

TOILET SOAP

INTRODUCTION

In present age, all people want to appear smart and elegant in his personality. The history of soap industry in India is very old say since 1889. The use of soap or soap like cleaning agent has always been associated with man's inherent instinct to keep his body and other belonging clean. Soap help remove slag from skin to make skin a brilliant glow. The principal raw material of soap is oil and fats. According to these raw materials the quality of soap and category of soap is changed. The necessary raw materials are needed to be of high purity and the finished product should have the balanced pH as its froth may enter the eye. Toilet soaps are made by combining liquid fats (like vegetable oils or animal fat) with an alkali like sodium hydroxide (also called lye). The process is called "saponification"; the definition of "saponify" is literally "to turn fat or oil into soap by reaction with an alkali. A simple production method with high return soaps are invariably used in every household. The antibacterial soap with a moisturizer added has huge market potential. The market is spread from remote village to the metro cities alike. The industry gives a good profit and high employment oriented.

MARKET POTENTIAL

There is a vast market available for Beauty Toilet Soap in Kerala and its around. This Beauty soap is nothing but a toilet soap of good and refined quality and balanced pH, so this soap have as good market as other toilet soap have. Considering the population trend in the state, there is still an ample scope for growth of this industry. There are so many kind of toilet soap flooded in the market but because of its peculiar name and nature, quality and properties it will also grab good market in present scenario.

QUALITY CONTROL & STANDARD

Some standard specification has got to be followed to maintain certain qualities such as pH, acid, No. total fatty matter (TFM) available and moisture etc. Taking into account its use the product should be skin-friendly in all respects and point of view. To manufacture this Beauty Soap a general standard for toilet soap i.e. IS: 2888-194 or

revised can be followed.

BASIS & PRESUMPTION

- The unit will work 6 days a week. On single shift basis (8 hours)
- The calculations have been carried out on present data available.
- If necessary other type of soap like shower gel can also be manufactured by using the same machinery.
- The production capacity i.e. 80% have been taken into account.
- The wastage has been considered at a rate of 2%.

PRODUCT IMPLEMENTATION SCHEDULE

- | | | |
|------|--------------------------------------|-------------------|
| i. | Loan Sanction (including TFR) | - 2 Months |
| ii. | NOC-Pollution Control Board | - 1 Month |
| iii. | Installation of machinery | - 1 Month |
| iv | Power connection | - 1 Month |
| v | Testing operation | - 1 Month |
| vi | Production | - 7 Month onwards |
| vii | Registration of Unit (Udyog Aadhaar) | - One day |

Annual Production Capacity

Toilet Soap	
Quantity	364560 Nos
Value (Rs)	47,39,280.

Raw material Required

SI No	Name of raw material	Quantity (Kg)
1	Coconut oil	50
2	Tallow	50
3	Caustic soda	50
4	Colour (green, blue, rose, orange, yellow, etc)	0.05
Perfume mixtures for the soap		
1	Bergamot oil	5.5
2	Jasmine oil	3.0
3	Lavender oil	3.5
4	Palm rose oil	3.5
5	Lemon oil	2.5
6	Cedar wood oil	2.0
7	Tincture for musk	0.5

TECHNICAL ASPECT

MANUFACTURING PROCESS

The beauty toilet soap can be made or manufactured into 2 steps namely preparation of soap base and to obtain finished products soap base. For making the soap base the specifications is carried which is done by either remitting and perfuming and secondly by milling process. Fat should be used of high standard quality. Weigh fat oil & lye (sodium- hydroxide) accurately, if the lye is weighed more, the soap will be hard and harmful to skin and if the lye is low, the fat will not be saponified properly. Melt oil fat into a kettle and filter it to remove any impurity. Now add caustic soda lye into it slowly and stir continuously when the oil is saponified fully add perfume and colours and pour into moulds.

FINANCIAL ASPECTS

LAND & BUILDING:

1	Covered area	500 Sq. Ft.
2	Uncovered area Sq.	250 Sq. Ft.
3	Total area	750 Sq. Ft.
5	Value	5,00,000
	Total	5,00,000

MACHINERY AND EQUIPMENT:

SI No.	Description	Qty- Nos	Value
1	Saponifying fans -100kg	4	7,000
2	Melting pans/kettle with agitator/ stirrer 100kg	1	8,000
3	Lye Storage tank with SS lining 50 lit. each	4	6,000
4	Frames(for cooling soap) 50kg. Capacity	4	6,000
5	Automatic soap stamping m/c (50 pcs per minute)	1	4,000
6	Cutting machine	1	4,000
7	Boiler	1	35,000
8	Hydrometer, beaker, cylinder pHmeter, spatula and furniture	-	20,000
9	Installation/Electrification	-	10,000
	Total		1,00,000

