



## Pre-Feasibility Study

# PRODUCTION OF SKIN WHITENING CREAM



## Medicinal Botanic Centre

**Pakistan Council of Scientific & Industrial Research Laboratories  
Complex, Peshawar.**

**Telephone # 091-9216240-42, 091-9216233 Fax.# 091-9216232**

**Note:** All services/information related to PM's youth Business Loan are free of cost

April-2014

## **1. DISCLAIMER**

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## **2. PURPOSE OF THE DOCUMENT**

The objective of the pre-feasibility study is primarily to facilitate potential entrepreneurs in project identification for investment. The project pre-feasibility may form the basis of an important investment decision and in order to serve this objective, the document/study covers various aspects of project concept development, start-up, and production, marketing, finance and business management.

The purpose of this document is to facilitate potential investors by providing them a general understanding of the business with the intention of supporting potential investors in crucial investment decisions.

The need to come up with pre-feasibility reports for undocumented or minimally documented sectors attains greater imminence as the research that precedes such reports reveal certain thumb rules; best practices developed by existing enterprises by trial and error, and certain industrial norms that become a guiding source regarding various aspects of business set-up and its successful management.

Apart from carefully studying the whole document one must consider critical aspects Provided later on, which form basis of any Investment Decision.

### **3. INTRODUCTION TO THE PRODUCT**

**Skin Whitening Cream** is one of our herbal products formulated with pure herbal and natural ingredients, which nurture and protect .Skin is colored by pigment called melanin. Whitening depigmentation and treatment of skin discoloration are mostly based on inhibition of enzyme tyrosinase which is responsible for melanin synthesis **SKIN Whitening Cream Herbal** is blended with extracts of herbs that exhibit potent tyrosinase without any side effects, since it has been developed with natural controlling ingredients such as:

Licorice extract, Lemon juice, Aloe Vera gel, Kojic acid are all tyrosinase inhibitor, which inhibit the enzymes without being cytotoxic effect. These extract show a fairly potent. Kojic acid a fungal metabolic product. All these naturally derived ingredients prevent the formation of melanin resulting in a lighter skin colour and more even tone.

### **4. CRITICAL FACTORS**

- Energy electricity factors.
- Lack of marketing and advertising of the products in public sector.
- Higher prices make the quality products less reachable as compare to cheap and low grade products.
- Prior experience and related /education in the related field of business.

### **5. INSTALLED & OPERATIONAL CAPACITIES**

See the number 9 (PROJECT COST  
SUMMARY)

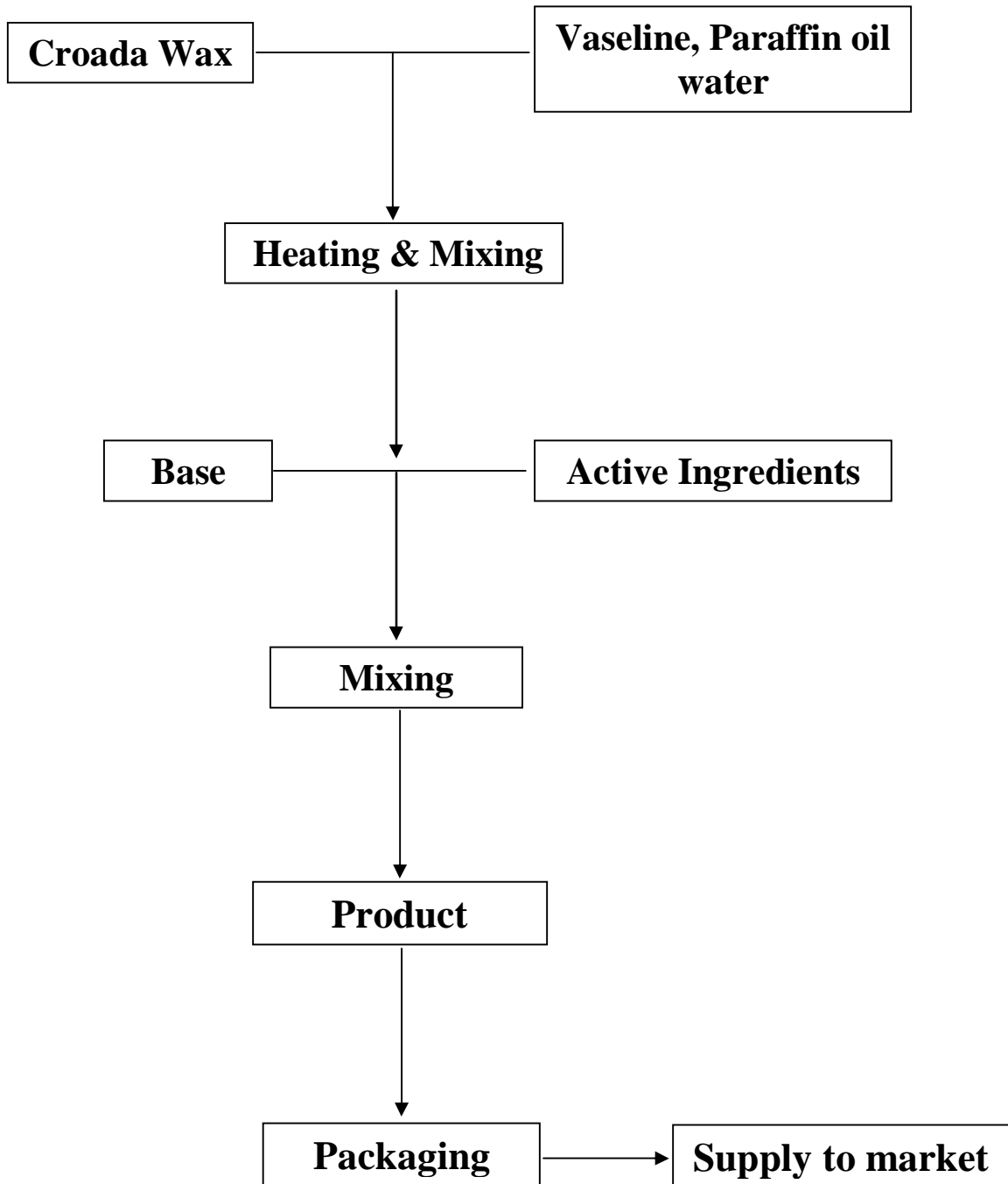
### **6. GEOGRAPHICAL POTENTIAL FOR INVESTMENT**

