

# PROJECT REPORT

## Of

# ROSE WATER MAKING UNIT

### PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding Rose water making 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.]

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**PROJECT AT A GLANCE**

- 1 Name of the Entrepreneur : xxxxxxxxxxxx
- 2 Constitution (legal Status) : xxxxxxxxxxxx
- 3 Father / Spouse Name : xxxxxxxxxxxxxx
- 4 Unit Address : xxxxxxxxxxxxxxxxxxxxxxxx
- District : xxxxxxxx
- Pin: xxxxxxxx State: xxxxx
- Mobile xxxxxxxx
- 5 Product and By Product : **ROSE WATER**
- 6 Name of the project / business activ **ROSE WATER MANUFACTURING UNIT**
- 7 Cost of Project : Rs. 19.04 Lakhs
- 8 Means of Finance
- Term Loan Rs. 12.00 Lakhs
- Own Capital Rs. 4.76 Lakhs
- Working Capital Rs. 2.28 Lakhs
- 9 Debt Service Coverage Ratio : 2.79
- 10 Pay Back Period : 5 Years
- 11 Project Implementation Period : 6-7 Months
- 12 Break Even Point : 43%
- 13 Employment : 15 Persons
- 14 Power Requirement : 8.00 KW
- 15 Major Raw materials : Rose, water, fragerence etc.
- 16 Estimated Annual Sales Turnov : 49.88 Lakhs
- 17 Detailed Cost of Project & Means of Finance

**COST OF PROJECT**

(Rs. In Lakhs)

Particulars	Amount
Land	Own/Rented
Plant & Machinery	15.00
Miss Assets	1.00
Furniture & Fixtures	
Working Capital	3.04
<b>Total</b>	<b>19.04</b>

**MEANS OF FINANCE**

Particulars	Amount
Own Contribution	4.76
Working Capital(Finance)	2.28
Term Loan	12.00
<b>Total</b>	<b>19.04</b>

## **1. INTRODUCTION**

### **ROSE WATER**



Rose water is a flavored water made by steeping rose petals in water. Additionally, it is the hydrosol portion of the distillate of rose petals, a by-product of the production of rose oil for use in perfume.

Rose water is prepared by steeping rose petals in water. Sometimes, a by-product of the process of extracting rose oil is also used in the place of rose water. There are a number of rose water benefits which make it a popular ingredient in cuisines and religious rituals. Rose water for skin and rose water for face are two of rose water's most well-known uses.

## **2. MARKET POTENTIAL:**

The Global Rose Water Market is expected to grow from USD 319.13 Million in 2018 to USD 510.13 Million by the end of 2025 at a Compound Annual Growth Rate (CAGR) of 6.93%.

Rosewater helps maintain the skin's pH balance, and also controls excess oil. Rose water has anti-inflammatory properties that can help reduce the redness of irritated skin, get rid of acne, dermatitis and eczema. It is a great cleanser and aids in removing oil and dirt accumulated in clogged pores",

Rose water market can be segmented into Food and beverages, cosmetics and personal care, medicinal use, and others. Cosmetics & personal care and medicinal use is expected to have major share in terms of both value and volume during the forecast period. Use of rose water in cosmetics and perfumes has rapidly increased the demand of rose water market. Its medicinal uses bolstered the demand for the product. Rose water flavored drinks and edibles like sweets, ice creams, and bakery products are anticipated to grow the demand of rose water market of this segment in the forecast period.

### **3. PRODUCT DESCRIPTION**

#### **3.1 Raw Material sources**

Following raw material is required as the major raw material for the manufacturing of rose water.

<b>S.N.</b>	<b>Description</b>	<b>Amount</b>
<b>1</b>	Rose petals	Rs. 200-250 Per KG
<b>2</b>	DM Water	Rs. 8 Per Liter

Average raw material cost for per Liter Production: Rs. 120-150.

