

# 37 ROSE WATER MANUFACTURING



# ROSE WATER MANUFACTURING

## 1. INTRODUCTION

**Overview:** The rose water manufacturing initiative aims to harness the region's unique floral biodiversity, particularly its indigenous roses, to produce high-quality rose water. The project is envisioned to blend traditional methods with modern technology, ensuring a product that resonates with both domestic and international markets.

**Location & Significance:** Uttarakhand, known for its rich flora and favorable climate, offers an ideal setting for rose cultivation. The project's location is strategically chosen to leverage the natural abundance of roses and the existing local knowledge in floriculture. Additionally, Uttarakhand's growing reputation as a hub for organic and natural products enhances the project's potential for success.

**Objective:** The primary aim is to create a sustainable and profitable business model that contributes to the local economy while promoting eco-friendly practices. The project aims to empower local farmers through partnerships and training, ensuring a steady supply of organic roses and fostering community development.

## 2. PRODUCT & ITS APPLICATION

The main product, rose water, is a versatile natural extract widely used in cosmetics, pharmaceuticals, food, and religious ceremonies. It is prized for its fragrance, therapeutic properties, and culinary versatility. This product will be distinguished by its purity, organic certification, and the unique aroma of Uttarakhand's roses.

### Applications:

- **Cosmetic Industry:** Used as a skin toner, moisturizer, and in various beauty products.
- **Pharmaceuticals:** Incorporated in medicines for its anti-inflammatory and soothing properties.
- **Culinary Uses:** Employed as a flavoring agent in sweets, beverages, and culinary delicacies.
- **Cultural & Religious Practices:** Utilized in rituals and ceremonies across different cultures.
- **Unique Selling Proposition (USP):** The USP of this project lies in its organic certification, commitment to sustainability, and the distinctive fragrance of Himalayan roses. The project aligns with global trends favoring natural and ethically sourced products.

## 3. DESIRED QUALIFICATION FOR PROMOTER

For this project's successful launch and management, the ideal promoter should bring diverse qualifications and experiences. This includes an educational background in Business Administration or Agriculture, reflecting an understanding of the complex dynamics of the agricultural and business sectors. Experience in agriculture, especially floriculture, or in the fast-moving consumer goods (FMCG) industry would be highly advantageous. Essential skills include strong business acumen, knowledge of supply chain management, and an appreciation for sustainable agricultural practices. Additionally, an intimate understanding of Uttarakhand's cultural and agricultural landscape is crucial, highlighting the need for a promoter who can effectively engage with local communities.

## 4. INDUSTRY OUTLOOK AND TRENDS

The rose water industry in India is on an upward trajectory, buoyed by an increase in demand across several sectors, including cosmetics, pharmaceuticals, and wellness. With its commitment to organic and natural products, Uttarakhand is poised to become a significant

player in this expanding market. Key trends shaping the industry include the growing consumer preference for organic and natural products, particularly in the cosmetics and food sectors. Sustainability is becoming increasingly important, with a focus on eco-friendly agricultural and manufacturing practices. The export potential for high-quality Indian rose water is also rising, especially in markets across Europe, the Middle East, and North America. Additionally, there's a notable trend towards diversification in the use of rose water, extending into fields like aromatherapy and alternative medicine.

The global rose water market size reached a value of around USD 477 million in 2023. The market is projected to grow at a CAGR of 7.6% between 2024 and 2032, reaching a value of around USD 921 million by 2032.

## 5. MARKET POTENTIAL AND MARKETING ISSUES, IF ANY

This project holds substantial market potential, mainly due to the rising consumer inclination towards natural and organic products in India and abroad. The unique qualities of Uttarakhand's organic roses present an opportunity to tap into the premium segments of the cosmetics, pharmaceuticals, and gourmet food industries. Internationally, markets in the Middle East, Europe, and North America strongly demand high-quality, organic rose water. However, this potential is accompanied by challenges such as establishing brand recognition in a competitive landscape, developing effective distribution networks, especially for international reach, and navigating the complexities of obtaining organic certifications. Additionally, educating consumers about the distinct benefits of "Himalayan Essence" rose water and crafting a competitive pricing strategy in the face of cheaper, non-organic alternatives are crucial marketing considerations.

