



BUSINESS PLAN · INDIA

Cosmetics and Personal-Care Manufacturing

Cosmetic product manufacturing

PHARMA

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This document is confidential and prepared for planning purposes. All financial figures are illustrative model assumptions for an Indian MSME context and must be validated against live quotes, local rates and professional advice before any investment or borrowing decision.

1. Executive Summary

This plan sets out a **Cosmetics & Personal-Care Manufacturing Unit** in India — a maker of cosmetic & personal-care products (skincare, haircare, colour cosmetics, bath & body, natural/ayurvedic-adjacent) for **own-brand & — crucially — contract/private-label manufacturing for the wave of D2C beauty brands**. It earns **manufacturing + brand/conversion margin**, monetising India's booming beauty-&personal-care (BPC) market & the D2C-brand explosion that outsources production — a **CDSCO cosmetic-licence-, quality-, formulation- & brand/contract-driven** business (moderate capex vs. pharma).

India's beauty & personal-care market is large & fast-growing, with a surge of D2C beauty brands (natural/clean-beauty, skincare, haircare) that outsource manufacturing to contract/private-label units — plus strong own-brand & export opportunity. A cosmetics manufacturer is a **formulation, quality & brand/contract business**: regulated under the **CDSCO cosmetic manufacturing licence & Cosmetics Rules 2020 (+ BIS standards)** — lighter than drug regulation — with moderate capex, driven by formulation/R&D, quality, capacity, & the **contract/private-label demand from D2C brands** (the big tailwind) alongside own-brand. Revenue is **contract/private-label + own-brand margin**; success rests on formulation/quality, contract/private-label demand, capacity utilisation, brand (if own) & compliance — it is formulation-, quality-, contract- & brand-driven.

This is a regulated (cosmetic) manufacturing business — funded by promoter equity plus bank finance (plant + working capital). This plan models a cosmetics/personal-care unit requiring **₹3.5 crore** (₹1.3 crore promoter + ₹2.2 crore bank finance), targeting **₹11 crore** revenue in Year 1 and **₹26 crore** by Year 3. (*Cosmetics mfg; contract/private-label + own-brand margin, formulation/quality/contract/brand-driven, moderate-capex — figures illustrative; CDSCO cosmetic licence & Cosmetics Rules prerequisites.*)

2. Business Description, Vision & Legal Structure

Concept: A cosmetics & personal-care manufacturing unit - CDSCO-licensed production of skincare/haircare/colour/bath-body (incl. natural), for contract/private-label (D2C brands) & own-brand, earning mfg + brand/conversion margin.

Vision: To make quality, safe, effective personal-care products for India's beauty boom.

Mission: Manufacture to quality & regulatory standards - great formulations, reliable contract/private-label & own brands.

Legal structure options

- **Private Limited / LLP** — recommended for licence, capex, contract clients, brand & funding.
- **Proprietorship** — possible for a small unit.

Regulatory anchor: a cosmetics manufacturer is regulated under the **CDSCO cosmetic manufacturing licence & Cosmetics Rules 2020** (registration, permitted ingredients, labelling/claims, safety), plus BIS standards, GST, & (if natural/ayurvedic-positioned) AYUSH/FSSAI as applicable — lighter than drug regulation. Formulation/quality, contract/private-label demand, capacity utilisation, brand (if own) & compliance determine success; it is formulation-, quality-, contract- & brand-driven, moderate-capex.

3. Promoter & Ownership

Led by a promoter with cosmetics/personal-care, FMCG, formulation/R&D or manufacturing expertise. The team includes production, QC/formulation-R&D, contract-client servicing/BD, brand (if own), procurement & regulatory. Formulation/quality, contract/private-label demand, capacity & brand are the differentiators. Ownership & stakes are

editable inputs; CDSCO cosmetic licence prerequisite.

4. Market Analysis — India

India's beauty & personal-care market is large & fast-growing, with a D2C-brand explosion (natural/clean-beauty, skincare, haircare) that outsources manufacturing to contract/private-label units — plus own-brand & export potential. Demand is BPC-growth-/D2C-/natural-beauty-driven. The market rewards formulation/quality, contract/private-label capability, capacity, brand (if own) & compliance; it is formulation-, quality-, contract- & competition-sensitive, met with formulation, quality, contract capability & brand.

