Cosmetics Sector in India

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Political Map of India

India is a federal union comprising twenty-nine states and seven union territories. The states and union territories are further subdivided into districts and further into smaller administrative divisions

List of Abbreviations

BIS	Bureau of Indian Standards
CAGR	Compound Annual Growth Rate
CDSCO	Central Drugs Standard Control Organization
CVD	Countervailing Duty
FSC	Free Sale Certificate
FY	Financial Year/ Fiscal Year is the period starting from 1st April 20xx to 31st March 20xx
GDP	Gross Domestic Product
GMP	Good Manufacturing Practice
HQ	Headquarters
HUL	Hindustan Unilever
IEC	Importer Exporter Code
JV	Joint Venture
Ltd.	Limited
NGO	Non-Government Organisation
NOC	No Objection Certificate
P&G	Procter & Gamble
Pvt.	Private
RSP	Retail Sale Price
RTI	Right to Information
SKU	Stock Keeping Unit
SOP	Statement of Purpose
UAE	United Arab Emirates
UK	United Kingdom
USA	United States of America
USD	United States Dollar

Currency Conversion Rate: 1 USD= 65 INR

Executive Summary

India is one of the fastest growing Cosmetics markets. Cosmetics have become an integral part of fashion statement. Though, the per capita spend on Cosmetics and Personal Care products is at low levels in India; the Indian Cosmetic Industry, which includes Skin Care, Hair Care, Colour Cosmetics, fragrances, Sun Care and oral Care is growing at the rate of 15-20 percent annually. Hair Care holds the largest market share, followed by oral Care, Skin Care, fragrance and Colour Cosmetics.

Colour Cosmetics is one of the fastest growing segments within the Personal Care market in India and is expected to grow at a CAGR of 16 percent over 2015-2020 to reach a sales value of USD 2 billion by 2020.

At a high-level overview, it should be noted that the number of Indian Middle Class households i.e. annual household income above USD 10,000/ - is expected to reach 100 million by 2020. Globally as the per capita income rises there is more discretionary spend and it is this segment of population which is expected to drive the India consumption story including spend on Personal Care items. This coupled with other driving factors such demographics (nearly 50% of the population is below the age of 25), greater urbanization (250 million more people expected to move to urban centres by 2030), penetration of modern retail /e-retail and higher participation of women in the work force will continue to drive the demand for Personal Care products at least for the foreseeable future.

Foreign players while being enticed by the above macro factor do face a reality check in India with very high price sensitivity, lack of large organized sales and distribution channels, expensive quality real estate space and strong bargaining power of retailers.

In this opportunity assessment study for Brazilian companies in Indian Cosmetics sector, the following aspects has been covered.

Indian market overview and market segmentation of Beauty and Wellness Industry
• Identification of 6 international players with the details of their mode of presence and brand portfolio • Identification of 6 domestic brands of Colour Cosmetics • 10 imported brands of Cosmetics with the details of the importer/distributor arrangement • Additionally, Cosmetic brands in premium and luxury segments have also been identified
Analysis of export import trends
Regulatory Framework, HS codes, import tariffs and duties

Recommended market entry route for Brazilian companies
Mapping of 8 distributors who can be potential partners for Brazilian companies
Identification of 3 key regulatory bodies in Indian Cosmetic market landscape
Mapping of 10 Industry events scheduled for the year 2017

The Cosmetics market in India is growing twice as fast as that of the United States and European market. The growth in the segment is primarily driven by rising disposable incomes with around 50 million households having income levels above USD 10,000, increasing number of working women, rising consumer awareness and changing lifestyles, preference for international brands of Cosmetics, increasing beauty consciousness and growing aspirations of Indian women.

Within Colour Cosmetic segment, ***lipstick, face powder compact, nail lacquer and eye pencil are the most popular products in India followed by foundation and mascara. Lip balm is the most popular Cosmetic in India, according to Reuters.***

There is a high competition in Indian Colour Cosmetic Industry with presence of large number of domestic and international brands operating within organised and unorganised markets segments. "**Lakme"- the Cosmetic brand of Hindustan Unilever Group, L'Oreal and Revlon** are the leading brands in the market landscape due to their extensive product offering at differential pricing.

International brands are primarily present through three modes in India wherein their product offering is either:

- Imported by their branch office and sold through standalone outlets at luxury malls in India
- Partially imported and manufactured in India, i.e., some of the products in the portfolio are imported and some are manufactured locally
- Imported by third party importers and distributed through multiple distribution channels

In the terms of export-import trends, there has been low levels of export and import of Colour Cosmetic products in India. **The country has low level of imports of products due to high competition and price sensitivity.** However, lip and eye make-up preparations have a significant share in the import basket. ***China, USA and Germany are the major import destinations for these products.***

Colour Cosmetic is primarily a mass market product with customers making the purchases based on their income levels and brand consciousness. The consumers have an elastic demand due to wide availability of the products and brands. Imported brands are primarily available at premium prices and purchased by high-end consumers having high degree of fashion, brand and quality consciousness. Hence, **price and quality remain key considerations affecting a customer's buying decision. The success of any international brand will depend on their understanding of the market dynamics; henceforth, devising India specific pricing.**

The report also covers the import procedure and regulations pertaining to import of Cosmetic products in India. It also enlists the certification and document requirements for import. Further, brief details of the import documentation as prescribed by the Government of India are also provided in the annexures.

An assessment table has been prepared in the report highlighting opportunities for Brazilian companies in India. ***There appears to be potential for exports of lip and eye make products in India. Nail lacquers and face powders are imported in lesser quantities.***

Distribution reach is a critical entry barrier for any international Cosmetic brand seeking an entry into Indian market. Direct Selling has given mixed results in the past with only limited foreign brands (Oriflame and Amway) operating through this channel. Only few large distributors having pan India presence are operating in the market landscape with distribution of Cosmetics primarily being handled by regional distributors with limited geographical reach.

Professional beauty salons can also serve as important point of consumption, location for retail sales as well as generate brand visibility. Last decade has witnessed emergence of few national and several retail chains of professional salons and also emergence of freelance beauty professionals using online platforms to generate sales enquiries and deliver home based services.

Online platforms are emerging as a popular mode for distribution of fast moving consumer goods due to high convenience value, willingness among retailers to maintain limited SKUs (a Stock Keeping Unit (or SKU) is a number assigned to a product by a retail store to identify the price, product options and manufacturer of the merchandise) owing to greater inventory costs and lower overheads as retail space is at a premium in India.

Therefore, an entry through an **exporter-distributor channel or through a Joint Venture agreement** may initially be a feasible route for Brazilian companies to enter Indian market. The distribution should be done via multi channels like supermarkets, shop in shops, counter in malls and online retail websites. An initial focus of the distribution reach to top 10 metro centres and use of e-retail to target non-metropolitan areas can be a prudent strategy along with focus on specialist products, which have limited local production.

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T&A Understanding of Brazilian Beauty and Personal Care Market

Brazil is the fourth-largest beauty market in the world, after the US, Japan and China.

According to Brazilian Association for the Personal Hygiene, Perfume, and Cosmetics Industry (ABIHPEC), the country accounts for 9.4 percent of the global market out of which beauty market accounts for 1.8 percent of Brazil's GDP.

Brazil is world's third largest consumer of Cosmetic products with a share of 7.1 percent of world consumption. The category-wise position of Brazil in world's key categories is provided below.

Ranks	Category or Segment
2nd	Fragrances, Deodorants and Sun Care Products
3rd	Baby Care, Oral Care and Hair Care
4th	Bath Care
5th	Make up and Nail Care
8th	Skin Care

Depilatories, Men's grooming products, fragrances, deodorants and Sun Care products are the top segments in Brazilian's beauty and Personal Care Industry. The forecasted compound annual growth rate (in percent) of these categories over 2015- 2020 is presented below.

Segment	Depilatories	Men's grooming	Fragrances	Deodorants	Sun Care
CAGR	5.7 %	4.7 %	2.8 %	3.9 %	2.6 %

Source: Euromonitor International

Brazilian export-import trends,

In Brazil, the imports of Personal hygiene, perfume and Cosmetic products have exceeded the exports over the last six-year period. A comparative table of export and import values (in USD million) over a five-year period is prepared below.

Year	Export (in USD million)	Import (in USD million)
2012	82.2	196.5
2013	77.6	219.7
2014	79.2	199.3
2015	71.3	187.7
2016	80.5	142.5

Source: UN Comtrade

Top Exporters to Brazil

- USA
- France
- Argentina
- Canada
- China
- Germany
- Italy
- Switzerland

Top Importers from Brazil

- Argentina
- Mexico
- Colombia
- Chile
- Peru
- Germany
- Bolivia
- USA

Brazil is ranked third in the global makeup market with an average annual growth rate of 15.6 percent in the category over the last five years. The Cosmetics market in the country is expected to grow at a CAGR of 11 percent over 2015-2019 to reach over to USD 6.4 billion by 2019

The increase in the number of working women is the primary driver for the growth of this market. The need to look fresh and presentable at the workplace is the key reason for the increase in expenditure on Cosmetics by working women. Moreover, women in Brazil are now more informed about Cosmetic products in terms of ingredients, quality and brands leading to a rise in demand for high-quality and premium products.

