

# PROJECT REPORT

Of

# MESSAGE OIL

## PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding Massage oil Manufacturing 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.]



**Lucknow Office:** Sidhivinayak Building ,  
27/1/B, Gokhley Marg, Lucknow-226001

**Delhi Office :** Multi Disciplinary Training  
Centre, Gandhi Darshan Rajghat,  
New Delhi 110002

**Email :** [info@udyami.org.in](mailto:info@udyami.org.in)  
**Contact :** +91 7526000333, 444, 555

## PROJECT AT GLANCE

<b>1 Name of Proprietor/Director</b>	XXXXXXXXXX
<b>2 Firm Name</b>	XXXXXXXXXX
<b>3 Registered Address</b>	XXXXXXXXXX
<b>4 Nature of Activity</b>	XXXXXXXXXX
<b>5 Category of Applicant</b>	XXXXXXXXXX
<b>6 Location of Unit</b>	XXXXXXXXXX
<b>7 Cost of Project</b>	24.64 Rs. In Lakhs
<b>8 Means of Finance</b>	
<b>i) Own Contribution</b>	2.46 Rs. In Lakhs
<b>ii) Term Loan</b>	15.17 Rs. In Lakhs
<b>iii) Working Capital</b>	7.00 Rs. In Lakhs
<b>9 Debt Service Coverage Ratio</b>	2.83
<b>10 Break Even Point</b>	25%
<b>11 Power Requirement</b>	5 KW
<b>12 Employment</b>	11 Persons
<b>13 Major Raw Materials</b>	leaves, seeds, fruits, flowers, wood, leaves & stems, gums or oleosrin exudations and roots.

### 14 Details of Cost of Project & Means of Finance

Cost of Project	Amount in Lacs
<b>Particulars</b>	<b>Amount</b>
Land and building	Owned/Leased
Plant & Machinery	16.11
Furniture & Fixture	0.50
Other Misc Assets	0.25
Working Capital Requirement	7.78
<b>Total</b>	<b>24.64</b>
<b>Means of Finance</b>	
<b>Particulars</b>	<b>Amount</b>
Own Contribution	2.46
Term Loan	15.17
Working capital Loan	7.00
<b>Total</b>	<b>24.64</b>

# **MASSAGE OIL PRODUCTION UNIT**

## **1. INTRODUCTION**

Massage oils are classified as oil-based items to be applied to skin to add to well-being of customer. These oils can be items for general applicability to entire body and to products added to particular parts of the body, e.g., points of stretch marks and cellulite of skin. A variety of oils termed 'body oils' have been discovered in the markets. Such oils are sold as a form of body lotion to be added to dry skin, – for example after bathing. When these items are sold for well-being of the customer, these are measured to be utilized for massage too. Massage oils for physiological well-being are sold as massage oils. They can be pure oils or contain a very complex oil process, dependent on either vegetable oils or, less commonly, on mineral oils. A comparative study of the rising volume of sales of oil toiletries across the cosmetics industry shows their relative value to company and the consumer. For example, the massage oil is produced from most common exotic oils: jojoba, argan, and moringa seed oil. The coconut oil is applied to lend the oil a better feel. The Massage Essential Oil Combination is a complex combination of basic essential oils. It has been specially developed for massage and body oils. This comprises many as 10 essential oils, like rosemary, peppermint, cinnamon and lavender.

The modern aromatherapy founder was Rene-Maurice Gatte-fosse utilized essential oils to massage people in treatment, leveraging medicinal aromatherapy understanding of the effects of essential oils upon this development and treatment of medically diagnosed health conditions. The use of almond, grape seed, or jojoba oil in vegetable oil throughout massage has also been found to even have amazing results.



Fig 1.1: Reference image for Apricot massage oil

Some of the examples of massage oils-

- Olive Oil-This is usually often used in lighter massages, like Swedish massages. This is heavy oil which is absorbed in to skin at a slightly slower pace.
- Grapeseed Oil- Comparison to some other massage oil, this oil offers a soft feeling which makes the skin shiny. It's got little to no scent, and it's best for massage.
- Coconut Oil-This is non-greasy and light and easily absorbed by the skin. This includes medium chain triglycerides and is also suitable for massages requiring shorter movements (utilized for target muscles). It is most widely used during heavy massages like prenatal massages, deep tissue and shiatsu.
- Jojoba Oil-This is typically used during back massage, since it is said to be ideal for the treatment of back acne. It is easily absorbed by the skin, and thus needs re-application.
- Avocado Oil- It is deep green oil and cold-pressed and very strong. Until massaging, it is blended with lighter oils.
- Sweet Almond Oil - This oil is commonly used by massage practitioners and is a pale-yellow oil with a medium, sweet scent. This is a little greasy and slip effortlessly over the skin. This is not a heavy oil, though, and absorbed easily. It is appropriate for all forms of skin but does not normally cause irritation.
- Peanut Oil-This is also utilized in massage and spas.

