



MODEL PROJECT REPORT



PROJECT REPORT ON BEAUTY PARLOUR

SWAVALAMBI BHARAT ABHIYAN

PROJECT AT A GLANCE

- 1 Name of the Entrepreneur : XXXXXXXX
- 2 Constitution (legal Status) : XXXXXXXX
- 3 Father's/Spouce's Name : XXXXXXXX
- 4 Unit Address : XXXXXXXX

Taluk/Block: XXXXX
 District : XXXXX
 Pin: XXXXX State: XXXXX
 E-Mail : XXXXX
 Mobile XXXXX
- 5 Product and By Product : -
- 6 Name of the project / business activity proposed : Beauty Parlour Services Unit
- 7 Cost of Project : Rs. 17.07 Lacs
- 8 Means of Finance
 Term Loan Rs. 13.50 Lacs
 KVIC Margin Money As per Project Eligibility
 Own Capital Rs. 1.71 Lacs
- 9 Debt Service Coverage Ratio : 2.64
- 10 Pay Back Period : 5 Years Years
- 11 Project Implementation Period : 6 Months Months
- 12 Break Even Point :
- 13 Employment : 6 Persons
- 14 Power Requirement : 4 KWH
- 15 Major Raw materials : Hair Shampoo, Hair Dye,Face Cream,Aceton,Hair Spray,Hair Gel, Lotions
- 16 Estimated Annual Sales Turnover : Rs. 21.60 Lacs
- 16 Detailed Cost of Project & Means of Finance

COST OF PROJECT

(Rs. In Lacs)

Particulars	Amount		
Land	Rented / Owned		
Plant & Machinery	4.00		
Furniture & Interior Furnishing	11.00		
Working Capital Requirement	2.07		
Total	17.07		

MEANS OF FINANCE

Particulars	Amount		
Own Contribution 10%	1.71		
Term Loan	13.50		
Working capital	1.87		
Total	17.07		
	General	Special	
KVIC Margin Monery Urban	15%	25%	
KVIC Margin Monery Rural	25%	35%	

BEAUTY PARLOUR



INTRODUCTION:

Beauty parlour is a service-oriented establishment in which women receive treatment to increase their beauty. Skin care, facial make up, hair nourishment and model hair cutting are the most important nourishing activities of a beauty parlour. The use of machinery, ayurvedic formulations and approved synthetic chemicals and medicines vary from person to person as per need. In present project the provision of different beauty therapy is present with use of limited number of machineries.

MARKET DEMAND:

Beauty culture training is now-a-days, imparted by number private organizations and trained ladies try to set up their beauty par lour in medium and small towns throughout India. The easily availability of different herbal preparation, cosmetic items helps to maintain quality of service of these beauty par lour. The demand of attending beauty parlour centre is mostly found in age group 18-48 years. In population growth, the growth of this age group is now found to be highest in India. In good beauty parlour even the customers have to wait for days together with an advance booking This type of service centres are also getting good orders to serve the bride, in marriage functions and in different similar occasions. Depending on work load, they appoint fresh trainees and also open branches in different towns. Punctuality in opening and closing the parlour every day, customer dealing, serving and satisfaction of customers as a whole plays a vital role in improving the market demand of such service centre.

BASIS AND PRESUMPTION:

1. 300 working days have been considered per annum.
2. Minimum labour wages have been considered.
3. 11% rate of interest has been taken into account.

IMPLEMENTATION SCHEDULE:

Preparation of project profile and regn. With DIC 1 month
Availability of finance 2 months
Selection of site 1 month
Machinery installation and procurement of
Raw material 1 month
Recruitment of staff and trial run 1 month
6 months

ENERGY CONSERVATION:

Required Electricity shall be provided by the Electricity Department and D.G set may be used for the accomplishment of the project.

The workers must be aware of unnecessary utilization of electricity.

ENVIRONMENTAL POLLUTION:

This unit is no way linked with serious pollution hazards. However, the authority should provide gloves to handle chemicals and should maintain good working environment.

TECHNOLOGY:

The beauty therapy is basically classified in items like hair cutting, nourishment of hair, dyeing of hair, prevention of hair fall, facial, treatment of pimples, pedicure etc.

Facial itself is a very vast subject in which eye brow shaping, cleaning of face to remove dirt, application of cream and herbal extracts to nullify the aging and to cover wrinkles etc.

As per the demand, special application of natural colour to increase the beauty or aesthetic sense, use of eye pencil in eyebrow, eye lashes also measure the quality of the service provided by the parlour. Hair colouring with natural herbs, nail shaping, colourings, pedicure, manicure are also some additional service activities from which the centre earns good profit as well as good name and fame.