Demand drivers

- **BPC market growth** & premiumisation.
- **D2C beauty-brand explosion** (outsource mfg — big tailwind).
- **Natural/clean/ayurvedic beauty** trend.
- **Skincare/haircare** growth.
- **Exports & private-label** opportunity.

Market sizing (illustrative framing)

Layer	Definition	Indicative scale
TAM	Cosmetics/personal-care mfg in India	Large & fast-growing
SAM	Category/segment & region	Substantial
SOM (Yr 1-3)	Capacity / contract clients / brands	Scaling

Target segments

- D2C beauty brands (contract/private-label — core tailwind).
- Own-brand cosmetics/personal-care.
- Retail/FMCG private-label.
- Exports & natural/ayurvedic.

5. Competition & Competitive Advantage

Landscape: other contract/private-label & cosmetic manufacturers, large FMCG/beauty makers & imports. The unit competes on formulation/quality, contract/private-label capability & flexibility, capacity, cost, compliance & (if own) brand.

The business's edge

- **Formulation/R&D & quality.**
- **Contract/private-label capability (D2C).**
- **Flexibility, MOQ & turnaround.**
- **Natural/clean-beauty & range.**
- **Capacity, cost & compliance.**

6. Products & Revenue Model

Stream	Model	Basis
Contract / private-label (D2C brands)	Conversion/mfg margin	Core (tailwind)
Own-brand cosmetics	Mfg + brand margin	Higher margin
Formulation / R&D / NPD services	Development fee/margin	Value-added/stickiness
Retail/FMCG private-label	Volume margin	Volume
Exports & natural/ayurvedic	Export/premium margin	Growth/margin

Contract/private-label for D2C brands is the core tailwind (conversion/mfg margin, fills capacity); own-brand adds higher (brand) margin; formulation/R&D/NPD adds value & stickiness; retail/FMCG private-label & exports add volume/growth. Economics = capacity utilisation × mfg/brand margin; formulation/quality, contract demand, capacity, brand & compliance drive it — the decisive cosmetics-mfg levers.

7. Go-to-Market — Contract & Brand

- **D2C-brand contract/private-label BD** (the tailwind).
- **Formulation/R&D & NPD** (win & retain brands).
- **Flexibility/MOQ/turnaround** (D2C-friendly).
- **Own-brand & natural/clean-beauty.**
- **Exports & private-label** (volume).

Sales approach

Win D2C-brand contract/private-label (formulation/quality/flexibility/MOQ) → fill capacity → add own-brand & NPD/R&D (margin/stickiness) → grow retail/private-label & exports. Formulation/quality, contract capability, capacity & brand build the business; the D2C-brand outsourcing wave is the core demand engine.

8. Operations Plan (cosmetic manufacturing)

- **Plant:** CDSCO-compliant cosmetic manufacturing (mixing/processing/filling/packing), R&D/formulation lab, warehouse — moderate capex.
- **Formulation & R&D:** product development, natural/clean formulations, stability, NPD for contract clients.
- **QC/QA & regulatory:** quality testing, Cosmetics-Rules/BIS compliance, labelling/claims, batch.
- **Contract servicing:** D2C-brand NPD, MOQ/flexibility, turnaround, private-label.
- **Procurement:** ingredients/packaging (quality/natural).

Workflow

Stage	Activity	Metric
Formulate	R&D/NPD/stability	Formulation/quality
Procure	Ingredients/packaging	Cost/quality

Produce	Mix/fill/pack	Utilisation/yield
Test/comply	QC/Cosmetics-Rules/BIS	Quality/regulatory
Deliver	Contract/own-brand	On-time/volume

9. Regulatory, Licences & Compliance (India)

- **CDSCO:** cosmetic manufacturing licence; Cosmetics Rules 2020; permitted ingredients; safety.
- **Standards:** BIS (as applicable); labelling/claims (no drug/therapeutic claims).
- **Natural/ayurvedic:** AYUSH (if ayurvedic-positioned); FSSAI (if ingestible-adjacent).
- **Other:** factory, pollution (if applicable), GST, export (IEC).

