PROJECT PROFILE

PRODUCT: BEAUTY PARLOUR

PRODUCTION CAPACITY
(PER ANNUM):

By providing service on facial, hair cutting, manicure, pedicure, herbal therapy, massage, marriage orders etc. in an average 20 customers per day @Rs.250/per customer, the annual turnover in 300 days is Rs.15,00,000/-.

PREPARED BY:

Business Development Department
Orissa State Financial Corporation
OMP Square, Cuttack-753 003
Tel. Phone : 2444192
E-mail : osfcho@osfcindia.com
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 are present with use of limited number of machinery.

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 through out Orissa. 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 par lour 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 parlor everyday, 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. 12% rate of interest has been taken into account.
**IMPLEMENTATION SCHEDULE:**

<table>
<thead>
<tr>
<th>Activity</th>
<th>Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preparation of project profile and regn. with DIC</td>
<td>1 month</td>
</tr>
<tr>
<td>Availability of finance</td>
<td>2 months</td>
</tr>
<tr>
<td>Selection of site</td>
<td>1 month</td>
</tr>
<tr>
<td>Machinery installation and procurement of Raw material</td>
<td>1 month</td>
</tr>
<tr>
<td>Recruitment of staff and trial run</td>
<td>1 month</td>
</tr>
<tr>
<td></td>
<td>6 months</td>
</tr>
</tbody>
</table>

**ENERGY CONSERVATION:**

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 color 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 colors to chicks are all scientifically regulated to impart best result. It also vary from training institute to training institute. The ultimate aim is the customer’s satisfaction.
FINANCIAL ASPECTS:

**Land and building**: 600 sq.ft. rental RCC roof building  Rs.3,000 p.m

**Machinery:**

1. Facial machine (Galvanic)  4 nos.  20,000
2. Ozonizer  2 nos.  10,000
3. Ultra sonic facial  1 no.  8,000
4. Moving chair with neck adjustment  4 nos.  26,000
5. Bed with folding arrangement  4 nos.  24,000
6. Hair Drier  5 nos.  7,500
7. Pedicure/manicure machine  4 nos.  10,000
8. Other necessary eqpts. for hair nourishing  L.S  5,000
9. Air Conditioner – 2 ton cap.  2 nos.  40,000
10. Refrigerator -285 ltr. cap.  1 no.  10,000
11. Office furniture & interior decoration  L.S  10,000

11. Installation charge @10%  16,050
    1,86,550

**Pre-operative expenses:**

Travel  2,000
Stationery  450
Telephone  2,000
Other misc. exp.  2,000

6,450

**Total Fixed Capital Investment:**  Rs.1,86,550 + 6,450 = Rs.1,93,000/-
**Working capital Investment:**

**Raw material (P.M.):**

<table>
<thead>
<tr>
<th></th>
<th>Description</th>
<th>Unit</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Ayurvedic extract/medicines, synthetic permitted chemicals, colours etc.</td>
<td>L.S</td>
<td>50,000</td>
</tr>
<tr>
<td>2.</td>
<td>Cotton, gauge, paper napkin, etc.</td>
<td>L.S</td>
<td>2,000</td>
</tr>
<tr>
<td>3.</td>
<td>Rectified spirit/Dettol/Savlon</td>
<td>10 ltrs.</td>
<td>1,000</td>
</tr>
<tr>
<td>4.</td>
<td>Talcum Powder, Lipstick, Toilet Soap, Liquid detergent, shampoo etc.</td>
<td>L.S</td>
<td>5,000</td>
</tr>
<tr>
<td>5.</td>
<td>Specific chemicals, herbal preparation for pedicure and manicure</td>
<td>L.S.</td>
<td>5,000</td>
</tr>
<tr>
<td>6.</td>
<td>Olive oil, A.D. Oil for massage</td>
<td>L.S</td>
<td>1,000</td>
</tr>
<tr>
<td>7.</td>
<td>Nail polish, eye brow pencil, other facial materials</td>
<td>L.S</td>
<td>5,000</td>
</tr>
<tr>
<td>8.</td>
<td>Hydrogen peroxide, mehendi, hair colour and other hair treatment chemicals</td>
<td>L.S</td>
<td>4,000</td>
</tr>
<tr>
<td>9.</td>
<td>Magnetic chain, battery with belt etc.</td>
<td>L.S</td>
<td>2,000</td>
</tr>
<tr>
<td>10.</td>
<td>Other necessary equipments and chemicals</td>
<td>L.S</td>
<td>5,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>80,000</td>
</tr>
</tbody>
</table>

**Other Expenditure (P.M.):**

- Rent: 3,000
- Telephone: 500
- Travel: 2,000
- Tax and levies: 1,000
- Other misc. exp.: 5,000

**Total:** 11,500
Staff payment:

Manager cum chemist 1 3,000
Skilled labour 4 8,000
Unskilled labour 2 3,000

14,000

Utility:

Electricity 300 KW @ 3.20 960
Water treatment filter, etc. 200

1,160

Working capacity (P.M.):

= 80,000 + 11,500 + 14,000 + 1,160 = 1,06,660/-

Total Capacity Investment:

Fixed capital 1,93,000
Working capital for one month 1,06,660

2,99,660

Cost of production (Per annum):

Depreciation on machinery @ 5% 17,050
Depreciation on furniture and equipt. @ 20% 2,000
Working capital (per annum) 12,79,920
Interest on invt. @ 12% 35,960

13,34,930
**Turnover (Per annum):**

By providing service on facial, hair cutting, manicure, pedicure, herbal therapy, massage, marriage orders etc. in an average 20 customers per day @Rs.250/per customer, the annual turnover in 300 days is Rs.15,00,000/-.

**Profit:**

\[ \text{Profit} = \text{Rs. 15,00,000} - \text{Rs.13,34,930} = 1,65,070/- \]

**Rate of return:**

\[ \text{Rate of return} = \frac{\text{Profit}}{\text{Investment}} \times 100 = 11\% \]

**Net profit ratio:**

\[ \text{Net profit ratio} = \frac{\text{Profit}}{\text{Turnover}} \times 100 = 55\% \]

**Break Even Analysis:**

**Fixed cost:**

- Rent: 36,000
- Depreciation on machinery: 17,050
- Depreciation on furniture: 2,000
- Interest @ 12%: 35,960
- 40% of salary: 67,200
- 40% of other expenditure: 40,800

**B.E.P.** = 54%

\[ 1,99,010 \]
ADDRESSES OF MACHINERY SUPPLIERS:

M/s. Personal Point, Santa Sahi, Cuttack

ADDRESSES FOR RAW MATERIAL SUPPLIERS:

1. Products of Himalaya, Dabur, Ayur, Himani, Emami and other reputed pharmaceuticals.
3. M/s. Mother India Chemicals, Khapuria, Cuttack.