All these activities are performed by experienced beauticians in respective fields. The authority should appoint experts in facial activities, in hair treatment, pimple treatment and pedicure, manicure, separately to improve the quality of servicing and to create confidence among the new customers. The technique of application of dye to hair, natural herbal extracts colours to cheeks are all scientifically regulated to impart best result. It also varies from training institute to training institute. The ultimate aim is the customer's satisfaction.

PROJECTED BALANCE SHEET

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
<u>SOURCES OF FUND</u>					
Capital Account	1.71	1.71	1.71	1.71	1.71
Retained Profit	4.06	9.08	15.87	24.35	33.78
Term Loan	10.80	8.10	5.40	2.70	-
Cash Credit	1.87	1.87	1.87	1.87	1.87
Sundry Creditors	0.30	0.34	0.38	0.43	0.43
TOTAL :	18.73	21.09	25.23	31.05	37.78
<u>APPLICATION OF FUND</u>					
Fixed Assets (Gross)	15.00	15.00	15.00	15.00	15.00
Gross Dep.	1.70	3.20	4.52	5.69	6.73
Net Fixed Assets	13.30	11.80	10.48	9.31	8.27
Current Assets					
Sundry Debtors	1.08	1.26	1.44	1.62	1.62
Stock in Hand	1.30	1.44	1.64	1.85	1.85
Cash and Bank	3.06	6.59	11.67	18.28	26.04
TOTAL :	18.73	21.09	25.23	31.05	37.78
	-	-	-	-	-

PROJECTED CASH FLOW STATEMENT

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
<u>SOURCES OF FUND</u>					
Share Capital	1.71	-			
Reserve & Surplus	4.51	5.58	7.54	9.42	10.48
Depriciation & Exp. W / off	1.70	1.50	1.32	1.17	1.03
Increase in Cash Credit	1.87	-	-	-	-
Increase In Term Loan	13.50	-	-	-	-
Increase in Creditors	0.30	0.03	0.05	0.05	-
TOTAL :	23.58	7.12	8.92	10.63	11.51
<u>APPLICATION OF FUND</u>					
Increase in Fixed Assets	15.00	-	-	-	-
Increase in Stock	1.30	0.14	0.21	0.21	-
Increase in Debtors	1.08	0.18	0.18	0.18	-
Repayment of Term Loan	2.70	2.70	2.70	2.70	2.70
Taxation	0.45	0.56	0.75	0.94	1.05
TOTAL :	20.53	3.58	3.84	4.03	3.75
Opening Cash & Bank Balance	-	3.06	6.59	11.67	18.28
Add : Surplus	3.06	3.54	5.08	6.61	7.76
Closing Cash & Bank Balance	3.06	6.59	11.67	18.28	26.04

PROJECTED PROFITABILITY STATEMENT

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
Capacity Ulisation %	60%	70%	80%	90%	90%
A) SALES					
Gross Sale(Beauty Parlour Services)	32.40	37.80	43.20	48.60	48.60
Total (A)	32.40	37.80	43.20	48.60	48.60
B) COST OF SALES					
Raw Mateiral Consumed	12.96	14.36	16.42	18.47	18.47
Elecricity Expenses	0.55	0.65	0.74	0.83	0.83
Repair & Maintenance	-	1.89	2.16	2.43	2.43
Labour & Wages	4.08	4.49	4.94	5.43	5.97
Depreciation	1.70	1.50	1.32	1.17	1.03
Cost of Production	19.29	22.89	25.58	28.33	28.74
Add: Opening Stock /WIP	-	-	-	-	-
Less: Closing Stock /WIP	-	-	-	-	-
Cost of Sales (B)	19.29	22.89	25.58	28.33	28.74
C) GROSS PROFIT (A-B)	13.11	14.91	17.62	20.27	19.86
	40%	39%	41%	42%	41%
D) Bank Interest (Term Loan)	1.37	1.08	0.78	0.48	0.19
Bank Interest (C.C. Limit)	0.21	0.21	0.21	0.21	0.21
E) Salary to Staff	2.16	2.38	2.61	2.87	3.16
F) Selling & Adm Expenses Exp.	4.86	5.67	6.48	7.29	5.83
TOTAL (D+E)	8.60	9.33	10.08	10.85	9.39
H) NET PROFIT	4.51	5.58	7.54	9.42	10.48
I) Taxation	0.45	0.56	0.75	0.94	1.05
J) PROFIT (After Tax)	4.06	5.02	6.79	8.48	9.43
K) DIVIDEND	-	-	-	-	-
L) RETAINED PROFIT	4.06	5.02	6.79	8.48	9.43