## **2 PRODUCT DESCRIPTION**

### **2.1 PRODUCT USES**

- Sweet almond oil is very mild and soft upon skin – too mild that it is being used mostly on skin of an infant. It has anti-inflammatory effects, too.
- Avocado oil is a repository of essential minerals and vitamins like linoleic acid, linolenic ac, oleic acid, and vitamins A, C, D and E. This has anti-inflammatory effects which shield the skin from lines, stretch marks.
- Massaging the skin using sunflower oil increases the skin's barrier repair ability. This can have an anti-aging effect on the skin.
- Massaging the skin using argan oil increases the elasticity. It keeps it strong and prevents the effects of ageing, like loose or sagging skin.
- Peanut oil also has moisturizing effect on skin without raising the depletion of trans epidermal water.

- Sesame oil is also used for abhyanga in Ayurveda. It's an Ayurvedic massage skill that enables heating oil and afterwards mixing this with herbs while rubbing it on the body.
- Bitter apricot oil moisturizes and rejuvenates the skin as well as avoids dryness. This is considered an important massage oil for the treatment of psoriasis
- Massaging your body with a combination of pomegranate oil has also been performed to enhance the elasticity of the body.
- Kukui Nut Oil is a cold-pressed oil of Hawaiian origin that was primarily often used massage babies to strengthen their skin. This is an outstanding emollient that moisturizes the skin.

## **2.2 MANUFACTURING PROCESS**

### **1. Oil Extraction Methods:**

- Maceration- ends up creating kind of an "infused oil". The plant material is soaked in vegetable oil, warmed and strained which at that level it could be used for massage,
- Cold pressing- it is being used to obtain oils from citrus fruits like lemon, orange, and grapefruit. The above technique requires a structured method by press the extract at around 120°F to extract the oil. The rinds are segregated from the fruit, ground or sliced, and then pressed.
- Solvent extraction-Hydrocarbon solvents are incorporated to plant materials that will help disintegrate the essential oil. Whenever the mixture was filtered and concentrated through distillation, a resin-containing substance (resinoid) or a mixture of wax and oil stays. Pure alcohol is used in the concentrate to extract oil. The oil is obtained once the alcohol evaporates.
- Hydro distillation- the aromatic plant material is packed in a still and a sufficient quantity of water is added and brought to a boil; alternatively, live steam is injected into the plant charge. Due to the influence of hot water and steam, the essential oil is freed from the oil glands in the plant tissue. The vapor mixture of water and oil is condensed by indirect cooling with water. From the condenser, distillate flows into a separator, where oil separates automatically from the distillate water.

- Steam distillation-Using this method, steam is transferred into a large hopper containing raw plant matter, that causes plants to expel their aromatic compounds, that vaporize and grow with water vapour (steam) it into closed cooling system just above steaming tank. When the mixed steam and plant vapour are cooled in some other chamber called a condenser, the vapour is converted back to a liquid. From it now, they move to separator, where they break into bottom of the water and the top of the oil. Water comprises water-soluble (hydrophilic) portions of essence of the herb, and that is why the remaining water is labeled floral water or hydrosol.

**2. Mixing (If required):**

- The massage oils which are composed of two or more oil require an oil mixer to mix two or more miscible oils to generate require oil mix.

**3. Packaging:**

- An appropriate bottle filling & capping machine is used to fill the prepared or extracted oil in appropriate size bottles, followed by labeling & dispatch to market.

### **3 PROJECT COMPONENTS**

#### **3.1 Land /Civil Work**

Built in line with the GMP practice that assures:

- Protection of cross-contamination
- Appropriate air handling devices.
- Cleaning & sanitary services are necessary.
- Appropriate lighting

Land- 1000Sq.ft.