### **3.2 MANUFACTURING PROCESS**

- Procurement of raw material i.e. Rose petals.
- Cleaning of rose petals.
- Next step is distillation process, in this process with the help of distillation essential oil is extracted from rose petals and condensed with the help of water.
- In distillation process furnace or heater, heating vessels or heating tank, cooling tank or condenser is used. Usually separator is used in distillation process but in this project rose water is manufactured so, one storage tank is enough.
- Distillation process is executed in heating vessel by putting rose petals and water together and this process is repeated many times with same water and flowers for essential oil extraction.
- Filling of rose water in bottles and labelling on bottles.

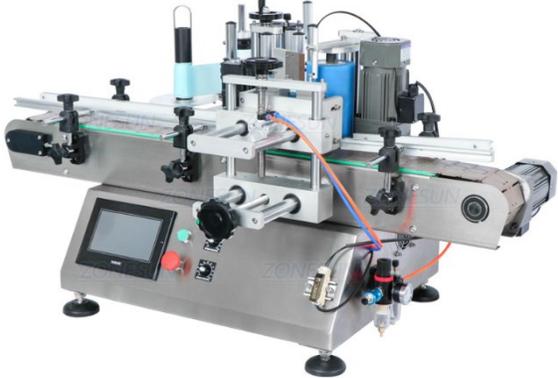
## **4. PROJECT COMPONENTS**

### **4.1 Land**

Land required is 1200-1500 square feet approx.

Approximate rent for the same is Rs.24,000 – 30,000 per month.

## 4.2 Plant & Machinery

S.N.	Item Description	Image
1	Electric Distillation Unit	 An industrial electric distillation unit consisting of a large stainless steel boiler with a hemispherical top, connected to a condenser and a collection vessel. A control panel with various gauges and switches is visible on the right side.
2	Automatic filling machine	 A stainless steel automatic filling machine with a conveyor belt. It features a control panel with a digital display and several buttons. The machine is designed for filling small bottles, as evidenced by the bottles shown on the right side of the image.
3	Automatic Labelling machine	 A stainless steel automatic labelling machine with a conveyor belt. It has a control panel with a digital display and various adjustment knobs. The machine is used for applying labels to bottles, as shown by the bottles on the right side of the image.

Note: cost of the Automatic Rose Water machinery is approx. Rs. 15,00,000 excluding GST and other transportation cost.

## **5. FINANCIALS**

### **5.1 Cost of Project**

<b>PARTICULARS</b>	<b>AMOUNT (In Lacs)</b>
Land & Building	Owned/rented
Plant & Machinery	15.00
Miscellaneous Assets	1.00
Working capital	3.04
<b>Total</b>	<b>19.04</b>

### **5.2 Means of Finance**

<b>PARTICULARS</b>	<b>AMOUNT (In Lacs)</b>
Own Contribution @ 25%	4.91
Term Loan @ 75%	12.00
Working Capital (bank Finance)	2.28
<b>Total</b>	<b>19.04</b>

### 5.3 Projected Balance Sheet

<b>PROJECTED BALANCE SHEET</b>					<b>(in Lacs)</b>
<b>PARTICULARS</b>	<b>1st year</b>	<b>2nd year</b>	<b>3rd year</b>	<b>4th year</b>	<b>5th year</b>
<b><u>Liabilities</u></b>					
Capital					
opening balance		5.03	6.07	7.62	9.52
Add:- Own Capital	4.76				
Add:- Retained Profit	1.77	4.28	6.35	7.91	10.25
Less:- Drawings	1.50	3.25	4.80	6.00	8.00
	-				
Closing Balance	5.03	6.07	7.62	9.52	11.78
Term Loan	10.67	8.00	5.33	2.67	-
Working Capital Limit	2.28	2.28	2.28	2.28	2.28
Sundry Creditors	0.30	0.35	0.40	0.45	0.51
Provisions & Other Liabilities	0.20	0.25	0.30	0.36	0.43
<b>TOTAL :</b>	<b>18.48</b>	<b>16.94</b>	<b>15.92</b>	<b>15.28</b>	<b>15.00</b>
<b><u>Assets</u></b>					
<b>Fixed Assets (Gross)</b>	16.00	16.00	16.00	16.00	16.00
Gross Dep.	2.35	4.35	6.06	7.51	8.75
<b>Net Fixed Assets</b>	<b>13.65</b>	<b>11.65</b>	<b>9.94</b>	<b>8.49</b>	<b>7.25</b>
<b>Current Assets</b>					
Sundry Debtors	2.00	2.43	2.80	3.19	3.60
Stock in Hand	2.35	2.68	3.03	3.42	3.84
Cash and Bank	0.48	0.18	0.15	0.18	0.31
<b>TOTAL:</b>	<b>18.48</b>	<b>16.94</b>	<b>15.92</b>	<b>15.28</b>	<b>15.00</b>