Makeup products for the eyes, lips, face and nails represent 7.7% of the total Cosmetics market in Brazil

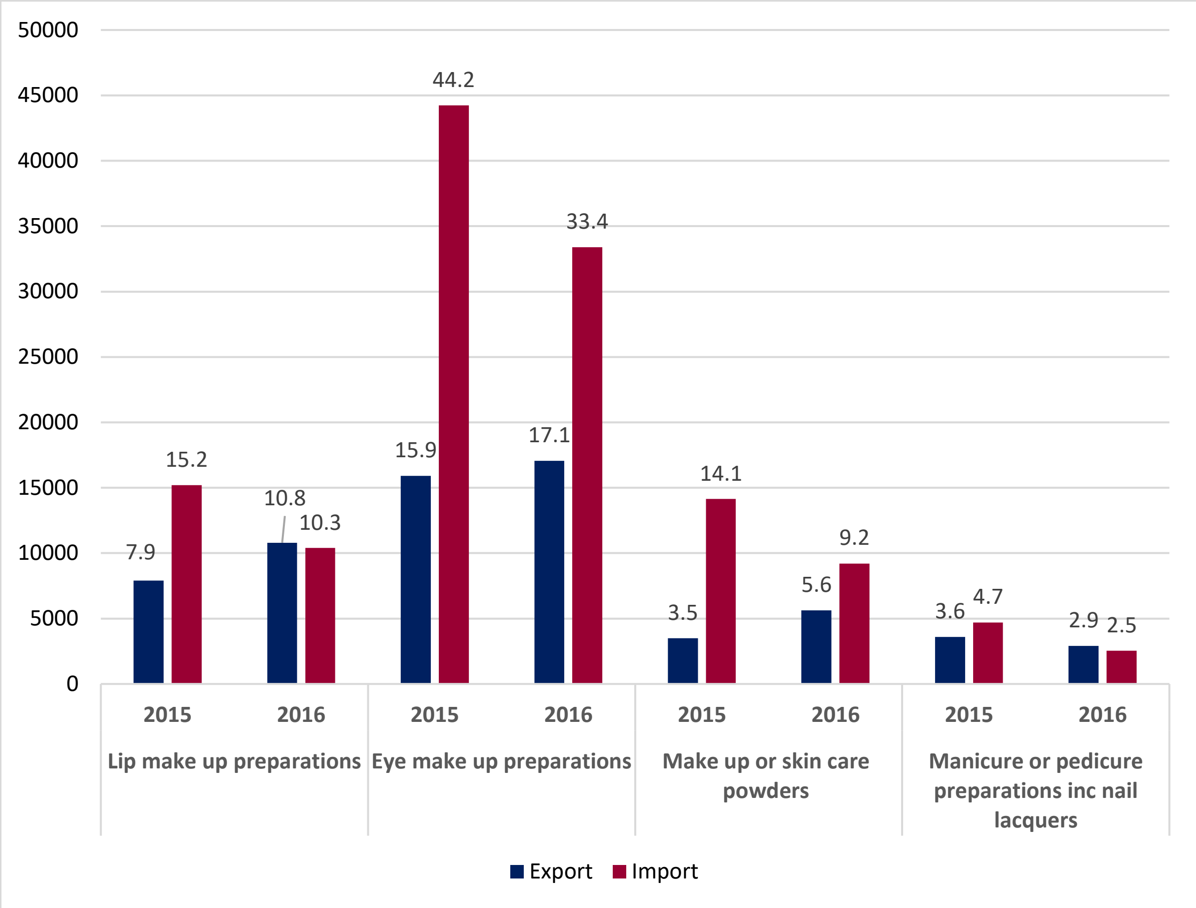
The nail products segment dominates the Cosmetics market in Brazil and is growing at a faster pace compared to the other segments. The nail products segment includes, nail polish, nail treatment or strengtheners, polish remover, and other nail products such as nail cream, nail gel, and nail oil. Nail products in Brazil are perceived as an affordable luxury to freshen up the overall look and are used for daily grooming purposes.

The Cosmetics market in Brazil includes presence of numerous local and international manufacturers and private label companies. Some of the leading vendors in the market are Avon, Natura, Boticario, P&G, Unilever, Chanel, Coty, Este Lauder, Henkel, Hypermarcas, Johnson & Johnson, Kao, Kimberly-Clark, L'Oreal, Oriflame, Revlon, Sephora and Shiseido.

Direst Selling retailers is the most prevalent mode of distribution of makeup products in the country. However, Colour based Cosmetics are distributed through both store based and direct selling.

During 2015 and 2016, the imports under different categories of Colour Cosmetics in the country exceeded the exports. A graph representing the exports and imports of Brazilian Colour Cosmetic products over a two-year period is presented below.

(Figures in USD million)



The United States is largest Cosmetic supplier to Brazil. Brazilian companies import a diverse range of Cosmetics from USA. Some of the other importer countries include Canada, Argentina and China.

Brazil primarily exports to Argentina, USA, Mexico and Germany.

Source: Trademap

1.0 Overview of Indian Cosmetics Market

1.0 Overview of Indian Cosmetic Market

1.1 Market Size and Growth Rate

According to the report released by Indian Beauty and Hygiene Association (IBHA), Bain and Co and Google India,

Market Size of Indian Beauty and Hygiene Industry in 2016	Market Size of Indian Beauty and Hygiene Industry in 2020
USD 10 billion	USD 17 billion

Focus of the research study will be on Colour Cosmetics in India.

India is one of the fastest growing Cosmetics markets. Cosmetics have become an integral part of fashion statement. The Indian Cosmetic Industry, which includes Skin Care, Hair Care, Colour Cosmetics, fragrances, Sun Care and oral Care is growing at the rate of 15-20 percent annually.

The Cosmetics market in India is growing twice as fast as that of the United States and European market. Rising middle class with increasing disposable income is further creating a market for high priced and premium products by brands like Dior, Guerlain, Clarins, Clinique, Lancôme, Estee Lauder, Shiseido, and others. In addition to conventional Skin, lip, and eye makeup, body Care via products and spa usage is also increasing.

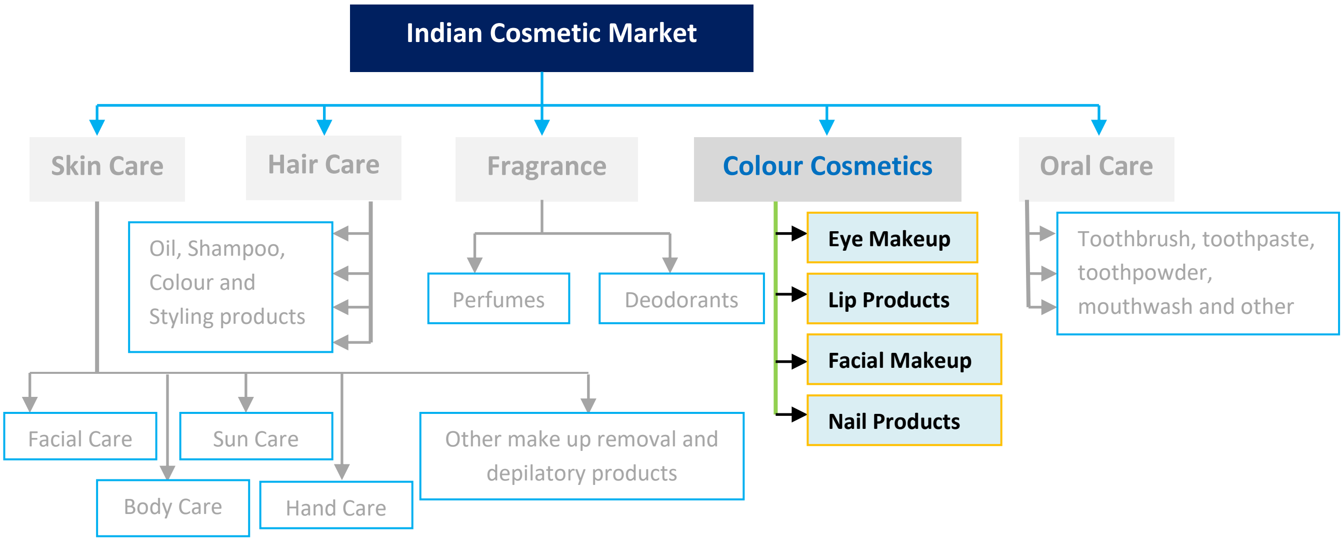
The Personal Care and Cosmetics sector in India has been growing continuously, with imported brands capturing shelf space in retail stores and boutiques in India. Many foreign brands with a strong support structure and an India specific pricing strategy have been successful in the Indian market.

The market for women's Cosmetic products in India is projected to grow at a CAGR of 16 percent during 2015-20.

Lip balm is the most popular Cosmetic in India, according to Reuters.

Colour Cosmetics, fragrances, specialized Skin Care and Hair Care products, professional salon items and make-up Cosmetic products are the key areas of growth in Indian beauty and wellness Industry.

1.2 Market Segmentation



The Indian Cosmetic market has been growing at a CAGR of 17 percent over last five years. Hair Care holds the largest market share, followed by oral Care, Skin Care, fragrance and Colour Cosmetic. HUL dominates the Cosmetic Industry in India due to its vast product portfolio across various segments.

Hair Care

The Hair Care market is segmented into four categories, i.e., Hair oil, Hair shampoo, Hair Colours and Hair styling products. Hair oil dominates the market followed by Hair shampoo along with its various variants. HUL, P&G, Dabur, Marico and Godrej are the market leaders in the organized Hair Care market. Marico is leading in Hair oil category while HUL and P&G have the top brands in shampoo market.

Oral Care

India oral Care market is segmented into five categories, viz. toothpaste, toothbrush, toothpowder, mouthwash and other oral Care products that include dental floss, oral Care chewing gum among others. Toothpaste segment dominate the oral Care market along with its various variants. Colgate-Palmolive India, HUL, and Dabur are market leaders in organized oral Care market.

Skin Care

Indian Skin Care market is segmented into five categories, i.e., facial Care, body Care, Sun Care, hand Care and other makeup removal & depilatory products. Facial Care products dominate the market along with its various variants. HUL's Fair & Lovely is leading as Skin whitening cream under facial Care category while HUL's Vaseline body lotion is famous under body Care sector in India Skin Care market.

Fragrance

Fragrance market is divided into two segments viz. Perfume and Deodorant category. Deodorants dominate the market while perfume along with its innovations is growing fast. The fragrance market in India is one of the largest in terms of production, consumption and, import. Younger population is the key customer segment for perfumes and deodorants. Givaudan, IFF and Firmenich are major players in the organized fragrance market. Fogg is leading in deodorant category followed by Park Avenue and Wild Stone.

Colour Cosmetics

Colour Cosmetics is one of the fastest growing segments within the Personal Care market in India and is expected to grow at a CAGR of 16 percent over 2015-2020 to reach a sales value of USD 2 billion by 2020

The growth in the segment is primarily driven by increasing female employment rates as more women join the workforce, thereby leading to increased economic power, financial independence, image and grooming awareness. Colour Cosmetic products provide an easy and effective means of achieving better grooming. Female employment rate in India is currently at around 30 percent.

Source: http://www.euromonitor.com/colour-cosmetics-in-india/report

Additionally, rising consumer awareness and changing lifestyles, preference for international brands of Cosmetics, increasing beauty consciousness due to increased access to branded goods and growing aspirations of Indian women are further driving the demand for Colour Cosmetics.

Colour Cosmetic market is classified into four broad categories viz. Eye Makeup, Facial Makeup, Lip Products and Nail Products. ***lipstick, face powder compact, nail lacquer and eye pencil are the most popular products in India followed by foundation and mascara.***

Lakme, Revlon and L'Oreal are the leading brands in the Cosmetic market followed by a plethora of unorganized brands.