Total fixed cost 1,00,000 + 5,00,000/- = 6,00,000/-

RAW MATERIAL & PACKING Material (PER MONTH):

S.N.	Particulars	Quantity (Kg)	Rate	Value
1	Coconut oil	1000	170	1,70,000
2	Tallow	1000	50	50,000
3	Lye	1000	14	14,000
4	Colour	1	100	1,000
5	Perfumes			5000
6	Packing material			10,000
	Total			2,50,000

STAFF & LABOUR (PER MONTH):

Sl.No.	Particulars	Nos	Salary	Value (₹)
1	Manager / Director	1	10000	10,000
2	Chemist	1	6000	6,000
3	Skilled workers	2	4000	8,000
B	Technical-Unskilled worker	2	3000	6,000
(i)	Clerk	1	3000	3,000
(ii)	Peon/ Watch man	1	2000	2,000
	Sub-Total			35,000
	Plus perquisites @ 15% of salaries			5,000
	TOTAL			40,000

OTHER EXPENSES (PER MONTH):

1	Power / Electricity Charges		3,000
2	Water Charges		500
3	Maintenance & repair.		4,500
4	Printing postage & stationery		2,000
5	Cartage/ transportation charges		4,000
6	Selling/ publicity		4,000
7	Telephone		1,200
8	Insurance		800
	Total		20,000

WORKING CAPITAL (FOR ONE MONTH):

SL.NO.	DESCRIPTION	AMOUNT
1	Raw material (Only 30 Days)	250000
2	Salaries & Wages	40000
3	Other Expenses	20000
	Total	3,10,000

Working capital for 3 months $310000 \times 3 = 9,30,000/-$

TOTAL CAPITAL INVESTMENT:**ENT:**

Building	500000
Machinery & Equipment	100000
Working capital for 3 month	930000
Total	15,30,000

Promoter's contribution (25% of total capital investment) : 3, 82,500/-

Govt. finance (Bank Loan Amount): 11,47,500/-

FINANCIAL ANALYSIS

Cost of Production (Per Annum)

Total recurring cost per year(i.e Working Capital for 12 months)	310000*12 months=37,20,200/-
Depreciation on machinery & Equipment (@ 10%)	100000*10%=10,000/-
Depreciation on Building (@ 5 %)	500000*5%=25,000/-
Interest on total investment (@ 10%) [Bank Loan Amount	1147500*10%=1,14,750/-
Grand Total:	38,69,950/-

SALES PROCEEDS (PER ANNUM):

	Qty (Kg)	Value
Total capacity of project	37200Kg	
Wastage (@ 2%)	744Kg	
Net production		(37200-744)=36456Kg
No. of soap cake bearing 100 gram of weight each		36456/0.100=364560 Nos
Cost of each cake[100gm pack]		Rs: 13/-
Total sale		Rs 13.00 * 364560 Nos = 47,39,280/-

Profit Analysis (P.A.)

Net Profit = [Sales- Cost of Production]=

47,39,280-38,69,950 = 8,69,330.

Income Tax at 30% = 2,60,799.

Profit after tax = [8,69,330-2,60,799] = 6,08,531/-

Rate of Return

On total sale = $[\text{Profit} * 100 / \text{Cost of Production}] = 6,08,531 \times 100 / 38,69,950 = 15.72 \%$.

On total capital investment = $[\text{Profit} * 100 / \text{Total Capital Investment}]$

$$6,08,531 \times 100 / 15,30,000 = 39.77 \%$$

BREAK- EVEN ANALYSIS

Fixed cost x 100

Fixed cost + Net Profit

FIXED COST

Rent [own building]	Nil
Total Depreciation[Machinery & Building]	35,000/-
Interest on Total Investment	1,14,750/-
40 % of Salary & Wages[40000*12/ 40%]	1,92,000/-
40% of utilities & other contingent expenses[20000*12/ 40%]	96,000/-
Total:	4,37,750

Net Profit = 6,08,531/-

Fixed Cost = 4,37,750/-

B.E.P = $\frac{4,37,750 \times 100}{4,37,750 + 6,08,531} = 41.84 \%$

Manufactures/ Suppliers of Machinery:

1	Mezhukkattil Mills No. 4/43, Chunangamvely, Erumathala Post , Ernakulam - 683112, Kerala Ph: 08042964764
2	National Precisionss No. 138/1, Semmam Palayam Pirivu, Nasiyanur PO ,

	Erode - 638107, Tamil Nadu Ph: 08376808718
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	Suppliers of Raw Materials
1	Mathewsons Exports & Imports Private Limited Mathewsons Building, Kaloor , Kochi - 682017, Kerala Ph: 08045327801
2	Intermas 12 / 25, College Road, Panayapally , Kochi - 682002, Kerala Ph: 08042954720