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## 5.4 Projected Cash Flow

<b>PROJECTED CASH FLOW STATEMENT</b>					<b>(in Lacs)</b>
<b>PARTICULARS</b>	<b>1st year</b>	<b>2nd year</b>	<b>3rd year</b>	<b>4th year</b>	<b>5th year</b>
<b><u>SOURCES OF FUND</u></b>					
Own Margin	4.76				
Net Profit	1.77	4.28	6.70	8.67	11.09
Depreciation & Exp. W/off	2.35	2.00	1.71	1.45	1.24
Increase in Cash Credit	2.28	-	-	-	-
Increase In Term Loan	12.00	-	-	-	-
Increase in Creditors	0.30	0.05	0.05	0.06	0.06
Increase in Provisions & Other liabilities	0.20	0.05	0.05	0.06	0.07
	-				
<b>TOTAL :</b>	<b>23.66</b>	<b>6.38</b>	<b>8.51</b>	<b>10.24</b>	<b>12.47</b>
<b><u>APPLICATION OF FUND</u></b>					
Increase in Fixed Assets	16.00				
Increase in Stock	2.35	0.33	0.35	0.39	0.41
Increase in Debtors	2.00	0.44	0.37	0.39	0.41
Repayment of Term Loan	1.33	2.67	2.67	2.67	2.67
Drawings	1.50	3.25	4.80	6.00	8.00
Taxation	-	-	0.35	0.76	0.84
<b>TOTAL :</b>	<b>23.18</b>	<b>6.68</b>	<b>8.54</b>	<b>10.21</b>	<b>12.34</b>
Opening Cash & Bank Balance	-	0.48	0.18	0.15	0.18
Add : Surplus	0.48	-0.30	-0.03	0.03	0.13
Closing Cash & Bank Balance	<b>0.48</b>	<b>0.18</b>	<b>0.15</b>	<b>0.18</b>	<b>0.31</b>

## 5.5 Projected Profitability

<b>PROJECTED PROFITABILITY STATEMENT</b>						<b>(in Lacs)</b>
<b>PARTICULARS</b>	<b>1st year</b>	<b>2nd year</b>	<b>3rd year</b>	<b>4th year</b>	<b>5th year</b>	
Capacity Utilization %	<b>50%</b>	<b>55%</b>	<b>60%</b>	<b>65%</b>	<b>70%</b>	
<b><u>SALES</u></b>						
<b>Gross Sale</b>						
ROSE WATER	49.88	60.77	69.91	79.64	89.98	
<b>Total</b>	<b>49.88</b>	<b>60.77</b>	<b>69.91</b>	<b>79.64</b>	<b>89.98</b>	
<b><u>COST OF SALES</u></b>						
Raw Material Consumed	18.00	20.79	23.76	27.11	30.66	
Electricity Expenses	2.40	2.76	3.17	3.65	4.02	
Depreciation	2.35	2.00	1.71	1.45	1.24	
Wages & labour	5.04	5.54	6.10	6.71	7.38	
Repair & maintenance	1.25	1.52	1.75	1.99	2.25	
Packaging	12.00	14.03	16.20	18.53	21.00	
<b>Cost of Production</b>	<b>41.04</b>	<b>46.64</b>	<b>52.69</b>	<b>59.43</b>	<b>66.54</b>	
<b>Add: Opening Stock /WIP</b>	<b>-</b>	<b>2.05</b>	<b>2.33</b>	<b>2.63</b>	<b>2.97</b>	
<b>Less: Closing Stock /WIP</b>	<b>2.05</b>	<b>2.33</b>	<b>2.63</b>	<b>2.97</b>	<b>3.33</b>	
Cost of Sales	38.99	46.36	52.38	59.10	66.19	
<b>GROSS PROFIT</b>	<b>10.89</b>	<b>14.41</b>	<b>17.52</b>	<b>20.55</b>	<b>23.79</b>	
	<b>21.83%</b>	<b>23.71%</b>	<b>25.07%</b>	<b>25.80%</b>	<b>26.44%</b>	
Salary to Staff	3.24	3.56	3.92	4.31	4.74	
Interest on Term Loan	1.18	1.04	0.75	0.45	0.16	
Interest on working Capital	0.25	0.25	0.25	0.25	0.25	
Rent	3.00	3.30	3.63	3.99	4.39	
Selling & Administrative Exp	1.45	1.98	2.27	2.87	3.15	
<b>TOTAL</b>	<b>9.12</b>	<b>10.13</b>	<b>10.82</b>	<b>11.88</b>	<b>12.69</b>	
NET PROFIT	1.77	4.28	6.70	8.67	11.09	
	<b>3.56%</b>	<b>7.05%</b>	<b>9.59%</b>	<b>10.89%</b>	<b>12.33%</b>	
Taxation			0.35	0.76	0.84	
PROFIT (After Tax)	1.77	4.28	6.35	7.91	10.25	

