



PROJECT REPORT ON HARBAL SHAMPOO



Govt. of Uttarakhand

Directorate of Industries, Uttarakhand
Industrial Area Patel Nagar, Dehradun.
Tele No: 0135-2728227 | Fax No : 2728226
Website- www.doiuk.org | Email- mpr@doiuk.org



PROJECT HIGHLIGHTS

PROPRIETOR : XXXXX
ADDRESS OF THE PROPRIETOR : YYYYY
DIST..... STATE.....
CONSTITUTION : PROPRIETORSHIP
CATEGORY OF UNIT : MICRO UNIT
FATHER NAME : XXXXXX
DATE OF BIRTH : XX-YY-ZZZZ
CATEGORY OF THE PROPRIETOR : XXXXXX
QUALIFICATION : XXXXXX
LOCATION OF UNIT : XXXXXX
PROPOSED PROJECT : HERBAL SHAMPOO
NAME OF SCHEME : PRIME MINISTER'S EMPLOYMENT
GENERATION PROGRAMME
UNIT (OWN/RENTED) : OWNED/RENTED

(A) TOTAL COST OF PROJECT : Rs.5,00,000

(1) PLANT & MACHINERY Rs.4,00,000

(2) WORKING CAPITAL LIMIT Rs.1,00,000

(B) MEANS OF FINANCE : Rs.5,00,000

(1) TERM LOAN FOR MACHINERY & TOOLS Rs. 3,75,000

(2) WORKING CAPITAL LIMIT FROM BANK Rs. 1,00,000

(3) PROMOTOR'S CONTRIBUTION Rs. 25,000

(C) SPECIAL FACILITY :

PMEGP SUBSIDY UNDER KVIB : Rs.1,75,000

UNDER PMEGP

EMPLOYMENT POTENTIAL : 08PERSONS

NORMAL WORKING HOUR : 8HOURS



INTRODUCTION

Shampoo occupies a prominent and very important place among the products available today. Due to the increasing awareness and importance of cleanliness and healthiness of hair, the use of “HERBAL SHAMPOO” is increasing every day. Earlier the use of HERBAL SHAMPOO was confined to the upper and upper middle classes of urban society, but with increasing awareness the use of HERBAL SHAMPOO has become well established in even rural house holds. Herbal Shampoo is used to make out hair Healthy, Shining, soft Black and strong.

PROMOTER & MANAGEMENT

The promoter is reported to have good financial standing presently. The Promoters is actively associated with the implementation of the project. Promoter is over all in charge of the working of the unit.

MARKET AND DEMAND

Future demand for Herbal Shampoo depends upon the per capita rate of consumption and segment of population using shampoo. While asking about the consumer, it is understood that most of the consumers still use shampoo only once or twice in a week. Average consumption is under stood to be 1 to 1.5 kg. Per annum per person. That is average size family required around 500 ml each amonth.The demand in past is found to have increased with increase in number of middle class population.Herbal shampoo will be packed in plastic bottles of 50 ml, 100 ml and 200 ml. There are approximately 350 units of Ayurvedic medicine manufacturers are located in Uttar Pradesh out of them only very few units are engaged in manufacturing Herb Based shampoo whereas the demand of herbal products is increasing day by day.



MAJOR BENEFITS OF THE PROJECT

- I. Easy availability of material.
- II. Job opportunity for local people.

FURNITURE, FIXTURES ETC.

The total estimated cost of required Furniture & Fixtures would be Rs.- 20,000.00/-.

PREOPERATIVE EXPENSES

The total estimated cost of required Preoperative Expenses would be Rs.- 5,000/-.

PLANT, MACHINERY AND EQUIPMENTS

Plant, Machinery, Tools, Shed and other equipment's required for the proposed unit are available indigenously. The various items required for installation of Rs. 3,75,000/- details as per quotation attached herewith.

QUALITY CONTROL

The concern proposed to set up above unit for which provision testing equipment have been proposed in the project report.

TECHNICAL KNOW- HOW

The process for sale of products is simple and no sophisticated technology is involved. There is no requirement of any type of technical knowhow.



TRANSPORTATION

The proposed location is connected by road and near to the city. Thus the unit is not likely to face difficulty on account of transportation.

