

PROJECT REPORT FOR
BEAUTY PARLOUR



PROMOTER:

XXXXXXXXXXXXXXXXXXXXXXXXXX

PROJECT LOCATION:

XXXXXXXXXXXXXXXXXXXXXXXXXX

PREPARED BY:

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Project For:
Beauty Parlour

I. PROJECT AT A GLANCE

1. About the Promoter : xxxxxxxxxxxxxxxxxxxxxxxxxxxx
Project Location: xxxxxxxxxxxxxxxxxxxxxxxxxxxx
2. Project Cost : Rs. 5.00 Lakhs
3. Mean of Finance
- A) T. L. facility from Bank : Rs. 2.76 Lakhs
 - B) Beneficiary contribution : Rs. 0.25 Lakhs
 - C) C.C. facility from Bank : Rs. 2.00 Lakhs
 - D) Subsidy under PMEGP Scheme : Rs. 1.75 Lakhs
5. Rate of Interest : 11.00% Per Annum
6. Repayment : 60 monthly instalments, EMI @ 0.06 Lakhs
7. Nature of Project : Beauty Parlour
8. Employment Potential : 5 Nos
9. Nature of the Firm : Proprietary Firm
10. Average Debt Coverage ratios : **3.27**

II. ABOUT THE PROJECT

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 of men women and children famous poet Keats defined the word beauty as : " A thing of beauty is a 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 . Life style is fast changing in the modern era and the women have become more conscious about their make up the status of women has improved a lot and is improving further . This has resulted in their life style changing. Also their economic independence encourages them to resort this type of services. Beauty parlour is a service oriented establishment in which women receive treatment to increase their beauty. Skin care, facial make up, hair nourishment and model hair cutting are the most important nourishing activities of a beauty parlour. The use of machinery, ayurvedic formulations and approved synthetic chemicals and medicines vary from person to person as per need. In present project the provision of different beauty therapy are present with use of limited number of machinery.

Product / Services & process

The beauty therapy is basically classified in items like hair cutting, nourishment of hair, dyeing of hair, prevention of hair fall, facial, treatment of pimples, pedicure etc. Facial itself is a very vast subject in which eye brow shaping, cleaning of face to remove dirt, application of cream and herbal extracts to nullify the aging and to cover wrinkles etc. As per the demand, special application of natural color to increase the beauty or aesthetic sense, use of eye pencil in eyebrow, eye lashes also measure the quality of the service provided by the parlour. Hair colouring with natural herbs, nail shaping, colourings, pedicure, manicure are also some additional service activities from which the centre earns good profit as well as good name and fame.

TECHNOLOGY:

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pimples, pedicure etc. Facial itself is a very vast subject in which eye brow shaping, cleaning of face to remove dirt, application of cream and herbal extracts to nullify the aging and to cover wrinkles etc. As per the demand, special application of natural color to increase the beauty or aesthetic sense, use of eye pencil in eyebrow, eye lashes also measure the quality of the service provided by the parlour. Hair colouring with natural herbs, nail shaping, colourings, pedicure, manicure are also some additional service activities from which the centre earns good profit as well as good name and fame. All these activities are performed by experienced beauticians in respective fields. The authority should appoint experts in facial activities, in hair treatment, pimple treatment and pedicure, manicure, separately to improve the quality of servicing and to create confidence among the new customers. The technique of application of dye to hair, natural herbal extracts colors to chicks are all scientifically regulated to impart best result. It also vary from training institute to training institute. The ultimate aim is the customer's satisfaction.

Environmental Pollution:

This unit is no way linked with serious pollution hazards. However, the authority should provide gloves to handle chemicals and should maintain good working environment.