## 5.8 Working Capital Assessment

(in Lacs)					
<b>COMPUTATION OF CLOSING STOCK &amp; WORKING CAPITAL</b>					
<b>PARTICULARS</b>	<b>1st year</b>	<b>2nd year</b>	<b>3rd year</b>	<b>4th year</b>	<b>5th year</b>
<b><u>Finished Goods</u></b>					
	2.05	2.33	2.63	2.97	3.33
<b><u>Raw Material</u></b>					
	0.30	0.35	0.40	0.45	0.51
<b>Closing Stock</b>	<b>2.35</b>	<b>2.68</b>	<b>3.03</b>	<b>3.42</b>	<b>3.84</b>

<b>COMPUTATION OF WORKING CAPITAL REQUIREMENT</b>					
<b>TRADITIONAL METHOD</b>					(in Lacs)
<b>Particulars</b>	<b>Amount</b>	<b>Own Margin</b>		<b>Bank Finance</b>	
Finished Goods & Raw Material	2.35				
Less : Creditors	0.30				
<b>Paid stock</b>	<b>2.05</b>	<b>25%</b>	<b>0.51</b>	<b>75%</b>	<b>1.54</b>
<b>Sundry Debtors</b>	<b>2.00</b>	<b>25%</b>	<b>0.50</b>	<b>75%</b>	<b>1.50</b>
	<b>4.05</b>		<b>1.01</b>		<b>3.04</b>
<b>MPBF</b>					<b>3.04</b>
<b>WORKING CAPITAL LIMIT DEMAND ( from Bank)</b>					<b>2.28</b>
<b>Working Capital Margin</b>					<b>0.76</b>