1.3 Key Drivers

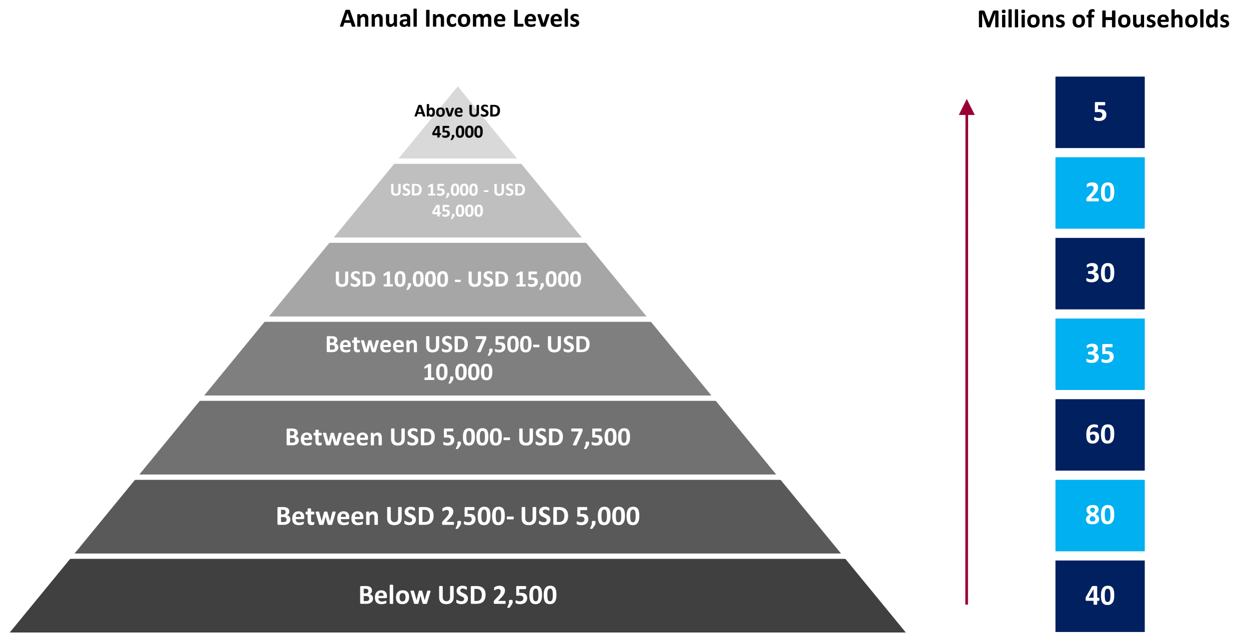
A rise in the demand for Cosmetic products in the market is primarily due to changing demographics and lifestyles, rising disposable incomes, rising media exposure, greater product choice, growth in retail segment and wider availability.

1.3.1 Rising Disposable Income

During FY*[1] 2015, there were around 55 million Indian households*[2] in the middle-class category (households with annual incomes of USD 10,000/- and above) with a total population of around 275 million, of which, 5 million Indian households have annual income levels above USD 45,000/-.

This number of households in the middle-class category is expected to reach 100 million by 2020.

An income pyramid representing the shift of income distribution in India (in terms of number of households) is presented below.



Source: T&A Research[3]*

*[1] *FY- Financial Year or Fiscal year is the period starting from 1st April 20xx to 31st March 20xx*

*[2] *Indian Household- An average Indian household is assumed to have 5 people*

Disclaimer:
T&A Research*[3]: The data is gathered from multiple data sources including Indian Government data banks, sectoral journals, National daily newspapers, industry association publications and international market research portals. In addition, primary interview responses are also taken into consideration.

- Strong growth in per-capita income has resulted in greater demand for Cosmetic products in India as consumers can now afford to invest significant amounts of money on Cosmetics in order to improve their wellbeing and Personal appearance.
- Incomes have risen at a brisk pace in India and will continue rising given the country's strong economic growth prospects. The per capita income (at current prices) during 2015-16 was estimated at around USD 1,425/- with a growth rate of 7.4 percent on year-on-year basis

Source: T&A Research

1.3.2 Organized Retail

The retail sector in India is witnessing a significant change as traditional markets make way for next formats such as departmental stores, hypermarkets, supermarkets and specialty stores which has led to the increase in consumption levels of all products.

- The Indian retail market, estimated at USD 600 billion during 2015, is expected to grow at a compounded annual growth rate of 12 per cent to reach USD 1 trillion by 2020
- Modern retail with a penetration of only 8% is expected to grow at an annual rate of 20 percent whereas traditional trade is expected to grow at a rate of 10 percent per annum.

Source: T&A Research

The Shop-in-Shop format of retailing is gaining in popularity for several imported, premium Cosmetics brands such as Christian Dior, Chambor, Elizabeth Arden, Shiseido and Nina Ricci.

The main advantages are

- √ Sales counter manned by brand's own trained personnel
- √ Greater visibility vis-à-vis sharing shelf space

Online Retailing: Gaining Foothold in Retail Sector

Online retail business has high potential for growth in the near future due to convenience and lower overheads as retail space is at premium in India. It is estimated to reach USD 14.5 billion by 2018 growing at the CAGR of 40-45 percent during 2014-2018

Source: T&A Research

The e-commerce market currently accounts for only 3-4 percent of the total beauty retail market in India.

Shoppers across the globe are increasingly using web to make purchases due to convenience and on-time delivery right at the doorstep. Online stores offer prices that are much lower than physical store and provides a wider product portfolio for selection.

- Online presence is an added advantage for the brands as well. The online operation cost is lower as compared to offline operational cost and it is much easier to reach out to the potential customers electronically.
- The convenience of testing products or making sample purchases before buying Cosmetics is encouraging people to purchase more products online.

Some of the major players in online Cosmetics sector include *www.amazon.in, www.purplle.com, www.nykaa.com, www.ebay.in* and *www.shopclues.com.*

1.3.3 Globalisation

There has been an increase in the demand for imported brands of Cosmetics with globalisation. Easy availability of foreign brands at modern, general and online retailers has provided a customer with a diversified portfolio of products to choose from. International brands like Estée Lauder, Elizabeth Arden, Nina Ricci, Yves Saint Laurent and Shiseido are popular among consumers in metro cities.

→ **Changing Consumer's Lifestyle**

Cosmetic products are no more restricted to being used on special occasions and are gaining prominence as part of women's daily regime. The use of these products is especially increasing among working women, who spend most of their time outdoors. A desire to look physically appealing has driven the demand for Colour Cosmetics among Indian women. Kohl, lipsticks and base foundation are the key Cosmetic products demanded in India.

→ **Openness to try out new products**

Indian consumer is becoming more open to trying new products, which help them in maintaining a youthful and elegant look. The availability of different brands for same product category has enabled a consumer to make more informed decisions. The organic Cosmetic products are becoming popular due to its natural composition and are perceived to be safe for use.

1.3.4 Increasing Media Influence

Media Industry (models and celebrities) is one of the primary user of Cosmetic products in India. Large companies employ different female/male icons to feature in their product advertisements, as an aspiration and this has been a major factor encouraging sales of Cosmetic products in the country.

1.3.5 Rising Awareness among Consumers

- √ Increased awareness about availability of different range of Colour Cosmetic products at varied price brackets has led to a growth in Indian Cosmetic market. Consumers can now make buying decisions based on their purchasing power and brand preferences.
- √ **Foreign Travel:** With advent of lifestyle channels and international magazines coupled with increasing wealth and foreign travel in the last few decades, Indians have become more aware of not only regular daily use brands but also premium brands.
- √ **Internet Access:** With the beginning of e-commerce era, consumers have gained knowledge about the imported brands in India which are otherwise not available at organised retail stores.

1.3.6 Preference for Imported Brands

Indian Cosmetic Industry is dominated by a large number of domestic and international brands. People are developing favourable consumption pattern towards foreign brands as they are available at competitive prices and are perceived to be of superior quality. Some of the international players holding a considerable market share in India include:

- √ **Revlon** (USA)
- √ **Oriflame** (Luxemburg)

- √ **MAC** (Canada)
- √ **Avon** (USA) and others

The emergence of a young urban elite population with increasing disposable income in cities, an increase in the number of working women, changing lifestyles, increased affordability of lifestyle-oriented and luxury products, mounting aspirations, penetration of satellite TV, increasing appetite for western goods, and greater product choice and availability are the main drivers of demand for imported Cosmetics products. Indian consumers perceive international brands as lifestyle enhancement products.

1.4 Trends in the Industry

Changing demographics of the country with two-third of population being below the age of 35 has increased the share of consumption for Cosmetic products consistently over the years. Further, the emergence of wide portfolio of Cosmetic brands has changed the face of Indian Cosmetics Industry.

Halal Cosmetics

Halal Cosmetics is an emerging concept in Indian market albeit still at a nascent stage. Muslims had remained a highly untapped consumer community for Cosmetic products in India due to religious constraint in suspicion of mixing non-Halal ingredients such as alcohol and pig residue in Cosmetic products.

According to estimation, demand of Halal certified women beauty product in India during 2014-15 was USD 100 million estimated to reach to USD 150 million during 2019-20.

Cosmetics and beauty products of Dabur, Himalaya and Shanaz Herbals are by default Halal to use as these are not prepared by the use any type of meat ingredient or alcohol. Ayurvedic beauty products like cream, shampoo, powders and lipsticks are preferred by Indian consumers indicating the potential for Halal certified Cosmetic markets in India.

Iba is India’s first and only Halal certified Cosmetics brand launched by Ecotrail Personal Care in 2014. It has a wide range of over 70 products including creams and lotions, face washes, shampoos, conditioners, Hair oil, colour Cosmetics such as lipsticks and kajal, and exotic fragrances, developed

Some of the other key market trends in India include-

1.4.1 Technological Advancement

√ **Advertising:** In Indian Cosmetic Industry both electronic as well as print media are playing an important role in spreading awareness about Cosmetic products and developing fashion consciousness among Indian consumers. Advertisements featuring celebrities has been encouraging the sale of Cosmetic products and have major influence on Indian consumers.

√ **Packaging:** In addition to aggressive advertising, the companies are focusing on product development and innovative packaging to optimize their sales and attract customers. The companies are increasingly shifting towards eco-friendly packaging which includes bamboo Cosmetic jar and green packaging.

√ **TV beauty programs:** TV beauty programs educate consumers on different products' benefits and Skin Care application. Popular celebrities and designers making special appearance in such programs increase consumers' knowledge on natural and ethical products.

√ **Internet:** The beauty web blogs allows consumers to exchange ideas over the internet. It is another platform to create awareness among the consumers about the new product Ventures such as organic Skin Care products, Sun Care products and other solutions.

1.4.2 Rising Usage of Cosmetic Products

Use of Cosmetics is no longer restricted to special occasions. People have started using them regularly to enhance their appearance which has resulted in the rise in demand for Cosmetics in India.

The newest trend is the blending of multiple benefits into one beautifying product. Customers are increasingly looking for value for money products that are natural and beneficial for the Skin and provide a range of combined benefits of high priced premium products at a lower cost.

2.0 Competitor Analysis

2.0 Competitor Analysis

2.1 Major Indian and Foreign Players

Indian Colour Cosmetic Industry is a wide Industry with a presence of large number of domestic and international brands operating within both organised and unorganised markets segments. **“Lakme”- the Cosmetic brand of Hindustan Unilever Group, L’Oreal and Revlon** are the leading brands in the market landscape due to their extensive product offering at differential pricing.