Here are some rose water brands in India:

- **Kama Ayurveda Pure Rose Water:** A trusted skincare brand that launched its Pure Rose Water in 2013. This product is made from steam-distilled rose water.
- **Forest Essentials Facial Tonic Mist Pure Rosewater:** Made from organic desi gulabs from Kannauj, this steam-distilled rose water is said to provide a refreshing experience for the skin.
- **Zofla Natural and Pure Rose Water:** This rose water has been used in India since the 16th century and contains no harsh chemicals, preservatives, or additives.
- **Banjara's rose water:** This well-known brand is available throughout South India and at several e-retailers and beauty parlors.
- **Dabur Gulabari Premium Rose Water:** This rose water is widely available and appreciated for its affordability and quality. It can tone, cool, and refresh the skin, and can also be added to various face packs to enhance their effectiveness.
- **VedaOils rose water:** This rose water does not contain any additives, chemicals, artificial colors, or fragrances.

## 6. RAW MATERIAL REQUIREMENTS

The primary raw material is organic rose petals sourced directly from local farmers in Uttarakhand. The region's climate and soil conditions are ideal for growing high-quality roses rich in aroma and therapeutic properties. The project will require a consistent and substantial supply of these petals, especially during the peak blooming seasons. The manufacturing process will also need quality water, preferably from natural, unpolluted sources, and organic solvents for distillation. Establishing solid relationships with local farmers and implementing sustainable

harvesting practices will be crucial to ensure a steady and environmentally responsible supply of raw materials. Some of suppliers of raw materials are:

- **Herb Vatika:** Building No. 2/42 B, Ajabpur Kalan, Near Mata Mandir, Dharampur, Dehradun-248001, Uttarakhand, India
- **Matin Impex:** Sr No. 44/ 2, 3, 4, Uruli Devachi, Mantarwadi Chowk, Saswad Road, Behind HP petrol pump, Mantarwadi chowk, Phursungi, Pune-412308, Maharashtra, India
- **Sri Mayuka:** Plot No 3 Thiruvalluvar Nagar, Indra Nagar, Thanakkankulam, Harveypatti, Madurai-625006, Tamil Nadu, India
- **Apex International:** No. 2-C, Tilak Bhawan, Opposite Udyog Bhawan, Ashok Nagar, Jaipur-302005, Rajasthan, India

## 7. MANUFACTURING PROCESS

The manufacturing process of rose water is a blend of traditional techniques and modern technology designed to capture the essence of Uttarakhand's organic roses. The process begins with the early morning collection of fresh rose petals to ensure the highest fragrance retention. These petals are then gently cleaned to remove impurities, preserving their natural qualities. Following this, the core of the manufacturing process, steam distillation, is employed. This age-old method is enhanced with modern equipment, optimizing efficiency and product quality. Every batch of rose water undergoes stringent quality control tests to guarantee purity and the distinct aroma characteristic of Himalayan roses. Finally, the rose water is carefully bottled in eco-friendly packaging, preserving its natural properties and aligning with the project's commitment to environmental sustainability.

The Bureau of Indian Standards (BIS) adopted the Indian Standard IS 15740 (2007) for rose oil. BIS certification is given to products that meet Indian standards for safety, quality, performance, and reliability. This helps protect consumers from buying faulty or substandard products.

Rose water is a flavored water made by steeping rose petals in water. It is also a by-product of the production of rose oil for use in perfume. The British Pharmacopoeia states that rose water is prepared by mixing distilled rose water with twice its volume of distilled water immediately before use.

