

# How To Start A Hand Sanitizer Production Business In India? | Best Business Ideas 2022



Sanitizer Business in India

## What Are The Uses And Some Facts About Sanitizer Business In India?

There are some facts one should know before starting a sanitizer business in India.

1. Hand Sanitizer is an effective weapon to use against the enemies that we can't see through our naked eyes. Namely, Viruses, Bacterias and other harmful micro-organisms.
2. As no harmful substance is generally used in the production of Sanitizers, therefore they are tender on our skin.
3. Using Hand Sanitizers frequently is considered as good

and hygienic habit.

Hand Sanitizers are very useful to prevent people from getting infected with micro-organisms as we frequently touch many things where the micro-organisms might be resting upon. We should always keep ourselves and our surroundings clean and disinfected by using these Sanitizers.

## **Current Demand Of Starting A Hand Sanitizer Production Business In India**

Due to COVID -19, the demand for hand sanitizers has touched its all-time high. Every person carries a bottle of hand sanitizer whenever they are out of their home. The Government of India also advises cleaning our hands multiple times a day. India is a country where more than 139 crore people live and out of them more than a half percent of the population uses hand sanitizer. Keeping these stats in mind, we can definitely say that the Hand Sanitizer Manufacturing business would be profitable in the long run.

## **Types Of Businesses Related To Hand Sanitizers In India**

There are many types of businesses that can be related to the Hand Sanitizer Industry. Some of them include:

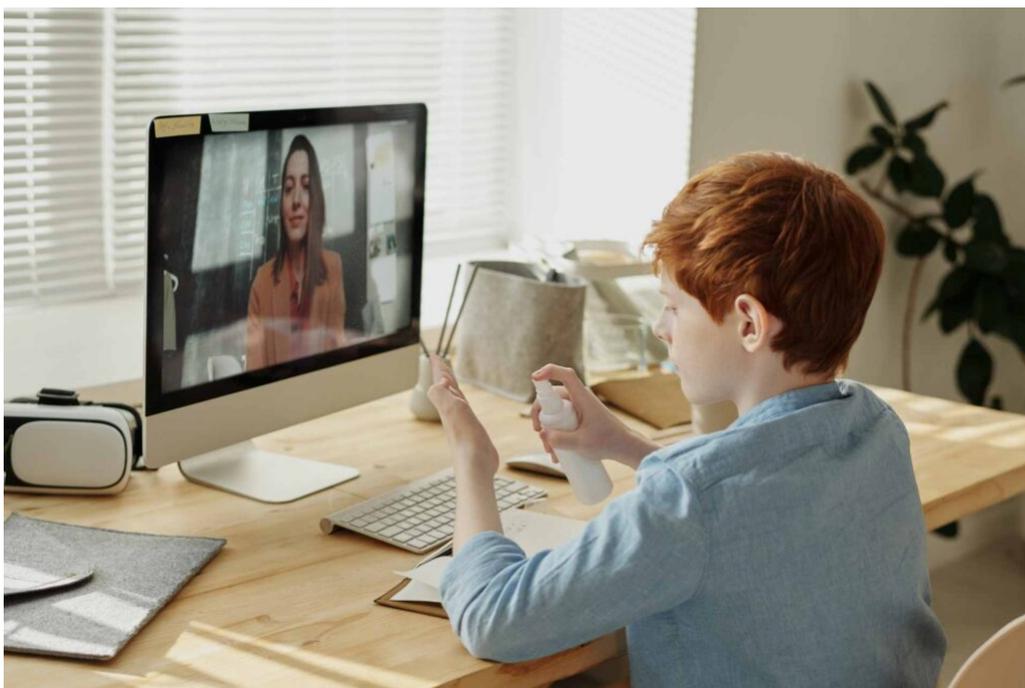
- Manufacturing or Production of the Hand Sanitizers on large scale.
- Manufacturing or Production of the Hand Sanitizers on small scale i.e. from home.
- Importing or Exporting pre made Hand Sanitizers and selling them.

Here we will discuss the manufacturing or production process

of Hand Sanitizers both on a large scale and even on a small scale. This is a type of Business Idea that can be easily practiced on a large scale as well as a small scale from home.

## **Benefits Of Starting A Hand Sanitizer Production Business In India**

As it's seen that the pandemic has helped people in developing good habits of maintaining hygiene. Using Hand Sanitizers for maintaining personal hygiene is becoming the most popular thing in today's time. Even mothers have started using sanitizer wipes for their toddlers. Carrying a pocket hand sanitizer by an adult is not a big thing as they are well aware of the pros of Hand Sanitizers. The thing to note is that we have started seeing small school-going kids keeping a small pocket of hand sanitizer with them all the time. These pocket sanitizers help the kids to sanitize their hands and get rid of the harmful viruses and bacterias if they accidentally get exposed to them while playing.