Market potential & Strategy

Beauty culture training is now-a-days, imparted by number private organizations and trained ladies try to set up their beauty par lour in medium and small towns through out India. The easily availability of different herbal preparation, cosmetic items helps to maintain quality of service of these beauty par lour. The demand of attending beauty parlour centre is mostly found in age group 18-48 years. In population growth, the growth of this age group is now found to be highest in India. In good beauty par lour even the customers have to wait for days together with an advance booking This type of service centres are also getting good orders to serve the bride, in marriage functions and in different similar occasions. Depending on work load, they appoint fresh trainees and also open branches in different towns. Punctuality in opening and closing the parlor everyday, customer dealing, serving and satisfaction of customers as a whole plays a vital role in improving the market demand of such service centre. From the ages past people have used sandal

Project For:

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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 teeth. Every man women and child want to be beautiful. A good beauty parlour is required in every city town and other places. A beauty parlour with all modern facilities and services at reasonable charges more visit can be expected from each individuals due to the scarcity of experience and qualified beautician there is immense marketability for this venture.

Projections for:

Beauty Parlour

III. ECONOMICS OF THE PROJECT

A. TOTAL COST OF THE PROJECT

(Rs. Lacs)

S.No.	Particulars	Total	Spent	Bal. To be spent
A.	Fixed Cost			
1	Equipments Hair cutting machine, Facial bed, Body massager, Facial steamer, Shampoo wash unit, Hair strengthening machine, Drayer etc.	1.50	-	1.50
2	Misc. Fixed Assets (Furniture & Electrical)	1.40	-	1.40
		<u>2.90</u>		<u>2.90</u>
B	Working Capital	2.10	-	2.10
	TOTAL COST OF THE PROJECT	5.00		5.00

MEANS OF FINANCE

a) Own Contribution (5%)	0.25
b) T L facility from Bank (95%)	2.76
c) CC facility from Bank (95%)	2.00
	<u>5.00</u>
C) Subsidy Entitlement Under PMEGP scheme @ 35%	1.75

Projections for:
Beauty Parlour

B. PROFITABILITY STATEMENT

S.No.	Particulars	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
1	Income	10.50	11.55	12.71	13.98	15.37
2	Expenses	9.00	9.67	10.40	11.10	11.86
3	Int. on TL	0.28	0.23	0.17	0.11	0.04
4	Depreciation	0.36	0.31	0.27	0.24	0.21
5	Profit after int. & dep.	0.86	1.33	1.86	2.52	3.27
6	Income Tax	-	-	-	-	0.33
7	Profit after Tax	0.86	1.33	1.86	2.52	2.94
8	Add : Depreciation	0.36	0.31	0.27	0.24	0.21
9	Add : Interest on TL	0.28	0.23	0.17	0.11	0.04
10	Cash Accruals	1.50	1.88	2.31	2.87	3.19
11	Repayment of TL with Interest	0.72	0.72	0.72	0.72	0.72
12	DSCR	2.09	2.61	3.21	4.00	4.44
13	Average DSCR	3.27				
14	Net Profit to total receipts	8.18	11.55	14.62	18.06	19.13

<i>Projections for:</i> Beauty Parlour
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C. CASH FLOW STATEMENT

(Rs. Lacs)

S.No.	Particulars	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
A	Inflow :					
1	Cash flow from Opration	1.50	1.88	2.31	2.87	3.19
2	T.L. from Bank	2.76				
3	CC from bank	2.00				
4	Own contribution	0.25				
5	Subsidy	1.75				
	Total (A)	8.25	1.88	2.31	2.87	3.19
B	Outflow:					
1	Fixed Assets	2.90	-	-	-	-
2	Repay of TL	0.72	0.72	0.72	0.72	0.72
3	Drawings	0.20	0.22	0.24	0.27	0.29
	Total (B)	3.82	0.94	0.96	0.99	1.01
	Summery:					
	Op. Cash & Bank Bal.	-	4.43	5.37	6.71	8.60
	Surplus / (Deficit)	4.43	0.94	1.34	1.89	2.18
	Cl. Cash & Bank Bal.	4.43	5.37	6.71	8.60	10.78

Projections for:
Beauty Parlour

D. BALANCE SHEET

(Rs. Lacs)