COMPUTATION OF PROVIDING BEAUTY PARLOUR SERVICES**Services to be Provided**

Facial, Hair Cutting, Manicure, Pedicure, Herbal Therapy, Massage etc

Full Capacity		30	Customers Per day
		-	
No. of Working Hour		10	
No of Working Days per month		30	
No. of Working Day per annum		360	
Total Customers per Annum	-	10,800.00	Customers per Annum
		-	
Year		Capacity Utilization	
IST YEAR		60%	6,480.00
IIND YEAR		70%	7,560.00
IIIRD YEAR		80%	8,640.00
IVTH YEAR		90%	9,720.00
VTH YEAR		90%	9,720.00

COMPUTATION OF SERVICE

Particulars	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
Customers	6,480.00	7,560.00	8,640.00	9,720.00	9,720.00
Total Customers per Annum	6,480.00	7,560.00	8,640.00	9,720.00	9,720.00
Average Rate per Customer	500.00	500.00	500.00	500.00	500.00
Sale (in Lacs)	32.40	37.80	43.20	48.60	48.60

COMPUTATION OF CLOSING STOCK & WORKING CAPITAL

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR	
(	-	-	-	-	-	
Raw Material						
(30 Days requirement)	1.30	1.44	1.64	1.85	1.85	
Closing Stock	1.30	1.44	1.64	1.85	1.85	

COMPUTATION OF WORKING CAPITAL REQUIREMENT

Particulars	Total		Own		Bank
	Amount		Margin		Finance
Stock in Hand	1.30	10%	0.13	90%	1.17
Sundry Debtors	1.08	10%	0.12	90%	0.96
	2.38		0.25		2.13
Sundry Creditors	0.30	10%	0.04	90%	0.26
	2.07		0.21		1.87
WORKING CAPITAL (HYP) FRESH DEMAND			1.87		
			1.87		

COMPUTATION OF ELECTRICITY

(A) POWER CONNECTION				
Total Working Hour per day			10 Hrs	
Electric Load Required			4 KWH	
Load Factor			0.08	
Electricity Charges			7 per unit	
Total Working Days			300	
Electricity Charges (10 Hrs Per day)				
=10*300 * 7 * 4				84,000.00
Add : Minimim Charges (@ 10%)				8,400.00
				92,400.00
Total cost of Power & Fuel at 100%				0.92
Year		Capacity		Amount
				(in Lacs)
IST YEAR		60%		0.55
IIND YEAR		70%		0.65
IIIRD YEAR		80%		0.74
IVTH YEAR		90%		0.83
VTH YEAR		90%		0.83

BREAK UP OF LABOUR

Particulars		Wages	No of	Total
		Per Month	Employees	Salary
Beautician Experts		12,000.00	1	12,000.00
Beautician		8,000.00	2	16,000.00
Unskilled Worker		6,000.00	1	6,000.00
				34,000.00

Annual Cost (in lacs)

4.08

BREAK UP OF SALARY

Particulars		Salary	No of	Total
		Per Month	Employees	Salary
Accountant		10,000.00	1	10,000.00
Marketing Executive		8,000.00	1	8,000.00
Total Salary Per Month				18,000.00

Annual Cost (in lacs)

2.16

COMPUTATION OF DEPRECIATION

Description	Land	Plant &	Furniture	TOTAL
		Machinery		
Rate of Depreciation		15.00%	10.00%	
Opening Balance	Leased	-	-	-
Addition	-	4.00	11.00	15.00
	-	4.00	11.00	15.00
Less : Depreciation	-	0.60	1.10	1.70
WDV at end of Ist year	-	3.40	9.90	13.30
Additions During The Year	-	-	-	-
	-	3.40	9.90	13.30
Less : Depreciation	-	0.51	0.99	1.50
WDV at end of IIInd Year	-	2.89	8.91	11.80
Additions During The Year	-	-	-	-
	-	2.89	8.91	11.80
Less : Depreciation	-	0.43	0.89	1.32
WDV at end of IIIrd year	-	2.46	8.02	10.48
Additions During The Year	-	-	-	-
	-	2.46	8.02	10.48
Less : Depreciation	-	0.37	0.80	1.17
WDV at end of IV year	-	2.09	7.22	9.31
Additions During The Year	-	-	-	-
	-	2.09	7.22	9.31
Less : Depreciation	-	0.31	0.72	1.03
WDV at end of Vth year	-	1.77	6.50	8.27

