Product: VANISHING AND CLEANSING COLD CREAM

Product Code: (Based on NIC -2004) for cream(face)cold: 24246

Product Code: (Based on ASICC -2000) for cream(face)cold: 36202

Production Capacity:
Vanishing Cream     3,00,000 (100 ml)pack @Rs. 15/-     45,00,000
Cleaning Cream Cold 4,20,000 (70 ml/pack) @ Rs.24/-     1,00,80,000
TOTAL:                  1,45,80,000

Month & Year of Preparation: April 2010

Prepared by:
Chemical Division
Branch MSME Development Institute
New Colony, RAAGADA-765001 (Odisha)
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Email: brdcdi-raya@dcmsme.gov.in
INTRODUCTION:
Different types of creams available in market to take care of surface of skin. This project profile has been prepared aiming at production of vanishing, cleansing and cold cream. Dirt on the skin may consist of residues of skin secretion as well as deposits from the surrounding this dirt is bound by oily substances is very adherent, and required special methods of removal. Emulsification as exemplified by soap is very efficient since soap, even of high quality may have excess alkali and may be too drying to the skin surface. Women prefer a cream of some sort.

Materials used in cream may be prepared in out with or kin without emulsion. The esthetic effect and degree of emolfiency depend to a great extent on the emulsion. Type as well as on the emulsion composition. Otherwise emulsions produce a cooling effect on application to the skin owing water evaporation. W/o emulsions produce a cooling effect since water evaporation is slowed by the film of the oil ink the continuous phase.

The classical example of a cream is prepared from bees wax, super mace, sweet almond oil, borax and rose water etc.

MARKET POTENTIAL:
The cosmetic products in India have a tremendous demand at the pace of urbanization increasing awareness on beauty consciousness and the living standards of people. Latest trend shows people are very much concerned to take care of their skin where as the stress levels results in early ageing of the skin. It increases the demand of vanishing and cleansing cold cream throughout our country and abroad. Earlier the rich people were in habit using cream but now it has penetrated to semi-urban areas and even rural areas due to repeated advertisements in media, magazines. Hence there is tremendous scope for launching a unit for the manufacturing of Vanishing and Cleansing Cream.

BASIS ANDK PRESUMPTION:
1. Working hours  : Sing shift of 8 hours, for 300 working days in a year
2. Capacity utilization:  : 60% during 1st year
   75% in 2nd year
   90% in 3rd year and onwards.
3. Salary and wages  : Monthly basis
4. Margin money : 25% of total capital investment
5. Interest charges : 14% has been calculated on total capital investment
   Considering the opportunity cost of margin money.
6. Power tariff : Rs. 4.50 per unit

IMPLEMENTATION SCHEDULE:

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Activity</th>
<th>Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>01.</td>
<td>Site selection, registration, market survey, preparation of project report and other formalities</td>
<td>2 months</td>
</tr>
<tr>
<td>02.</td>
<td>Purchase and registration and development of land</td>
<td>1 month</td>
</tr>
<tr>
<td>03.</td>
<td>Selection of machinery and recruitment process</td>
<td>3 months</td>
</tr>
<tr>
<td>04.</td>
<td>Purchase of machines, installation, power connection, training to the employees</td>
<td>2 months</td>
</tr>
<tr>
<td>05.</td>
<td>Trial production, working capital arrangement, procurement of materials and market tie-up</td>
<td>2 months</td>
</tr>
<tr>
<td></td>
<td>Total period required for commencing commercial production</td>
<td>10 months</td>
</tr>
</tbody>
</table>

TECHNICAL ASPECT:

Process of Manufacturing:

1. Cleansing cream/cold cream:
   The cold creams may be divided into oil-water (beeswax-borax) types and water-in-oil creams (beeswax without additional alkali) cleansing creams may be beeswax-borax (and another type of oil-in-water) cream to be discussed from water-in-oil cold. This last group of cleansing creams differs from water-in-oil cold creams in that beeswax is not a emulsifier used. Where beeswax is the sole emulsifying agent in a water- in-oil cream, the latter is likely to be relatively unstable and will not be the fine textured white cream required for cosmetic application.