S.No.	Particulars	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
A ASSETS :						
1	Fixed Assets :	2.54	2.23	1.95	1.71	1.51
2	Investments	-	-	-	-	-
3	Current Assets	4.43	5.37	6.71	8.60	10.78
4	Loans & Advances	-	-	-	-	-
	Total (A)	<u>6.97</u>	<u>7.60</u>	<u>8.67</u>	<u>10.32</u>	<u>12.29</u>
B LIABILITIES:						
1	Capital	2.66	3.77	5.39	7.65	10.29
2	Secured loans	2.32	1.83	1.29	0.68	-
3	Current Liabilities					
	Cash Credit	2.00	2.00	2.00	2.00	2.00
	Total (B)	<u>6.97</u>	<u>7.60</u>	<u>8.67</u>	<u>10.32</u>	<u>12.29</u>

Projections for:
Beauty Parlour

E. CAPITAL ACCOUNT

(Rs. Lacs)

S.No.	Particulars	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
1	Op. Balance	-	2.66	3.77	5.39	7.65
2	Additions	2.00	-	-	-	-
3	Net Profit	0.86	1.33	1.86	2.52	2.94
	Sub Total	2.86	3.99	5.63	7.91	10.59
4	Drawings	0.20	0.22	0.24	0.27	0.29
5	Closing Balance	2.66	3.77	5.39	7.65	10.29

Projections for:
Beauty Parlour

F. INCOME

(Rs. Lacs)

S. No.	Particulars	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
1	Gross Receipts					
a.	No. of Working Days per annum	350	350	350	350	350
b.	Income per day	0.030	0.033	0.036	0.040	0.044
c.	Total Receipts per annum	10.50	11.55	12.71	13.98	15.37
	Total	10.50	11.55	12.71	13.98	15.37

Projections for:
Beauty Parlour

G. EXPENSES

(Rs. Lacs)

S.No.	Particulars	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
1	Salary					
i.	Manager (Self)	-	-	-	-	-
ii.	Beautician (2 no.* Rs. 10000 per month)	2.40	2.52	2.65	2.78	2.92
iii.	Assitant (3 no.* Rs. 6000 per month)	2.16	2.27	2.38	2.50	2.63
2	Raw Material (@ 25000 per month)	3.00	3.30	3.63	3.99	4.39
3	Telephone & Electricity Expenses	0.60	0.66	0.73	0.76	0.80
4	Advertising/Marketing/Social Media (@ 2000 per month)	0.24	0.26	0.29	0.30	0.32
5	Miscellaneous Expenses (@ 5000 per month)	0.60	0.66	0.73	0.76	0.80
	Total	9.00	9.67	10.40	11.10	11.86

Projections for:
Beauty Parlour

H. FIXED ASSETS AND DEPRECIATION

(Rs. Lacs)

S. No.	Particulars	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
1	Equipments					
	Op. Balance		1.35	1.22	1.09	0.98
	Additions	1.50	-	-	-	-
	Sub Total	1.50	1.35	1.22	1.09	0.98
	Less : Depreciation	0.15	0.14	0.12	0.11	0.10
	Cl. WDV	1.35	1.22	1.09	0.98	0.89
2	Misc. Fixed Assets					
	Op. Balance		1.19	1.01	0.86	0.73
	Additions	1.40	-	-	-	-
	Sub Total	1.40	1.19	1.01	0.86	0.73
	Less : Depreciation	0.21	0.18	0.15	0.13	0.11
	Cl. WDV	1.19	1.01	0.86	0.73	0.62
	Total Depreciation	0.36	0.31	0.27	0.24	0.21
	Total WDV	2.54	2.23	1.95	1.71	1.51

Projections for:
Beauty Parlour

I. TERM LOAN REPAYMENT AND INTEREST THEREON

(Rs. Lacs)

