

PROJECT REPORT ON PHARMACEUTICAL UNIT

Submitted by: Mr. Rajesh Kasunde Managing Director

Unit address: RKAYSON PHARMA PVT LTD
(Formerly known as Visinno Remedies Pvt Ltd)
A-222, Silver Springs, Plot No. 6,
Taloja MIDC, Panvel, Dist.: Raigad,
Navi Mumbai – 410208 Maharashtra, India

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PART - A

OVERVIEW OF PROJECT

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PROJECT AT A GLANCE

LINE OF ACTIVITY	Pharmaceutical manufacturing unit
INDUSYRY GROUP	Pharmaceutical industry
NAME OF THE PRODUCTION	Products like Pharmaceutical pellets and DC granules Omeprazole Pellets, Lansoprazole pellets Dexlansoprazole pellets, Esomeprazole pellets, Rabeprazole pellets, Pantoprazole pellets Etc. And Metformin granules, Paracetamol granules etc.
UNIT NAME	RKAYSON PHARMA PVT LTD (Formerly known as Visinno Remedies Pvt. Ltd.)
REGISTERED ADDRESS FOR COMMUNICATION	A-621, Silver Springs, Plot No. 6, Taloja MIDC, Panvel, Dist.: Raigad, Navi Mumbai – 410208 Maharashtra, India
PROPOSED PLANT LOCATION	Shirala MIDC, Sangli, Maharashtra
EMAIL ID	rajesh@rkaysonpharma.com, rajeshkasunde@gmail.com
PHONE / CELL NO.	9594399788
CONSTITUTION	Pvt. Ltd.
REGISTRATION DETAILS	
CIN	U73100PN2017PTC168840
DATE OF REGISTRATION	10 th FEB 2017
PAN NUMBER OF THE UNIT	AAFCV7528N
GST NO.	27AAFCV7528N1ZM
UDYOG AADHAR NO.	MH27A0038644
NAME OF THE DIRECTORS	Mr. Rajesh Kasunde & Mrs Deeplaxmi Kasunde
PRDUCTION CAPACITY	Pharmaceutical pellets & granules

	Pellets and granules:120000 Kgs / annum 100% Capacity
WORKING DAY & HOURS/DAY	300 Days. (8 Hours/shift with 3 shifts per day)
NO OF PERSONS EMPLOYED	30 employees.
POWER REQUIRED	150 hp
PROJECT IMPLENTATION	It's is proposed to Start the project in July 2024 and expected Commercial production starts from March 2025

PROJECT COST & MEANS OF FINANCE

The Total Project cost of PHARMACEUTICAL UNIT to be set up by Rkayson Pharma Pvt. Ltd. Managing Director Mr. Rajesh Kasunde at Shirala MIDC, Sangli Maharashtra is Rs. 200 Lacs. The Total Project Cost of Rs.200 Lacs (Rs. Two Crores Only) consists of Land and govt. permissions cost of 25 lacs (Rs. Twenty-Five Lakhs Only), Civil Works of Rs.50 Lakhs (Rs. Fifty Lakhs Only), Plant and Machinery cost Rs.100 Lakhs (Rs. One Crore Only) and working capital of Rs. 25 Lacs (Rs. Twenty-Five Lakhs Only). The source/means of finance is the Promoter is going to invest Rs. 50 Lacs (Rs. Fifty Lacs Only) and Promoter is requesting Bank/Financial institute to sanction Rs. 150.00 Lacs (Rs. One Crore Fifty Lakhs Only) as Term Loan (TL).

P A R T: B

LOCATION / PROMOTERS / PRODUCT DETAILS

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PROMOTERS DETAILS - BACKGROUND & EXPERIENCE

Mr. Rajesh Kasunde

Managing Director

EXECUTIVE SUMMARY:

Mr. Rajesh Kasunde a pharmaceutical technocrat, having rich experience of 20++ years in the field of pharmaceutical research and manufacturing. Key Competencies comprised;

- R&D expertise: New formulation development, Innovative formula development by Patent non-infringement strategy, Trouble-shooting & cost-effective alteration of existing formula
- Regulatory expertise: Dossier compilation and country specific MOH filing, Regulatory product specific query solving
- Manufacturing expertise: Execution of commercial production batches and scale up activity, Technology transfer activities and manufacturing
- Expertise in clinical studies: Bio-equivalence study speculation & interpretation

As a part of professional work experience, He was associated with many globally recognized organizations. He worked for highly regulated and emerging global markets like US, EU, CANADA, Australia, Brazil, United Kingdom and many more countries (rest-of-world). Couple of patents are in his credit for development of nanotechnology based innovative formulations. With respect to his academics, He has completed post-graduation (M. Pharma) and Graduation (B. Pharma) from Rajiv Gandhi University and Health Sciences, Bangalore.