Cleansing creams/cold creams

<table>
<thead>
<tr>
<th></th>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>100 White beeswax</td>
<td>120gm</td>
<td></td>
<td></td>
</tr>
<tr>
<td>200 Sweet almond oil</td>
<td>500ml</td>
<td>50ml</td>
<td>50ml</td>
</tr>
<tr>
<td>60 Rose water</td>
<td>50ml</td>
<td></td>
<td></td>
</tr>
<tr>
<td>60 Borax powder</td>
<td>5gm</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1000 Bitter almond oil</td>
<td>50ml</td>
<td></td>
<td></td>
</tr>
<tr>
<td>200 Sodium benzonate</td>
<td>5gm</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Honey dew soap</td>
<td>30gm</td>
<td></td>
<td></td>
</tr>
<tr>
<td>400 Ground almond</td>
<td></td>
<td></td>
<td>120gm</td>
</tr>
<tr>
<td>1 Egg yolk</td>
<td></td>
<td></td>
<td>of 4 eggs</td>
</tr>
<tr>
<td>100 Honey</td>
<td></td>
<td></td>
<td>250gm</td>
</tr>
</tbody>
</table>
2. Vanishing Cream:

Vanishing cream can be considered to be an emulsion of a free fatty acid (usually stearic acid) in a nonalkline medium. The basic ingredients are: 65-75% water, 15-20% stearic, 50 kg acid, 8-12 glycerol, 0.5-1.5% alkali (KOH) as (as needed) preservative and as perfume. Of the stearic acid used, about 15-20% is saponified: the rest remains as free acid. All the ingredients are based on lime flower.

Manufacture: The oils, waxes, emulsifiers, and other oil-soluble components are heated to 75°C in a steam-jacketed kettle. The water is soluble components (Alkalis, alkanolamines, polyhydric alcohols, and preservatives) are dissolved in the aqueous phase and heated to 75°C in another steam-jacketed kettle. To allow for evaporation of water during the heating and emulsification, about 3-5% excess water (based on formula weight) is added.

The procedure for preparing o/w and w/o emulsion is to add the warned inner phase very slowly to the outer phase (also at 75% stirring constantly and homogenizing to assure efficient emulsification. Finely dispersed o/w emulsions can also be prepared by adding the aqueous phase to the oils. Initially the low concentration of water forms a w/o emulsion according to the phase-volume relationship. The slow addition and emulsification of the water increase the viscosity of the system while the oil phase expands to a maximum. At this point the continuous oil phase breaks up into minute droplets as emulsion inversion occurs, characterized by a sudden decrease in viscosity. This emulsification technique proceeds smoothly at the critical inversion point in a well-balanced, low oil-wax system, but it frequently cases coagulation ink high oil-wax emulsions. The conventional procedure of adding the inner phase to the out preferable for creams and lotions.

QUALITY CONTROL AND STANDARDS:

The quality of these products are maintained as per the buyers’ specification. Important quality controlling parameters are as per the FDA norms and BIS specification.

The requirements of a cream are as follows:

a. It should liquefy at body temperature.
b. Its viscosity should be low enough to permit easy spreading but high enough to retain in suspension particles of dirt and insoluble foreign matter.
c. It should penetrate the epidermis (via natural openings) and contain enough light oils to permit flushing the pores.
d. It should be an emulsion type with a small percentage of water.
e. It should possess a mild bleaching action.
f. It should leave the skin smooth, relaxed, refreshed, non greasy and clean.
g. It should contain no chemical that would be quickly absorbed by the skin.

**PRODUCTION CAPACITY:**

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Name of the product</th>
<th>Quantity</th>
<th>Rate</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Vanishing Cream</td>
<td>3,00,000 tubes of 100 ml</td>
<td>15/-</td>
<td>45,00,000</td>
</tr>
<tr>
<td>2.</td>
<td>Cleansing cream/cold cream</td>
<td>4,20,000 - 70ml per pack</td>
<td>24/-</td>
<td>1,00,80,000</td>
</tr>
</tbody>
</table>

**MOTIVE POWER REQUIREMENT:** About 50.00 hp.

**POLLUTION CONTROL:** The unit does not produce any toxic pollution, hence no such equipments will be required.

**ENERGY CONSERVATION:** The machineries suggested in this project are advanced and highly captive ones and consume minimum electricity. The workers are also to be trained for avoiding work of energy.