Key International Players

International brands are primarily present through three modes in India wherein their product offering is either:

- Imported by their branch office and sold through standalone outlets at luxury malls in India
- Partially imported and manufactured in India, i.e., some of the products in the portfolio are imported and some are manufactured locally
- Imported by third party importers and distributed through multiple distribution channels

This section provides major global brands present in the Indian market.

International Brands with Subsidiary in India

S. No.	Name of the Company	Country of Origin	Mode of Presence	Brand/s	Website
1	Revlon	USA	JV with Modi Mundipharma Pvt. Ltd.	Revlon	www.revlon.co.in
2	L’Oreal India Pvt. Ltd.	France	Subsidiary	• L’Oreal Paris • Maybelline New-York • Lancôme • NYX Professional Make Up	www.loreal.co.in

3	Avon Beauty Products India Pvt. Ltd.	USA	Subsidiary	Avon	www.avon.co.in
4	Oriflame India Pvt. Ltd.	Switzerland	Subsidiary	Oriflame	in.oriflame.com
5	Amway India Pvt. Ltd.	USA	Subsidiary	Attitude	www.amway.in
6	Colorbar Cosmetics Pvt. Ltd	USA	Subsidiary	Colorbar	www.colorbarcosmetics.com

International Brands Imported into India

Premium global brands are gaining sales as Indian consumers prefer advanced and specialized Cosmetic products over functional products. Some of the foreign Colour Cosmetic brands imported into India are presented below. These brands are primarily available at exclusive brand outlets or organised retail showrooms or online websites like www.lookfantastic.co.in, strawberryNET, amazon.in among others.

S.No.	Brand	Country of Origin	Display logo	Importer
1	The Body Shop	England		The Body Shop India c/o Quest Retail Pvt. Ltd.
2	L'Occitane	France		L'Occitane
3	Natio	Australia		Belle Vous
4	Elizabeth Arden	USA		Baccarose
5	Shiseido	Japan		Baccarose
6	Chambor	Geneva		Intercraft Trading Pvt. Ltd.
7	FACES	Canada		FACES Cosmetics India Pvt. Ltd.

8	Clinique	USA	CLINIQUE	Clinique
9	Miss Claire	Poland	MISS CLAIRE	Esskay Beauty Resources
10	Make-Up Studio	Netherland	MAKE-UP STUDIO PROFESSIONAL MAKE-UP	Ekta Cosmetics Limited

Additionally, MAC Cosmetics (USA), Estee Lauder (USA), Chanel (France), Bourjois (UK), Diana of London, Sephora, Inglot (USA), Cameleon (Brussels), Bodyography and Bobbi Brown among others are also operating within Colour Cosmetics in India.

Key Domestic Brands

S.No.	Brand/s	Display	Website
1	Lakme	LAKMÉ	www.lakmeindia.com
2	Elle 18	ELLE 18	www.elle18.in
3	Coloressence	coloréssence Color your spirit	www.coloressence.com
4	Lotus Herbals	LOTUS HERBALS	www.lotusherbals.com
5	Viviana Colours	VIVIANA™	www.vivianaindia.com
6	Shahnaz Husain	SHAHNAZ HUSAIN	www.shahnaz.in

Indian Colour Cosmetics market is primarily dominated by the international brands. Only few domestic brands are popular in the organised market. However, price and quality remain key considerations affecting a customer's buying decision.

2.2 Current Status- Import Dependence

Indian Colour Cosmetics market is dominated by the presence of both local and international brands. The country is self-sufficient with low levels of imports under this sector due to high competition and price sensitivity. However, lip and eye make-up preparations have a reasonable share in the import basket. The consumers have an elastic demand due to wide availability of the products and brands. Imported brands are primarily purchased by high end consumers having high degree of fashion, brand and quality consciousness.

During 2015-16, the country imported 2,265 tonnes of colour Cosmetics valued at around USD 27 million with lip make-up occupying the largest share in total imports followed by eye make-up preparations.

The details of the import of different segments of Colour Cosmetics during 2015-16 is presented below.

Segment	Quantity (in tonnes)	Value of Imports (in USD million)	Major Source Destinations
Lip make-up preparations	1,496	13	China, Germany, USA
Eye make-up preparations	630	12	China, Germany, Belgium
Nail polish or lacquers	57	0.5	USA
Face powders	81	1.1	China, Poland, UK

Source: Ministry of Commerce

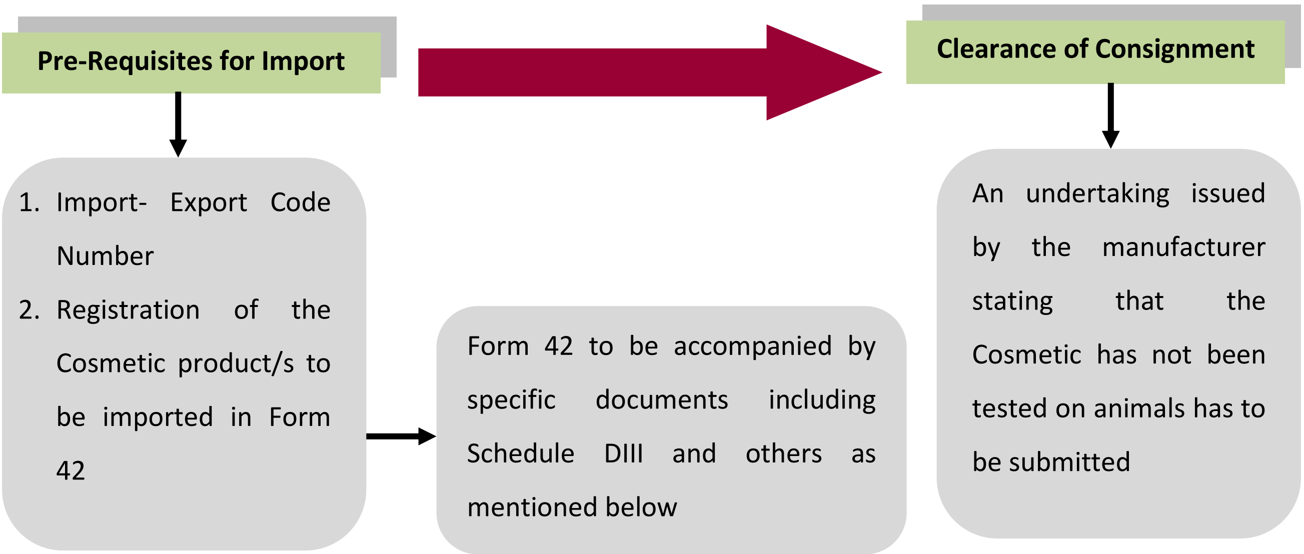
3.0 Regulatory Framework and Import Policy

3.0 Regulatory Framework & Import Policy

3.1 Import Policy, Regulations and Legal Documentation

The import of Cosmetic products in India is regulated under the provisions of Drugs and Cosmetics Act 1940 and Rules 1945 and Labelling Declarations by Bureau of Indian Standards (BIS).

Every importer of Cosmetic has to follow a procedure as prescribed by the regulatory authority. The import procedure for Cosmetics is presented below:



A detailed explanation of the import procedure is given below.

Pre-Requisites for Import

- **Import- Export Code Number (IEC)**

IEC number is a unique ten-digit code issued by Director General of Foreign Trade to Indian Companies. It is mandatory for every person or entity engaged in exports and imports to obtain an IEC. It has lifetime validity and takes around 15 days to be issued.

- **Registration of the Product/s to be imported**

All Cosmetic products that are imported for sale in India needs to be registered with the licensing authority as defined under Rule 21 of Drugs & Cosmetics Rules, 1945.

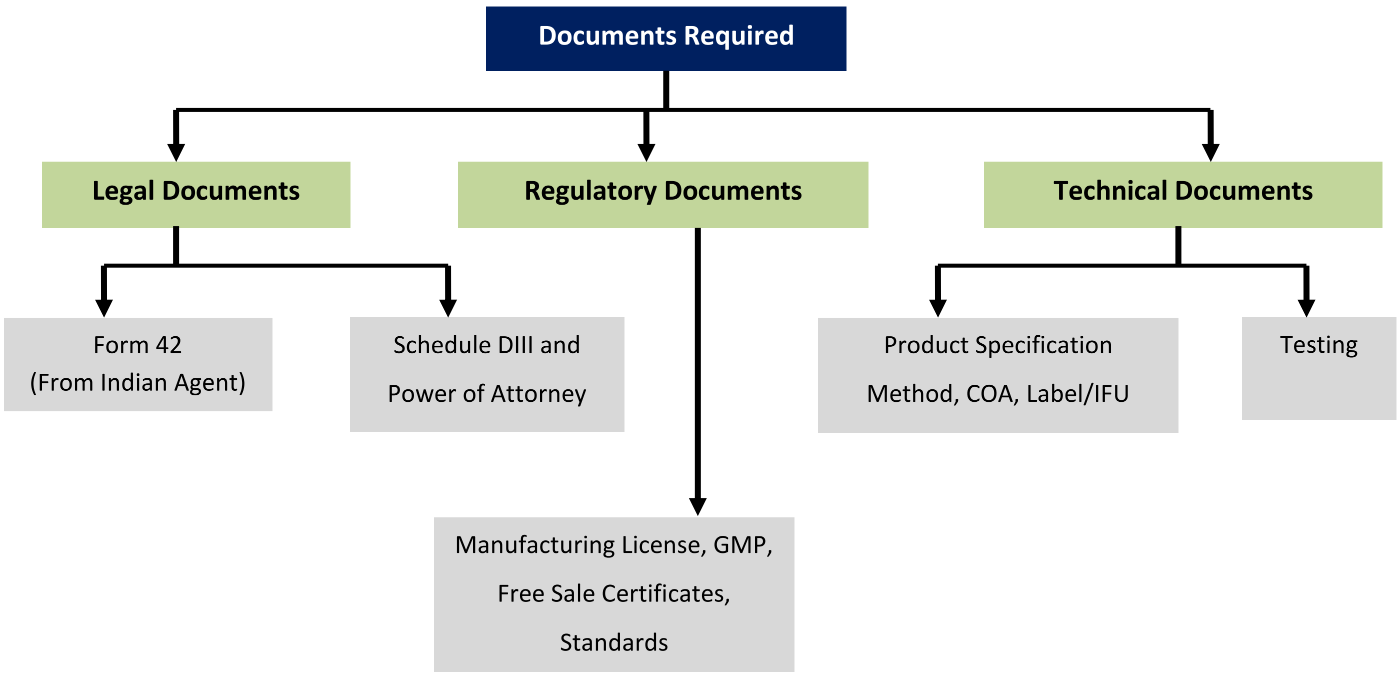
An application for issue of a Registration Certificate for Cosmetics intended to be imported into India needs to be made on a specified form i.e. Form 42 (Annexure 2) either by:

1. the manufacturer himself or
2. by his authorised agent or
3. importer in India or
4. by the subsidiary in India authorized by the manufacturer

A single application can cover many brands (i.e. Trademarks/brand names), many variants; many pack sizes and different manufacturing units corresponding to the products applied.