#### **3.2 Plant & Machinery**

Boiler-The purpose of the boiler is to generate steam for other machine & equipment.



Steam distillation unit-utilized to effectively extract one or more components of a solution or mixture.



Bottle filling & capping machine-Used for the filling of items that need to be placed in bottles followed by capping. It is easier to use an automatic filling unit for small plant followed by manual capping.



S.N.	Description	Amount
1	Boiler	1,25,000
2	Steam Distillation Unit	1,50,000
3	Bottle filling Machine with capping and labeling machine	9,35,000
4	Transfer Pump	45,000
5	Storage Tank	1,10,000
Sub Total		16,10,700

### **3.3 Misc. Assets**

The miscellaneous assets include the Electrification cost, Water installation, Furniture and other miscellaneous stuff

## **4 LICENSE & APPROVALS**

The below are the legal permits for the production sector of anti-tan cream:

- As per Drug and Cosmetic act 1945- Form 31 is required for license and need to be submitted to the government with the inspection fees.
- Firm registration procedure for the firm production.
- Next, from the local municipality, seek approval and afterwards apply for a trade license.
- It is also necessary to apply for the MSME Udyam registration.
- Trademark- The holder of the trademark may be a person, a business association or some government body. It can be put on the box, on the label, on the coupon or on the product itself. These are also displayed on business structures for the purposes of brand identification. It is constitutionally regarded as a kind of property rights.
- Environmental Protection and Emissions Control Board Certificate of No Objection
- NOC of the Chief Fire Officer on fire safety
- Obtaining a license according to Rule 4 of the Factory Rules, 1950



**PROJECTED BALANCE SHEET**

(in Lacs)

<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		3.28	5.30	7.53	10.50
Add:- Own Capital	2.46				
Add:- Retained Profit	4.57	6.52	8.73	9.97	11.37
Less:- Drawings	3.75	4.50	6.50	7.00	8.00
Closing Balance	3.28	5.30	7.53	10.50	13.88
Term Loan	13.49	10.12	6.74	3.37	-
Working Capital Limit	7.00	7.00	7.00	7.00	7.00
Sundry Creditors	2.48	2.78	3.10	3.44	3.80
Provisions & Other Liabilities	0.10	0.30	0.36	0.43	0.50
<b>TOTAL :</b>	<b>26.34</b>	<b>25.50</b>	<b>24.73</b>	<b>24.75</b>	<b>25.18</b>
<b><u>Assets</u></b>					
<b>Fixed Assets ( Gross)</b>	16.86	16.86	16.86	16.86	16.86
Gross Depreciation	2.52	4.66	6.48	8.03	9.34
<b>Net Fixed Assets</b>	<b>14.34</b>	<b>12.20</b>	<b>10.38</b>	<b>8.83</b>	<b>7.52</b>
<b>Current Assets</b>					
Sundry Debtors	4.79	5.55	6.19	6.87	7.58
Stock in Hand	6.40	7.17	7.96	8.80	9.71
Cash and Bank	0.81	0.58	0.20	0.25	0.38
<b>TOTAL :</b>	<b>26.34</b>	<b>25.50</b>	<b>24.73</b>	<b>24.75</b>	<b>25.18</b>

**PROJECTED CASH FLOW STATEMENT****(in Lacs)**

<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	2.46				
Net Profit	4.57	6.69	9.34	11.03	13.03
Depriciation & Exp. W/off	2.52	2.14	1.82	1.55	1.32
Increase in Cash Credit	7.00	-	-	-	-
Increase In Term Loan	15.17	-	-	-	-
Increase in Creditors	2.48	0.31	0.32	0.34	0.36
Increase in Provisions & Other liabilities	0.10	0.20	0.06	0.07	0.07
<b>TOTAL :</b>	<b>34.30</b>	<b>9.34</b>	<b>11.54</b>	<b>13.00</b>	<b>14.78</b>
<b><u>APPLICATION OF FUND</u></b>					
Increase in Fixed Assets	16.86				
Increase in Stock	6.40	0.76	0.80	0.84	0.90
Increase in Debtors	4.79	0.76	0.64	0.68	0.71
Repayment of Term Loan	1.69	3.37	3.37	3.37	3.37
Drawings	3.75	4.50	6.50	7.00	8.00
Taxation	-	0.17	0.62	1.06	1.66
<b>TOTAL :</b>	<b>33.48</b>	<b>9.57</b>	<b>11.93</b>	<b>12.95</b>	<b>14.65</b>
Opening Cash & Bank Balance	-	0.81	0.58	0.20	0.25
Add : Surplus	0.81	-0.23	-0.39	0.05	0.13
Closing Cash & Bank Balance	<b>0.81</b>	<b>0.58</b>	<b>0.20</b>	<b>0.25</b>	<b>0.38</b>