UTILITIES

a) **Power:**

The total connected load for the smooth operations of the unit has been estimated and Electricity connection will be obtained as per required load including lighting load if required.

b) **Water:**

The water will be available. Necessary provision for storage of water and water supply has been made in the project cost.

MANPOWER

The unit would require total manpower of person of different category. The details of salary/wages proposed to be paid together with annual Salary/wages bill is given in separate annexure.

DEPRECIATION

The depreciation on fixed assets has been computed in annexure of this project report in accordance with the admissibility of the same under the Income Tax Act, 1961.



TRAINING

Applicant has to complete two week EDP training specially designed for the purpose, which will be organized by KVIC/KVIB/DIC or the institution organized by or under the administration control of Minister of MSME or any other training center of repute before disbursement of loan by the bank. After the successfully completion of EDP training arranged by the KVIC/KVIB/DIC, the beneficiary will deposit his own contribution in the bank as per the guideline of scheme.

CAPITAL SUBSIDY UNDER PMEGP

Unit is eligible to get capital subsidy under Prime Minister Employment Generation Programme 35% of the total cost of the project (except cost of land). Total subsidy to be received Rs. 1,75,000/-

TERM LOAN AND WORKING CAPITAL LOAN PMEGP SCHEME

The unit proposed to have Term loan UNDER PMEGP of Rs. 3,75,000/- & working capital limit of Rs. 1,00,000/- Own contribution of unit will be Rs. 20,000/-, which is five percent of total cost of project. The total project cost will be Rs.5,00,000/-.

LOAN REPAYMENT SCHEDULE

Total Term Loan	:	Rs. 3,75,000/-
Total Duration	:	5 Years
From the next year		
Each yearly instalment	:	Rs. 75,000/-
Total instalments	:	Rs. 75,000*5 = Rs. 3,75,000/-

Total		Rs. 3,75,000/--
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INTEREST COMPUTATION

Interest computation is given in Annexure 6.

PROJECTED INCOME/PROFITABILITY

The projected Income & profitability statement has been shown in the attached profit & loss account. Projected Balance sheet for the next five years is also enclosed as here for the reference.

ECONOMIC VIABILITY

Based on the projections attached it is observed that sufficient revenue shall be generated through operations served & it indicates the economic viability of the proposal. Hence the project can be considered as economically favourable and viable.

CONCLUSION

Based on the grounds discussed aforesaid it is concluded that project is economically & feasibly viable and should be considered favourably.



HARBAL SHAMPO

ADDRESS: XXXX

FINANCIAL ASPECTS OF THE

A. FIXED CAPITAL

I-Plant & Machineries:

S.No	
1	
2	
3	
4	
5	
6	
7	

II-Other Fixed Assets:

S.No	
1	
2	



III-Preliminary & Pre-operative expenses:

S.No
1
2

TOTAL FIXED CAPITAL

S.No
1
2
3

B. WORKING CAPITAL

I- Raw Material (Per Month):

S.No
1
2

**II- Man power (Per Month):**

S.No		
	1	S
	2	S

III- Utilities (Per Month):

S.No		
1		
2		
3		

IV- Misc. or other expenses: (Per Month)

S.No		
	1	
	2	



TOTAL WORKING CAPITAL

S.No
1
2
3
4

C-ANNUAL SALES REAL

S.No
1

D-BREAK EVEN POINT

(BASED ON FIRST YEAR OF OPERATION)

S.No	FIXED COST	Amount (Rs.)
1	Interest on loan	40023
2	Depreciation	58000
3	Man power expenses (40%)	86400
4	Operating expenses (40%)	393600
	Total	578023
	BEP =	Fixed Cost * 100
		57802344
		Fixed Cost + Net Profit
		867817
		66.61



HARBAL SHAMPOO

ADDRESS : XXXXX

Annexure-1

PROJECTED BALANCE SHEET

(Rs. In '000)