The meaning of "Brand" under registration is each category of Cosmetic products mentioned in Column 3 of Annexure 1. It includes all variants of a product e.g. Colour, shades and pack sizes and does not mean the trade name of any product of a manufacturer or the manufacturer himself / itself.

A Flowchart for Registration of Cosmetics has been prepared



An application for issue of a registration certificate should be accompanied by the following documents:

1. A **request letter** by the applicant on the letterhead of the importer or the authorized agent applying for the registration duly stamped and signed by the authorized person.

2. **Receipt of Payment of fee:**
   - → Original treasury challan indicating the payment of registration fee of USD 250 or its equivalent in Indian rupees for each 'brand' of Cosmetic product in the designated branches of Bank of Baroda.
   - → In case of any direct payment of fees by a manufacturer in the country of origin, the fees shall be paid through Electronic Clearance System (ECS) from any bank in the country of origin to Bank of Baroda, Kasturba Gandhi Marg, New Delhi, through Electronic Code of the bank and the original receipt of transfer shall be treated as bank Challan, subject to the acknowledgement by Bank of Baroda.

3. **Power of Attorney:**

   An authorization by a manufacturer to his authorized agent in India will be documented by a Power of Attorney. The power of attorney shall be

   (a) Executed and authenticated either in India before First Class Magistrate, or in the country of origin of the manufacturer before such an equivalent authority, Or

   (b) Attested by the Indian Embassy of the said Country, Or

   (c) Apostille from Hague convention member countries is also acceptable.

The original of the same will be furnished along with the application for Registration Certificate.

While submitting the Power of Attorney, the following points should be kept in mind-

- It should be co-Jointly signed and stamped by the manufacturer as well as the Authorised agent indicating the name and designation of the authorized signatories.
- It should clearly list the names of all Cosmetic products along with their trade names, Brand as per Column 2 of the Annexure 1 and variants (e.g. Colour, shades and pack sizes). Further, the name of the Cosmetics should correlate with those mentioned in the Form 42.
- The names and addresses of the manufacturer as well as the Authorised agent stated in the Power of Attorney should correlate with the Form 42.
- It should be valid for the period of said Registration Certificate.

4. **Schedule D III** (details of the Cosmetic products to be imported including the chemical and safety data) (Annexure 4)

5. **Original or a copy of the Label and art works thereof:**

- → The label of imported Cosmetics will bear the registration certificate number of the brand and name and address of the registration certificate holder.
- → Stickering of labels containing the registration certificate number of the brand and the name and address of the registration certificate holder may be allowed to be carried out after import at a suitable declared place approved by the Licensing Authority on an application made to the Licensing Authority.
- → The Label should also bear the name and address of the manufacturer and name of the country where the product has been manufactured.
- → If the product has not been manufactured in a factory owned by the manufacturer, the name and address of the actual manufacturer or the name of the country where it has actually been manufactured as

  "Made in .... (name of country)"

  should be there on the label.
- → The applicant will provide the translated English version of any document which is in any other foreign language from qualified translator.
- → Importers of registered Cosmetic products can incorporate India specific requirements like name and address of importer, import License Number on imported Cosmetic products post landing in India at customs warehouse or place approved by the CDSCO prior to release into market.

6. **Free Sale Certificate (FSC)/Marketing Authorization:**
   - → Free sale certificate issued by the National Regulatory Authority is required to be submitted either in original or as authenticated (notarized/apostilled/attested by Indian Embassy) from Country of origin.
   - → In case if it is not issued by National Regulatory Authority from the country of origin, then from other competent Associations/ organizations duly authenticated from the Indian embassy of country of origin needs to be submitted.

7. **Manufacturing License (attested English translation if not in English), if any:** If there are multiple manufacturers for a single product, all manufacturers need to provide these documents.

8. **Product specifications and testing protocols:**

→ Bureau of Indian Standards (BIS) has provided the specification for Skin Creams in the Indian Standards (IS) 6608:2004 according to which, if all the raw materials requiring test for heavy metals have been tested and comply with the requirements, then manufacturer may not test the finished Cosmetic for heavy metals and arsenic.

→ The Dyes Colours (pigments lakes), if used in the manufacture of Skin creams shall comply with IS 4707 (Part I) subject to the provision of Schedule Q of Drugs and Cosmetics Act and Rules, issued by Government of India. Other ingredients shall comply with the provisions of IS 4707 (Part 2).
These Colouring agents are generally recognized as safe (GRAS).

→ Rule 145 of the Drugs and Cosmetics Rules prohibits use of lead and arsenic compounds in Cosmetics for the purpose of Colouring and Rule 135 prohibits import of Cosmetics in which lead or arsenic compound has been used for Colouring purpose.

→ Rule 145 D and 135 A prohibits manufacture and import of Cosmetics containing mercury compounds.

Limits for Heavy Metals in Cosmetics in India

<table>
<tr><th rowspan="2">Regulatory Body</th><th colspan="2">Mercury</th><th>Lead</th><th>Cadmium</th><th>Arsenic</th><th>Total Heavy Metals</th></tr>
<tr><td>Other than eye area Products</td><td>Eye Area Products</td><td colspan="4">Through permitted Synthetic Organic Colours and Natural Organic Colours</td></tr>
<tr><td>India(BIS)</td><td>Prohibited for Intentional Use</td><td>≤0.007% by weight</td><td>20 ppm of lead calculated as lead</td><td>-</td><td>2 ppm of Arsenic calculated as Arsenic Trioxide</td><td>100 ppm other than lead Calculated as total of respective metals</td></tr>
</table>

9. List of countries where Market Authorization or import permission or registration has been granted

10. **Package inserts, if any:**

→ Copies of any leaflets, product specification data that goes inside the packaging has to be provided. No specific requirement has been listed; it is suggested to provide information about the potential side effects/allergic reactions and other safety concerns and remedies available

11. Copies of the information about the brands, products and manufacturer

Other Points:

A single application may be made in Form 42 for any number of brands manufactured at one or more locations by a single manufacturer.
A single registration certificate in Form 43 may be issued to a particular applicant in respect of import of any number of brands manufactured at one or more locations by a single manufacturer.
Each application will be accompanied by a fee of USD 250 or its equivalent Indian rupees for each Brand viz. each category of Cosmetics as mentioned in Column 3 of the list enclosed at Annexure 1.
If the applicant seeks to import the same brand belonging to different manufacturers, he needs to submit separate application for each manufacturer and has to pay separate fees thereof.
In any existing valid Registration Certificate, if an applicant wants to add any further brand or product of already registered category as mentioned in Column 3 of the Annexure 1 for the same manufacturer, separate application will need to be submitted by the importer. But no fee will be charged. In such cases, additional product permission will be endorsed to the already approved category in a given Registration Certificate.
In case of any change in product specification, ingredients and variant after grant of Registration Certificate, the applicant will inform about those changes to the Licensing Authority by submitting revised Schedule D III at least 30 days before the date of import.
In case where there is no provision for license to manufacture Cosmetics in the country of origin, the importer will provide a declaration on an affidavit to that effect.
Cosmetic products, having a valid registration certificate can be imported from any notified ports of India.

Timeline for processing of applications

A registration certificate is issued within six months from the date of the receipt of the application form and the required documents (along with the information specified in schedule D III). However, the targeted timeline of CDSCO for processing of application is 90 days.

The 'registration certificate' and validity

The duration of a registration certificate issued in a specified format- Form 43 (Annexure 3) is valid for a period of three years from the date of its issuance.

Registration Exemption

1) **Cosmetic products which are imported into India as bulk for repackaging for 100% export to other countries** will not require registration certificate. In such cases the importer has to obtain necessary permission from CDSCO HQ. Importer must give written undertaking that these products are not released for domestic sale.
2) **For Import of Cosmetics for R&D purposes** like packaging trials, consumer studies, shelf life studies and transport studies, registration certificate is not required. In such cases the importer has to obtain necessary permission from CDSCO HQ. Importer must give written undertaking that these products are not released for domestic sale.

Clearance of Consignment

- **Complete Documents:**

  Clearance is subject to completion of all the requirements (Form 42 and Form 43) mentioned above.

- **Undertaking by Manufacturer:**

  Additionally, at the time of clearance of the consignment at the port office, an undertaking issued from the manufacturer stating that the Cosmetic has not been tested on animals on 12.11.2014 or after the date is required to be submitted to the concerned port office.

Regulatory Framework

Drugs Controller General (India) in Cosmetics division of Central Drugs Standard Control Organization (CDSCO) is the regulatory authority governing the imports of Cosmetics in India.

The functions of the Cosmetics division are:

i. Pre-screening of applications received by the applicant with respect to registration of the import of the Cosmetic.
ii. Scrutiny of applications relating to Registration of Cosmetic products for Import into the country as per the requirements of Drugs and Cosmetics Act 1940 and Rules, 1945.
iii. Scrutiny of various applications for NOC /Clarification relating to Cosmetic products import.
iv. Preparation of Draft replies to RTI, VIP references and Parliament Question related to Cosmetics.
v. Replying to Government correspondences/ BIS as and when required.
vi. Handling of public enquiries/hearings relating to Cosmetic import registration process and providing guidance thereto.
vii. Handling of public/NGOs/Consumer forums complaints/grievances regarding standards of Cosmetics products.
viii. Amendment of pre-screening checklist and preparation of SOP as per the present working procedures on evaluation of applications for import and registration of Cosmetics.
ix. Amendment of Drugs & Cosmetic Rules, 1945 with respect to registration of import of Cosmetic products.

3.2 Import and Export Trends

In the terms of export-import trends, there has been low levels of export and import of Colour Cosmetic products in India over a three-year period.