**FINANCIAL ASPECT:**

I. **LAND AND BUILDING**
   - Factory shed of Floor area of 100 sq. mtr.
   - Administrative block of 25 sq. mtr. : On Rental 4000

II. **MACHINERY AND EQUIPMENTS**

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Name of the machinery</th>
<th>Ind/ Imp</th>
<th>Qty</th>
<th>Price</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>SS Steam Jocketed Kettle 30 cap</td>
<td>Ind</td>
<td>1</td>
<td>1,50,000</td>
<td>1,50,000</td>
</tr>
<tr>
<td>2.</td>
<td>SS Kettle with stirred 50 kg cap</td>
<td></td>
<td>2</td>
<td>10,000</td>
<td>20,000</td>
</tr>
</tbody>
</table>
3. Tube filling machine  
   |   |   |   |   |   
4. Total | 1 | 25,000 | 25,000 | 2,10,000 |
5. Numatic tube sealing machine  
   |   |   |   |   |   
6. Installation and electrification | 21,000 |
7. Lab equipment PH meter weighing balance etc.  
   |   |   |   |   |   
   | 25,000 |

TOTAL | 2,56,000 |

| Tools and equipment | 10,000 |
| Working table, furniture and fixtures | 25,000 |
| Office equipments | 10,000 |

TOTAL | 3,01,000 |

Pre-operative expenses | 15,000 |

TOTAL | 3,16,000 |

III. TOTAL PLANT & MACHINERY AND WORKING CAPITAL REQUIREMENT

1. PERSONNEL:

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Title of the post</th>
<th>No(s)</th>
<th>Salary/ wage p.month(Rs.)</th>
<th>Paybill</th>
</tr>
</thead>
<tbody>
<tr>
<td>01.</td>
<td>Production manager</td>
<td>1</td>
<td>6,000</td>
<td>6,000</td>
</tr>
<tr>
<td>02.</td>
<td>Production Supervisor</td>
<td>1</td>
<td>5,000</td>
<td>5,000</td>
</tr>
<tr>
<td>03.</td>
<td>Skilled worker</td>
<td>3</td>
<td>3,500</td>
<td>14,000</td>
</tr>
<tr>
<td>04.</td>
<td>Semi-Skilled worker</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>05.</td>
<td>Un-Skilled Worker</td>
<td>2</td>
<td>2,500</td>
<td>5,000</td>
</tr>
<tr>
<td>06.</td>
<td>Chemist</td>
<td>1</td>
<td>4,500</td>
<td>4,500</td>
</tr>
<tr>
<td>07.</td>
<td>Accountant cum cashier</td>
<td>1</td>
<td>4,500</td>
<td>4,500</td>
</tr>
<tr>
<td>08.</td>
<td>Store Keeper</td>
<td>1</td>
<td>3,500</td>
<td>3,500</td>
</tr>
<tr>
<td>09.</td>
<td>Security</td>
<td>2</td>
<td>2,500</td>
<td>5,000</td>
</tr>
<tr>
<td>10.</td>
<td>Driver</td>
<td>1</td>
<td>2,500</td>
<td>2,500</td>
</tr>
</tbody>
</table>

TOTAL | 50,000 |

Add 15% perquisites | 7,500 |

TOTAL: | 57,500 |

RAW MATERIL REQUIREMENT (including packing materials):

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Particulars</th>
<th>Ind/ Imp</th>
<th>Unit</th>
<th>Qty.</th>
<th>Price (Rs.)</th>
<th>Amount (Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>01.</td>
<td>Stearic Acid</td>
<td></td>
<td>500 kg.</td>
<td>50</td>
<td>21,250</td>
<td></td>
</tr>
<tr>
<td>02.</td>
<td>Glycerol</td>
<td></td>
<td>300 lt.</td>
<td>300</td>
<td>90,000</td>
<td></td>
</tr>
<tr>
<td>No.</td>
<td>Description</td>
<td>Quantity</td>
<td>Rate</td>
<td>Amount</td>
<td></td>
<td></td>
</tr>
<tr>
<td>------</td>
<td>--------------------------------------------------</td>
<td>----------</td>
<td>------</td>
<td>----------</td>
<td></td>
<td></td>
</tr>
<tr>
<td>03.</td>
<td>White best wax</td>
<td>300 kg.</td>
<td>125</td>
<td>37,500</td>
<td></td>
<td></td>
</tr>
<tr>
<td>04.</td>
<td>Sweet Almond Oil</td>
<td>750 lt.</td>
<td>80</td>
<td>6,00,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>05.</td>
<td>Rose Water</td>
<td>125 kg.</td>
<td>60</td>
<td>7,500</td>
<td></td>
<td></td>
</tr>
<tr>
<td>06.</td>
<td>Bitter Almond Oil</td>
<td>125 lt.</td>
<td>1,000</td>
<td>1,25,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>07.</td>
<td>Sodium Benzonate</td>
<td>15 kg.</td>
<td>200</td>
<td>3,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>08.</td>
<td>Honey Dew Drop</td>
<td>30 kg.</td>
<td>100</td>
<td>3,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>09.</td>
<td>Ground almond</td>
<td>30 kg.</td>
<td>300</td>
<td>9,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10.</td>
<td>Egg Yolk, Borex Powder, Honey Kok (Alkali)</td>
<td>Lump sum</td>
<td></td>
<td>1,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11.</td>
<td>Packaging charges</td>
<td></td>
<td></td>
<td>50,000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**TOTAL:** 9,66,000