## 5.11 Repayment schedule

REPAYMENT SCHEDULE OF TERM LOAN							
						Interest	11.00%
Year	Particulars	Amount	Addition	Total	Interest	Repayment	Closing Balance
<b>1st</b>	Opening Balance						
	1st month	-	12.00	12.00	-	-	12.00
	2nd month	12.00	-	12.00	0.11	-	12.00
	3rd month	12.00	-	12.00	0.11	-	12.00
	4th month	12.00	-	12.00	0.11		12.00
	5th month	12.00	-	12.00	0.11		12.00
	6th month	12.00	-	12.00	0.11		12.00
	7th month	12.00	-	12.00	0.11	0.22	11.78
	8th month	11.78	-	11.78	0.11	0.22	11.56
	9th month	11.56	-	11.56	0.11	0.22	11.33
	10th month	11.33	-	11.33	0.10	0.22	11.11
	11th month	11.11	-	11.11	0.10	0.22	10.89
	12th month	10.89	-	10.89	0.10	0.22	10.67
					1.18	1.33	
<b>2nd</b>	Opening Balance						
	1st month	10.67	-	10.67	0.10	0.22	10.44
	2nd month	10.44	-	10.44	0.10	0.22	10.22
	3rd month	10.22	-	10.22	0.09	0.22	10.00
	4th month	10.00	-	10.00	0.09	0.22	9.78
	5th month	9.78	-	9.78	0.09	0.22	9.56
	6th month	9.56	-	9.56	0.09	0.22	9.33
	7th month	9.33	-	9.33	0.09	0.22	9.11
	8th month	9.11	-	9.11	0.08	0.22	8.89
	9th month	8.89	-	8.89	0.08	0.22	8.67
	10th month	8.67	-	8.67	0.08	0.22	8.44
	11th month	8.44	-	8.44	0.08	0.22	8.22
	12th month	8.22	-	8.22	0.08	0.22	8.00
					1.04	2.67	
<b>3rd</b>	Opening Balance						
	1st month	8.00	-	8.00	0.07	0.22	7.78
	2nd month	7.78	-	7.78	0.07	0.22	7.56
	3rd month	7.56	-	7.56	0.07	0.22	7.33
	4th month	7.33	-	7.33	0.07	0.22	7.11
	5th month	7.11	-	7.11	0.07	0.22	6.89
	6th month	6.89	-	6.89	0.06	0.22	6.67
	7th month	6.67	-	6.67	0.06	0.22	6.44
	8th month	6.44	-	6.44	0.06	0.22	6.22
	9th month	6.22	-	6.22	0.06	0.22	6.00
	10th month	6.00	-	6.00	0.06	0.22	5.78

	11th month	5.78	-	5.78	0.05	0.22	5.56
	12th month	5.56	-	5.56	0.05	0.22	5.33
					<b>0.75</b>	<b>2.67</b>	
<b>4th</b>	Opening Balance						
	1st month	5.33	-	5.33	0.05	0.22	5.11
	2nd month	5.11	-	5.11	0.05	0.22	4.89
	3rd month	4.89	-	4.89	0.04	0.22	4.67
	4th month	4.67	-	4.67	0.04	0.22	4.44
	5th month	4.44	-	4.44	0.04	0.22	4.22
	6th month	4.22	-	4.22	0.04	0.22	4.00
	7th month	4.00	-	4.00	0.04	0.22	3.78
	8th month	3.78	-	3.78	0.03	0.22	3.56
	9th month	3.56	-	3.56	0.03	0.22	3.33
	10th month	3.33	-	3.33	0.03	0.22	3.11
	11th month	3.11	-	3.11	0.03	0.22	2.89
	12th month	2.89	-	2.89	0.03	0.22	2.67
					<b>0.45</b>	<b>2.67</b>	
<b>5th</b>	Opening Balance						
	1st month	2.67	-	2.67	0.02	0.22	2.44
	2nd month	2.44	-	2.44	0.02	0.22	2.22
	3rd month	2.22	-	2.22	0.02	0.22	2.00
	4th month	2.00	-	2.00	0.02	0.22	1.78
	5th month	1.78	-	1.78	0.02	0.22	1.56
	6th month	1.56	-	1.56	0.01	0.22	1.33
	7th month	1.33	-	1.33	0.01	0.22	1.11
	8th month	1.11	-	1.11	0.01	0.22	0.89
	9th month	0.89	-	0.89	0.01	0.22	0.67
	10th month	0.67	-	0.67	0.01	0.22	0.44
	11th month	0.44	-	0.44	0.00	0.22	0.22
	12th month	0.22	-	0.22	0.00	0.22	-
					<b>0.16</b>	<b>2.67</b>	
	DOOR TO DOOR	60		MONTHS			
	MORATORIUM PERIOD	6		MONTHS			
	REPAYMENT PERIOD	54		MONTHS			

## 5.12 DSCR

<b>CALCULATION OF D.S.C.R</b>					
<b>PARTICULARS</b>	<b>1st year</b>	<b>2nd year</b>	<b>3rd year</b>	<b>4th year</b>	<b>5th year</b>
CASH ACCRUALS	4.12	6.29	8.06	9.36	11.49
Interest on Term Loan	1.18	1.04	0.75	0.45	0.16
<b>Total</b>	<b>5.30</b>	<b>7.32</b>	<b>8.80</b>	<b>9.81</b>	<b>11.65</b>
<b>REPAYMENT</b>					
Instalment of Term Loan	1.33	2.67	2.67	2.67	2.67
Interest on Term Loan	1.18	1.04	0.75	0.45	0.16
<b>Total</b>	<b>2.51</b>	<b>3.71</b>	<b>3.41</b>	<b>3.12</b>	<b>2.83</b>
<b>DEBT SERVICE COVERAGE RATIO</b>	<b>2.11</b>	<b>1.98</b>	<b>2.58</b>	<b>3.15</b>	<b>4.12</b>
<b>AVERAGE D.S.C.R.</b>	<b>2.79</b>				

