# BEAUTY PARLOUR SHOP

## 1. Introduction

Beauty is the gift of God and transmitted from one to the other generation. The beauty parlour shop is the need of every age group, of men, women and children. Keats defines the word beauty as "A thing of Beauty is joy for ever". Beauty parlour is a very important shop to make the people good looking by application of cosmetics, treatment of hair and nourishment of skin by various methods.

## 2. Market potential

From the ages past, people have used sandal wood oil, turmeric powder and milk etc. for the treatment of skin, but now people have become more educated, they need proper and professional treatment of skin, hairs, nails and tooths. Every man, woman and child wants to be beautiful. A good beauty parlour is required in every city, town and other places. The work of beauty parlour is a specific job for the beautification of men, women and children, setting of hairs, hair dye and removal of unwanted hair. Skin treatment is also a very important feature. Everybody wants glowing and wrinkle free and spotless skin. Due to this application, the job of beauticians has become very profit making.

## 3. Technical details

The job of a beauty parlour is a specialized one. It needs proper training and practice.

## 4. Cost of project

| S. No. | Items | Total cost (in Rs.) |
|---|---|---|
| 1. | Building: 10x15 sq ft | On Rent |
| 2. | Plant & Machinery (including installation) | 27,000.00 |
| 3. | Misc. fixed assets | 2,000.00 |
| 4. | Furniture & Fixture | 10,000.00 |
| 5. | Preliminary & Preoperative expenses | 500.00 |
| 6. | Contingencies including cost escalation | 4,280.00 |
| 7. | Working capital | 46,600.00 |
| | **TOTAL** | **90,380.00** |
| | **SAY** | **90,000.00** |

**5. Means of finance**

| S. No. | Items | Total cost (in Rs.) | %age |
|---|---|---|---|
| 1. | Promoter's contribution | - | - |
| 2. | M.M.L. - SCA | 12,000.00 | 13.00 |
| 3. | NSTFDC – Term Loan | 78,000.00 | 86.67 |
| | **TOTAL** | **90,000.00** | **100.00** |

**Note:** The State Channelising Agencies shall arrange to provide subsidy to beneficiary(ies) as per norms of their Corporation. Further, SCAs may also make efforts to avail incentive/subsidy from other centrally sponsored schemes.

**6. Utilities**

| S. No. | Items | Total cost (in Rs.) |
|---|---|---|
| 1. | Power (1KW) | 1,000.00 |
| 2. | Water | 200.00 |
| | **TOTAL** | **1,200.00** |

**7. Manpower requirement**

| S. No. | Category | No. | Salary/Person/ Month (Rs.) | Total (Rs./Month) |
|---|---|---|---|---|
| 1. | Manager/ Supervisor | 1 | 4,000.00 | 4,000.00 |
| 2. | Skilled worker | 2 | 2,500.00 | 5,000.00 |
| 3. | Unskilled worker | 1 | 1,500.00 | 1,500.00 |
| | | Perquisites | @ 15% | 1,575.00 |
| | | | **TOTAL** | **12,075.00** |

**8. Raw material requirement (per month)**

| S. No. | Items | Quantity | Unit Rate (in Rs.) | Value (in Rs.) |
|---|---|---|---|---|
| 1. | Hair Shampoo | 5 litres | 75 | 375.00 |
| 2. | Hair dye | - | - | 1,000.00 |
| 3. | Face cream and lotion | - | - | 2,000.00 |
| 4. | Hydrogen per oxide | 2 litres | 35 | 70.00 |
| 5. | Aceton | 2 litres | 40 | 80.00 |
| 6. | Hair removing wax | 5 kg | 90 | 450.00 |
| 7. | Hair spray | 2 sets | 75 | 150.00 |
| 8. | Hair gel | 2 pack | 200 | 400.00 |
| 9. | Perming lotion | 2 pack | 250 | 500.00 |
| 10. | Sponge cotton | - | - | 500.00 |
| 11. | Towels assorted | 5 Nos | 25 | 125.00 |
| 12. | Surgical gloves | 2 pairs | 25 | 50.00 |
| 13. | Misc. Items | - | - | 500.00 |
| | | | **TOTAL** | **6,200.00** |

**9. Working capital requirement**

| S. No. | Items | Period (month) | Amount (in Rs.) |
|---|---|---|---|
| 1. | Raw materials | 1 | 6,200.00 |
| 2. | Stores and spare | 1 | 100.00 |
| 3. | Stock in use | 3 | 19,000.00 |
| 4. | Receivables/ debtors | 3 | 19,700.00 |
| 5. | Other current assets | - | 1,600.00 |
| | | **TOTAL** | **46,600.00** |

**10. Project economics (Annual)**

**A. Sales realization**

| S. No. | Items | Quantity | Rate (in Rs.) | Value (in Rs.) |
|---|---|---|---|---|
| 1. | Hair setting/ cutting | 1800 | 25 | 45,000.00 |
| 2. | Removing of hair | 1900 | 25 | 47,500.00 |
| 3. | Hair Dye | 650 | 75 | 48,750.00 |
| 4. | Facial | 1200 | 100 | 1,20,000.00 |
| 5. | Cleaning | 1200 | 30 | 36,000.00 |
| 6. | Manicure and Pedicure | 1200 | 50 | 60,000.00 |
| | | | **TOTAL** | **3,57,250.00** |

**B. Cost of operation**

| S. No. | Particulars | Amount (in Rs.) |
|---|---|---|
| (i) | Raw material | 74,400.00 |
| (ii) | Stores & spares | 1,200.00 |
| (iii) | Utilities | 14,400.00 |
| (iv) | Salaries & wages | 1,44,900.00 |
| (v) | Rent | 30,000.00 |
| (vi) | Transportation/ Freight | 3,000.00 |
| (vii) | Conveyance & Traveling | 2,400.00 |
| (viii) | Administrative overheads (telephone, postage & stationery etc.) | 5,000.00 |
| (ix) | Selling expenses (including advertisement, commission and rebates) | 2,400.00 |
| (x) | Repair & maintenance | 2,000.00 |
| (xi) | Interest | 5,400.00 |
| (xii) | Miscellaneous | 4,000.00 |
| | **Total cost of production** | **2,89,100.00** |
| **C.** | **Cash profit (A-C)** | **68,150.00** |
| **D.** | **Depreciation (@ 15% of fixed assets)** | **5,850.00** |
| **E.** | **Net Profit** | **62,300.00** |

## 11. Viability indicators

| S. No. | Particulars | Amount |
|---|---|---|
| 1. | Repayment per annum (period - 5 years) | 18,000.00 |
| 2. | Return on investment | 69.22% |
| 3. | Debt Service Coverage Ratio | 3.14 |

**Note:**

- Raw material for Beauty Parlour is locally available from wholesaler.
- Undertaking credit can reduce working capital component of the project.
- More profit can be earned by increasing percentage of cost of raw materials purchased from the local market.

## 12. Interest, moratorium & repayment period for beneficiaries

(a) Interest : 6% p.a. on NSTFDC term loan

(b) Moratorium period : 6 months from date of release of funds by SCA.

(c) Repayment period : 5 years excluding moratorium period.

## 13. General remarks

- The cost of plant & machinery has been taken on the basis of items manufactured by standard/ reputed suppliers having sound service network. The suppliers shall be preferably based in local areas or nearby states.

- Optimum working capital cycle has been taken for calculating the requirements. Raw material shall be procured from local areas.

- The cost of project will vary in different states and regions.

It is assumed that the services have good demand, and the promoters have sound experience in the relevant fields.