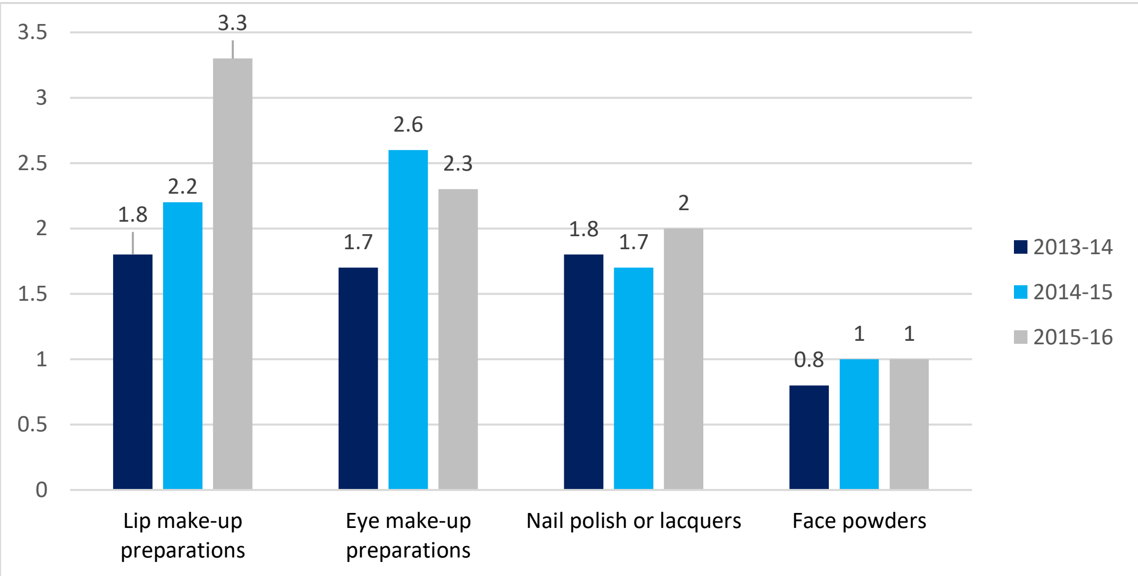
During 2015-16, the country exported 1,833 tonnes of colour Cosmetics valued at around USD 9 million with lip make-up occupying the largest share in total exports followed by eye make-up preparations

The details of segment-wise exports during the year in presented below.

Segment	Quantity (in tonnes)	Value of Exports (in USD million)	Major Export Destinations
Lip make-up preparations	521	3	France, Latvia, Malaysia, Nepal, UAE
Eye make-up preparations	546	2.3	UAE and Malaysia
Nail polish or lacquers	542	2	Sri Lanka, UAE and USA
Face powders	223	1.1	Nepal, UAE, Bangladesh

Source: Ministry of Commerce

The segment-wise export trend (figures in USD million) during the similar period is presented below.

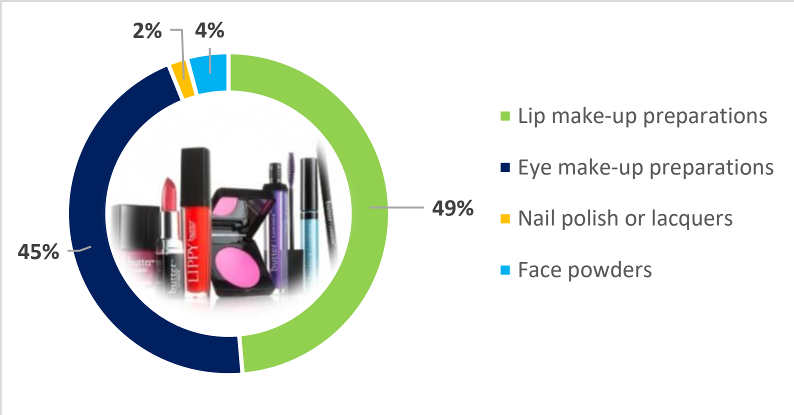


The total export value of all the segments under Colour Cosmetics during a three-year period is presented below.

Year	2013-14	2014-15	2015-16
Export Value (in USD million)	6.3	7.6	8.8

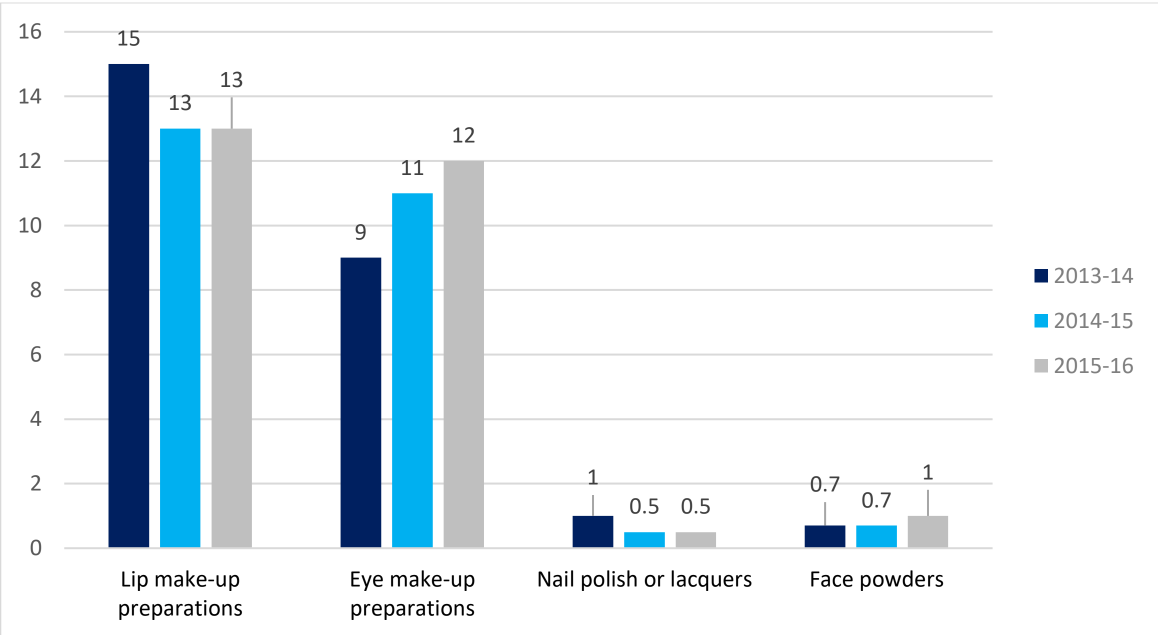
Import Trends

India primarily imports lip make-up within Colour Cosmetics category of Beauty and Wellness Industry followed by eye make-up preparations. The import of Colour Cosmetics was at very low levels over the three-year period under consideration. A segment-wise share of total imports during 2015-16 is presented below.



The import data for each segment within Colour Cosmetic market in India during 2015-16 is presented in the section 2.2 Current Status- Import Dependence.

The segment-wise import trend (figures in USD million) over a 3-year period in Indian Colour Cosmetic sector is presented below.



The total import value of all the segments under Colour Cosmetics during a three-year period is presented below.

Year	2013-14	2014-15	2015-16
Import Value (in USD million)	27	25	27

3.3 Share in India's Total Foreign Trade

The export and import share of Cosmetic products (focus on Colour Cosmetics) in India's total foreign trade are at relatively low levels. The data pertaining to same during 2015-16 is presented below.

Export of Cosmetic products	Total Exports	Share in India's Total Foreign Trade
USD 8.8 million	USD 262,290.13 million	0.003%

Category-wise share in total trade:
Lip make-up preparations- 0.001%
Eye make-up preparations- 0.0008%
Nail Polish or lacquers- 0.0007%
Face Powders- 0.0004%

Import of Cosmetic products	Total Imports	Share in India's Total Foreign Trade
USD 26.9 million	USD 381,006.63 million	0.007%

Category-wise share in total trade:
Lip make-up preparations-0.0034%
Eye make-up preparations-0.0032%
Nail Polish or lacquers-0.00013%
Face Powders-0.00029%

3.4 Import Tariff and Duties

According to the Customs Act, 1962, all the imports are subject to three primary types of duties-

- Basic Duty
- Countervailing Duty
- Special or Additional Countervailing Duty.

All the Cosmetic and Personal Care products in India are categorized under Chapter 33, sub-section 04 (Beauty or Make-Up Preparations and Preparations for The Care of The Skin (Other Than Medicaments), Including Sunscreen or Suntan Preparations; Manicure or Pedicure Preparations) of the HS Code system under the Customs Act. A list of HS Codes under beauty and Cosmetics sector in India is prepared below.

HS Code	Description
33041000	Lip make-up preparations
33042000	Eye make-up preparations
33049110	Face Powders
33049920	Nail polish or lacquers

The basic import duty on Cosmetic products in India is 10% for all the HS codes under beauty or make-up preparations. The net effective duty on such products is 24.463% which includes countervailing duty (CVD) of 12.5%. Items covered under such customs tariff heads attract CVD on RSP based Valuation. However, RSP abatement is not considered for duty calculation.

The customs duty applicable on the above HS Codes is provided below.

Customs Duty Description	Effective Rate of Duty (Tariff in %)
Basic Duty	**10 %**
Countervailing Duty	**12.5 %**
Educational Cess	**2%**
Secondary and Higher Education Cess	**1%**
Total Duty	**24.463%**

4.0 Opportunities for Brazilian Products in India

4.0 Opportunities for Brazilian Products in India

4.1 Opportunity Assessment Table

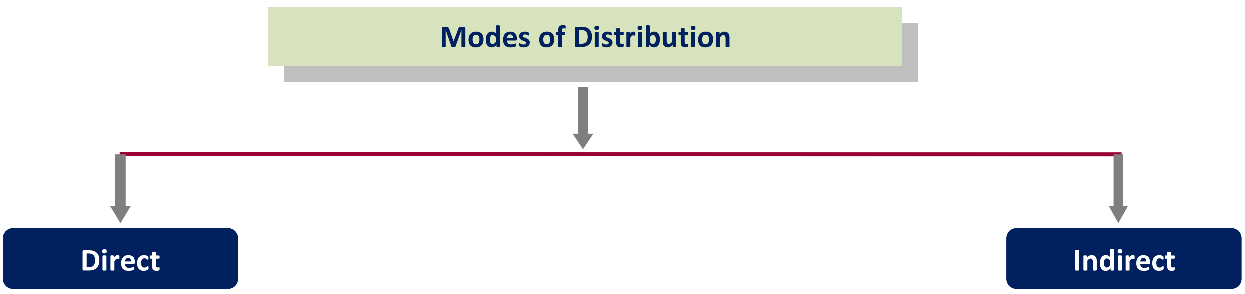
Based on T&A research, an opportunity assessment table presenting an overview of Indian Cosmetics sector is prepared below.

