

WASHING SOAP

I. INTRODUCTION:

Soap is the traditional washing compound made from oil fats and caustic alkali. Laundry soap is used for laundry and household cleaning

II. MARKET POTENTIAL

Now a days synthetic detergents are gaining importance for washing purposes. Even then, the use of soap has not decreased the least. Rather, there is very good scope for the growth of soap industry with the increase in population and with the standard of living going up.

III. BASIS AND PRESUMPTIONS:

This scheme is based on single shift per day and 300 working days per annum

The Information supplied is based on a standard type of manufacturing activity utilising conventional techniques of production at optimum levels of performance.

IV. IMPLEMENTATION SCHEDULE:

The scheme can be implemented at the shortest possible time since the process of manufacturing washing soap is simple and involves less number of machinery. Hence approximately six months is sufficient for complete implementation of the project .

V. TECHNICAL ASPECTS:

1.Process of Manufacturing:

The mixed oils are taken in a pan and heated to approximately 70 degrees Centigrade. Caustic soda solution is added for saponification reaction. Soap is formed, Builders like sodium silicate soap stone, talc etc. are added when the saponification is over. Though mixing of the material is made colour and perfumes are added. Finally, the soap is transferred to frames at all levels to settle down. The wet soap is taken out of the frames, cut into bars, stamped and packed.

2.Quality Specification :

IS: 285-1974 Laundry soap.

3.Production Capacity per annum

Quantity: 300 MT per annum

Value: Rs. 770000

4.Motive Power : 3 phase

VI. TOTAL CAPITAL INVESTMENTS

S.No	Description	Value Rs.
1	Fixed Capital	74000
2	Working capital	58700
	Total cost	132700

VII. MEANS OF FINANCE

1.Promoter's Contribution (5% of total cost)	6635
2.PMRY subsidy (15% of total cost or Rs.7500,whichever is less)	7500
3.Bank loan[total cost-(Promoter's Contribution+ PMRY subsidy)	118565

VIII. FINANCIAL ASPECTS

1. FIXED CAPITAL

i. **Land & Buildings:** 100 sft.rented premises at a rent of Rs. 1000 pm.

ii Machinery & Equipment

S.No	Description	Quantity	Value Rs.
1	Boiling Kettle hemispherical mild steel or cast iron - 200 kg. Capacity	1	20000
2	Stirrer / laddle	2	5000
3	Soap cooling frame	12 nos.	12000
4	Soap cutting machine	1	2000
5	Soap staggng machine	1	3000
6	Chemical laboratory		20000
7	Installation of equipment		2000
8	Working table, racks, furniture		10000
	Total		74000

2. WORKING CAPITAL

i) Staff & Labour per month

S.No	Designation	No	@ Rs.	Value Rs.
1	Supervisor cum chemist	1	3000	3000
2	Skilled worker	1	2500	2500
3	Unskilled worker	1	1500	1500
	Total			7000

ii) Raw Material (p.m.)

S.No	Description	Quantity	Value Rs.
1	Oil and fats, fatty acids, rice bran oil, rosin, tobacco seeds oil etc.	1000 kg.	25000
2	Caustic soda	150 kg.	3000
3	Sodium silicate and misc. chemicals	1000 kg.	15000
	Total		43000

iii. Utilities per month

S.No.	Description	Value Rs.
1	Power	1000
2	Water	500
	Total	1500

iv. Other expenses per month

S.No	Description	Value Rs.
1	Postage, stationery, telephone	500
2	Consumables items	700
3	Repair & maintenance	500
4	Transport charges	1000
5	Advertisement & Publicity	1000
6	Insurance, sales expenses	1500
7	Packing material	1000
	Total	6200

v. Total working capital per month

S.No	Description	Value Rs.,
1	Rent	1000
2	Staff and labour	7000
3	Raw materials	43000
4	Utilities	1500
5	Other expenses.	6200
	Total	58700

IX. COST OF PRODUCTION PER ANNUM

S.No	Description	Value Rs.
1	Total working capital	704400
2	Depreciation	5000
3	Interest	19905
	Total	729305

X. TURNOVER PER YEAR

S.No	Item	Quantity	Rate Rs.	Value Rs.
1	Washing Powder	35 MT	22 / MT	770000
	Total			770000

XI. FIXED COST PER YEAR

S.No	Description	Value Rs.
1	Depreciation	5000
2	Interest	19905
3	Rent	12000
4	40% of salaries & wages	33600
5	40% of other expenses (utilities + OE)	36960
	Total	107465

XII. PROFIT ANALYSIS

Net Profit : sale-total cost=770000-729305 =40695

% of Profit on Sale: Profit / Sale x100=40695/770000]100 =5.29%

% of Return on Investment: Profit / (Investment) x 100=40695/132700]100 =30.67%

Break-Even Analysis : FC / (FC+Profit) x100=107465/107465+40695]100 =72.53%

XIII. MACHINERY SUPPLIERS

Locally available

XIV. RAW MATERIAL SUPPLIERS

Locally available