**PROJECTED PROFITABILITY STATEMENT**

(in Lacs)

<b>PARTICULARS</b>	<b>1st year</b>	<b>2nd year</b>	<b>3rd year</b>	<b>4th year</b>	<b>5th year</b>
Capacity Utilisation %	55%	60%	65%	70%	75%
<b><u>SALES</u></b>					
<b>Gross Sale</b>					
MASSAGE OIL	143.55	166.40	185.73	206.02	227.37
<b>Total</b>	<b>143.55</b>	<b>166.40</b>	<b>185.73</b>	<b>206.02</b>	<b>227.37</b>
<b><u>COST OF SALES</u></b>					
Raw Material Consumed	74.25	83.43	93.02	103.32	114.08
Electricity Expenses	1.20	1.44	1.73	2.07	2.49
Depreciation	2.52	2.14	1.82	1.55	1.32
Wages & labour	9.36	11.23	13.48	16.17	19.41
Repair & maintenance	7.54	9.15	8.82	9.79	10.23
Consumables	8.61	9.15	10.22	9.27	10.23
Packaging charges	14.36	14.98	16.72	18.54	19.33
<b>Cost of Production</b>	<b>117.83</b>	<b>131.52</b>	<b>145.79</b>	<b>160.72</b>	<b>177.08</b>
<b>Add: Opening Stock</b>	<b>-</b>	<b>3.93</b>	<b>4.38</b>	<b>4.86</b>	<b>5.36</b>
<b>Less: Closing Stock</b>	<b>3.93</b>	<b>4.38</b>	<b>4.86</b>	<b>5.36</b>	<b>5.90</b>
Cost of Sales	113.90	131.07	145.32	160.22	176.53
<b>GROSS PROFIT</b>	<b>29.65</b>	<b>35.33</b>	<b>40.41</b>	<b>45.80</b>	<b>50.84</b>
Salary to Staff	6.90	8.28	9.94	11.92	13.12
Interest on Term Loan	1.49	1.31	0.94	0.57	0.20
Interest on working Capital	0.77	0.77	0.77	0.77	0.77
Rent	3.00	3.30	3.63	3.99	4.39
Selling & Administration Expenses	12.92	14.98	15.79	17.51	19.33
<b>TOTAL</b>	<b>25.08</b>	<b>28.64</b>	<b>31.07</b>	<b>34.77</b>	<b>37.81</b>
NET PROFIT	4.57	6.69	9.34	11.03	13.03
Taxation		0.17	0.62	1.06	1.66
PROFIT (After Tax)	4.57	6.52	8.73	9.97	11.37

**CALCULATION OF D.S.C.R**

<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	7.08	8.66	10.55	11.52	12.69
Interest on Term Loan	1.49	1.31	0.94	0.57	0.20
<b>Total</b>	<b>8.57</b>	<b>9.98</b>	<b>11.49</b>	<b>12.09</b>	<b>12.89</b>
<b>REPAYMENT</b>					
Instalment of Term Loan	1.69	3.37	3.37	3.37	3.37
Interest on Term Loan	1.49	1.31	0.94	0.57	0.20
Total	3.18	4.69	4.31	3.94	3.57
<b>DEBT SERVICE COVERAGE RATIO</b>	<b>2.70</b>	<b>2.13</b>	<b>2.66</b>	<b>3.07</b>	<b>3.61</b>
<b>AVERAGE D.S.C.R.</b>					<b>2.83</b>