10. Organisation & Manpower Plan

Role	Yr 1	Yr 2	Yr 3
Promoter / plant head	1	2	3
Production & operators	18	32	50
Formulation/R&D & QC/QA	5	9	15
Contract-client servicing/BD & brand	4	8	13
Procurement, accounts & admin	3	5	8
Total	31	56	89

11. Implementation Timeline & Milestones

Phase	Timeline	Milestone
Setup	Month 0-5	Company, cosmetic-licence plant, R&D/QC, first contract clients
Ramp	Month 5-12	Contract/private-label + own-brand, utilisation, ₹11cr
Build	Year 2	More D2C clients/own-brand/exports, ₹18cr
Scale	Year 3	₹26cr revenue; utilisation, brand & contract base

12. Financial Plan (Illustrative)

All figures are illustrative model assumptions for an Indian context, shown so the promoter can replace them with live rates. They are not projections of guaranteed results. Cosmetics mfg blends contract/private-label (conversion) & own-brand; formulation/quality, contract demand (D2C tailwind), capacity & WC are core; moderate capex vs. pharma; CDSCO cosmetic licence prerequisite.

12.1 Project cost & means of finance

Capital requirement	₹
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Plant, machinery & R&D/formulation lab	1,80,00,000
Working capital (ingredients/packaging + receivables)	1,00,00,000
QC, licence & setup	40,00,000
Brand (own), BD & pre-operative	30,00,000
Total project cost	3,50,00,000
Promoter contribution	1,30,00,000
Bank finance (term + WC, MSME)	2,20,00,000

12.2 Projected Profit & Loss (3 years)

Particulars	Year 1	Year 2	Year 3
Contract / private-label (D2C)	6,50,00,000	10,50,00,000	14,00,00,000
Own-brand cosmetics	3,00,00,000	5,50,00,000	9,00,00,000
Formulation/NPD, exports & other	1,50,00,000	2,00,00,000	3,00,00,000
Total revenue	11,00,00,000	18,00,00,000	26,00,00,000
Materials (ingredients/packaging) & production	6,60,00,000	10,40,00,000	14,80,00,000
Salaries, R&D & QC labour	1,70,00,000	2,70,00,000	3,70,00,000
Brand/marketing (own), overheads & compliance	1,60,00,000	2,70,00,000	3,90,00,000
Interest & depreciation	45,00,000	65,00,000	75,00,000
Total expenses	10,35,00,000	16,45,00,000	23,15,00,000
Net profit (before tax)	65,00,000	1,55,00,000	2,85,00,000
Net margin	5.9%	8.6%	11%

12.3 Unit economics & break-even

- **Utilisation × mfg/brand margin:** contract/private-label fills capacity (conversion margin, D2C tailwind); own-brand carries higher (brand) margin (with marketing cost); formulation/NPD adds value/stickiness; utilisation & mix drive it.
- **Formulation & contract demand:** formulation/R&D/quality & flexibility (MOQ/turnaround) win & retain D2C brands (the tailwind); own-brand builds margin but needs marketing.
- **Break-even:** at a utilisation/contract threshold covering plant/marketing/interest; net margins improve with own-brand mix, contract volume, exports & scale.

12.4 Projected Cash Flow — Year 1 (quarterly, illustrative)

Particulars (₹)	Q1	Q2	Q3	Q4
Opening balance	12,00,000	10,80,000	11,00,000	11,40,000
Collections	2,20,00,000	2,70,00,000	3,05,00,000	3,20,00,000
Materials, wages & operating	2,21,20,000	2,69,80,000	3,04,60,000	3,18,80,000
Closing balance	10,80,000	11,00,000	11,40,000	12,60,000

Cosmetics mfg carries ingredient/package inventory + receivables WC (contract) & own-brand marketing spend. Utilisation, contract demand, mix, turns, marketing efficiency (own-brand), CC & the WC line manage cash; the key risks are contract-client concentration/loss, competition, own-brand marketing/CAC, quality/compliance (claims) & ingredient cost — met with contract diversification, formulation/quality, brand & utilisation.

