

PROJECT REPORT

Of

POCKET PERFUME

PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding Pocket Perfume Manufacturing unit.

The objective of the pre-feasibility report is primarily to facilitate potential entrepreneurs in project identification for investment and in order to serve his objective; the document covers various aspects of the project concept development, start-up, marketing, finance and management.

[We can modify the project capacity and project cost as per your requirement. We can also prepare project report on any subject as per your requirement.]



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PROJECT AT A GLANCE

- 1 Name of the Entrepreneur : xxxxxxxxxxxx
- 2 Constitution (legal Status) : xxxxxxxxxxxx
- 3 Father / Spouse Name : xxxxxxxxxxxxxx
- 4 Unit Address : xxxxxxxxxxxxxxxxxxxxxxxxx
- District : xxxxxxxx
- Pin: xxxxxxxx State: xxxxx
- Mobile xxxxxxxx
- 5 Product and By Product : **POCKET PERFUME**
- 6 Name of the project / business activity proposed : **POCKET PERFUME MANUFACTURING UNIT**
- 7 Cost of Project : Rs.24.77 Lakhs
- 8 Means of Finance
- Term Loan Rs.16.11 Lakhs
- Own Capital Rs.2.48 Lakhs
- Working Capital Rs.6.19 Lakhs
- 9 Debt Service Coverage Ratio : 2.08
- 10 Pay Back Period : 5 Years
- 11 Project Implementation Period : 5-6 Months
- 12 Break Even Point : 35%
- 13 Employment : 11 Persons
- 14 Power Requirement : 40.00 HP
- 15 Major Raw materials : Natural Ingredients, Alcohol, Petrochemicals, Coal, Coal Tars, Synthetic Chemicals and Packing material
- 16 Estimated Annual Sales Turnover (Max Capacity) : 134.08 Lakhs
- 17 Detailed Cost of Project & Means of Finance

COST OF PROJECT

(Rs. In Lakhs)

Particulars	Amount
Land	Own/Rented
Plant & Machinery	17.40
Furniture & Fixtures	0.50
Working Capital	6.87
Total	24.77

MEANS OF FINANCE

Particulars	Amount
Own Contribution	2.48
Working Capital(Finance)	6.19
Term Loan	16.11
Total	24.77

POCKET PERFUME MANUFACTURING UNIT

Introduction:

Wearing a nice fragrant perfume is one of the most popular ways for men and women all over the world to prepare themselves for a special occasion. The fragrance to be worn depends on the nature of the occasion, whether it's a personal occasion or a professional engagement. Wearing perfume is both intimately and outwardly expressive as not only does it boost the self-confidence of the wearer, the people around also enjoy a nice smelling perfume. Pocket perfumes are more convenient than the traditional kind because they are travel-friendly rather we can also claim them as pocket-friendly because they fit into our pockets and we can carry them as and when needed because they hardly occupy any space. They are budget-friendly and so they do not burn a hole in the pocket and can be purchased in greater quantities. They are useful for those people who find it really difficult to keep things in place and tend to forget things. Curated with essential oils, it's natural aroma and long-lasting quality made it a valuable product of daily use.



Uses & Market Potential:

Pocket perfumes are the new rage for both men and women. These pocket perfumes are not difficult to use and are the most helpful items that one can carry in the pocket anywhere and anyplace. Simply keep it in the side pocket of your bag and you can spray them whenever and wherever you want, you truly don't need to convey the bulkier fragrance and antiperspirant bottles. Fragrance products in the form of perfumes, colognes and deodorants have gained prominence as essential personal care products, in recent years. The fragrance market in India is anticipated to reach INR 139.44 Bn by 2024, expanding at a compound annual growth rate (CAGR) of 15.93% during the forecast period, from its 2019 value of INR 66.58 Bn. Lately, pocket perfumes have rose to popularity because they are convenient to carry around and can be used on the go, therefore acting as one of the major drivers of the market. FMCG giant, CavinKare recently launched the first-of-its-kind sachet perfume under its brand, Spinz. The growth of the fragrances and perfumes market is primarily influenced by unpredictable and continuously changing fashion trends. Thus, key market players are focusing on developing exciting, unique, and new fragrances to attract different consumer groups across the world.