REPAYMENT SCHEDULE OF TERM LOAN							
						Interest	11.00%
Year	Particulars	Amount	Addition	Total	Interest	Repayment	Closing Balance
<b>1st</b>	Opening Balance	-					
	1st month		15.17	15.17	-	-	15.17
	2nd month	15.17	-	15.17	0.14	-	15.17
	3rd month	15.17	-	15.17	0.14	-	15.17
	4th month	15.17	-	15.17	0.14	-	15.17
	5th month	15.17	-	15.17	0.14	-	15.17
	6th month	15.17	-	15.17	0.14	-	15.17
	7th month	15.17	-	15.17	0.14	0.28	14.89
	8th month	14.89	-	14.89	0.14	0.28	14.61
	9th month	14.61	-	14.61	0.13	0.28	14.33
	10th month	14.33	-	14.33	0.13	0.28	14.05
	11th month	14.05	-	14.05	0.13	0.28	13.77
	12th month	13.77	-	13.77	0.13	0.28	13.49
					1.49	1.69	
<b>2nd</b>	Opening Balance						
	1st month	13.49	-	13.49	0.12	0.28	13.21
	2nd month	13.21	-	13.21	0.12	0.28	12.93
	3rd month	12.93	-	12.93	0.12	0.28	12.65
	4th month	12.65	-	12.65	0.12	0.28	12.36
	5th month	12.36	-	12.36	0.11	0.28	12.08
	6th month	12.08	-	12.08	0.11	0.28	11.80
	7th month	11.80	-	11.80	0.11	0.28	11.52
	8th month	11.52	-	11.52	0.11	0.28	11.24
	9th month	11.24	-	11.24	0.10	0.28	10.96
	10th month	10.96	-	10.96	0.10	0.28	10.68
	11th month	10.68	-	10.68	0.10	0.28	10.40
	12th month	10.40	-	10.40	0.10	0.28	10.12
					<b>1.31</b>	<b>3.37</b>	
<b>3rd</b>	Opening Balance						
	1st month	10.12	-	10.12	0.09	0.28	9.83
	2nd month	9.83	-	9.83	0.09	0.28	9.55
	3rd month	9.55	-	9.55	0.09	0.28	9.27
	4th month	9.27	-	9.27	0.09	0.28	8.99
	5th month	8.99	-	8.99	0.08	0.28	8.71
	6th month	8.71	-	8.71	0.08	0.28	8.43
	7th month	8.43	-	8.43	0.08	0.28	8.15
	8th month	8.15	-	8.15	0.07	0.28	7.87
	9th month	7.87	-	7.87	0.07	0.28	7.59
	10th month	7.59	-	7.59	0.07	0.28	7.31

11th month	7.31	-	7.31	0.07	0.28	7.02
12th month	7.02	-	7.02	0.06	0.28	6.74
				<b>0.94</b>	<b>3.37</b>	
<b>4th</b> Opening Balance						
1st month	6.74	-	6.74	0.06	0.28	6.46
2nd month	6.46	-	6.46	0.06	0.28	6.18
3rd month	6.18	-	6.18	0.06	0.28	5.90
4th month	5.90	-	5.90	0.05	0.28	5.62
5th month	5.62	-	5.62	0.05	0.28	5.34
6th month	5.34	-	5.34	0.05	0.28	5.06
7th month	5.06	-	5.06	0.05	0.28	4.78
8th month	4.78	-	4.78	0.04	0.28	4.50
9th month	4.50	-	4.50	0.04	0.28	4.21
10th month	4.21	-	4.21	0.04	0.28	3.93
11th month	3.93	-	3.93	0.04	0.28	3.65
12th month	3.65	-	3.65	0.03	0.28	3.37
				<b>0.57</b>	<b>3.37</b>	
<b>5th</b> Opening Balance						
1st month	3.37	-	3.37	0.03	0.28	3.09
2nd month	3.09	-	3.09	0.03	0.28	2.81
3rd month	2.81	-	2.81	0.03	0.28	2.53
4th month	2.53	-	2.53	0.02	0.28	2.25
5th month	2.25	-	2.25	0.02	0.28	1.97
6th month	1.97	-	1.97	0.02	0.28	1.69
7th month	1.69	-	1.69	0.02	0.28	1.40
8th month	1.40	-	1.40	0.01	0.28	1.12
9th month	1.12	-	1.12	0.01	0.28	0.84
10th month	0.84	-	0.84	0.01	0.28	0.56
11th month	0.56	-	0.56	0.01	0.28	0.28
12th month	0.28	-	0.28	0.00	0.28	-
				<b>0.20</b>	<b>3.37</b>	
DOOR TO DOOR	60	MONTHS				
MORATORIUM PERIOD	6	MONTHS				
REPAYMENT PERIOD	54	MONTHS				

## **DISCLAIMER**

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