PARTICULARS	Operating Years				
	1st	2nd	3rd	4th	5th
<u>A-SOURCES:-</u>					
I) CAPITAL / OWN CONTRIBUTION	25	315	639	998	1391
ADD:- PROFIT	290	325	359	393	426
TOTAL	315	639	998	1391	1816
<u>II) LOAN FUNDS</u>					
<u>SECURED LOANS</u>					
Term Loan from Bank	300	225	150	75	0
C/C Limit from Bank	100	100	100	100	100
III) Margin Money under PMEGP	175	175	175	-	-
TOTAL (I+II)	715	964	1248	1566	1916
<u>B- APPLICATION:-</u>					
I) FIXED ASSETS					
GROSS BLOCK	395	395	395	395	395
LESS: ACC.DEPRICIATION	58	108	151	187	217
TOTAL	337	287	244	208	178
II) CURRENT ASSETS LOANS & ADVANCES					
PRELIMINERY EXPENSES	5	5	5	5	5
INVENTORIES	-	-	-	-	-
SUNDERY RECEIVABLES	142	149	156	163	170
CASH & BANK BALANCES	180	452	745	1075	1432
LOANS & ADVANCES	125	150	180	200	220
TOTAL	452	756	1086	1443	1827



III) CURRENT LIABILITIES & PROVISIONS					
SUNDERY CREDITOR	35	35	35	35	35
PROVISION FOR TAXATAION	2	4	6	8	10
EXPENSES PAYABLE	37	39	41	43	45
TOTAL	74	78	82	85	89
IV) NET CUREENT ASSETS (II-III)	378	677	1004	1358	1738
V) Margin Money under PMEGP	175	175	175	-	-
TOTAL (I+IV)	715	964	1248	1566	1916



HARBAL SHAMPOO					
					Annexture-2
ADDRESS : XXXXX					
PROJECTED COST OF PRODCUTION AND PROFITABILITY					
					(Rs. In '000)
Particulars	Operating Years				
	1st	2nd	3rd	4th	5th
Capacity Utilization	50%	55%	60%	65%	70%
A- INCOMES :					
GROSS RECEIPTS	1700	1785	1870	1955	2040
CLSOING STOCK	-	-	-	-	-
TOTAL (A)	1700	1785	1870	1955	2040
B- EXPENSES					
OPENING STCOK	-	-	-	-	-
PURCHASES AND CONSUMPTION	840	882	924	966	1008
SALARY & WAGES	216	227	238	248	259
UTILITIES EXPENSES	60	63	66	69	72
Total (B)	1116	1172	1228	1283	1339
C- GROSS PROFIT (A-B)	584	613	642	672	701
ADMINISTRATIVE COST	84	88	92	97	101
SELLING & DISTRIBUTION EXPENSES	85	89	94	98	102
DEPRICIATION	58	50	43	36	30



FINANCIAL CHARGES					
Interest on Term Loan @11.75%	40	31	22	14	5
Interest on CC Limit @10.00%	10	10	10	10	10
Bank Charges	15	16	17	17	18
D-TOTAL	292	284	278	271	266
E- PROFIT BEFORE TAX (C - D)	292	329	365	400	435
F- PROVISION FOR TAXATION	2	4	6	8	10
G- NET PROFIT AFTER TAX	290	325	359	393	426



HARBAL SHAMPOO					
ADDRESS : XXXXX					
					Annexture-3
PROJECTED CASH FLOW STATEMENT					
					(Rs. In '000)
PARTICULARS	Operating Years				
	1st	2nd	3rd	4th	5th
<u>A-SOURCE OF FUND</u>					
-					
1. Increase in Capital	25	-	-	-	-
2. Increase in Term Loan	375	-	-	-	-
3. Increase in C/C Limit	100	0	0	0	0
4. Profit / (Loss)	290	325	359	393	426
5. Depreciation added back	58	50	43	36	30
6. Increase in Creditors	74	4	4	4	4
TOTAL (A)	922	378	405	432	459
<u>B-DISPOSAL OF FUND</u>					
<u>i) FIXED ASSETS PURCHASED</u>					
1. Furniture & Fixtures	20	-	-	-	-
2. Plant & Machinery	375	-	-	-	-
<u>ii) CURRENT ASSETS</u>					
3. Increase in Stock	-	-	-	-	-
4. Increase in Debtors	142	7	7	7	7
5. Increase in Preliminary Exp.	5				
6. Increase in Loans & Advances	125	25	30	20	20
<u>iii) OTHERS</u>					
7. Payment of Term Loan	75	75	75	75	75



8. Decrease in Creditors	0				
TOTAL (B)	742	107	112	102	102
Opening Cash & Bank Balance	0	180	452	745	1075
Surplus/(Deficit) (A - B)	180	271	293	330	357
Closing Cash & Bank Balance	180	452	745	1075	1432