Product:

Pocket Perfume

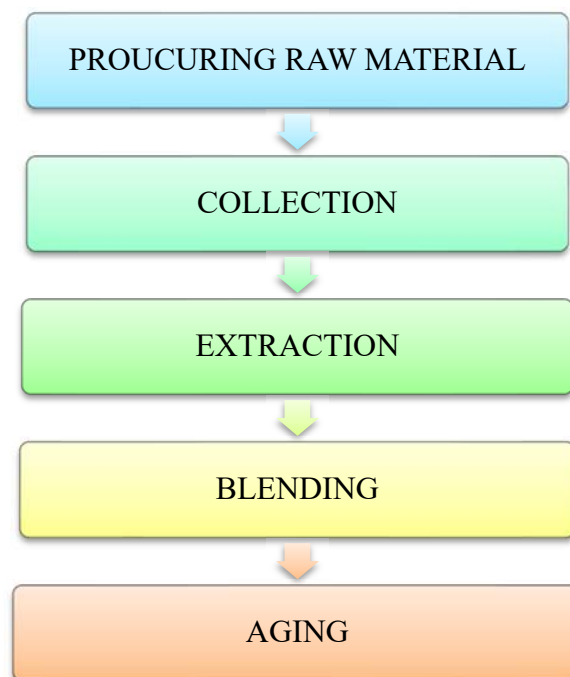
Raw Material:

The raw materials required for the manufacture of the Pocket Perfume are:

- Natural ingredients - Flowers, grasses, spices, fruit, wood, roots, resins, balsams, leaves, gums, and animal secretions.

- Alcohol
- Petrochemicals
- Coal
- Coal tars
- Synthetic Chemicals
- Packaging Material

Manufacturing Process:



Area:

The industrial setup requires space for Inventory, workshop or manufacturing area, space for power supply utilities and polishing area. Also, some of the area of building is

required for office staff facilities, office furniture, etc. Thus, the approximate total area required for complete industrial setup is 1200-1800Sqft.

Cost of Machines:

Machine	Quantity	Price
Water Treatment System	1	3,50,000
Steam Distillation Unit	1	4,00,000
Vacuum Filing Machine	1	2,50,000
Liquid Filling Machine	1	6,90,000
Perfume Capping Machine	1	50,000
TOTAL		17,40,000

Power Requirement- The estimated Power requirement is taken at 40 HP.

Manpower Requirement— Following manpower is required:

- Machine operator-2
- Skilled/unskilled worker-3
- Helper-4
- Manager cum Accountant-1
- Sales Personnel-1

FINANCIALS

<u>PROJECTED BALANCE SHEET</u>					
PARTICULARS	I	II	III	IV	V
<u>SOURCES OF FUND</u>					
<u>Capital Account</u>					
Opening Balance	-	3.13	4.92	7.27	10.35
Add: Additions	2.48	-	-	-	-
Add: Net Profit	3.25	4.79	5.56	7.07	8.47
Less: Drawings	2.60	3.00	3.20	4.00	5.00
Closing Balance	3.13	4.92	7.27	10.35	13.82
CC Limit	6.19	6.19	6.19	6.19	6.19
Term Loan	14.32	10.74	7.16	3.58	-
Sundry Creditors	2.38	2.73	3.09	3.47	3.86
TOTAL :	26.01	24.57	23.71	23.58	23.86
<u>APPLICATION OF FUND</u>					
Fixed Assets (Gross)	17.90	17.90	17.90	17.90	17.90
Gross Dep.	2.66	4.92	6.85	8.49	9.88
Net Fixed Assets	15.24	12.98	11.05	9.41	8.02
Current Assets					
Sundry Debtors	3.51	4.27	4.90	5.56	6.26
Stock in Hand	5.74	6.61	7.50	8.42	9.38
Cash and Bank	1.52	0.71	0.25	0.18	0.21
TOTAL :	26.01	24.57	23.71	23.58	23.86
	-	-	-	-	-