## 5.13 Break Even Point Analysis

<b>BREAK EVEN POINT ANALYSIS</b>					
<b>Year</b>	<b>I</b>	<b>II</b>	<b>III</b>	<b>IV</b>	<b>V</b>
<b>Net Sales &amp; Other Income</b>	49.88	60.77	69.91	79.64	89.98
Less : Op. WIP Goods	-	2.05	2.33	2.63	2.97
Add : Cl. WIP Goods	2.05	2.33	2.63	2.97	3.33
<b>Total Sales</b>	<b>51.93</b>	<b>61.05</b>	<b>70.21</b>	<b>79.98</b>	<b>90.33</b>
<b>Variable &amp; Semi Variable Exp.</b>					
Raw Material Consumed	18.00	20.79	23.76	27.11	30.66
Electricity Exp/Coal Consumption at 85%	2.04	2.35	2.70	3.10	3.41
Wages & Salary at 60%	4.97	5.46	6.01	6.61	7.27
Selling & Administrative Expenses 80%	1.16	1.58	1.82	2.29	2.52
Interest on working Capital	0.25	0.25	0.25	0.25	0.25
Repair & maintenance	1.25	1.52	1.75	1.99	2.25
Packaging	12.00	14.03	16.20	18.53	21.00
<b>Total Variable &amp; Semi Variable Exp</b>	<b>39.66</b>	<b>45.98</b>	<b>52.48</b>	<b>59.88</b>	<b>67.37</b>
<b>Contribution</b>	<b>12.26</b>	<b>15.08</b>	<b>17.72</b>	<b>20.10</b>	<b>22.97</b>

<b>Fixed &amp; Semi Fixed Expenses</b>					
Electricity Exp/Coal Consumption at 15%	0.36	0.41	0.48	0.55	0.60
Wages & Salary at 40%	3.31	3.64	4.01	4.41	4.85
Interest on Term Loan	1.18	1.04	0.75	0.45	0.16
Depreciation	2.35	2.00	1.71	1.45	1.24
Selling & administrative Expenses 20%	0.29	0.40	0.45	0.57	0.63
Rent	3.00	3.30	3.63	3.99	4.39
<b>Total Fixed Expenses</b>	<b>10.49</b>	<b>10.79</b>	<b>11.02</b>	<b>11.43</b>	<b>11.87</b>
<b>Capacity Utilization</b>	<b>50%</b>	<b>55%</b>	<b>60%</b>	<b>65%</b>	<b>70%</b>
<b>OPERATING PROFIT</b>	<b>1.77</b>	<b>4.28</b>	<b>6.70</b>	<b>8.67</b>	<b>11.09</b>
<b>BREAK EVEN POINT</b>	<b>43%</b>	<b>39%</b>	<b>37%</b>	<b>37%</b>	<b>36%</b>
<b>BREAK EVEN SALES</b>	<b>44.42</b>	<b>43.71</b>	<b>43.65</b>	<b>45.48</b>	<b>46.70</b>

## 6. LICENSE & APPROVALS

- Obtain the GST registration.
- Additionally, obtain the Udyog Aadhar registration Number.
- Fire/pollution license as required.
- Cosmetic and Drug control Board License
- Choice of a Brand Name of the product and secure the name with Trademark if required.

### Implementation Schedule

S.N.	Activity	Time Required (in Months)
1	Acquisition Of premises	1-2
2	Procurement & installation of Plant & Machinery	1-2
3	Arrangement of Finance	1-2
4	Requirement of required Manpower	1
	Total time Required (some activities shall run concurrently)	5-6 Months

## **DISCLAIMER**

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