S.No.	Particulars	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
1	TL / Op. Bal.	2.76	2.32	1.83	1.29	0.68
2	Repayment during the year	0.44	0.49	0.54	0.61	0.68
3	Cl. Balance	2.32	1.83	1.29	0.68	-
4	Interest at 11.00 per cent p.a.	0.28	0.23	0.17	0.11	0.04
5	Total repayment with Interest	0.72	0.72	0.72	0.72	0.72
6	Interest on CC (at 12 per cent p.a.)	0.24	0.24	0.24	0.24	0.24
7	Total Interest	0.52	0.47	0.41	0.35	0.28

Term Loan Repayment Schedule

MONTHS	EMI	INTEREST	PRINCIPAL REPAYMENT	OST PRINCIPAL
0				2.76
1	0.06	0.03	0.03	2.72
2	0.06	0.02	0.03	2.69
3	0.06	0.02	0.04	2.65
4	0.06	0.02	0.04	2.61
5	0.06	0.02	0.04	2.58
6	0.06	0.02	0.04	2.54
7	0.06	0.02	0.04	2.51
8	0.06	0.02	0.04	2.47
9	0.06	0.02	0.04	2.43
10	0.06	0.02	0.04	2.39
11	0.06	0.02	0.04	2.36
12	0.06	0.02	0.04	2.32
First Year	0.72	0.28	0.44	
13	0.06	0.02	0.04	2.28
14	0.06	0.02	0.04	2.24
15	0.06	0.02	0.04	2.20
16	0.06	0.02	0.04	2.16
17	0.06	0.02	0.04	2.12

18	0.06	0.02	0.04	2.08
19	0.06	0.02	0.04	2.04
20	0.06	0.02	0.04	2.00
21	0.06	0.02	0.04	1.96
22	0.06	0.02	0.04	1.91
23	0.06	0.02	0.04	1.87
24	0.06	0.02	0.04	1.83
Second Year	0.72	0.23	0.49	
25	0.06	0.02	0.04	1.79
26	0.06	0.02	0.04	1.74
27	0.06	0.02	0.04	1.70
28	0.06	0.02	0.04	1.65
29	0.06	0.02	0.04	1.61
30	0.06	0.01	0.05	1.56
31	0.06	0.01	0.05	1.52
32	0.06	0.01	0.05	1.47
33	0.06	0.01	0.05	1.43
34	0.06	0.01	0.05	1.38
35	0.06	0.01	0.05	1.33
36	0.06	0.01	0.05	1.29
Third Year	0.72	0.17	0.54	
37	0.06	0.01	0.05	1.24
38	0.06	0.01	0.05	1.19
39	0.06	0.01	0.05	1.14
40	0.06	0.01	0.05	1.09
41	0.06	0.01	0.05	1.04
42	0.06	0.01	0.05	0.99
43	0.06	0.01	0.05	0.94
44	0.06	0.01	0.05	0.89
45	0.06	0.01	0.05	0.84
46	0.06	0.01	0.05	0.78
47	0.06	0.01	0.05	0.73
48	0.06	0.01	0.05	0.68
Fourth Year	0.72	0.11	0.61	
49	0.06	0.01	0.05	0.62
50	0.06	0.01	0.05	0.57
51	0.06	0.01	0.05	0.52
52	0.06	0.00	0.06	0.46
53	0.06	0.00	0.06	0.40
54	0.06	0.00	0.06	0.35
55	0.06	0.00	0.06	0.29
56	0.06	0.00	0.06	0.23
57	0.06	0.00	0.06	0.18
58	0.06	0.00	0.06	0.12
59	0.06	0.00	0.06	0.06
60	0.06	0.00	0.06	0.00
Fifth Year	0.72	0.04	0.68	

Projections for:
Beauty Parlour

(Rs. Lacs)

J. WORKING CAPITAL

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5
1	Gross receipts	10.50	11.55	12.71	13.98	15.37
2	Working Capital ('@ 20%)	2.10	2.31	2.54	2.80	3.07
3	Bank CC (95%)	2.00	2.19	2.41	2.66	2.92
4	Own Contribution(5%)	0.11	0.11	0.11	0.11	0.11