## 8. MANPOWER REQUIREMENT

Sr. No	Particulars	No.	No of month in year	Wages/Salaries per month (Rs. In Lakhs)	Annual Expense (Rs. In Lakhs)
1	Self-employed	1	-	-	-
2	Skilled Person	3	12	0.2	7.2
3	Semi-skilled Person	3	12	0.15	5.4
4	Unskilled	3	12	0.12	4.32
	<b>Total</b>				<b>16.92</b>

## 9. IMPLEMENTATION SCHEDULE

Sr. No.	Activity	Time Required (in months)
1	Acquisition of premises	1
2	Construction (if applicable)	1.5
3	Procurement & installation of Plant & Machinery	2.5
4	Arrangement of Finance	1
5	Recruitment of required manpower	1
6	Total time required (some activities shall run concurrently)	3

## 10. COST OF PROJECT

Sr. No	Particulars	Annual Expenses (Rs. in lakhs)
1	Land	-
2	Building (Rented)	-
3	Plant & Machinery	5.30
4	Equipment and Furniture Exp.	1.85
5	Misc. Fixed Asset	0.02
6	Preoperative & Preliminary Exp.	0.15
7	Working Capital	4.35
	<b>Total Project Cost</b>	<b>11.67</b>

## 11. MEANS OF FINANCE

Bank-term loans are assumed @ 60%

Sr. No.	Particulars	Annual Expenses (Rs. in lakhs)
1	Promoter's contribution	4.67
2	Bank Finance	7.00
	<b>Total</b>	<b>11.67</b>

## 12. LIST OF MACHINERY REQUIRED

### A. Machinery

Sr. No	Particulars	Unit	Price per Unit (Rs. in lakhs)	Total Amount (Rs. in lakhs)
1	Small Steam Distillation Unit	1	1.50	1.50
2	Basic Rose Petal Collection Bins	10	0.01	0.05
3	Simple Washing System	1	0.50	0.50
4	Basic Storage Tanks	2	0.25	0.50
5	Manual Filtering System	1	0.20	0.20
6	Semi-automatic Bottling Machine	1	0.75	0.75
7	Basic Lab Testing Equipment	1	0.30	0.30
	<b>Total Amount</b>			<b>3.80</b>

Tax, Transportation, Insurance etc.	1.00
Electrification Exp.	0.50
<b>Grand Total Amount</b>	<b>5.30</b>

## B. Furniture & Equipment

Sr. No	Particulars	Unit	Price per Unit (Rs. in lakhs)	Total Amount (Rs. in lakhs)
1	Office Furniture and Workstations	set	0.60	0.60
2	Laboratory Equipment	set	0.55	0.55
3	Computer and Printer	1	0.70	0.70
	<b>Total</b>			<b>1.85</b>

1. HM Herbals  
SN Tower, Old HB Road,  
Dipatoli, Ranchi-834009, Jharkhand
2. Skog Engineering-Private Limited  
PAP 96/1, OPP of Siemens Company,  
MIDC Ambad Industrial Area, Ambad,  
Nashik-422010, Maharashtra, India
3. Lodha International LLP  
Gajanan Industrial Hub -2, Shed 98, Opp Ramvadi Bridge,  
B/h Metrix Plaza Vatva, Vinzol, Vatva GIDC,  
Ahmedabad - 382445, Gujarat, India

## 13. PROFITABILITY CALCULATIONS

Sr. No	Particulars	Annual Expenses (Rs. in lakhs)
A.	Sales realisation	80.33
B.	Cost of production	
i)	Raw materials	52.21
ii)	Utilities	1.60
iii)	Manpower Cost (Salaries/wages)	16.92
iv)	Administrative expenses	0.70
v)	Packaging Cost	0.26
vi)	Material Lost Cost	0.26
vii)	Selling & distribution expenses	2.04
viii)	Repairs & maintenance	0.00
ix)	Rent	0.40
x)	Interest	0.79
xi)	Misc. expenses	0.00
	Total (B)	75.19
	Gross profit/loss (A – B)	5.14

	Less: Depreciation	0.66
C.	PBIT	4.48
D.	Income-tax	3.50
E.	Net profit/loss	3.81
F.	Repayment (Annual)	0.67
G.	Retained surplus (E-F)	3.14

#### 14. BREAKEVEN ANALYSIS

Fixed cost	
Land & Building Rent	0.40
Depreciation	0.66
Interest	0.79
Manpower	5.08
<b>Total Fixed cost</b>	<b>6.93</b>
Variable cost	
Raw materials	52.21
Utilities	1.60
Manpower	11.84
Administrative expenses	0.70
Selling & distribution expenses	2.04
<b>Total Variable cost</b>	<b>68.40</b>
<b>Contribution margin</b>	<b>20%</b>
Break-Even Point in Value	34.63

#### 15. STATUTORY/GOVERNMENT APPROVALS

For establishing a rose water manufacturing unit in Uttarakhand, India, the following statutory and government approvals are typically necessary:

##### 1. Business Registration:

- Registration of Firm: Register the business as a sole proprietorship, partnership, LLP, or private limited company, as applicable.
- GST Registration: Mandatory for conducting a taxable supply of goods or services.