Export Potential or Value Segment	High	Medium	Low
Lip Make-up		√	
Eye Make-up		√	
Nail Products			√
Face Powders			√
Potential for Setting up a Subsidiary or entering a JV	√		
Entry Barriers			√
Target Customer Segments			
• Colour Cosmetics is primarily a mass market product with customers making the purchases based on their income levels and brand consciousness. The consumers have an elastic demand due to wide availability of the products and brands • Young women is the key customer segment of Colour Cosmetics in India. However, imported brands are primarily purchased by high end consumers having high degree of fashion, brand and quality consciousness • Price and quality remain key considerations affecting a customer's buying decision and success of any International brand in the country			
Market Insights			
• The beauty and wellness market was valued at around USD 10 billion during 2016. India is one of the fastest growing Cosmetics markets and is growing at the rate of 15-20 percent annually. Skin Care, Hair Care, Colour Cosmetics, fragrances and oral Care are the key market segments			
• Hair Care holds the largest market share, followed by oral Care, Skin Care, fragrance and Colour Cosmetics. HUL dominates the Cosmetic Industry in India due to its vast product portfolio in every segment			
• The emergence of a young urban elite population with increasing disposable income, an increase in the number of working women, changing lifestyles, increased affordability of			

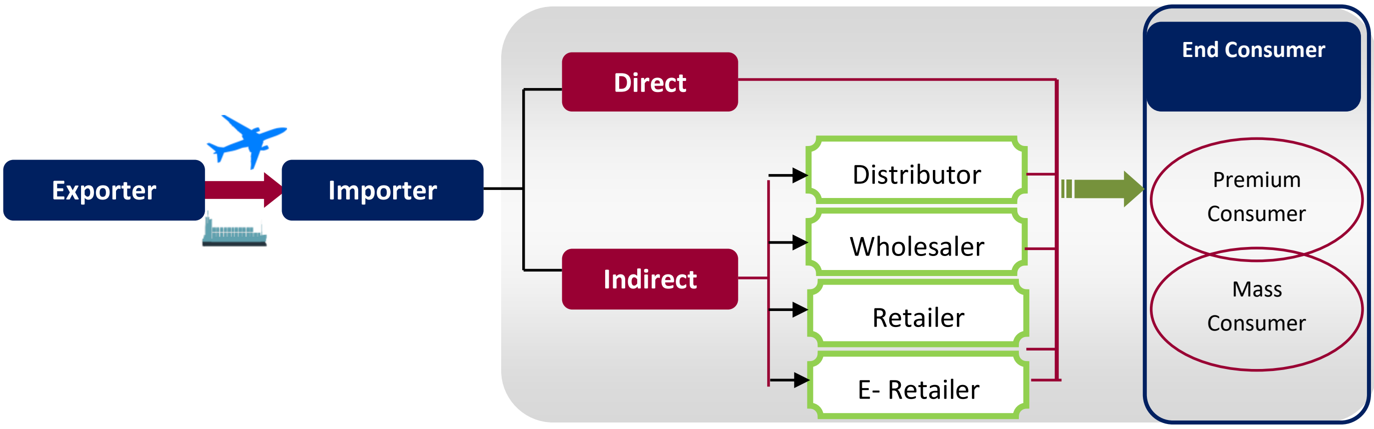
	lifestyle-oriented and luxury products, increasing appetite for western goods and greater product choice and availability are the main drivers of demand for Cosmetic products in the country.
•	Demand for premium global brands and specialized products is increasing due to rising exposure to global media and tourism
•	The market for women's Cosmetic products in India is projected to grow at a CAGR of 16 percent during 2015-20
•	Lip balm is the most popular Colour Cosmetic in India. Some of the other products within the category include lipstick, face powder compact, nail lacquer, eye pencil, foundation and mascara
•	Indian Colour Cosmetics market is primarily dominated by the international brands. Only few domestic brands are popular in the organised market. Lakme, Revlon and L'Oreal are the leading brands in the Cosmetic market
•	In the terms of export-import trends, there has been low levels of export and import of Colour Cosmetic products in India. India primarily imports lip make-up within Colour Cosmetics category followed by eye make-up preparations
•	China, USA and Germany are the major import destinations

4.2 Go to Market Strategy

Beauty is a big business and products for beauty and wellness are an integral part of it which includes products for Skin, Hair and body Care, make-up, as well as salon and spa treatments. Effective marketing system is required to make the beauty products available to consumers at the right time and in the right place. Intermediaries may or may not be present in the distribution of Colour Cosmetics.



The Cosmetic products in India can be distributed either directly by the manufacturer or importer or indirectly through distributors and retailers. The distribution model of Cosmetic products in India has been illustrated using a flowchart below:



A detailed explanation of each of the modes of distribution is presented below.

Direct Distribution

Under direct distribution, the manufacturer or importer can sell the products directly to the consumers. There is absence of intermediary in this channel of distribution. Some of the methods of direct distribution involve

- The manufacturers/importers can have their own signature or speciality stores where all the products are available under one roof
- Direct selling, wherein there is a person to person contact between the seller and the customer with no retail location
- Alternatively, the importers or manufacturers can sell the products through their own online websites where they can engage and interact with the visitors to the site.
- Some of the manufacturers of Cosmetic and Personal Care products do not enter the retail market but make the product available through their own beauty salons

Indirect Distribution

Under indirect channel of distribution, the importer or manufacturer of Cosmetic products can appoint a distributor or a wholesaler. They sell the products to dealers or retailers, who in turn, make the products available to the end consumer who can be individuals, beauty parlours or salons, pharmacy and retail outlets.

The Cosmetic and Personal Care products can also be distributed through several other online retailing websites who sell different branded beauty products along with incentives like home delivery, payment on delivery or even virtual makeover. The E-commerce market current accounts

for only 3-4 percent of the total beauty retail market in India. About 62% of young consumers in big cities prefer to buy beauty and grooming products online whereas, 45% of consumers tend to buy Cosmetic, apparel items from any shop of their convenience rather than a single shop.

Some of the big international Cosmetic brands are present in India through franchise or retail agreement via shops-in-shops.

The point-of-sales for beauty products in India are shops, stores, departmental stores, counter in malls, pharmacies, hotels and beauty salons. The people working at these places are generally in direct contact with the end users and may also engage in marketing activities for different brands of products.

Additionally, direct selling is another mode of distribution where there is a direct contact between the seller and the buyer away from the retail location. The companies generally appoint agents or suppliers to distribute their products exclusively (who can be sales representative) or anyone who can sell branded products and earn a commission.

Oriflame is one of the major brands, where products are sold by direct selling in addition to other modes of distribution.

According to T&A research,

An entry through an **exporter-distributor channel or through a Joint Venture agreement** may initially be a feasible route for Brazilian companies to enter Indian market. The distribution should be done via multi channels like supermarkets, shop in shops, counter in malls and online.

Any foreign brand of Cosmetic will take a longer time to penetrate in the market due to well established portfolio of existing brands.

However, it should be noted that at least for the first 3-5 years primary market in India is likely be to be the top 8-10 urban centres and most successful sales channel vide the organized retail network, which is approx. 10% of the total retail market. Thus, a potential partner should have a strong distribution presence geographically in these urban centres and a reach to modern retailers.

Also, any new entrant should explore capability of the selected partner to sell as a merchant on popular e-commerce sites as this sales channel is expected to garner a larger share and also provide reach to non-metropolitan areas including Tier -2 and Tier – 3 cities.

Partner Selection:

The partner selection is very critical as the distributor channel in India remains fragmented and there are very few companies who have a presence across India. Increasingly the well-known distributors/importers are also selective of principals with whom they seek to collaborate. Importers/Distributors seek support including co-investment in marketing activities from the Foreign Principal towards building brand awareness in India.

Pricing:

While the Indian consumer is willing to pay a premium for an imported product, price point still remains a critical factor in purchasing decision and size of the addressable market. Understanding the attitudes, preferences and aspirations of different segments of India's consuming class is crucial to achieving success in the Indian market.

Many Cosmetic and toiletries companies have launched their products in smaller pack sizes to make them more affordable to price sensitive Indian consumer. Small pack sizes have proved to be very popular in the Indian market as it offers consumer a lower purchase cost that they can afford and at the same time an opportunity to try new products.

5.0 Potential Distributor Mapping

5.0 Potential Distributor Mapping

T&A has identified 8 importers and distributors of Cosmetics in India who could be potential partners for Brazilian companies. These are presented below.

S. No.	Name of the Distributor	Location	Website
1	Inocorp Marketing Pvt. Ltd.	Bangalore	www.inocorp.in
2	Esskay Beauty Resources	Haryana	www.esskaybeauty.in
3	Parineeta International	Pune	www.venus.ind.in
4	Beauty Concept	Kolkata	www.bcplindia.com
5	Baccarose	Mumbai	www.baccarose.com
6	Headstart International	New Delhi	www.headstartinternational.in
7	Ekta Cosmetics Limited	New Delhi	www.ekta.in
8	G R Fragrances (India) Pvt. Ltd.	Chennai	www.grfragrances.com

6.0 Key Influencers

6.0 Key Influencers

Regulatory bodies, research institutes, government departments and Industry organizations play an important role in policy formulation and adoption of new technology.

Enlisted below are some of the key influencers in the Indian Cosmetic Industry.

S. No.	Associations	Location	Website
1	Bureau of Indian Standards	New Delhi	www.bis.org.in
2	Central Drugs Standard Control Organization	New Delhi	www.cdsco.nic.in
3	All India Cosmetic Manufacturer's Association	Mumbai	www.aicma.in

7.0 Major Trade Events

7.0 Major Trade Events

A list of major Industry events scheduled for 2017 in Indian Cosmetics Industry is prepared below.

S. No	Event	Location	Date	Website	Cycle/ Frequency
1	Cosmo Tech Expo	New Delhi	24-25 July, 2017	www.cosmotechexpoindia.com	Every Year (July- Delhi)
2		Mumbai	19-20 December, 2017		
3	Professional Beauty	Bangalore	06-07 March, 2017	www.professionalbeauty.in	Throughout the year at different locations
4		Kolkata	10-11 April, 2017		
5		Ludhiana	01-02 May, 2017		
6		New Delhi	26-27 June, 2017		
7		Mumbai	18-19 September, 2017		
8	Beauty India	Mumbai	27-29 March, 2017	www.beautyindiashow.com	Semi- Annually (March and October)
9	Salonex	Mumbai	17-19 April, 2017	www.salonex.in	N/A
10	International Beauty & Spa Expo	New Delhi	03-04 July, 2017	www.beautyandspaexpo.com	Every Year (June - July)

8.0 Annexures

Annexure 1

Brands of Cosmetic Products		
Column-1	**Column-2**	**Column-3**
1. Skin products		
	1 Skin Care products	1. Face Care products other than face mask
		2. Face mask
		3. Eye contour products
		4. Lip Care products
		5. Hand Care products
		6. Foot Care products
		7. Body Care products
		8. External intimate Care products
		9. Chemical exfoliation products
		10. Mechanical exfoliation products
		11. Skin lightening products
		12. Other Skin Care products
	2. Skin cleansing products	1. Soap products
		2. Bath / shower products
		3. Make-up remover products
		4. External Intimate hygiene products
		5. Other Skin cleansing products
	3. Body Hair removal products	1. Chemical depilatories
		2. Physical epilation products
		3. Other body Hair removal products
	4. Bleach for body Hair products	1. Bleach for body Hair
	5. Correction of body odour and/or	1. Products with antiperspirant activity
		2. Products without antiperspirant activity
	6. Shaving and pre- / after- shaving	1. Shaving products
		2. Pre- / after-shaving products
		3. Other shaving and pre- / after- shaving products
	7. Make-up products	1. Foundation
		2. Concealer
		3. Other face make-up products
		4. Mascara
		5. Eye shadow
		6. Eye pencil
		7. Eye liner
		8. Other eye make-up products
		9. Lip stick
		10. Lipstick sealer
		11. Other lip make-up products
		12. Body or face paint, including "carneval make-up"
		13. Other make-up products
	8. Perfumes	1. Hydroalcoholic perfumes
		2. Non hydroalcoholic perfumes
	9. Sun and self-tanning products	1. Before and after Sun products Sun protection
		2. Self-tanning products
		3. Other Sun and self-tanning products
	10. Other Skin products	1. Other Skin products
2. Hair and scalp products	11. Hair and scalp Care and cleansing products	1. Hair conditioner

