

UP MSME 1-Connect

PROJECT REPORT

PROJECT: LIQUID DETERGENT

PROJECT REPORT

Of

LIQUID DETERGENT

PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding **LIQUID DETERGENT**

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.]

LIQUID DETERGENT

Introduction

Liquid Detergent is generally a cleaning chemical that comes in the form of liquid. It is Easy and convenient to use, Liquid Detergents are generally meant for cleaning of clothes. They are one of the most popular and widely used cleaning liquid for Clothes & some other purpose.

Liquid Detergent are chemical solutions used as cleaning agents. They are generally formulated using one or more surfactants to improve their cleaning performance.

Liquid Detergent 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.

Liquid Detergent Market Analysis

According to “**India Detergent Market Overview**”, the overall market for detergent is growing with a CAGR of more than 10% from the last five years. Detergents are available in three forms namely powder detergent, bar detergent and liquid detergent. Powder detergents are widely accepted by Indian consumers and dominate the industry. Even though detergent bars are still used in rural areas, they are fast disappearing from the market because of ineffectiveness. Liquid detergent is a new category in the Indian market and was created by Hindustan Unilever in 2013 with the launch of country’s first liquid detergent. It has been two years for the launch of this liquid detergent under Surf Excel brand but still no other rival company has come up with liquid detergent. HUL’s intent is to move and create a liquid segment for the future, supporting its premiumization strategy. Although powder detergents are most commonly used because of their stability, eco-feasibility and long lasting

properties, liquid detergents will see healthy growth in the forecast period.

Some of the leading players in the India Liquid Detergent Market are Henkel & Company KGaA, Church and Dwight Company, The Clorox Company, Unilever Plc, Procter and Gamble, Reckitt Benckiser, Jyothy Laboratories, Fena, Godrej Consumer Products, Zhejiang Yuanmin Technology

PROJECTED PROFITABILITY STATEMENT					
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
Capacity Utilisation %	60%	65%	70%	75%	80%
Gross Sale					
Liquid Detergent	41.04	48.17	53.57	59.20	65.08
Total	41.04	48.17	53.57	59.20	65.08
COST OF SALES					
Raw Mateiral Consumed	21.60	24.18	27.72	31.50	35.52
Elecricity Expenses	0.84	0.94	1.05	1.18	1.32
Repair & Maintenance	1.64	2.65	3.21	3.85	4.36
Labour & Wages	3.84	4.22	4.65	5.11	5.62
Depriciation	1.34	1.16	1.00	0.87	0.75
Consumables	2.05	3.13	3.32	3.55	3.58
Other Direct expenses	1.03	1.45	1.47	1.48	1.63
Water	0.12	0.13	0.15	0.16	0.18
Cost of Production	32.34	37.73	42.43	47.54	52.78
Add: Opening Stock /WIP	-	1.62	1.89	2.12	2.38
Less: Closing Stock /WIP	1.62	1.89	2.12	2.38	2.64
Cost of Sales	30.72	37.46	42.19	47.28	52.52
GROSS PROFIT	10.32	10.72	11.37	11.92	12.56
Salary to Staff	0.96	1.10	1.27	1.46	1.68
Interest on Term Loan	0.48	0.42	0.30	0.19	0.07
Interest on working Capital	0.33	0.33	0.33	0.33	0.33
Selling & Adm Expenses Exp.	3.69	3.61	4.02	4.26	4.56
TOTAL	5.46	5.47	5.92	6.24	6.63
NET PROFIT	4.86	5.25	5.45	5.68	5.93
Taxation		0.05	0.09	0.14	0.19
PROFIT (After Tax)	4.86	5.19	5.36	5.54	5.73

PROJECTED BALANCE SHEET					
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
<u>Liabilities</u>					
Capital					
opening balance		7.91	10.10	11.46	12.80
<i>Add:- Own Capital</i>	3.55				
Add:- Retained Profit	4.86	5.19	5.36	5.54	5.73
Less:- Drawings	0.50	3.00	4.00	4.20	4.50
Closing Balance	7.91	10.10	11.46	12.80	14.04
Term Loan	4.34	3.26	2.18	1.10	1.01
Working Capital Limit	3.00	3.00	3.00	3.00	3.00
Sundry Creditors	1.08	1.13	1.39	1.58	1.78
Provisions & Other Liab	0.30	0.40	0.55	0.66	0.83
TOTAL :	16.63	17.90	18.58	19.14	20.65
<u>Assets</u>					
Fixed Assets (Gross)	10.21	10.21	10.21	10.21	10.21
Gross Dep.	1.34	2.49	3.49	4.36	5.11
Net Fixed Assets	8.88	7.72	6.72	5.85	5.10
Current Assets					
Sundry Debtors	3.42	4.82	5.71	6.31	6.94
Stock in Hand	2.70	3.50	4.25	5.00	5.72
Cash and Bank	1.64	1.86	1.90	1.97	1.88
TOTAL :	16.63	17.90	18.58	19.14	19.64

PROJECTED CASH FLOW STATEMENT

PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
<u>SOURCES OF FUND</u>					
Own Margin	3.55				
Net Profit	4.86	5.25	5.45	5.68	5.93
Depreciation & Exp. W/off	1.34	1.16	1.00	0.87	0.75
Increase in Cash Credit	3.00	-	-	-	-
Increase In Term Loan	4.88	-	-	-	-
Increase in Creditors	1.08	0.05	0.26	0.19	0.20
Increase in Provisions & Oth lib	0.30	0.10	0.15	0.11	0.17
TOTAL :	19.01	6.55	6.86	6.85	7.04
<u>APPLICATION OF FUND</u>					
Increase in Fixed Assets	10.21	-	-	-	-
Increase in Stock	2.70	0.80	0.75	0.76	0.72
Increase in Debtors	3.42	1.40	0.90	0.60	0.63
Repayment of Term Loan	0.54	1.08	1.08	1.08	1.10
Drawings	0.50	3.00	4.00	4.20	4.50
Taxation	-	0.05	0.09	0.14	0.19
TOTAL :	17.37	6.33	6.82	6.78	7.13
Opening Cash & Bank Balance	-	1.64	1.86	1.90	1.97
Add : Surplus	1.64	0.22	0.04	0.07	(0.09)
Closing Cash & Bank Balance	1.64	1.86	1.90	1.97	1.88

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