Thus talking about the benefits of Hand Sanitizer Production

Business, we can say that this business will not see any downfall in the near future as people will become more aware of their personal hygiene. So it would be a great idea to work on this business idea and develop a good business plan.

## **Competition In Hand Sanitizer Production Business In India**

Talking about the competition, it is clear that the competition is rising day by day for every business. Focusing on the Hand Sanitizer Production Business, we can see that many big companies are opening ventures to manufacture Hand sanitizers.

Some big companies like Dabur (Dabur Hand Sanitizers), Himalaya (Himalaya Hand Sanitizers), and others have also started the production of Hand Sanitizers in India. During the tough time when the pandemic was at its peak, we saw a big shortage of Hand Sanitizers in the Indian Market. This gave birth to many new Hand Sanitizer Production businesses in India. Thus as a conclusion, I would like to mention that every business can reach heights if the business owner has given enough time in developing the business idea. There are various parts that should be first sorted out before even thinking about any business plan.

## **Raw Materials Required For Starting A Hand Sanitizer Business In India**

Hand Sanitizer Business is a type of business that can be performed both on small scale (from home) and even on large scale (from a manufacturing plant). The key requirements in the production of the Hand Sanitizer usually stay the same for both the scales and here we are going to talk about the same. So the list of raw materials goes as:

Usually, Hand Sanitizers are classified upon the use of alcohol in them. If alcohol is used in the manufacturing of the sanitizer then it is called Alcohol-based Hand Sanitizer and when alcohol is not used then it is called Alcohol-free Hand Sanitizer and they are usually made up of organic components and hence they are called Organic Hand Sanitizers or Natural Hand Sanitizers.

- Rubbing Alcohol – It is the key ingredient in the production of Alcohol Based sanitizers. About (90% – 95%). It may be Isopropanol or Ethanol.
- Hydrogen Peroxide
- Essential Oils – Oils like Neem Oil, Tulsi Oil, etc are widely used in the production of Hand Sanitizers in both Alcohol Based as well as Natural Hand Sanitizers.
- Aloe Vera Gel, Glycerin, Glycerol – All of them are widely used in about all the products that are used by us. Their clinical benefits with a very mild touch is always beneficial for any kind of Sanitizer Production.
- Perfume and Essence

The above-mentioned items are used in all types of Hand Sanitizers. Apart from these items if we look upon the materials that are needed for large scale Hand Sanitizers then we may talk about the following:

- Bottles for Packaging
- Labels for Printing
- Stickers
- Sealing Tools

## **Machines Used In The Production Of Hand Sanitizers In India**

With the boom in the hygiene industry, hand sanitizers have become the most selling product amongst all. During the lockdown, many companies, as well as people, started

manufacturing plants of sanitizers. And with the increased demand for hand sanitizer, also led to increased demand for sanitizer-making machines. Though this manufacturing business can be easily started from home with manual workers but for large-scale businesses we have discussed the price range and basic specifications.

From small-scale businesses to the big ones started ordering machines as per their requirement. As to making hand sanitizer, the process is simple. It does not need big heaters as in the factories or big plant setups. It is a much simpler process of making from small or big machines as per the requirement.

- The basic cost of sanitizer-making machines in India is starting from **1 Lakh, 60 Thousand Rupees**. The capacity of this machine is 50 liters to 25,000 liters. It is an automatic machine type.
- Then there are big machines as per quantity and that will cost **3 Lakh 55 Thousand Rupees** per Unit and its capacity is 5,000 liters to 2,00,000 liters. It is an automatic machine type.
- There are many other small-scale setup machines starting from **95,000 Thousand Rupees** with the capacity as per requirement. These machines are available online as well as on the renowned plant and machinery stores in the big cities. Machines are the important setup of starting a hand sanitizer manufacturing business in India.

## **Basic Cost To Set Up A Sanitizer Production Business In India**

Many of us will be waiting eagerly for this point to come. The wait is over. Let's discuss the cost. Cost is the primary concern of any business. It decides the scale of the business, the estimated profit, and the future. Cost is fully dependant

upon the scale of the Manufacturing Plant. If the business owner is targeting to set a large-scale manufacturing plant then it is quite obvious that the cost will be much higher than if we make hand sanitizer at home.

These costs vary from the requirements of firms and scale but for this business plan, you can refer to the below-given table for a clearer view.