Currently He is managing Director of “Rkayson Pharma Pvt. Ltd.”. Rkayson is an integrated research and manufacturer of Pharmaceutical products comprised Pellets and directly compressible granules. We offer an extensive range of products across a rapidly expanding portfolio of affordable generic medicines across various therapeutic categories. Our focus is on providing medicines of exceptional quality standards and efficacy based. At Rkayson we work on both Immediate and Modified release products



(formerly known as Visinno Remedies Private Limited)

and has expertise in unique Solid Oral Dosage forms. We have associated state-of-art pharmaceutical manufacturing facility with GMP approval in India.

PROFESSIONAL WORK EXPERIENCE:

- Aurobindo Pharma Ltd Hyderabad, Andhra Pradesh, India
- Micro Labs Limited Bangalore, Karnataka, India
- Alkem laboratories Ltd Mumbai, Maharashtra, India
- Mission Vivacare Limited Indore, Madhya Pradesh, India
- Titan Laboratories Pvt. Ltd. Mumbai, Maharashtra India

PERSONAL DATA:

- Date of birth : 30 Jan 1977
- Father's name : Jagannathrao V. Kasunde
- Nationality : Indian
- Languages known : English, Hindi, Marathi and Kannada.

Mrs. Deeplaxmi Kasunde

Director

Mrs. Deeplaxmi Kasunde is a commerce Post-Graduate Completed graduation from Venutai Chavan College from Shivaji University and Post-graduation from Pune University. She has extensive knowledge on balance sheets, profit, and loss statements, resource utilization, tax strategies and other financial reports. Her work profile contributes to responsibilities such as analyzing trends, costs, revenues, financial commitments, and obligations incurred to predict future revenues and expenses.

Looking at the growth pharmaceutical sector which is growing at the rate of 15 to 20 % so she attracted towards pharmaceutical sector. She did the SWOT analysis (Strength Weakness Opportunity Threat) in her own & tried to find out what are the strength & weakness of herself. Focussed on Opportunities like Entrepreneurship, financial and Marketing opportunities and thereby pushed towards this industry & now decided to join with his Husband to boost the existing activity of Mr. Rajesh Kasunde.

PERSONAL DATA:

- Date of birth : 23rd Sept 1981
- Husband's name : Rajesh Kasunde
- Nationality : Indian
- Languages known : English, Hindi, Marathi and Kannada.

DETAILS RELATING TO LOCATION OF THE UNIT

The Proposed land for Unit is located at Shirala MIDC, which is nearby Urban area. The proposed area is sufficient for the desired activities and for future expansions. The Proposed area is developed and has infrastructure facilities like. Transportation, Power/Electricity, Water, Communication besides availability of Skilled and Unskilled workers abundantly.

Advantages Of Location

1. The Proposed unit will provide employment directly to 35 members and indirectly to few more persons and unit will cater services to the local people on priority.
2. Adequate Ground Water is available at proposed MIDC to run the unit.
3. The proposed area is a developed with respect to roads connectivity, nearby national highway & well connected to other nearby cities. Therefore, there will not be any problem of transportation for raw material inwards and finish products outwards. City connectivity leads to man power supply without any hurdles.
4. Shirala MIDC is a developed area with many industries are located nearby.

DETAILS & AVAILABILITY OF RAW MATERIALS

Raw Material required for this unit are drug substances, vitamins, minerals and other inactive ingredients. Raw Materials are available from nearby places like state of Maharashtra, Telangana, and Karnataka. As the quantity of procurement increases

cost effective prices of raw materials can be procured in turn leads to greater advantage in reduced costs of our products and with this profitability will be increased.

MAN POWER / EMPLOYMENT DETAILS

The unit provides direct employment for 35 employees, consisting of both technical / non- technical and skilled / unskilled workers and indirectly for few more members. As the unit is located nearby city, both skilled and unskilled workers available easily and plentifully.

