

Khadi and Village Industries Commission Mumbai

PROJECT PROFILE ON LIPSTICK & KAJAL PENCIL

Introduction :

This Project Profile has been prepared aiming at production of Lipstick and Kajal Pencil in a small scale unit. These products are some important cosmetic products having enormous demand every where. Lipstick used in lips by the ladies almost of all groups for beautification and improvement of the face look and Kajal has been used from the very ancient days by the ladies in their eye lids. Kajal is believed to have dual objective i.e. to clean the eyes and make it old in one hand and in the other to improve eye look.

The colour cosmetic products in India has a tremendous demand at the pace of urbanization, increasing awareness on beauty consciousness and living standards of people. Latest trend shows, ladies specially dwelling in urban areas are very much concerned to take care of their eyes and lips. It increases the demand of products like Lipstick and Kajal through out the country and abroad. Repeated advertisements in various TV channels, News papers, Magazine, TV serials, Cinemas and Theaters etc. have influenced the beauty and style consciousness and the demand is quite visible throughout.

1 Name of the Product : LIPSTIC & KAJAL PENCIL

2 Project Cost :

a Capital Expenditure

Land	:		Own
Work shed in sq.ft rented	:	0	Rs. -
Equipment	:		Rs. 978,000.00

S.S. Tripplle Roller (12"X6"), S.S. Mixing Tank (100 kg), Lipstick & Kajal filling machine, Heating Apparatus, Chilling Plant & Jacketed Vessel, Wax Heating Vessel, Moulds for lipstic, Moulds for Kajal, Testing Equipments, Office Equipments, Furnture and Fixtures.

Total Capital Expenditure	Rs.	978,000.00
b Working Capital	Rs.	1,420,000.00
TOTAL PROJECT COST :	Rs.	2,398,000.00

3 Estimated Annual Production Capacity: (Rs. in 000)

Sr.No.	Particulars	Capacity in No./Q.	Rate	Total Value
1	LIPSTIC & KAJAL PENCIL	100000 pcs	8.66	8664.92
TOTAL		0.00	8.66	8664.92

4	Raw Material	:	Rs.	7,200,000.00
5	Labels and Packing Material	:	Rs.	75,000.00
6	Wages (5-Skilled & 4- Unskilled)		Rs.	648,000.00
7	Salaries (1-Manager)		Rs.	120,000.00

PAGE (2)

8	Administrative Expenses	:	Rs.	120,000.00
9	Overheads	:	Rs.	120,000.00
10	Miscellaneous Expenses	:	Rs.	60,000.00
11	Depreciation	:	Rs.	97,800.00
12	Insurance	:	Rs.	9,780.00
13	Interest (As per the PLR)			
	a. C.E.Loan	:	Rs.	127,140.00
	b. W.C.Loan	:	Rs.	184,600.00
	Total Interest		Rs.	311,740.00
14	Working Capital Requirement	:		
	Fixed Cost		Rs.	436,920.00
	Variable Cost		Rs.	8,227,600.00
	Requirement of WC per Cycle		Rs.	1,444,087.00

15 Cost Analysis

Sr.No.	Particulars	Capacity Utilization(Rs in '000)			
		100%	60%	70%	80%
1	Fixed Cost	436.92	262.15	305.84	349.54
2	Variable Cost	8228.00	4936.80	5759.60	6582.40
3	Cost of Production	8664.92	5198.95	6065.44	6109.14
4	Projected Sales	10000.00	6000.00	7000.00	8000.00
5	Gross Surplus	1335.08	801.05	934.56	1068.06
6	Expected Net Surplus	1237.00	703.00	837.00	970.00

Note : 1.All figures mentioned above are only indicative.
2.This is model project profile for guidance
3.Cost of Project, and its prioifility will be changed depends on the area, availability of raw Material, man power, power requierement and various other factors etc..