##### 2. Environmental Clearance:

- Consent to Establish (CTE) and Consent to Operate (CTO) from the State Pollution Control Board, ensuring compliance with environmental standards.
- Food Safety and Standards Authority of India (FSSAI) License: Necessary for businesses involved in the food sector, even if the product is non-consumable but derived from a food source (like roses).

##### 3. Agricultural and Processed Food Products Export Development Authority (APEDA) Registration:

If planning to export the rose water, registration with APEDA is required.

##### 4. Quality Certifications:

Certifications like ISO, if aiming for a broader market reach and ensuring product quality.

##### 5. Trade License:

From the local municipal authority.

##### 6. Other Licenses and Approvals:

- A drug license from the Drug Control Authority is required if the rose water is intended for medicinal use.
- Factory License if the manufacturing unit meets certain size and capacity criteria.
- NOC from the fire department, depending on the scale and location of the manufacturing unit.

**7. Labor Laws Compliance:** If employing workers, compliance with labor laws such as the Factories Act, Minimum Wages Act, Provident Fund regulations, etc., is mandatory.

## 16. BACKWARD AND FORWARD INTEGRATIONS

### Backward Integration:

- **Rose Cultivation:** Establishing backward integration involves cultivating roses to ensure a steady supply of raw materials. This requires acquiring or leasing agricultural land suitable for rose cultivation.
- **Organic Farming Practices:** Implementing organic farming practices to grow roses without synthetic pesticides or fertilizers enhances the quality and marketability of the final product.
- **Quality Control:** Monitoring the cultivation process to ensure optimal growing conditions, proper irrigation, and pest management is essential for obtaining high-quality rose petals.

### Forward Integration:

- **Distillation Facilities:** Establishing distillation facilities for extracting rose water from the harvested rose petals ensures control over the production process and product quality.
- **Packaging and Branding:** Developing packaging designs and branding strategies to differentiate the rose water product in the market and attract consumers.
- **Distribution Channels:** Creating distribution channels to supply rose water to retail stores, online platforms, spas, and wellness centers expands market reach and increases accessibility for consumers.
- **Product Diversification:** Exploring opportunities for product diversification by offering variations such as organic rose water, rose water infused with other natural ingredients, or rose water-based skincare products to cater to different consumer preferences.

## 17. TRAINING CENTERS AND COURSES

For entrepreneurs entering the Rose Water manufacturing business, acquiring the right knowledge and skills is crucial. There are specialized institutes that offer relevant training and certification in areas like agriculture, botany, chemical engineering, and business management. These courses can provide essential knowledge in rose cultivation, distillation processes, quality control, and business operations.

- **Entrepreneurship Development:** Focuses on the entrepreneurial process of creating new businesses, creativity, and innovation in start-ups, managing family-owned companies, social innovation, and financing entrepreneurial firms. [Course Link](#)
- **Production and Operation Management:** Offers insights into operations management, its relation to other functional areas in an organization, types of problems faced by operations managers, and common decision-making approaches. [Course Link](#)
- **Innovation, Business Models and Entrepreneurship:** Covers various aspects of innovation, creativity, evolving business models, incubation, and entrepreneurship. [Course Link](#)

### Disclaimer

Only few machine manufacturers/institutes are mentioned in the profile, although many machine manufacturers/institutes are available in the market. The addresses given for machinery manufacturers/institutes have been taken from reliable sources to the best of knowledge and contacts. However, no responsibility is admitted, in case any inadvertent error or incorrectness is noticed therein. Further the same have been given by way of information only and do not carry any recommendation.