Details of which are given below.

CATEGORY	Proposed	Total
Production Manager	2	6
Production Executives	4	
Operators	2	2
Administrative\Office Staff	4	4
Marketing Executives	2	2
Skilled Workers:	12	12
Unskilled Workers	9	9
DIRECT EMPLOYMENT PEQUIRED	35	35

MANAGEMENT'S OBJECTIVES

A. Integrated Manufacturing Process

Optimum resource utilization will always be on Rkayson Pharma Pvt. Ltd. priorities. This will lead to affordable, dependable qualitative products solution for ailing humanity.

B. Assured Quality

Quality will be an intrinsic value of building up the brand and establishing the product in the market. Dependable systems, consistent processes and well-trained people will lead to reliable quality. Culture strives to better itself all the time. This culture will run through the entire system of the company.

C. Strategic Procurement & Sourcing

Effective procurement program plays a major role in driving efficiencies in terms of supply assurance, regulatory compliance and cost economics. The extensive use of latest procurement policies, strategic sourcing and professional buying by the executives of the company will help in efficient sourcing of inputs and counter the negative influence of an inflationary market.

D. Imparting Skills Enhancement

Rkayson Pharma Pvt. Ltd. realizes that change is inevitable, and is always prepared for change. Ongoing training session and up-gradation of Modules will be kept in mind on high priority basis. Regular knowledge advancement initiatives, which will be launch throughout the year, keep everyone from Manager to the field executives geared for every challenge. Every effort made to:

- a) Open up minds to newer ideas and encourage the spirit of R&D.
- b) Identify, nurture and enhance talent towards growth.
- c) Motivate People.

PRODUCT INTRODUCTION

The pharmaceutical industry has considered lifeline industry as it is directly concerned with the health of the people. The Indian pharmaceutical industry has registered phenomenal growth since independence. India today enjoys the recognition and respect as one of the leading producers of quality pharmaceuticals products and formulations in the world.

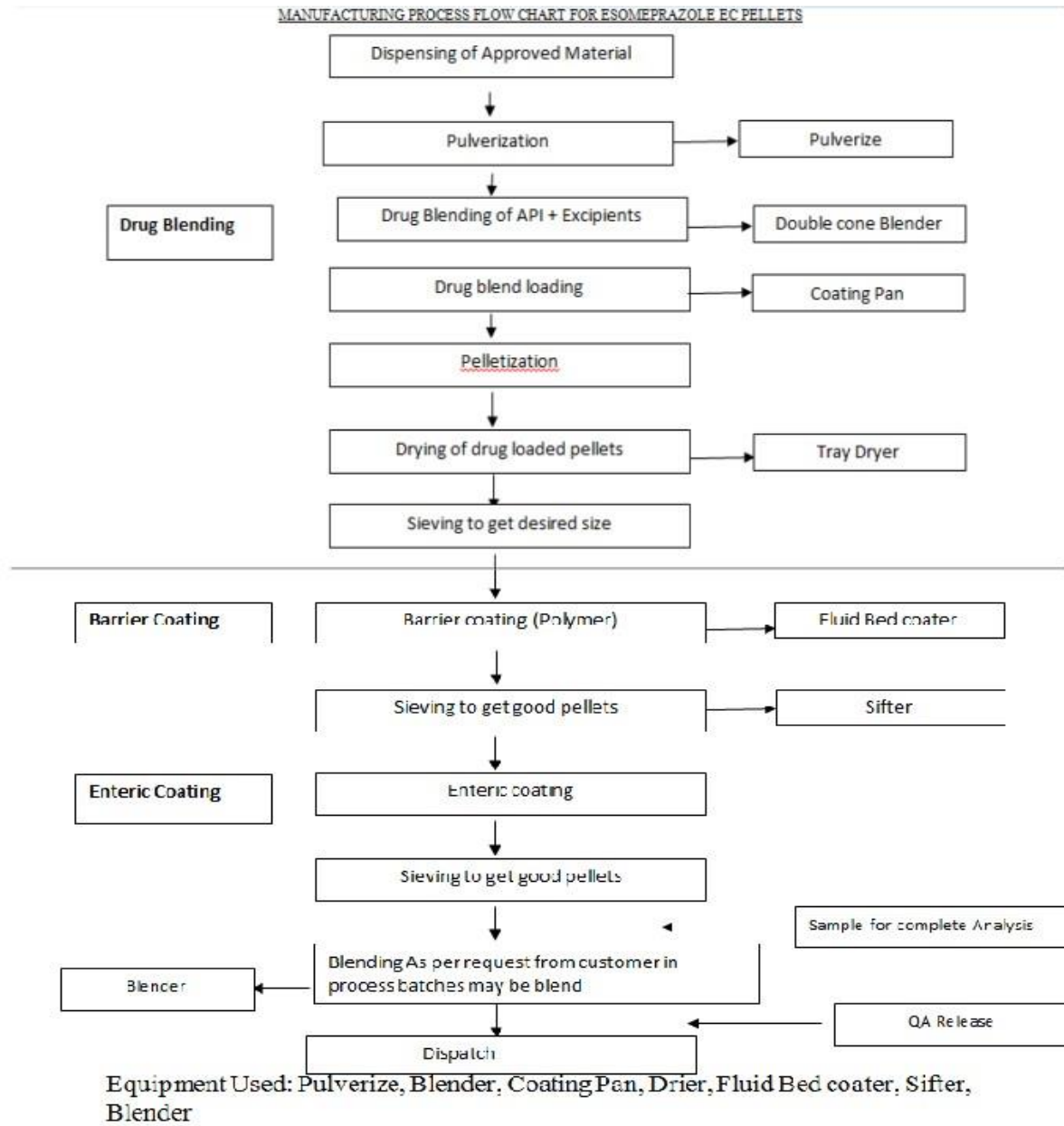
In the present scenario, immense potential in exports is another opportunity for this industry. The incentives so granted in the policies by state govt will be able to provide the initial push required for establishing the industry. The unit is strongly aiming at Export and Domestic supply to build the volume of the business.