REPAYMENT SCHEDULE OF TERM LOAN

11%

Year	Particulars	Amount	Addition	Total	Interest	Repayment	CI Balance
I ST YEAR	Opening Balance						
	I st Quarter	13.50	-	13.50	0.37	0.68	12.83
	I ^{ind} Quarter	12.83	-	12.83	0.35	0.68	12.15
	I ^{ll} rd Quarter	12.15	-	12.15	0.33	0.68	11.48
	I ^v th Quarter	11.48	-	11.48	0.32	0.68	10.80
					1.37	2.70	
I ^{IND} YEAR	Opening Balance						
	I st Quarter	10.80	-	10.80	0.30	0.68	10.13
	I ^{ind} Quarter	10.13	-	10.13	0.28	0.68	9.45
	I ^{ll} rd Quarter	9.45	-	9.45	0.26	0.68	8.78
	I ^v th Quarter	8.78		8.78	0.24	0.68	8.10
					1.08	2.70	
I ^{IIRD} YEAR	Opening Balance						
	I st Quarter	8.10	-	8.10	0.22	0.68	7.42
	I ^{ind} Quarter	7.42	-	7.42	0.20	0.68	6.75
	I ^{ll} rd Quarter	6.75	-	6.75	0.19	0.68	6.07
	I ^v th Quarter	6.07		6.07	0.17	0.68	5.40
					0.78	2.70	
I ^{VTH} YEAR	Opening Balance						
	I st Quarter	5.40	-	5.40	0.15	0.68	4.73
	I ^{ind} Quarter	4.73	-	4.73	0.13	0.68	4.05
	I ^{ll} rd Quarter	4.05	-	4.05	0.11	0.68	3.38
	I ^v th Quarter	3.38		3.38	0.09	0.68	2.70
					0.48	2.70	
V TH YEAR	Opening Balance						
	I st Quarter	2.70	-	2.70	0.07	0.68	2.03
	I ^{ind} Quarter	2.03	-	2.03	0.06	0.68	1.35
	I ^{ll} rd Quarter	1.35	-	1.35	0.04	0.68	0.67
	I ^v th Quarter	0.67		0.67	0.02	0.68	0.00
					0.19	2.70	

CALCULATION OF D.S.C.R

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
<u>CASH ACCRUALS</u>	5.76	6.52	8.11	9.65	10.46
Interest on Term Loan	1.37	1.08	0.78	0.48	0.19
Total	7.13	7.60	8.89	10.13	10.65
<u>REPAYMENT</u>					
Instalment of Term Loan	2.70	2.70	2.70	2.70	2.70
Interest on Term Loan	1.37	1.08	0.78	0.48	0.19
Total	4.07	3.78	3.48	3.18	2.89
DEBT SERVICE COVERAGE RATIO	1.75	2.01	2.56	3.18	3.69
AVERAGE D.S.C.R.			2.64		

BREAK EVEN POINT ANALYSIS

Year	I	II	III	IV	V
Net Sales & Other Income	32.40	37.80	43.20	48.60	48.60
Less : Op. WIP Goods	-	-	-	-	-
Add : Cl. WIP Goods	-	-	-	-	-
Total Sales	32.40	37.80	43.20	48.60	48.60
Variable & Semi Variable Exp.					
Raw Material & Tax	12.96	14.36	16.42	18.47	18.47
Electricity Exp/Coal Consumption at 85%	0.47	0.55	0.63	0.71	0.71
Wages & Salary at 60%	3.74	4.12	4.53	4.98	5.48
Repair & Maintenance	-	1.89	2.16	2.43	2.43
Selling & administrative Expenses 80%	3.89	4.54	5.18	5.83	4.67
Intt. On Working Capital Loan	0.21	0.21	0.21	0.21	0.21
Total Variable & Semi Variable Exp	21.27	25.66	29.12	32.63	31.96
Contribution	11.13	12.14	14.08	15.97	16.64
Fixed & Semi Fixed Expenses					
Electricity Exp/Coal Consumption at 15%	0.08	0.10	0.11	0.12	0.12
Wages & Salary at 40%	2.50	2.75	3.02	3.32	3.65
Interest on Term Loan	1.37	1.08	0.78	0.48	0.19
Depreciation	1.70	1.50	1.32	1.17	1.03
Selling & administrative Expenses 20%	0.97	1.13	1.30	1.46	1.17
Total Fixed Expenses	6.62	6.55	6.53	6.56	6.17
Capacity Utilization	60%	70%	80%	90%	90%
OPERATING PROFIT	4.51	5.58	7.54	9.42	10.48
BREAK EVEN POINT	36%	38%	37%	37%	33%
BREAK EVEN SALES	19.28	20.41	20.04	19.95	18.01