

Rimon Cosmetics



Brief Bio Data of the Entrepreneur

• Name	:	Md. Toshaddak Hossain Age: 20 years
• Address	:	Vill: Kathali, Upazila: Mithapukur, Dist: Rangpur
• Father (Grameen Bank Borrower)	:	Md. Rahidul Islam Loan No: 5855 Center : 62/Po Branch Name: Mithapukur Member since: 1994 Existing loan-BDT 100,000, Outstanding balance-BDT 44,830.
• Educational Qualification	:	H.S.C pass
• Experience	:	Entrepreneur has 02 (two) years experience in general retail business. Business started in 2012 with BDT 8,000.

BUSINESS BRIEFING

• Business Name	:	<i>Rimon Cosmetics</i>
• Location	:	Shathi Bari Bazar, Mithapukur, Rangpur.
• Total Investment	:	BDT 440,000/-
• Financing	:	➤ Entrepreneur BDT- 240,000/-(EB) ➤ Investor BDT- 200,000/-(As Equity)
• Implementation	:	
<p>The business will scale up with different items of cosmetic products targeting break even within first year & pay back period is estimated to be four (04) years.</p>		

Objectives

- Enhancement of entrepreneurial skills
- Employment opportunities for others
- Improving livelihood of the entrepreneur
- Become a prominent Nobin Udyokta

Additional Information:

- **Salary will be used to meet his own & family expenses;**
- **GB loan taken for his business;**
- **He has to provide GB loan installment from his business;**
- **Credit sales are limited and they are realized in a timely manner;**
- **He has trade license & ownership in his own name**

INVESTMENT BREAKDOWN

Particulars	Existing Business (BDT)	Proposed (BDT)	Total (BDT)
Investment in Cosmetic Products	200,000	190,000	390,000
Decoration	40,000	10,000	50,000
Total Capital	240,000	200,000	440,000

Means of finance

Particulars	Amount (BDT)	%
Entrepreneur's Contribution	240,000	55%
Investor's Investment	200,000	45%
Total	440,000	100%

Existing Business

Particulars	EB (BDT)		
	Daily	Monthly	Yearly
Estimated Sales of Product	3,000	78,000	936,000
Total Sales (A)	3,000	78,000	936,000
<u>Less: Variable Cost:</u>			
Est. Cost of Product	2,550	66,300	795,600
Total Variable Cost (B)	2,550	66,300	795,600
Contribution Margin (CM) [C=(A-B)]	450	11,700	140,400
<u>Less: Fixed Cost:</u>			
Shop Rent (Self)		-	-
Salary (Self)		5,000	60,000
Electricity bill		500	6,000
Entertainment Expenses		600	7,200
Ownership Transfer Fees		-	-
Depreciation Expenses		333	4,000
Transportation Cost		500	6,000
Night Guard bill		100	1,200
(D) Total Fixed Cost		7,033	84,400
(C-D) Net Profit:	179	4,667	56,000

Key Assumptions:

- Sales revenue growth will be 40% in 1st year of injecting additional investment and 10% thereafter.
- Gross profit margin is calculated @ 15% on an average.
- Depreciation is charged @ 10% on Fixtures & Fittings.

Financial Projection

Particulars	Year 1 (BDT)			Year 2 (BDT)			Year 3 (BDT)			Year 4 (BDT)		
	Daily	Monthly	Yearly	Daily	Monthly	Yearly	Daily	Monthly	Yearly	Daily	Monthly	Yearly
Estimated Sales of Product	4,200	109,200	1,310,400	4,620	120,120	1,441,440	5,082	132,132	1,585,584	5,590	145,345	1,744,142
Total Sales (A)	4,200	109,200	1,310,400	4,620	120,120	1,441,440	5,082	132,132	1,585,584	5,590	145,345	1,744,142
Less: Variable Cost:												
Est. Cost of Product	3,570	92,820	1,113,840	3,927	102,102	1,225,224	4,320	112,312	1,347,746	4,752	123,543	1,482,521
Total Variable Cost (B)	3,570	92,820	1,113,840	3,927	102,102	1,225,224	4,320	112,312	1,347,746	4,752	123,543	1,482,521
Contribution Margin (CM) [C=(A-B)]	630	16,380	196,560	693	18,018	216,216	762	19,820	237,838	839	21,802	261,621
Less: Fixed Cost:												
Shop Rent (Self)		-	-		-	-		-	-		-	-
Salary (Self)		5,000	60,000		5,500	66,000		6,500	78,000		7,500	90,000
Electricity bill		550	6,600		600	7,200		650	7,800		700	8,400
Entertainment Expenses		700	8,400		800	9,600		900	10,800		1,000	12,000
Ownership Transfer Fees		-	-		1,000	12,000		1,000	12,000		1,333	16,000
Depreciation Expenses		417	5,000		417	5,000		417	5,000		417	5,000
Transportation Cost		500	6,000		700	8,400		900	10,800		1,100	13,200
Night Guard bill		100	1,200		100	1,200		100	1,200		100	1,200
(D) Total Fixed Cost	-	7,267	87,200	-	9,117	109,400	-	10,467	125,600	-	12,150	145,800
(C-D)Net Profit:	351	9,113	109,360	342	8,901	106,816	360	9,353	112,238	371	9,651	115,821
Cumulative Net Profit:			109,360			216,176			328,414			444,235

Break even analysis

Particulars	Monthly	Yearly
Contribution Margin Ratio: (CM/Sales)	15%	15%
Break Even Point (BEP):	7,267	87,200
	15%	15%
Break Even Point (BDT)	48,447	581,333

Cash flow (Rec. & Pay.)

<i>Particulars</i>	<i>Existing Business(BDT)</i>	<i>Year 1 (BDT)</i>	<i>Year 2 (BDT)</i>	<i>Year 3 (BDT)</i>	<i>Year 4 (BDT)</i>
Cash Inflow					
New Investment Infusion by Entrepreneur's	-	-	-	-	-
New Investment Infusion by Investor's	-	200,000	-	-	-
Net Profit (ownership transfer fee added back)	56,000	109,360	118,816	124,238	131,821
Depreciation Expenses	4,000	5,000	5,000	5,000	5,000
Opening Balance of Cash Surplus	-	60,000	174,360	226,176	283,414
Total Cash Inflow	60,000	374,360	298,176	355,414	420,235
Cash Outflow					
Payment for Cosmetics product purchase	-	190,000	-	-	-
Payment for Decoration	-	10,000			
Investment Pay Back (including ownership transfer fee)	-	-	72,000	72,000	96,000
Total Cash Outflow	-	200,000	72,000	72,000	96,000
Total Cash Surplus	60,000	174,360	226,176	283,414	324,235

Outcomes

- The business will start with **BDT 440,000** and it is expected that by the end of four (04) years after payback of investor's money the entrepreneur's capital will be **BDT 684,000**.
- The business will serve the community by selling quality and in demand products and strive to improve every year.

Risk Factors

- Theft
- Local competition
- Fire
- Political unrest

Risk Management

- Night guard deployment
- Keeping adequate sand and ensure source of water
- Close market watch to compete

Pictures



Thank You