PRODUCT ADVANTAGES

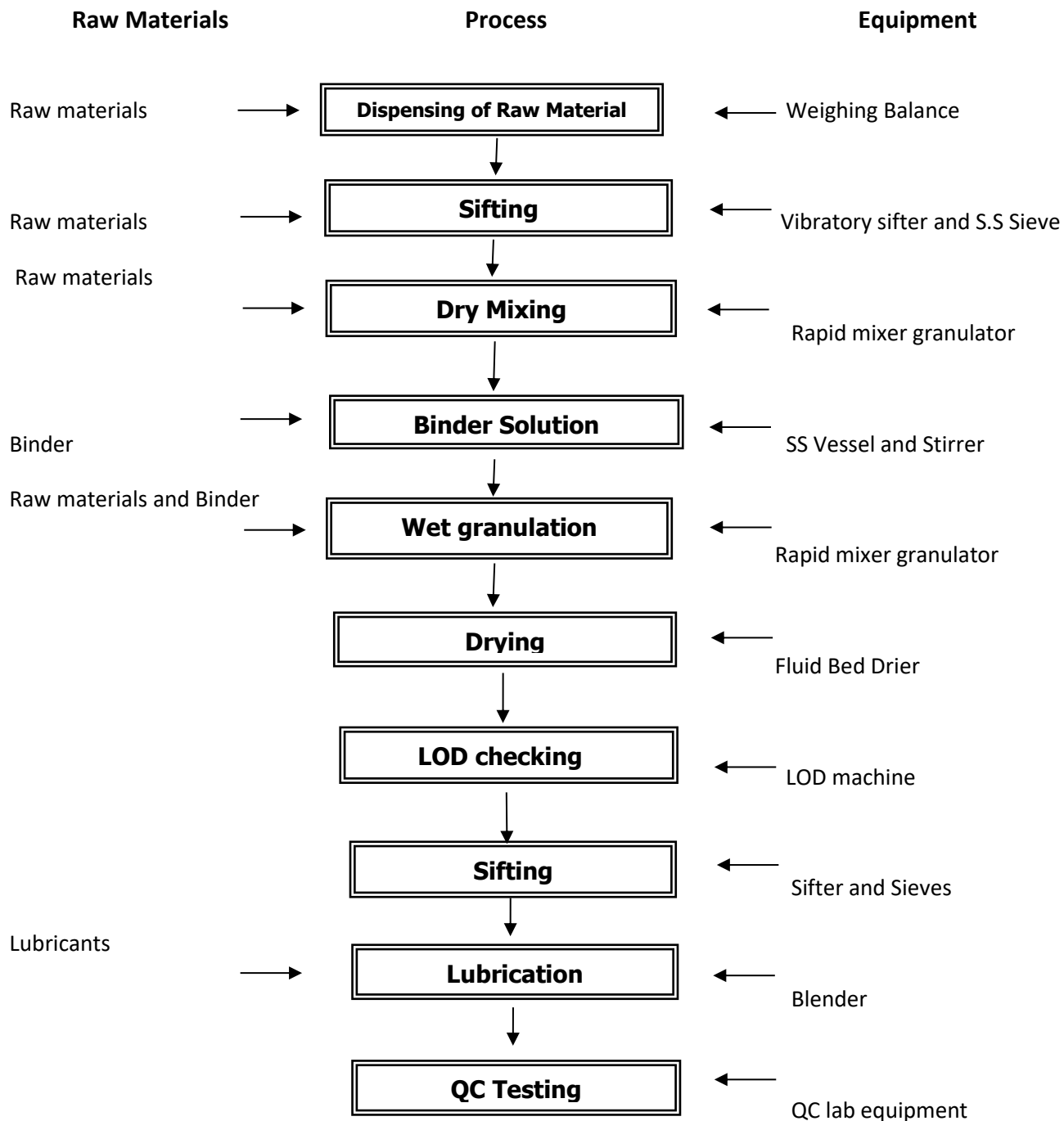
Pharmaceutical Pellets and DC granules are solid dosage forms in which the drug substance is enclose in either a hard or soft, soluble container or shell of a suitable form of gelatin or compressed in to tablets. According to Pharmacopoeia, the Pellets and Granules are define as solid preparation with hard soft shells, of various size, shapes and capacities, containing a single dosage of active ingredient. The Pellets/DC granules intended for oral administration. The encapsulation of medicinal agents remains a popular method for administering drugs. In prescription practices, the use of Pellets /Granules permits a choice in prescribing a single drug or combination of a drug at the exact dosage level considered best for the individual's patients. The preference of promoted pharmaceutical companies to market the product in Pellets form even though the product has already been produced in tablets forms.