12.5 Key Performance Indicators to Monitor

- **Production:** utilisation; yield; quality; on-time.
- **Revenue:** contract vs. own-brand vs. export mix; contract clients; NPD.
- **Contract:** client count/concentration; repeat; MOQ/turnaround.
- **Finance:** margin; utilisation; WC days; net margin.

13. Funding Requirement & Bankability

Total ask: **₹2.2 crore bank finance** against ₹1.3 crore promoter contribution — term for plant/R&D/QC plus working capital (ingredients/package + receivables), MSME-eligible. Bankability rests on formulation/quality, the D2C contract/private-label tailwind, capacity utilisation, own-brand & compliance; India's BPC boom & D2C-brand explosion support demand. Year-1 profit ~₹65 lakh growing to ₹2.85 crore supports servicing; utilisation, contract demand & mix are key. Formulation/quality, contract capability, capacity & brand underpin the model. (*CDSCO cosmetic licence & Cosmetics Rules are prerequisites.*)

13.1 Funding utilisation

Use of funds	₹	% of total
Plant, machinery & R&D/formulation lab	1,80,00,000	51.4%
Working capital (ingredients/package + receivables)	1,00,00,000	28.6%
QC, licence & setup	40,00,000	11.4%
Brand (own), BD & pre-operative	30,00,000	8.6%
Total	3,50,00,000	100%

14. Risk Analysis & Mitigation

Risk	Mitigation
Contract-client concentration / loss	Diversify D2C clients, own-brand, NPD/stickiness, service
Competition (contract/FMCG)	Formulation/quality, flexibility/MOQ, natural/clean, cost
Own-brand marketing / CAC	Contract balance, brand-building, channel mix
Quality / compliance / claims	Cosmetics-Rules/BIS, QC, permitted ingredients, honest claims
Ingredient cost / WC	Sourcing, turns, WC line, contract pass-through

15. SWOT Analysis

Strengths BPC boom & D2C-brand outsourcing tailwind; contract + own-brand; formulation/quality; natural/clean; moderate capex.	Weaknesses Contract-concentration risk; competition; own-brand marketing cost; quality/claims-compliance; WC.
Opportunities D2C beauty-brand explosion; natural/clean/ayurvedic; own-brand; exports; private-label; NPD/formulation.	Threats Competition/price; contract-client shifts; claims/regulatory scrutiny; ingredient cost; imports.

16. Recommended AiSevak Tools for This Business

This cosmetics manufacturer would use AiSevak's Pharma vertical tools in delivery:

- **Manufacturing ops:** production/utilisation & formulation/R&D/NPD, QC/Cosmetics-Rules & contract-client-servicing, procurement/mix tools.
- **Compliance & brand:** CDSCO-cosmetic-licence/BIS/claims & own-brand/marketing, WC tools (with Legal, Retail & Finance verticals).
- **Practice:** Business Plan, utilisation/contract-vs-brand-mix and Break-even tools to model the unit.

17. Key Assumptions & Notes

- Cosmetics/personal-care mfg: CDSCO-licensed production of skincare/hairecare/colour/bath-body (incl. natural) for contract/private-label (D2C brands — big tailwind) + own-brand; mfg + brand/conversion margin; moderate capex.
- Capacity utilisation × mfg/brand margin decisive; formulation/quality, contract/private-label demand, capacity, brand (if own) & compliance are the levers; D2C-brand outsourcing is the core demand engine.
- Term (plant/R&D/QC) + WC (MSME); CDSCO cosmetic licence + Cosmetics Rules 2020, BIS, labelling/claims, AYUSH/FSSAI (if applicable) prerequisites.
- Utilisation, contract demand, own-brand mix & exports drive economics; figures illustrative, exclude GST; CDSCO cosmetic licence prerequisite.

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