thus the product is ready for sale.

(Note: The process can be accomplished with two slurry mixers one for acid slurry preparation and another for final product slurry preparation.)

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 2000 to 2500Sqft.

Power Requirement: The power consumption required to run all the machinery could be approximated as 20 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 9 including 1 Supervisor, 1 Plant operator, 1 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

FINANCIALS

PROJECTED CASH FLOW STATEMENT					
PARTICULARS	I	II	III	IV	V
SOURCES OF FUND					
Own Contribution	2.44	-			
Reserve & Surplus	6.19	8.32	10.36	13.06	16.73
Depriciation & Exp. W/off	2.95	2.51	2.14	1.82	1.55
Increase In Cash Credit	4.00				
Increase In Term Loan	18.00	-	-	-	-
Increase in Creditors	2.10	0.35	0.24	0.24	0.24
TOTAL :	35.68	11.18	12.74	15.13	18.53
APPLICATION OF FUND					
Increase in Fixed Assets	20.00	-	-	-	-
Increase in Stock	4.14	1.68	0.69	0.71	0.73
Increase in Debtors	2.71	0.51	0.46	0.48	0.50
Repayment of Term Loan	2.00	4.00	4.00	4.00	4.00
Taxation	0.93	1.25	3.11	3.92	5.02
Drawings	3.00	3.50	4.00	6.00	8.00
TOTAL :	32.78	10.94	12.26	15.11	18.26
Opening Cash & Bank Balance	-	2.90	3.14	3.63	3.65
Add : Surplus	2.90	0.24	0.49	0.02	0.27
Closing Cash & Bank Balance	2.90	3.14	3.63	3.65	3.92

PROJECTED BALANCE SHEET					
PARTICULARS	I	II	III	IV	V
SOURCES OF FUND					
Capital Account					
Opening Balance	-	4.70	8.27	11.53	14.67
Add: Additions	2.44	-	-	-	-
Add: Net Profit	5.26	7.07	7.25	9.14	11.71
Less: Drawings	3.00	3.50	4.00	6.00	8.00
Closing Balance	4.70	8.27	11.53	14.67	18.38
CC Limit	4.00	4.00	4.00	4.00	4.00
Term Loan	16.00	12.00	8.00	4.00	-
Sundry Creditors	2.10	2.45	2.69	2.94	3.18
TOTAL :	26.80	26.72	26.22	25.61	25.56
APPLICATION OF FUND					
Fixed Assets (Gross)	20.00	20.00	20.00	20.00	20.00
Gross Dep.	2.95	5.46	7.60	9.43	10.98
Net Fixed Assets	17.05	14.54	12.40	10.57	9.02
Current Assets					
Sundry Debtors	2.71	3.23	3.68	4.16	4.67
Stock in Hand	4.14	5.81	6.51	7.22	7.96
Cash and Bank	2.90	3.14	3.63	3.65	3.92
TOTAL :	26.80	26.72	26.22	25.61	25.56

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PROJECTED PROFITABILITY STATEMENT					
PARTICULARS	I	II	III	IV	V
A) SALES					
Gross Sale	81.43	96.88	110.54	124.93	140.04
Total (A)	81.43	96.88	110.54	124.93	140.04
B) COST OF SALES					
Raw Material Consumed	52.47	61.22	67.34	73.46	79.58
Electricity Expenses	1.45	1.61	1.77	1.93	2.10
Repair & Maintenance	2.44	2.91	4.42	5.00	5.60
Labour & Wages	8.82	10.14	12.17	14.61	17.53
Depreciation	2.95	2.51	2.14	1.82	1.55
Cost of Production	68.13	78.39	87.84	96.82	106.36
Add: Opening Stock /WIP	-	2.39	2.75	3.14	3.55
Less: Closing Stock /WIP	2.39	2.75	3.14	3.55	3.98
Cost of Sales (B)	65.75	78.02	87.46	96.41	105.93
C) GROSS PROFIT (A-B)	15.69	18.85	23.09	28.52	34.11
	19.26%	19.46%	20.89%	22.83%	24.36%
D) Bank Interest (Term Loan)	1.95	1.60	1.16	0.72	0.28
ii) Interest On Working Capital	0.44	0.44	0.44	0.44	0.44
E) Salary to Staff	4.66	5.59	6.71	8.06	9.67
F) Selling & Adm Expenses Exp.	2.44	2.91	4.42	6.25	7.00
TOTAL (D+E)	9.50	10.54	12.73	15.46	17.38
H) NET PROFIT	6.19	8.32	10.36	13.06	16.73
	7.6%	8.6%	9.4%	10.5%	11.9%
I) Taxation	0.93	1.25	3.11	3.92	5.02
J) PROFIT (After Tax)	5.26	7.07	7.25	9.14	11.71