The project envisages the manufacture of drug formulations mainly Esomeprazole, Rabeprazole Sodium, Pantoprazole, Omeprazole, Lansoprazole & vitamin B complex in pellets form. Other need-based drug formulation can be manufactured in pellets dosage form. The project also envisages the manufacture of DC granules for many drug substances with quality and innovation as prime object.

MANUFACTURING PROCESS : PELLETS



MANUFACTURING PROCESS: DC GRANULES



PART - C
ASSUMPTIONS UNDERLYING IN
PREPARATION OF PROJECT REPORT/ FINANCIAL STATEMENTS

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ESTIMATES RELATED TO COST OF PROJECT

LAND: The Proposed PHARMACEUTICAL UNIT is proposed to be established at Shirila MIDC and the land along with necessary govt. permissions is approximately costs of about 25 lakhs.

CIVIL WORKS: Cost of Civil works is estimated about Rs. 50 Lakhs.

PLANT & MACHINERY: The Total cost of plant and machinery is estimated to be Rs.100 Lakhs and this includes provision made for erection of the equipment.

WORKING CAPITAL: Estimated working capital is 25 lakhs.

COST OF THE PROJECT:

Particulars	%	Proposed (in lakhs)
1. LAND	12.50	25.00
a. Cost of land and necessary govt. permissions		
2. CIVIL WORKS	25.00	50.00
a. Plant Setup		
3. PLANT & MACHINERY:	50.00	100.00
(Inclusive of % Taxes, % Freight & % Errection, Insurance Charges)		
Tools & Equipment		
Furniture & Fixtures / Misc. Fixed Assets		
Contingencies % on Civil works & Plant & Machinery		
4. PRELIMINARY & PRE-OPERATIVE EXPENSES & PARTIAL WORKING CAPITAL	12.50	25.00
TOTAL PROJECT COST	100.00	200.00

ESTIMATES RELATED TO MEANS OF FINANCE

The Total Cost of Project is envisaged at Rs.200 Lakhs, which would be funded by Promoter's contribution of Rs.50 Lakhs and Bank finance of Rs.150 Lakhs in the form of Term Loan.

TERM LOAN: The Term Loan is expected to be repaid in 84 monthly instalments commencing after 9 months from the date of release of Loan.