IV. UTILITIES:
- Electricity units @ Rs.4.50 4,000

V. OTHER EXPENSES:
1. Repair & Maintenance … 2,000
2. Other consumables … 3,000
3. Insurance … 1,000
4. Travelling expenses … 5,000
5. Telephone, Fax & Postal expenses … 2,000
6. Printing & Stationery … 1,000
7. Other expenses … 2,000
8. Rent for Building … 4,000

Total: 20,000

VI. TOTAL RECURRING EXPENSES PER MONTH:
10,47,500

VII. WORKING CAPITAL REQUIREMENT
3 months recurring expenses = 10,47,500 x 3 = 31,42,500

VIII. TOTAL CAPITAL INVESTMENT:
- Fixed Capital … 3,16,000
- Working Capital … 31,42,500

Total: 34,58,500
PROFITABILITY:
I. COST OF PRODUCTION:
   1. Recurring expenditure … 1,25,70,000
   2. Depreciation:
      - Building @ 5% … 25,600
      - Machinery @ 10% … 2,500
      - Tools & equipment @ 25% … 2,500
      - Furniture and fixtures @ 20% … 8,750
   3. Interest on total capital investment @ 14% 4,84,190
      TOTAL: 1,30,91,000

EXPECTED SALES PER ANNUM:
<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Item</th>
<th>Qty.</th>
<th>Rate</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Vanishing Cream</td>
<td>3,00,000 (100 ml)</td>
<td>15/-</td>
<td>45,00,000</td>
</tr>
<tr>
<td>2.</td>
<td>Cleaning Cream Cold</td>
<td>4,20,000 (70 ml/pack)</td>
<td>24/-</td>
<td>1,00,80,000</td>
</tr>
<tr>
<td></td>
<td>TOTAL:</td>
<td></td>
<td></td>
<td>1,45,80,000</td>
</tr>
</tbody>
</table>

PROFIT: Net Sales – Cost of Production
= 1,45,80,000 – 1,30,91,000 = 14,89,000/-

PERCENTAGE OF PROFIT: (On Net Sales) = 10.21%

RATE OF RETURN:

BREAK EVEN POINT:
Total fixed cost per annum:
1. Rent : 48,000
2. Insurance : 12,000
3. Depreciation : 36,850
4. Interest : 4,84,200
5. 40% of salary and wages : 2,76,000
6. 40% of utility and other expenses (excluding insurance) : 1,29,600
   Total: 9,86,650
   Say 9,86,600
Fixed cost \times 100 = \frac{9,86,600 \times 100}{9,86,600 + 14,89,000} = 39.85\% \\

LIST OF MACHINERY SUPPLIERS

BALL MILLS

1. HSP Engineering Company, C-179/1, Bulandshahar Road, Site No.1. Ghaziabad (UP).

BOTTLE FILLING, SEALING AND WASHING MACHINE

1. Amar Mechanical Engineers, 6, Industrial Area, N 17, Faridabad – 1.
2. Amar Enterprisers (India), F11, DSIDC Industrial Complex, Rohtak Road, Nanglol, Delhi – 110 041.

BOTTLE WASHING AND DRYING MACHINES

3. Kripson and Company (I), Ranade Road, Mumbai – 400 028.

CAP SCREWING MACHINES


**BOTTLE FILLING MACHINES**

1. J.T. Jagtiani, Ntional House, 6-Tulloch Road, Apollo Bunder, Mumbai – 400 039.
3. Kripson and Company (I), Ranade Road, Mumbai – 400 028.

**COLLAPSIBLE TUBE FILLING MACHINES**


**EMULSIFIERS AND STIRRERS**

1. J.T. Jagtiani, Ntional House, 6-Tulloch Road, Apollo Bunder, Mumbai – 400 039.
2. Chemida (India), Maganlal Nagar, 347, Grant Road, Mumbai – 400 007.
3. Frederick Herbert, No. 10, 2nd Pasta Lane, Colaba, Mumbai – 400 005.
4. Gladwyn & Co., 251, Naoroji Road, Fort, Mumbai – 400 001.

