**Project Details**

##### KSK (Promoted by Mr. Kataria, Mr. Singhal and Mr. Kumar) India Pvt . Ltd. of Gurugram decided to set up manufacturing facility to manufacture product A & B as per following details

**Project Cost (Rs. In Crores)**

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| **1.** | **Land & Site Development ( Land Already acquired for 4 Crores)** | **6.00** |
| **2.** | **Building & Civil Work** | **10.00** |
| **3.** | **Plant & Machinery** | **14.00** |
| **3a** | **Misc Fixed Assets** | **1.5** |
| **4.** | **Pre Operative Expenses** | **2.00** |
| **5.** | **Contingency will be 5% of Project Cost – Non Firm Portion** |  |

**Means of Finance**

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| **Term Loan – 75% of Plant and Machinery, Misc. Fixed Assets and 60% of Land and Building to be repaid in 24 equal quarterly installment post 1 year of moratorium for construction / gestation period.**  **Balance by way of Share Capital and Unsecured Loan of 5 Crores from promoter’s entity to be treated as quasi Equity.** |

**Production Details**

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| **Commercial Production to start from 1st April 22 ( 360 Days in a year and 3 shift basis) as per following details** |
| **Installed Capacity – Product A – 1.5 Lakh ltr. Per month amounting to annual capacity of 18 Lakh ltrs. And Product B – 2 Lakh Ltr. Per month amounting to annual capacity of 24 Lakh Ltrs.** |
| **Capacity Utilisation – 1st Year 60%, 2nd Year – 70% and Third Year 80% and thereafter 5% Price volume growth year after year** |
| Selling Price – Product A Rs. 500 Per Ltr and Product B Rs. 600 Per Ltr. |

1. **Costing Details – Direct Overhead**

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| 1. **Raw Material Cost – Chemicals – for product A - 350 Per Ltr produced, for B 450 Per Ltr. Produced** 2. **Stores, Spares & Consumables – 50 Rs. Per Ltr for both A and B** 3. **Packing Material – Rs. 10 per ltr both A & B** 4. **Power, Fuel and Water – 1st Year average 10 Lakhs per month and then 10% incremental cost for 2nd and 3 year because of increase in produced qty.** 5. **Labor Cost – 50 Labors on an average Salary of 10,000 PM and hike of 10% year on year** 6. **Supervisor – 5 on an average salary of 30,000 PM and hike of 10% year on year** 7. **Insurance & Taxes is 0.5% of Project Cost** 8. **Other Factory Overheads – 1st Year, 2nd Year and 3rd Year = 6, 7 and 8 Lakhs Per Month respectivel**y |

1. **Costing Details – In Direct Overhead**

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| 1. **Salary – 5 Lakhs Per month – 10% increment year on year** 2. **Directors Remuneration – 4 Lakhs Per month – 10% increment year on year** 3. **Telephone, Stationery, Staff Welfare, Electricity – etc . 3 Lakhs per month –** 4. **Selling & Distribution – 5% of sales** |

**Interest Cost**

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| **Term Loan interest 9% and W. Capital Loan at 8%, Average utilization 80%** |

**Working Capital Cycle – Holding Period**

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| **Raw Material – 1 Month, Stock of Finished Goods – ½ Month, WIP – ¼ Month, Debtors – 3 Months and Creditors – 2 Month** |