		2. Scalp and Hair roots Care products
		3. AntiHairloss products
		4. Other Hair and scalp Care and cleansing products
		5. Antidandruff products
	12. Hair colouring products	1. Oxidative Hair colour products
		2. Non-oxidative Hair colour products
		3. Hair bleaching and dye remover products
		4. Other Hair colouring products
	13. Hair styling products	1. Products for temporary Hair
		2. styling Permanent wave products
		3. Hair relaxer / straightener products
		4. Other Hair styling products
	14. Other Hair and scalp products	1. Hair Sun protection products
		2. Other Hair and scalp products
3. Nail and cuticle products	15. Nail varnish and remover products	1. Nail varnish / Nail make-up
		2. Nail varnish remover
		3. Nail varnish thinner
		4. Nail bleach
		5. Other nail varnish and remover products
	16. Nail Care / nail hardener products	1. Nail Care products
		2. Nail hardener
		3. Other nail Care / nail hardener products
	17. Nail glue remover products	1. Nail glue remover
	18. Other nail and cuticle products	1. Cuticle remover / softener
		2. Nail sculpting products
		3. Other nail and cuticle products
4. Oral hygiene products	19. Tooth Care products	1. Toothpaste
		2. Tooth cleansing powder / salt
		3. Other tooth Care products
	20. Mouth wash / breath spray	1. Mouth wash
		2. Breath spray
		3. Other mouth wash / breath spray products
	21. Tooth whiteners	1. Tooth whiteners
	22. Other oral hygiene products	1 Other oral hygiene products

Annexure 2

"Form 42

(See rule 129 A)

Application for issue of Registration Certificate for import of cosmetics into India under the Drugs and Cosmetics Rules, 1945.

I/We*_____________________________________ *(Name and full address)* hereby apply for the grant of Registration Certificate to the manufacturer, M/s ______________________ *(full address with telephone, fax and e-mail address of the foreign manufacturer)* for his manufactured cosmetics meant for import into India.

1. Names of cosmetics along with their brand name and pack size(s) and variants for registration.

(1)	(4)
(2)	(5)
(3)	(6)

2. I/We* enclose herewith the information and undertaking specified in Schedule D (III) duly signed by the manufacturer for grant of Registration Certificate for the premises stated below:-

3. A fee of ________________ for registration of cosmetics for import as specified at serial number .2 above has been credited to the Central Government under the Head of Account "0210-Medical and Public Health, 04-Public Health, 104-Fees and Fines" under the Drugs and cosmetics Rules, 1945 – Central" vide Challan No., dated, (attached in original).

4. Particulars of premises to be registered where manufacture is carried on:

Address (es) :_________________________

Telephone :_________________________

Fax :_________________________

E-mail :_________________________

I/we undertake to comply with all the terms and conditions required to obtain Registration Certificate and to keep it valid during its validity period.

Place:

Date:

Signature_________________________

Name____________________________

Designation_______________________

Seal/Stamp of manufacturer or his authorized agent in India.

*(Note:- In case the applicant is an authorized agent of the manufacturer in India, the Power of Attorney is to be enclosed) *Delete whichever is not applicable.*

Annexure 3

Form 43
(See rule 129 C)
Registration Certificate
Registration Certificate to be issued for import of cosmetics into India under Drugs and Cosmetics Rules, 1945.

Registration Certificate No.____________________ Date ______________M/ s ___________________________ *(Name and full Address of registered office)* ______________________ having factory premises at ________________________________ (full address) has been registered under rule 129 C as a manufacturer and is hereby issued this Registration Certificate.

2. Name (s) of cosmetics, along with their brand names and pack size(s) and variants which may be imported under this Registration Certificate.

(1)

(2)

(3)

3. This Registration Certificate shall be in force from ______________ to _______________ unless it is sooner suspended or cancelled under the rules.

4. This Registration Certificate is issued through the office of the manufacturer or his authorised agent or importer in India or by the subsidiary in India authorised by the manufacturer, namely:- M/s (name and full address)_________________________________ who shall be responsible for the business activities of the manufacturer, in India in all respects.

5. This Registration Certificate is subject to the conditions, stated below and to such other conditions as may be specified in the Drugs and Cosmetics Act, 1940 and the rules made thereunder, from time to time in this regard.

Place:___________

Date:___________

LICENSING AUTHORITY
Seal/Stamp

Conditions of the Registration Certificate

1. The Registration Certificate shall be produced by the authorised importer/distributer/agent as and when required by the licensing authority regulatory authority.

2. The manufacturer or his authorised importer/distributor/agent in India shall inform the licensing authority forthwith in the event of any administrative action taken namely, market withdrawal, regulatory restrictions, or cancellation of authorisation, and/or not of standard quality report of any Cosmetic pertaining to this Registration Certificate declared by the Regulatory Authority of the country of origin or by any Regulatory Authority of any other country, where the Cosmetic is marketed/sold or distributed. The dispatch and marketing of the Cosmetic in such cases shall be stopped and the licensing authority shall be informed immediately. Further action in respect of such stopped marketing of Cosmetic shall be followed as per the direction of the licensing authority. In such cases, action equivalent to that taken with reference to the concerned Cosmetic in the country of origin or in the country of marketing shall be followed in India also, in consultation with the licensing authority. The licensing authority may, however, direct any further modification to this course of action, including the withdrawal of the Cosmetic from Indian market within 48 hours time period.

3. The manufacturer or his authorised agent/importer/distributor or subsidiary in India shall inform the licensing authority

within 30 days, in writing, in the event of additional variant/additional Cosmetic category/additional manufacturing location or any change in labeling or in testing, or in documentation of any of the Cosmetic pertaining to this Registration Certificate. In such cases, where there shall be any additional variant/additional Cosmetic category/additional manufacturing location, as the case may be, at the discretion of the licensing authority, the manufacturer or his authorised agent/importer/distributor/ subsidiary in India shall apply for necessary approval within 30 days by submitting a separate application along with the registration fee.

4.The manufacturer or his authorised agent in India shall inform the licensing authority immediately in writing, in the event, of any change in the constitution of the firm and/or address of the registered office/ factory premises operating under this Registration Certificate. Where any such change in the constitution of the firm and/or address takes place, the current Registration Certificate shall be deemed to be valid for a maximum period of three months from the date on which the change has taken place unless, in the meantime, a fresh Registration Certificate has been taken from the licensing authority in the name of the firm with the changed constitution of the firm and/or changed address of the registered office or factory premises.”.

Annexure 4

"SCHEDULE D (III)
(See rule 129 A)

INFORMATION AND UNDERTAKING REQUIRED TO BE SUBMITED BY THE MANUFACTURER OR HIS AUTHORISED IMPORTER/DISTRIBUTOR/AGENT WITH THE APPLICATION FORM FOR A REGISTRATION CERTIFICATE. THE FORMAT SHALL BE PROPERLY FILLED IN FOR EACH APPLICATION IN FORM 42.

1. PARTICULARS OF THE MANUFACTURER AND MANUFACTURING PREMISES.-
(a) Name and address of the manufacturer and manufacturing premises to be registered along with telephone numbers, Fax numbers and e-mail address.
(b) Name(s) and address of the Partners/Directors.
(c) Name and address of the authorised importer/distributor/agent in India, responsible for the business of the manufacturer.
(d) A brief profile of the manufacturer's business activity, in domestic as well as global market.

2. PARTICULARS OF THE COSMETICS TO BE REGISTERED UNDER REGISTRATION CERTIFICATE.-
(a) Names of cosmetics along with their brands name, category, pack sizes and variants to be registered and meant for import into and use in India.
(b) Particulars of the manufacturing licenses/registration/marketing authorizations ***(if any)*** under which the cosmetics are being manufactured in the country of origin along with the copy of the licenses/ marketing authorization/registration issued by the Regulatory Authority of that country.
(c) List of countries where marketing authorization or import permission for the said cosmetic has been granted.

3. CHEMICAL INFORMATION OF COSMETICS.-
(a) Name(s) of ingredients in the nomenclature of standard references, along with percentages contained in the cosmetic.
(b) Specification and testing method for testing of the cosmetic(s). (c) Manner of labeling as per Drugs and Cosmetics Rules, 1945.
(d) Package insert (if any).

4. UNDERTAKING TO DECLARE THAT.-

(a) We shall comply with all the conditions imposed on the Registration Certificate for the import of cosmetics as required under the provisions of Drugs and Cosmetics rules, 1945.

(b) We declare that we are carrying on the manufacture of the cosmetics mentioned in this Schedule, at the premises specified above, and we shall from time to time report any change of premises on which manufacture will be carried on and in cases where manufacture is carried on in more than one factory any change in the distribution of functions between the factories.

(c) We shall comply with the provisions of Part XIII of the Drugs and Cosmetics Rules, 1945.

(d) Every cosmetic manufactured by us for import under the Registration Certificate into India shall conform to the specifications given in the Drugs & Cosmetics Rules, 1945 as amended from time to time.

(e) We shall inform to the !incensing authority, within 30 days in the event of any change in variants or in category or in manufacturing location or in labeling or in documentation of any of the cosmetic pertaining to the certificate to be granted to us.

(f) We shall from time to time report for any administrative action taken due to adverse reaction, viz. market withdrawals/regulatory restriction, or cancellation of authorisation and/or "not of standard quality report" of any cosmetic pertaining to the Registration Certificate declared by any Regulatory Authority of any country where the cosmetic is marketed/sold or distributed. The despatch and marketing of the cosmetic in such cases, shall be stopped and the licensing authority shall be informed immediately.

(g) We shall comply with such further requirements, if any, as may be specified, by the Government of India, under the Act and the Rules, made thereunder.

(h) We shall allow the licensing authority or any person authorised by him in that behalf to take samples of the cosmetics for testing if considered necessary by the licensing authority.

The information submitted above is true to the best of my/our knowledge and belief.

Place:
Date:

Signature of the manufacturer
or his authorized agent
Seal/ Stamp".