

HERBAL SHAMPOO

I. INTRODUCTION:

The awareness to use personal care products made from herbs and other natural ingredients is increasing. All the materials to make herbal shampoo are easily available, and a unit to manufacture such a shampoo can be started at any location where power is available. There are manufacturers of micro pulverisor, the main machinery required for the unit irrespective of the category and class, many people would prefer herbal product over synthetic chemical shampoo.

II. MARKET POTENTIAL

The product has been traditionally made by our ancestors and was widely used before the advent of chemical / synthetics. Over periods of time consumers have become aware of advantages of using shampoo made from herbals. Unlike synthetic chemical shampoo there is absolutely no side effects from using herbal shampoo. Hence there is growing demand for such a herbal product in urban and in semi-urban areas. If the product is attractively packed, given some publicity, distributed and priced competitively the shampoo will have a good and growing demand.

III. BASIS AND PRESUMPTIONS:

The unit will work for 8 hours daily and for 300 working days in a year. The unit will utilise 60% of its capacity of 28500 kgs. production per annum.

IV. IMPLEMENTATION SCHEDULE:

unit can be set up in 3 months

V. TECHNICAL ASPECTS:

1.Process of Manufacturing :

Ripe ritha nuts and shikakai are dried. Then breaking the nuts deseeding them separates shells. The dried shells are grounded in the mill and sieved at 60-80-mesh size. Other herbal ingredients are similarly pulverised sieved and then mixed in a pre-determined proportion. The powder is weighed and packed in different sizes and sent to market. While processing ritha and shikakai seeds, about 55% recovery is available and process loss is 3%. The finished product is weighed in different utilities according to the market needs, hand packed and sold.

2.Quality Specification

3.Production Capacity per annum

Quantity: 17100 ton

Value: Rs. 1231230

4.Motive Power: 5HP

VI. TOTAL CAPITAL INVESTMENTS

S.No	Description	Value Rs.
1	Fixed Capital	50500
2	Working capital	75350
	Total cost	125850

VII. MEANS OF FINANCE

- 1.Promoter's Contribution (5% of total cost) 6293
- 2.PMRY subsidy (15% of total cost or Rs.7500,whichever is less) 7500
- 3.Bank loan[total cost-(Promoter's Contribution+ PMRY subsidy) 112057

VIII. FINANCIAL ASPECTS

1. FIXED CAPITAL

i.Land & Buildings :

Rented premises of 400 sft. at a rent of Rs.1000 pm

ii Machinery & Equipment

S.No	Description	Quantity	Value Rs.
1	Micro pulveriser-5HP	1	25000
2	Storage bins, weighing scale, hand tools etc.		20000
3	Installation		4000
4	Miscellaneous fixed assets		1000
5	Pre-operative expenses		500
	Total		50500

2. WORKING CAPITAL

i. Staff & Labour per month

S.No	Designation	No	@ Rs.	Value Rs.
1	Manager	1	1500	1500
2	Workers	1	1050	1050
3	Helpers	2	1000	2000
	Total			4550

ii) Raw Material (p.m.)

S.No	Description	Quantity	Value Rs.
1	Ritha (soap nuts)	750 kg	15000
2	Shikakai	750 kg.	18750
3	Black gram	250 kg.	5000
4	Khaskhas	100 kg.	15000
5	Methi	350 kg.	5250
6	Rice Powder	300 kg.	3000
	Total		62000

iii. Utilities per month

S.No.	Description	Value Rs.
1	Power	1500
2	Water	2500
	Total	4000

iv. Other expenses per month

S.No	Description	Value Rs.
1	Packing material	3000
2	Conveyance , postage, telephone	800
	Total	3800

v. Total working capital per month

S.No	Description	Value Rs.
1	Rent	1000
2	Staff and labour	4550
3	Raw materials	62000
4	Utilities	4000
5	Other expenses.	3800
	Total	75350

IX. COST OF PRODUCTION PER ANNUM

S.No	Description	Value Rs.
1	Total working capital	904200
2	Depreciation	5000
3	Interest	18878
	Total	928078

X. TURNOVER PER YEAR

S.No	Item	Quantity	Rate Rs.	Value Rs.
1	Shampoo	17100 kg.	72	1231230
	Total			1231230

XI. FIXED COST PER YEAR

S.No	Description	Value Rs.
1	Depreciation	5000
2	Interest	18878
3	Rent	12000
4	40% of salaries & wages	21840
5	40% of other expenses (utilities + OE)	37440
	Total	95158

XII. PROFIT ANALYSIS

Net Profit : sale-total cost=1231230-928078 =303152

% of Profit on Sale: Profit / Sale x100 =303152/1231230]100=24.62%

% of Return on Investment: Profit / (Investment) x 100=303152/125850]100=240.88

Break-Even Analysis : FC / (FC+Profit) x100=95158/95158+303152]100=23.89%

XIII. MACHINERY SUPPLIERS

1. Jayems Engineering, RP Road, Secunderabad
2. Shri Balaji Mills, 166,RP road, Secunderbad