HARBAL SHAMPOO

ADDRESS : XXXXX

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COMPUTATION OF DEPRECIATION

Depreciation under WDV Method:

(Rs. in '000')

Particulars	Furniture & Fixture	Plant & Machinery	Total
Rate as per I.Tax Act	10%	15%	
Value of Assets at beginning	20	375	395
1st year Dep.	2	56	58
Balance at the end of 1st year	18	319	337
2nd year Dep.	2	48	50
Balance at the end of 2nd year	16	271	287
3rd year Dep.	2	41	43
balance at the end of 3rd year	14	230	244
4th year Dep.	1	35	36
balance at the end of 4th year	13	195	208
5th year Dep.	1	29	30



HARBAL SHAMPOO

ADDRESS : XXXXX

Annexture-5

PROJECTED FINANCIAL RATIOS

(Rs. In '000)

PARTICULARS		Operating Years				
		1st	2nd	3rd	4th	5th
1. CURRENT RATIO	CURRENT ASSETS	452	756	1086	1443	1827
	CURRENT LIABILITIES	174	178	182	185	189
	=	2.59 TIMES	4.24 TIMES	5.97 TIMES	7.78 TIMES	9.66 TIMES
2. GROSS PROFIT RATIO	GROSS PROFIT	584	613	642	672	701
	SALES	1700	1785	1870	1955	2040
	=	34.35%	34.35%	34.35%	34.35%	34.35%
3. NET PROFIT RATIO	NET PROFIT	290	325	359	393	426
	SALES	1700	1785	1870	1955	2040
	=	17.05%	18.19%	19.18%	20.08%	20.86%
4. DSCR	PAT+DEP.+INTT. ON TERM LOAN	388	406	424	442	460
	INTEREST+LOAN INSTALMENT	115	106	97	89	80
	=	3.37 TIMES	3.82 TIMES	4.35 TIMES	4.99 TIMES	5.77 TIMES
5. INTT. COVERAGE RATIO	PAT+DEP.+INTT.	398	416	434	452	470
	INTEREST	50	41	32	24	15
	=	7.95 TIMES	10.09 TIMES	13.40 TIMES	19.17 TIMES	31.84 TIMES



6. DEBT EQUITY RATIO	TOTAL TERM LIABILITY	300	225	150	75	0
	TOTAL NET WORTH	315	639	998	1391	1816
	=	0.95 TIMES	0.35 TIMES	0.15 TIMES	0.05 TIMES	0.00 TIMES
7. STABILITY/GEARING RATIO	TOTAL OUTSIDE LIABILITY	400	325	250	175	100
	TOTAL NET WORTH	315	639	998	1391	1816
	=	1.27 TIMES	0.51 TIMES	0.25 TIMES	0.13 TIMES	0.06 TIMES



HARBAL SHAMPOO				
ADDRESS : XXXXX				
Loan Amount Rs. 375000				Annexture-6
Rate of Interest 11.75%				
Tenure			5 Years	(Rs. In '000)
Sl.No.	Installment	Interest	Principal	Balance Loan
1st Year	115	40	75	300
2nd Year	106	31	75	225
3rd Year	97	22	75	150
4th Year	89	14	75	75
5th Year	80	5	75	0



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This project report is only for the purpose of reference and will give an idea and guidance to budding and existing entrepreneurs on how to prepare a project Report. The readers will come to know about the key components of a project. Every earnest-effort has been made in collecting the data and information available on the subject from different offline and online sources. This report (including any enclosures and attachments) has been prepared solely for the purpose for which it is provided.

Department suggest entrepreneurs to survey the market properly to find the actual cost of fixed assets and working capital. The actual cost of the project or industry will vary according to different elements like location, local regulation, financial requirements of industry, capacity, type of industry, cost of resources and other direct and indirect costs related to the project.

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Prepared by



**THE NATIONAL INSTITUTE FOR ENTREPRENEURSHIP AND
SMALL BUSINESS DEVELOPMENT (NIESBUD)**
(Ministry of Skill Development and Entrepreneurship, Govt. of India)
HEAD OFFICE : A-23, Sector-62, NOIDA-201309 (U.P.)
Web. : www.niesbud.nic.in
REGIONAL OFFICE : NSTI Campus, Green Park Colony, Niranjanpur,
PO - Majra, Dehradun - 248171 (Uttarakhand)