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PROJECT REPORT

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PROJECT:

NAIL POLISH

PROJECT REPORT

Of

NAIL POLISH

PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding **Nail Polish 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.]

NAIL POLISH UNIT

Introduction

Nail polish (also known as nail varnish or nail enamel) is a lacquer that can be applied to the human fingernail or toenails to decorate and protect the nail plates. The formulation has been revised repeatedly to enhance its decorative effects, and to suppress cracking or flaking. Nail polish consists of a mix of an organic polymer and several other components, depending on the brand.

Nail Polish Market Analysis

India nail polish market stood at \$ 88.6 million in 2018 and is projected to grow at a CAGR of over 10%, to reach \$ 143.6 million by 2024 on the back of growing demand for nail polish and nail care products, increasing middle class population, emergence of brands such as Nykaa

and Purple into e-commerce space, along with increasing number of internet users emphasizing on online retail channel. Moreover, increasing demand for multiple variants has boosted the new product launches, thereby propelling Nail Polish market across the country. Moreover, several companies in the industry have resorted to revolutionize the current product line-up by improving packaging, product quality and launching region specific products. Also, adoption of marketing and distribution strategies by various nail polish companies across rural areas is expected to boost India nail polish market during forecast period as well.

India nail polish market can be segmented based on product type, distribution channel, and regional analysis. Based on product type, the market can be segmented into matte, gel, pearl and others.

PROJECTED PROFITABILITY STATEMENT	-	-	-
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PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
Capacity Utilisation %	50%	55%	60%	65%	70%
SALES					
Gross Sale					
Nail Polish					
	59.40	72.31	80.65	89.28	98.20
Total	59.40	72.31	80.65	89.28	98.20
COST OF SALES					
Raw Mateiral Consumed	32.40	36.04	39.74	43.52	47.38
Elecricity Expenses	0.67	0.74	0.81	0.89	0.98
Depriciation	0.33	0.28	0.24	0.21	0.18
labour	6.00	6.60	7.26	7.99	8.78
Consumables	3.56	4.34	4.84	5.36	5.89
Repair & maintenace	3.09	3.76	4.19	4.64	5.11
other direct expenses	2.38	2.89	3.23	3.57	3.93
Cost of Production	48.43	54.65	60.32	66.18	72.25
Add: Opening Stock /WIP	-	4.04	4.55	5.03	5.52
Less: Closing Stock /WIP	4.04	4.55	5.03	5.52	6.02
Cost of Sales	44.40	54.13	59.85	65.69	71.74
GROSS PROFIT	15.00	18.18	20.81	23.59	26.45
salary to staff	3.96	4.36	4.79	5.27	5.53
Interest on Term Loan	0.22	0.21	0.16	0.12	0.01
Interest on working Capital	0.99	0.99	0.99	0.99	0.99
Rent	2.88	3.17	3.48	3.83	4.22

Selling & adm Exp	4.46	6.87	8.23	9.82	11.78
TOTAL	12.51	15.59	17.66	20.04	22.53
NET PROFIT	2.50	2.59	3.15	3.55	3.92
Taxation					
PROFIT (After Tax)	2.50	2.59	3.15	3.55	3.92

PROJECTED BALANCE SHEET

PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
Liabilities					
Capital opening balance		3.23	4.82	6.71	8.27
<i>Add:- Own Capital</i>	1.23				
Add:- Retained Profit	2.50	2.59	3.15	3.55	3.92
Less:- Drawings	0.50	1.00	1.25	2.00	2.20
Closing Balance	3.23	4.82	6.71	8.27	9.99
Subsidy Reserve	1.75	1.75	1.75	-	-
Term Loan	1.90	1.54	1.18	0.24	-
Working Capital Limit	9.00	9.00	9.00	9.00	9.00
Sundry Creditors	1.35	1.50	1.66	2.72	2.76
Provisions & Other Liab	0.30	0.40	0.55	0.66	0.83
TOTAL :	17.52	19.00	20.85	20.88	22.57
Assets					
Fixed Assets (Gross)					
	2.31	2.31	2.31	2.31	2.31
Gross Dep.	0.33	0.61	0.86	1.06	1.24
Net Fixed Assets	1.98	1.69	1.45	1.24	1.07
FD of Subsidy	1.75	1.75	1.75		
Current Assets					
Sundry Debtors	4.95	6.03	8.07	8.93	9.82
Stock in Hand	6.74	7.56	8.34	9.14	9.97

Cash and Bank	2.11	1.98	1.24	1.57	1.71
TOTAL :	17.52	19.00	20.85	20.88	22.57

PROJECTED CASH FLOW STATEMENT

PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
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SOURCES OF FUND

Own Margin	1.23				
Net Profit	2.50	2.59	3.15	3.55	3.92
Depriciation & Exp. W/off	0.33	0.28	0.24	0.21	0.18
Increase in Cash Credit	9.00	-	-	-	-
Increase In Term Loan	2.08	-	-	-	-
Increase in Creditors	1.35	0.15	0.15	1.06	0.04
Increase in Provisions &Oth lib	0.30	0.10	0.15	0.11	0.17
increase in subsidy	0.58				
TOTAL :	17.36	3.12	3.70	4.93	4.30

APPLICATION OF FUND

Increase in Fixed Assets	2.31				
Increase in Stock	6.74	0.82	0.78	0.80	0.83
Increase in Debtors	4.95	1.08	2.04	0.86	0.89
Repayment of Term Loan	0.18	0.36	0.36	0.94	0.24
Increase in FD	0.58	-	-		
Drawings	0.50	1.00	1.25	2.00	2.20
Taxation	-	-	-	-	-
TOTAL :	15.25	3.26	4.43	4.61	4.16
Opening Cash & Bank Balance	-	2.11	1.98	1.24	1.57
Add : Surplus	2.11 -	0.13 -	0.74	0.33	0.15
Closing Cash & Bank Balance	2.11	1.98	1.24	1.57	1.71

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