PROJECTED PROFITABILITY STATEMENT

PARTICULARS	I	II	III	IV	V
<u>A) SALES</u>					
Gross Sale	75.24	91.56	105.07	119.25	134.08
Total (A)	75.24	91.56	105.07	119.25	134.08
<u>B) COST OF SALES</u>					
Raw Material Consumed	47.52	54.53	61.81	69.33	77.14
Electricity Expenses	3.58	4.03	4.48	4.92	5.37
Repair & Maintenance	1.88	2.29	2.63	2.98	3.35
Labour & Wages	11.59	14.49	17.39	20.17	23.20
Depreciation	2.66	2.26	1.93	1.64	1.40
Cost of Production	67.23	77.60	88.23	99.05	110.45
Add: Opening Stock /WIP	-	3.36	3.88	4.41	4.95
Less: Closing Stock /WIP	3.36	3.88	4.41	4.95	5.52
Cost of Sales (B)	63.87	77.08	87.69	98.51	109.88
C) GROSS PROFIT (A-B)	11.37	14.48	17.38	20.74	24.19
	15.11%	15.81%	16.54%	17.39%	18.05%
D) Bank Interest i) (Term Loan)	1.75	1.43	1.03	0.64	0.25
ii) Interest On Working Capital	0.68	0.68	0.68	0.68	0.68
E) Salary to Staff	4.79	5.75	6.44	7.46	8.36
F) Selling & Adm Expenses Exp.	0.90	1.83	3.36	4.17	5.36
G) TOTAL (D+E+F)	8.12	9.68	11.51	12.96	14.65
H) NET PROFIT	3.25	4.79	5.87	7.78	9.54
	4.3%	5.2%	5.6%	6.5%	7.1%
I) Taxation	-	-	0.31	0.71	1.08
J) PROFIT (After Tax)	3.25	4.79	5.56	7.07	8.47

PROJECTED CASH FLOW STATEMENT

PARTICULARS	I	II	III	IV	V
<u>SOURCES OF FUND</u>					
Own Contribution	2.48	-	-	-	-
Reserve & Surplus	3.25	4.79	5.87	7.78	9.54
Depriciation & Exp. W/off	2.66	2.26	1.93	1.64	1.40
Increase In Cash Credit	6.19	-	-	-	-
Increase In Term Loan	16.11	-	-	-	-
Increase in Creditors	2.38	0.35	0.36	0.38	0.39
TOTAL :	33.06	7.41	8.16	9.80	11.33
<u>APPLICATION OF FUND</u>					
Increase in Fixed Assets	17.90	-	-	-	-
Increase in Stock	5.74	0.87	0.90	0.92	0.96
Increase in Debtors	3.51	0.76	0.63	0.66	0.69
Repayment of Term Loan	1.79	3.58	3.58	3.58	3.58
Taxation	-	-	0.31	0.71	1.08
Drawings	2.60	3.00	3.20	4.00	5.00
TOTAL :	31.54	8.21	8.62	9.87	11.31
Opening Cash & Bank Balance	-	1.52	0.71	0.25	0.18
Add : Surplus	1.52	0.80	0.46	0.07	0.02
Closing Cash & Bank Balance	1.52	0.71	0.25	0.18	0.21

COMPUTATION OF CLOSING STOCK & WORKING CAPITAL

PARTICULARS	I	II	III	IV	V
<u>Finished Goods</u>					
(15 Days requirement)	3.36	3.88	4.41	4.95	5.52
<u>Raw Material</u>					
(15 Days requirement)	2.38	2.73	3.09	3.47	3.86
Closing Stock	5.74	6.61	7.50	8.42	9.38