Peshawar, Nowshera, Mardan, Charsadda and Swabi are five key clusters for Nutraceutical products. Production unit can be established in the suburbs / periphery areas of these cities.

### **7. POTENTIAL TARGET MARKETS**

Local Pharmaceutical & Nutraceutical Industries

## 8. PRODUCTION PROCESS FLOW



## 9. PROJECT COST SUMMARY

A detailed financial model has been developed to analyze the commercial viability of skin whitening cream under the 'Prime Minister's Youth Business Loan' scheme the project. Various cost and revenue related assumptions along with results of the analysis are outlined in this section

**Name of product/ Activity:** Skin whitening Cream

**Capacity: 10 Kg**

**Production time per batch:** 10 kg/week

**Packing Size:** 25 gm

### 9.1 Project Economics

The following table shows internal rate of return, payback period and Net Present Value;

**Table 1: Project Economics**

Description	Details
Internal Rate of Return (IRR)	58.75 %
Payback Period (yrs)	-
Net Present Value (NPV)	-

### 9.2 Project Financing

Following table provides details of the equity required and variables related to bank loan;

**Table 2: Project Financing**

Description	Details
Total Equity (10%)	
Bank Loan (90%)	
Markup to the Borrower (% age/annum)	
Tenure of the Loan (Years)	
Grace Period (Year)	

### 9.3 Project Cost

Following requirements have been identified for the operation of the proposed business. A rental premise has been recommended for this project.

**Table 3: Project Cost**

Capital Investment	Amount (Rs.)
Machinery	71,000

Furniture and Fixture	89,000
Office Equipment	64,000
Technology Charged TBIC	100,000
Preoperational expenses	100,000
<b>Total Capital Cost</b>	<b>424,000</b>

Initial Working Capital	180,000
<b>Total Project Cost</b>	<b>604000/-</b>

#### 9.4. Space Requirement

The area has been calculated on the basis of space requirement for production, management and storage. However, the units operating in the industry do not follow any set pattern. Following table shows calculations for project space requirement.

**Table 4: Space Requirement**

Space Requirement	Yards
Management building	4 x 4
Processing area	7 x 10
Open area	10 x 10
<b>Total Area</b>	<b>504 Square Yard</b>

#### 9.5 Machinery and Equipment

Following table provides list of machinery and equipment required for an average exotic leather processing unit raw to finish.

**Table 5: Machinery & Equipments**

Equipment Description	Quantity	Cost Rs/unit	Total Rs.
Shaker (Stainless Steel)/Stirrer	01	30,000	30,000
Bucket ( 20 liters )	05	1000	5000
Working tables with stone surface	01	15000	15000
Gloves	100	10	1000
Lab coats	04	1000	4000
Packing Tubes	1000 tubes	15	15000
Tools, gauges, patterns, knives, scissors, etc.	10	100	1000
<b>Total</b>			<b>71,000</b>

**Note:** The cost may vary at the time of purchase.

## 9.6 Furniture & Fixture

Following furniture and fixture will be required for the unit:

**Table 6: Furniture & Fixture**

Details	Quantity	Cost/unit	Amount (Rs.)
Office / Visitor Chairs	6	2500	15000
Office Tables	01	12000	12000
Fans (Pedestal and Ceiling)	04	3000	12000
Air Conditioner (1.5 ton Split) for office	01	50000	50000
<b>Total</b>			<b>89000</b>

## 9.7. Office Equipment

Office equipment comprises of necessary IT equipment items.

**Table 7: Office Equipment**

Details	Quantity	Cost	Amount (Rs.)
laptop	1	50,000	50000
Computer Desktop	1	12000	12000
Computer printer	1	2,000	2000
<b>Total</b>			<b>64000</b>

## 9.8 Raw Material Requirements

The raw materials are easily available in local market..

**Table 8: Cost of Materials**

Unit	Rate (Rs.)	Amount for 500 kg
Chemical	35000	175000
Electric , water ,	5000	25000
<b>Cost per Unit</b>		<b>200000</b>

### 9.9 Human Resource Requirement

Following table provides details of human resource required for this venture:

**Table 9: Human Resource Requirement**

Description	No. of Employees	Salary per employee per month (Rs)
Scientists/ Technologist	1	30,000
Un-skilled persons	3	24,000
<b>Total Staff</b>	<b>4</b>	<b>54,000</b>

Salaries of all employees are estimated to increase at 10% annually.

### 9.10 Revenue Generation

**Table 10: Revenue Generation**

Product	Sales Price (Rs./Unit)	First Year production Quantity	First Year Sales Revenue
Skin whitening Cream	41.25/25 gm	36000 tubes	1485000 (58.75%)

## 10. CONTACT DETAILS

**Dr. Inayat ur Rahman,**  
**Principal Scientific Officer**  
**PCSIR Labs. Complex,**  
**University Road, Peshawar**  
**Contact # 091-9216233**