The spread of beauty parlors in the cities and its expansion to the rural areas have increased the requirement of more decorative items for enhancing the beauty. The school/college girls especially more attracted towards the traditional beauty care. During the wedding seasons, the market is more for this product. There is an assured market and good return for this product.

1. Name of the Product: Mehandi

2. Project Cost:
   (a) Capital Expenditure
   Land: Own
   Building Shed 300 sq.ft.: Rs. 60000.00
   Equipment: Rs. 85000.00
   (Micro Pulveriser, Motor, Sieves, Sealing M/c, Weighing balance etc.)
   Total Capital Expenditure: Rs. 145000.00
   (b) Working Capital: Rs. 100000.00
   TOTAL PROJECT COST: Rs. 245000.00

3. Estimated Annual Production of Mehandi: (Value in 1000)

<table>
<thead>
<tr>
<th>Sl.No.</th>
<th>Particulars</th>
<th>Capacity (NO.OPKT.)</th>
<th>Rate</th>
<th>Total Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Mehandi</td>
<td>18.00 Tons</td>
<td>28.00</td>
<td>508.30</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>18.00 Tons</td>
<td>28.00</td>
<td>508.30</td>
</tr>
</tbody>
</table>

4. Raw Material: Rs. 340000.00

5. Labels and Packing Material: Rs. 10000.00

6. Wages (Skilled & Unskilled): Rs. 72000.00
7. Salaries : Rs. 36000.00
8. Administrative Expenses : Rs. 2000.00
9. Overheads : Rs. 10000.00
10. Miscellaneous Expenses : Rs. 5000.00
11. Depreciation : Rs. 11500.00
12. Insurance : Rs. 1450.00
13. Interest (As per the PLR)
   (a) Capital Expenditure Loan : Rs. 18850.00
   (b) Working Capital Loan : Rs. 13000.00
   Total Interest : Rs. 31850.00
14. Working Capital Requirement
   Fixed Cost : Rs. 63300.00
   Variable Cost : Rs. 445000.00
   Requirement of Working Capital per Cycle : Rs. 101660.00
15. Estimated Cost Analysis

<table>
<thead>
<tr>
<th>Sl.No.</th>
<th>Particulars</th>
<th>Capacity Utilization (Rs. in ñ000)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>100%</td>
</tr>
<tr>
<td>1.</td>
<td>Fixed Cost</td>
<td>63.30</td>
</tr>
<tr>
<td>2.</td>
<td>Variable Cost</td>
<td>445.00</td>
</tr>
<tr>
<td>3.</td>
<td>Cost of Production</td>
<td>508.30</td>
</tr>
<tr>
<td>4.</td>
<td>Projected Sales</td>
<td>650.00</td>
</tr>
<tr>
<td>5.</td>
<td>Gross Surplus</td>
<td>141.70</td>
</tr>
<tr>
<td>6.</td>
<td>Expected Net Surplus</td>
<td>130.00</td>
</tr>
</tbody>
</table>

Note:

1. All figures mentioned above are only indicative and may vary from place to place.

2. If the investment on Building is replaced by Rental Premises-
   (a.) Total Cost of Project will be reduced.
   (b) Profitability will be increased.
   (c) Interest on Capital Expenditure will be reduced.