<b>I. Fixed Capital</b>				
<b>A. Land &amp; Building</b>				
Build up Area (Processing Hall, Store, etc)		1000 Sq.Mtrs Rented @ Rs. 15000 P.M		
<b>B. Machinery &amp; Equipment</b>				
Sl.No	Description	Qty	Rate (Rs)	Amount (Rs in lakhs)
1	Alcohol Storage vessel –SS (5000 L)	1 No	1,50,000/-	1.50
2	Transfer pump	3 Nos	25,000/-	0.75
3	Manufacturing vessel-SS	1 Nos	1,00,000/-	1.0
4	Storage vessel-SS (500 L)	1 No	15,000/-	0.15
5	Filling line (filling machine, capping machine, labeling machine & ink jet printer for batch coding)	1 No	6,40,000/-	6.40
6	Batch flow controller/ flow meter	2 Nos	75,000/-	1.50
7	Electronic Weighing Scale	1 Nos	20,000/-	0.20
8	Misc. equipment & Tools such as can sealing machine, box stamping machine	NA	LS	0.50
9	Electrical Accessories: Electric Meter, Starter, Switch, etc	NA	LS	0.70
<b>Total (lakhs)</b>				<b>Rs.12.7</b>
<b>C.</b>	<b>Electrification, Installation, Packaging, Taxes in Lakhs Forwarding charges etc @20 %</b>			Rs.2.54
<b>D.</b>	<b>Office furniture &amp; fixtures in lakhs@10 %</b>			Rs.1.27
<b>E.</b>	<b>Preliminary &amp; pre-operative expenses@10 %</b>			Rs.1.27
<b>Total Fixed Investment (lakhs)</b>				<b>Rs.17.78</b>

<b>II. Working Capital</b>			
<b>A. Personal</b>			
Designation	No	Salary (Rs)	Total (Rs)
Manager	1	35,000	35,000
Accountant/ Store-keeper	1	25,000	25,000
Process & Analytical Chemist	2	20,000	40,000
Unskilled worker	2	12,000	24,000
<b>Total</b>			1,24,000
Prequisites @10%			12,400
<b>Total</b>			<b>Rs. 1.36 lakhs</b>

<b>B. Raw material including packaging materials (per month)</b>			
Items	Qty	Rate	Amount in lakhs
Alcohol	13332 L	65/ L	8.7

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Glycerol	232 L	75/ L	0.17
Hydrogen peroxide	668 L	60/L	0.40
Distilled water	1640 L	15/L	0.25
Fragrance	128 L	2000/kg	2.6
packaging bottles	80000	5/ piece	4.0
<b>Total</b>			<b>Rs.16.12 lakhs</b>
<b>C. Utilities (per month)</b>			
Power, Electricity & water charges			0.15 lakhs
<b>Total</b>			<b>Rs.0.15 lakhs</b>

<b>D. Other contingent expenses (per month)</b>		
<b>Sl No</b>	<b>Description</b>	<b>Amount in Rs</b>
1	Rent	15,000/-
2	Consumable Store, Repair & maintenance, postage, stationery, Insurance, Telephone bill, advertisement, Transport etc	10,000/-
<b>Total</b>		<b>Rs.0.25 lakhs</b>

<b>II. Recurring Expenses (per month)</b>		
A	Personnel	Rs.1.36 lakhs
B	Raw material	Rs.16.12 lakhs
C	Utilities	Rs.0.15 lakhs
D	Other Expenses	Rs.0.25 lakhs
<b>Total</b>		<b>Rs.17.88lakhs</b>
<b>Working capital for 3 months</b>		<b>Rs.53.64 lakhs</b>

<b>III. Total Cost of the Project</b>		
A	Fixed Investment	Rs.17.78 lakhs
B	Working Capital for 3 months	Rs.53.64 lakhs
<b>Total</b>		<b>Rs.71.42 lakhs</b>

<b>IV. Financial Analysis</b>		
A	Cost of production (per annum)	
S.No	Particulars	Amount (Rs in lakhs)
1	Total recurring expenditure	214.56
2	Depreciation on machinery & equipment @10 % p.a	1.79
3	Depreciation on Office Furniture & Fixtures @ 20%	0.25
4	Interest on total capital investment @ 13% p.a.	2.13
<b>Total</b>		<b>Rs.218.7 lakhs</b>

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<b>V. Turnover (per annum)</b>			
Item	Qty per annum	Rate (Rs/ MT)	Amount (Rs in lakhs)
Hand sanitizer	240kiloliters	3,00,000/-	720 lakhs/-
LS Marketing Expenses (-)			Rs.5.00 lakhs
Net Sales:			Rs.715 lakhs