**FILTER PRESSES**

2. Dashmesh Industries (India), WZ-470, M.S. Block, Hari Nagar, New Delhi 110 064.

**GLASS BOTTLES CONTAINERS**
1. Sun India Printing, B-193, Okhla Industrial Area, Phase-1, New Delhi-110 020.
2. Universal Glasses, Plot No.17, Site No.IV, Industrial Area, Sahibabad, Ghaziabad.

**GRINDING MACHINES**

1. Hindustan Metal Works, 17-B, Bhayandar Udyog Nagar, 9-Goddeo Road, Bhayandar, Thane.
3. Water Well Engineers, 20/76, S. Bhagatsingh Road, Mumbai.
4. Tirupati Industries, 8, Nand Deep Indl. Estate, Kondivitta Road, Mumbai – 400 059.

**LABEL GUMMING AND APPLYING MACHINES**

1. J.T. Jagtiani, National House, 6-Tulloch Road, Apollo Bunder, Mumbai – 400 039.

**MARKING AND PRINTING MACHINES**

1. Modern Industries, Factory Plot No.98, Sector No.24, Faridabad – 5.

**MIXERS (PLANETARY MIXER) AND OTHER CHEMICAL MACHINERY**

1. Chemida (India), Maganlal Nagar, 347, Grant Road, Mumbai – 400 007.
2. Process Machinery and Equipments, 144, Ashutosh Mukerjee Road, Flat No.7, Kolkata – 25.
3. Frederick Herbert, No.10, 2nd Pasta Lane, Colaba, Mumbai – 400 005.

**PASTE FILLING AND CRUMPING MACHINES**

1. Mather and Platt Limited, Hamilton House, 8, Graham Road, Ballard Estate, Mumbai – 400 001.
POWER FILLING MACHINES

1. Chemida (India), Maganlal Nagar, 347, Grant Road, Mumbai – 400 007.
4. Frederick Herbert, No.10, 2nd Pasta Lane, Colaba, Mumbai – 400 005.

PULVERISING MACHINES

2. Chemida (India), Maganlal Nagar, 347, Grant Road, Mumbai – 400 007.

RIBBON BLENDERS

1. Chemida (India), Maganlal Nagar, 347, Grant Road, Mumbai – 400 007.
3. Crush Machinery Manufacturers, 3rd Floor, 361, Dr. D.N. Road, Fort, Mumbai – 400 001.

SCIENTIFIC APPARATUS AND LAB EQUIPMENT

1. J.T. Jagtiani, National House, 6-Tulloch Road, Apollo Bunder, Mumbai – 400 039.
2. Toshniwal Brothers Private Limited, 198, Jamshedji Tata Road, Mumbai – 400 001.
3. Valcun-Lavel Limited, Mustafa Building, 7-A, Sir P.M. Road, Mumbai – 400 001.

LIST OF MACHINERY SUPPLIERS AND PRODUCTION OF COSMETIC PRODUCTS

LIST OF RAW MATERIAL SUPPLIERS AND PRODUCTION OF COSMETIC PRODUCTS

2. Chemhouse Marketing, 42, 1st Floor, Asiatic Commercial Arcade, Vartak Nagar, Pokhran Road, Thane (W) – 400 606.
5. WF Limited, 109 Sion (East), Mumbai – 400 022.
6. Stan-Pack Industries, B/5, Mahalaxmi Industrial, Navghar, Vasai Road (E), 401210, Dist. Thane.
7. Arofine Chemical Industries, 2/11, Arondekar Bhavan, 14 HF Society Road, Jogeshwari (E), Mumbai – 400 076.
8. Yasham Bioscience, 3/8, Nityanand Sadn, Bhardawadi JP Road, Andheri (W), Mumbai – 400 058.
14. RYM Exports, 23, Anuradha Society, Old Nagardas Road, Andheri (E), Mumbai – 400 069.
17. Evancil Cosmetics, 6/9, Kirthi Nagar, Ind. Area, New Delhi – 110 005.
18. JBT Perfumes (P) Ltd., 9/405 Laxmi Plaza, Link Road, Andheri (W), Mumbai – 400 053.
20. Oriental Carbon and Chemicals Limited, 5\textsuperscript{th} Floor, 506, Dahyog Building, 58, Nehru Place, New Delhi – 110 001.
21. Wesix Chemicals, Marshal Building, 3\textsuperscript{rd} Floor, 20, Ballard Road, Mumbai – 400 038.