COMPUTATION OF MAKING OF UTENSIL CLEANING POWDER			
Item to be Manufactured Utensil Cleaning Powder			
Manufacturing Capacity per day		1,200	Kg
No. of Working Hour		8	
No of Working Days per month		25	
No. of Working Day per annum		300	
Total Production per Annum		3,60,000	Kg
Total Production per Annum		7,20,000	Packet of 500 gm each
Year		Capacity	UTENSIL CLEANING
		Utilisation	
I		45%	3,24,000.00
II		50%	3,60,000.00
III		55%	3,96,000.00
IV		60%	4,32,000.00
V		65%	4,68,000.00

COMPUTATION OF RAW MATERIAL					
Item Name	Quantity of Raw Material	Unit	Unit Rate	Total CostPer Annum (100%)	
Oleum	50,000.00	Kg	10.00	5,00,000.00	
Soda Ash	50,000.00	Kg	20.00	10,00,000.00	
Sodium Hypochlorite	80,000.00	Kg	32.00	25,60,000.00	
Sodium Hydroxide	50,000.00	Kg	39.00	19,50,000.00	
Dolomite Powder	50,000.00	Kg	6.00	3,00,000.00	
Trisodium Phosphate	45,000.00	Kg	25.00	11,25,000.00	
Sodium Perborate	45,000.00	Kg	85.00	38,25,000.00	
Packing material	Lumsum			4,00,000.00	
Total				1,16,60,000.00	
Total Raw material in Rs lacs					116.60

Raw Material Consumed	Capacity Utilisation	Amount (Rs.)	
I	45%	52.47	
II	50%	61.22	5% Increase in Cost
III	55%	67.34	5% Increase in Cost
IV	60%	73.46	5% Increase in Cost
V	65%	79.58	5% Increase in Cost

COMPUTATION OF SALE					
Particulars	I	II	III	IV	V
Op Stock	-	10,800.00	12,000.00	13,200.00	14,400.00
Production	3,24,000.00	3,60,000.00	3,96,000.00	4,32,000.00	4,68,000.00
	3,24,000.00	3,70,800.00	4,08,000.00	4,45,200.00	4,82,400.00
Less : Closing Stock(10 Days)	10,800.00	12,000.00	13,200.00	14,400.00	15,600.00
Net Sale	3,13,200.00	3,58,800.00	3,94,800.00	4,30,800.00	4,66,800.00
Sale Price per packet	26.00	27.00	28.00	29.00	30.00
Sale (in Lacs)	81.43	96.88	110.54	124.93	140.04

COMPUTATION OF CLOSING STOCK & WORKING CAPITAL					
PARTICULARS	I	II	III	IV	V
Finished Goods					
(10 Days requirement)	2.39	2.75	3.14	3.55	3.98
Raw Material					
(10 Days requirement)	1.75	3.06	3.37	3.67	3.98
Closing Stock	4.14	5.81	6.51	7.22	7.96

COMPUTATION OF WORKING CAPITAL REQUIREMENT			
Particulars	Amount	Margin(10%)	Net Amount
Stock in Hand	4.14		
Less:			
Sundry Creditors	2.10		
Paid Stock	2.04	0.20	1.83
Sundry Debtors	2.71	0.27	2.44
Working Capital Requirement			4.28
Margin			0.48
MPBF			4.28
Working Capital Demand			4.00

<u>BREAK UP OF LABOUR</u>				
Particulars	Wages Per Month	No of Employees	Total Salary	
Supervisor	20,000.00	1	20,000.00	
Plant Operator	18,000.00	1	18,000.00	
Unskilled Worker	10,000.00	1	10,000.00	
Helper	8,000.00	2	16,000.00	
Security Guard	6,000.00	1	6,000.00	
				70,000.00
Add: 5% Fringe Benefit				3,500.00
Total Labour Cost Per Month				73,500.00
Total Labour Cost for the year (In Rs. Lakhs)		6		8.82

<u>BREAK UP OF SALARY</u>				
Particulars	Salary Per Month	No of Employees	Total Salary	
Manager	15,000.00	1	15,000.00	
Accountant cum store keeper	12,000.00	1	12,000.00	
Sales	10,000.00	1	10,000.00	
Total Salary Per Month				37,000.00
Add: 5% Fringe Benefit				1,850.00
Total Salary for the month				38,850.00
Total Salary for the year (In Rs. Lakhs)		3		4.66