<b>C. Net Profit Per Annum (Before Taxes)</b>	<b>Rs. 478.5 Lakhs</b>
<b>D. Net Profit ratio on Sales (Per Annum):</b> Profit/ annum X100 (478.5X100/715=66.92%) Sale per annum	<b>66.9 %</b>
<b>E. Rate of return:</b> Profit/ annum X100(478.5X100/17.78=2691%) Total Capital investment	<b>2691 %</b>
<b>F. Fixed Cost / Annum:</b> (Rent) + (Depreciations & Amortization) + (40 % of salaries & wedges)+ (40 % of utilities & other expenses excluding rent) + Interest on capital investment (1.8 +1.79 +0.25+6.52+1.2+2.13=13.69 lakhs)	<b>13.69 lakhs</b>
<b>G. Breakeven point:</b> Fixed cost per annum X100(13.69X100/(13.69+478.5)=2.78 %) (Fixed cost per annum + Net Profit per annum)	<b>2.78 %</b>

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## Basic Planning Required In Setting Up Hand Sanitizer Manufacturing Business In India

In any business, Planning is of two types, it is seen in two broad senses. **First**, Personal Point and **Second**, Business Point. Let's see both.

### Personal Point Planning

Imagining opening a business and actually opening a business are two different things. Personal Planning is all about making a presentation for our own. Some points that we should keep in mind are:

1)Keep a note of everything you want in your business.

- 2) Make a Powerpoint presentation for yourself to guide you in the future.
- 3) Jot down every relevant thought that comes to your mind.
- 4) Write questions and answer them personally and write the answers too.
- 5) Keep sane thoughts and not fairytales.
- 6) Stay motivated and keep it practical.

## **Business Point Planning**

Business is started by one person but actually, there are other people who make it possible. Some relevant points to plan a sanitizer business in India from a business point of view.

1. Keep strategies new and dynamic with time and environment.
2. Plan capital, cost and investment.
3. Watch competitors and learn from their mistakes.
4. Don't copy anyone, create a unique product of its application.
5. Inspect every department and calculate costs, profits and losses every month.

## **Things To Keep In Mind Before Starting A Hand Sanitizer Production Business In India**



For setting up any kind of business in India, we have to take various permissions and licenses from the Government. These documents help us to practice our business legally and to get all the benefits provided by the Government.

Some of them are mentioned below.

1. [UAM Registration](#) (Udyog Aadhar Registration With MSME)
2. Company Registration with Registrar Of Companies
3. Trade License
4. Factory License
5. Drugs & Cosmetics License
6. [BIS Certification](#)
7. NOC by the Local Government and from the Pollution Board

## **Risks And Problems That We Might Face While Setting A Hand Sanitizer Production Business In India**

When we make any business plan we have to think both about its pros and its cons before taking any action. As there are many risks that are related to businesses that people don't consider from the start. Though we have talked about so many

pros of Hand Sanitizer Production. So now let's dive deep and discuss some of the risks or the cons of the Hand Sanitizer Production business in India.

The renowned newspaper states in its headlines that

*'The sanitizer industry will see a boom, it's a lucrative business.'* But it also writes about the consequences. What after this pandemic? The demand for sanitizer is touching the sky for now, but once a pandemic is over then demand will be shaken.

- The demand of Hand Sanitizers may fall in the future as the market may get saturated.
- Sanitizers have their expiry dates. So we have to sell them within a stipulated time.
- We cannot keep the Sanitizers in damp places and in direct sunlight thus we need a good warehouse to store all of them.

## **Safety Measures That Should Be Taken For Hand Sanitizer Production Business In India**

Safety is the first requirement before any other thing in the business. There are enormous businesses going on in India but successful are those who have safety measures.

If one wants to start a sanitizer business in India then these are must be followed.

1) Licence of ETHYL ALCOHOL/ ENA. Permission is required to store the capacity amount.

2) Fire extinguishers should be available in the firm in case of any accidents.

3) Quality-based material provided with a guide on the bottle of sanitizer.

4) Every sanitizer business should follow the guidelines given by the WHO and the Government of India.

All the procedures and orders should be followed in order to start the business fairly and without any misled conduct.

## **Marketing Strategies For Hand Sanitizer Production Business in India**

Market strategies are all about attracting customers to use their products or services. There are many strategies one should follow to enhance the quality of their business. Some of the market strategies to run a sanitizer business in India are:

### **1. Discount**

Discount is the most favorable option in the market strategy. 5 sanitizer bottles cost 150 rs. And on the purchase of 10 bottles, the rate will be 250. Discount of 50 rs. Always remember while applying the option of discount you should cover the cost of making the product. Sell it on less profit but not on loss.

### **2. Salesman**

Salesmen are the cleverest humans on the planet. They know the different techniques and sugar-coated words to sell their product to the people. Hire a good Salesman.

### **3. Same quality, less price**

Keep an eagle eye on your competitors. Sell on less price than theirs but quality should be the same or better. When

customers will understand that the same quality and less price are offered by your product, the demand for your product will increase.

#### **4. Packaging**

In India, People are more fascinated by packaging rather than the product itself. The packing should be good and decent.

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