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PROJECT REPORT

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PROJECT:

Perfume Manufacturing Unit

PROJECT REPORT

Of

PERFUME MANUFACTURING UNIT

PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding **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.]

PERFUME MANUFACTURING UNIT

Introduction

Perfume is a mixture of fragrant essential oils or aroma compounds, fixatives and solvents, used to give the human body, animals, food, objects, and living-spaces an agreeable scent. It is usually in liquid form and used to give a pleasant scent to a person's body. Ancient texts and archaeological excavations show the use of perfumes in some of the earliest human civilizations. Modern perfumery began in the late 19th century with the commercial synthesis of aroma compounds such as vanillin or coumarone, which allowed for the composition of perfumes with smells previously unattainable solely from natural aromatics alone.

The word perfume derives from the Latin perfumer, meaning "to smoke through". Perfumery, as the art of making perfumes, began in ancient Mesopotamia, Egypt, the Indus Valley Civilization and maybe Ancient China. It was further refined by the Romans and the Arabs.

In India, perfume and perfumery existed in the Indus civilization.

Perfume Market Analysis

According to industry estimates, the overall size of the Indian perfume industry is currently estimated at Rs. 2000 crores, projected to grow by 50 percent (Rs.3000 crores) by the year 2020. The current online perfume market is estimated at Rs.148 crores projected to grow by approximately 120% to Rs 345 crores.

PROJECTED PROFITABILITY STATEMENT

PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
Capacity Utilisation %	50%	53%	55%	58%	60%
<u>SALES</u>					
Gross Sale					
Perfume	40.53	47.31	49.87	53.25	55.93
Total	40.53	47.31	49.87	53.25	55.93
<u>COST OF SALES</u>					
Raw Mateiral Consumed	18.00	19.40	20.46	21.92	23.04
Elecricity Expenses	0.34	0.37	0.41	0.45	0.49
Depriciation	0.97	0.84	0.73	0.64	0.55
Consumables	2.63	3.08	3.24	3.46	3.64
Repair & maintenace	1.70	1.99	2.09	2.24	2.35
other direct expenses	1.62	1.89	1.99	2.13	2.24
Bottle charges	1.58	1.74	1.88	2.05	2.20
Labour	4.20	4.62	5.08	5.59	6.15
Cost of Production	31.04	33.92	35.89	38.48	40.65
Add: Opening Stock /WIP	-	2.59	2.83	2.99	3.21
Less: Closing Stock /WIP	2.59	2.83	2.99	3.21	3.39
Cost of Sales	28.45	33.68	35.72	38.26	40.47
GROSS PROFIT	12.07	13.62	14.15	14.99	15.46
salary to staff	3.96	4.36	4.79	5.27	5.53
Interest on Term Loan	0.68	0.64	0.52	0.40	0.07
Interest on working Capital	0.32	0.32	0.32	0.32	0.32
Selling & adm Exp	4.46	5.20	4.99	5.06	5.03

TOTAL	9.42	10.53	10.63	11.06	10.96
NET PROFIT	2.65	3.10	3.52	3.93	4.50
Taxation					
PROFIT (After Tax)	2.65	3.10	3.52	3.93	4.50

PROJECTED BALANCE SHEET

PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
<u>Liabilities</u>					
Capital					
opening balance		2.21	3.31	4.08	5.22
<i>Add:- Own Capital</i>	1.06				
Add:- Retained Profit	2.65	3.10	3.52	3.93	4.50
Less:- Drawings	1.50	2.00	2.75	2.80	3.00
Closing Balance	2.21	3.31	4.08	5.22	6.71
Subsidy Reserve	1.91	1.91	1.91	-	-
Term Loan	6.33	5.25	4.17	1.21	-
Working Capital Limit	2.70	2.70	2.70	2.70	2.70
Sundry Creditors	0.75	0.81	0.85	1.37	1.34
Provisions & Other Liab	0.30	0.40	0.55	0.66	0.83
TOTAL :	14.20	14.38	14.26	11.15	11.58
<u>Assets</u>					
Fixed Assets (Gross)	7.63	7.63	7.63	7.63	7.63
Gross Dep.	0.97	1.81	2.54	3.18	3.73
Net Fixed Assets	6.66	5.82	5.09	4.45	3.90
FD of Subsidy	1.91	1.91	1.91		
Current Assets					
Sundry Debtors	0.84	1.58	2.08	2.00	2.10
Stock in Hand	2.96	3.23	3.42	3.66	3.87
Cash and Bank	1.82	1.84	1.77	1.04	1.72
TOTAL :	14.20	14.38	14.26	11.15	11.58

PROJECTED CASH FLOW STATEMENT

PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
<u>SOURCES OF FUND</u>					
Own Margin	1.06				
Net Profit	2.65	3.10	3.52	3.93	4.50
Depreciation & Exp. W/off	0.97	0.84	0.73	0.64	0.55
Increase in Cash Credit	2.70	-	-	-	-
Increase In Term Loan	6.87	-	-	-	-
Increase in Creditors	0.75	0.06	0.04	0.52	0.03
Increase in Provisions & Oth lib	0.30	0.10	0.15	0.11	0.17
increase in subsidy	1.91				
TOTAL :	17.21	4.10	4.45	5.20	5.19
<u>APPLICATION OF FUND</u>					
Increase in Fixed Assets	7.63				
Increase in Stock	2.96	0.27	0.19	0.25	0.20
Increase in Debtors	0.84	0.73	0.50	0.08	0.10
Repayment of Term Loan	0.54	1.08	1.08	2.96	1.21
Increase in FD	1.91	-	-		
Drawings	1.50	2.00	2.75	2.80	3.00
Taxation	-	-	-	-	-
TOTAL :	15.39	4.08	4.52	5.93	4.52
Opening Cash & Bank Balance	-	1.82	1.84	1.77	1.04
Add : Surplus	1.82	0.02	0.07	0.73	0.67
Closing Cash & Bank Balance	1.82	1.84	1.77	1.04	1.72

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