COMPUTATION OF WORKING CAPITAL REQUIREMENT

Particulars	Amount	Margin(10%)	Net Amount
Stock in Hand	5.74		
Less:			
Sundry Creditors	2.38		
Paid Stock	3.36	0.34	3.03
Sundry Debtors	3.51	0.35	3.16
Working Capital Requirement			6.19
Margin			0.69
MPBF			6.19
Working Capital Demand			6.19

REPAYMENT SCHEDULE OF TERM LOAN

11.0%

Year	Particulars	Amount	Addition	Total	Interest	Repayment	CI Balance
I	Opening Balance						
	Ist Quarter	-	16.11	16.11	0.44	-	16.11
	Iind Quarter	16.11	-	16.11	0.44	-	16.11
	IIIrd Quarter	16.11	-	16.11	0.44	0.90	15.22
	Ivth Quarter	15.22	-	15.22	0.42	0.90	14.32
					1.75	1.79	
II	Opening Balance						
	Ist Quarter	14.32	-	14.32	0.39	0.90	13.43
	Iind Quarter	13.43	-	13.43	0.37	0.90	12.53
	IIIrd Quarter	12.53	-	12.53	0.34	0.90	11.64
	Ivth Quarter	11.64		11.64	0.32	0.90	10.74
					1.43	3.58	
III	Opening Balance						
	Ist Quarter	10.74	-	10.74	0.30	0.90	9.85
	Iind Quarter	9.85	-	9.85	0.27	0.90	8.95
	IIIrd Quarter	8.95	-	8.95	0.25	0.90	8.06
	Ivth Quarter	8.06		8.06	0.22	0.90	7.16
					1.03	3.58	
IV	Opening Balance						
	Ist Quarter	7.16	-	7.16	0.20	0.90	6.27
	Iind Quarter	6.27	-	6.27	0.17	0.90	5.37
	IIIrd Quarter	5.37	-	5.37	0.15	0.90	4.48
	Ivth Quarter	4.48		4.48	0.12	0.90	3.58
					0.64	3.58	
V	Opening Balance						
	Ist Quarter	3.58	-	3.58	0.10	0.90	2.69
	Iind Quarter	2.69	-	2.69	0.07	0.90	1.79
	IIIrd Quarter	1.79	-	1.79	0.05	0.90	0.90
	Ivth Quarter	0.90		0.90	0.02	0.90	0.00
					0.25	3.58	

Door to Door Period 60 Months
Moratorium Period 6 Months
Repayment Period 54 Months

CALCULATION OF D.S.C.R

PARTICULARS	I	II	III	IV	V
<u>CASH ACCRUALS</u>	5.91	7.06	7.48	8.71	9.86
Interest on Term Loan	1.75	1.43	1.03	0.64	0.25
Total	7.66	8.48	8.52	9.35	10.11
<u>REPAYMENT</u>					
Repayment of Term Loan	1.79	3.58	3.58	3.58	3.58
Interest on Term Loan	1.75	1.43	1.03	0.64	0.25
Total	3.54	5.01	4.61	4.22	3.83
DEBT SERVICE COVERAGE RATIO	2.16	1.69	1.85	2.22	2.64
AVERAGE D.S.C.R.			2.08		

Assumptions:

1. Production Capacity of Pocket Perfume Manufacturing unit is taken at 2200 Bottles per day. First year, Capacity has been taken @ 40%. Capacity of one bottle is 20ml.
2. Working shift of 10 hours per day has been considered.
3. Raw Material stock and Finished goods closing stock has been taken for 15 days.
4. Credit period to Sundry Debtors has been given for 14 days.
5. Credit period by the Sundry Creditors has been provided for 15 days.
6. Depreciation and Income tax has been taken as per the Income tax Act,1961.
7. Interest on working Capital Loan and Term loan has been taken at 11%.
8. Salary and wages rates are taken as per the Current Market Scenario.
9. Power Consumption has been taken at 40 HP.
10. Selling Prices & Raw material costing has been increased by 3% & 2% respectively in the subsequent years.

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