COMPUTATION OF DEPRECIATION				
Description	Land	Plant & Machinery	Furniture	TOTAL
Rate of Depreciation		15.00%	10.00%	
Opening Balance	Leased	-	-	-
Addition	-	19.00	1.00	20.00
	-	19.00	1.00	20.00
		-	-	
TOTAL		19.00	1.00	20.00
Less : Depreciation	-	2.85	0.10	2.95
WDV at end of Ist year	-	16.15	0.90	17.05
Additions During The Year	-	-	-	-
	-	16.15	0.90	17.05
Less : Depreciation	-	2.42	0.09	2.51
WDV at end of IInd Year	-	13.73	0.81	14.54
Additions During The Year	-	-	-	-
	-	13.73	0.81	14.54
Less : Depreciation	-	2.06	0.08	2.14
WDV at end of IIIrd year	-	11.67	0.73	12.40
Additions During The Year	-	-	-	-
	-	11.67	0.73	12.40
Less : Depreciation	-	1.75	0.07	1.82
WDV at end of IV year	-	9.92	0.66	10.57
Additions During The Year	-	-	-	-
	-	9.92	0.66	10.57
Less : Depreciation	-	1.49	0.07	1.55
WDV at end of Vth year	-	8.43	0.59	9.02

REPAYMENT SCHEDULE OF TERM LOAN						11.0%	
Year	Particulars	Amount	Addition	Total	Interest	Repayment	CI Balance
I	Opening Balance						
	Ist Quarter	-	18.00	18.00	0.50	-	18.00
	IInd Quarter	18.00	-	18.00	0.50	-	18.00
	IIIRD Quarter	18.00	-	18.00	0.50	1.00	17.00
	Ivth Quarter	17.00	-	17.00	0.47	1.00	16.00
					1.95	2.00	
II	Opening Balance						
	Ist Quarter	16.00	-	16.00	0.44	1.00	15.00
	IInd Quarter	15.00	-	15.00	0.41	1.00	14.00
	IIIRD Quarter	14.00	-	14.00	0.39	1.00	13.00
	Ivth Quarter	13.00		13.00	0.36	1.00	12.00
					1.60	4.00	
III	Opening Balance						
	Ist Quarter	12.00	-	12.00	0.33	1.00	11.00
	IInd Quarter	11.00	-	11.00	0.30	1.00	10.00
	IIIRD Quarter	10.00	-	10.00	0.28	1.00	9.00
	Ivth Quarter	9.00		9.00	0.25	1.00	8.00
					1.16	4.00	
IV	Opening Balance						
	Ist Quarter	8.00	-	8.00	0.22	1.00	7.00
	IInd Quarter	7.00	-	7.00	0.19	1.00	6.00
	IIIRD Quarter	6.00	-	6.00	0.17	1.00	5.00
	Ivth Quarter	5.00		5.00	0.14	1.00	4.00
					0.72	4.00	
V	Opening Balance						
	Ist Quarter	4.00	-	4.00	0.11	1.00	3.00
	IInd Quarter	3.00	-	3.00	0.08	1.00	2.00
	IIIRD Quarter	2.00	-	2.00	0.06	1.00	1.00
	Ivth Quarter	1.00		1.00	0.03	1.00	-
					0.28	4.00	

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	8.21	9.58	9.39	10.97	13.26
Interest on Term Loan	1.95	1.60	1.16	0.72	0.28
Total	10.16	11.18	10.55	11.68	13.54
REPAYMENT					
Repayment of Term Loan	2.00	4.00	4.00	4.00	4.00
Interest on Term Loan	1.95	1.60	1.16	0.72	0.28
Total	3.95	5.60	5.16	4.72	4.28
DEBT SERVICE COVERAGE RATIO	2.57	2.00	2.05	2.48	3.17
AVERAGE D.S.C.R.			2.41		

COMPUTATION OF ELECTRICITY				
(A) POWER CONNECTION				
Total Working Hour per day		Hours	8	
Electric Load Required		HP	20	
Load Factor			0.7460	
Electricity Charges		per unit	7.50	
Total Working Days			300	
Electricity Charges				2,68,560.00
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%				3.22
Year		Capacity		Amount
				(in Lacs)
I		45%		1.45
II		50%		1.61
III		55%		1.77
IV		60%		1.93
V		65%		2.10

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