MEANS OF FINANCE:

PARTICULARS	%	PROPOSED (in lakhs)
1. CAPITAL		
a. Capital by Promoter/s- Towards Capital expenditure	25.00	50.00
2. BANK LOAN		
a. Term Loan (TL)	75.00	150.00
TOTAL MEANS OF FINANCE -->	100.00	200.00

ASSUMPTIONS RELATED TO WORKING CAPITAL REQUIREMENT

The working capital requirement is estimated on the basis of Current Assets and Current Liabilities. In the first year of operations, it is assessed to be Rs. 25 Lakhs. The norms for holding period of various assets are taken based on prevailing trends in the industry.

1. CURRENT ASSETS

A) INVENTORIES: It is estimated the holding level of Raw Materials at 30 Days, Stock in process is about 15 Days and Finished goods at 21 days. The unit is maintaining stocks of raw materials for cost benefit in bulk purchase of raw materials.

A1) Raw Materials: The unit has to maintain stocks of raw materials to meet the orders. The unit is planning to undertake contract manufacturing also for optimum utilization of the machinery. The unit is maintaining stocks of raw materials for cost benefit in bulk purchase of raw materials; hence a provision of 30 days is made which is required to ensure the continuity of production.

A2) Work in Process: Raw material is estimated to be in working process for 15 days to be converted into finished goods. This Work in Process includes Preparation of Raw Materials for utilization to till packing stage.

A3) Finished Goods: To counter the frequent price fluctuations, the unit is forced to wait for better deals and apart from that, stock of Finished goods are kept as a provision to meet the requirement of customers for 21 days.

B) RECEIVABLES: The receivables position is conservatively projected at a higher level for the unit as most of the customers are from distinct areas. Hence, the level of receivables though slightly on the higher side is in acceptable levels only. As there is a competition in the line of business, the Purchasers seek credit for 30 days approximately. It is assumed 100 % of 30 days sales are on credit basis.

2. CURRENT LIABILITIES:

Creditors for Purchases have been estimated at 7 Days which is standard in the market. As the credit terms are high and it is economical to procure the materials against cash or credit. The unit is confident of improving the levels due to long standing relations in the market which will help them in reducing the receivables period.

ASSUMPTIONS RELATED TO SALES & CAPACITY OF UTILIZATION

The operating capacity has been assumed at 40% of installed capacity in the 1st Year, 60% in the 2nd Year, 70% in the 3rd Year and 90% from the 4th year onwards.

The operating capacity of the unit has been assumed at 120000 Kgs/ annum of pellets and DC granules on 3 Shift basis of 8 hours, working for 300 days during the year.

ASSUMPTIONS RELATED TO COST OF PRODUCTION / EXPENDITURE

- The cost of Raw Materials is worked out to be Rs.80 Lakhs in the first year of operations. Raw materials are estimated based on the prices prevailing as on the date of preparation of Project Report.
- Transportation and freight charges are assumed to be Rs.5/- per kg. Transport & Freight needed mainly for transportation of Raw material include local transport for procuring Raw Material to the unit and to deliver the finished products to the customers. This is estimated based on prevailing rates of transport charges. Considered Rs.4.8 Lakhs in the first year.
- Packing Material & Loading/Forwarding cost are assumed to be 5% of the sale value.
- Power and fuel are estimated based on the consumption of electricity by the unit, estimated load required to run the unit is 150 HP. The cost of utilisation of power assumed at Rs.1.00 Lakhs per month in the first year of operations.
- Consumable stores, Repairs and Maintenance for Buildings and Machinery are estimated to be 2.5 % of the sales. The cost of consumables, stores and spares has been taken at Rs.1 Lakhs in the first year of operation.
- Salaries and wages are estimated based on the requirement of man power (man power requirement as stated above) and details of salaries and wages are projected and an annual increase of 18 % is provided.
- Administration and Other Expenses are considered on the basis of expenditure incurred by similar units and estimated to increase 5% every year with the increase in production capacity.
- Depreciation is calculated as per the rates mentioned in the Income tax Act.
- Provision for taxes is made as per the provisions of Income tax Act 1961.

FINANCIAL ANALYSIS

1. **NET SALES:** The Proposed unit estimated net sales of Rs.200 Lakhs during at 2024-25 with 40% utilization of installed capacity. The net sale of the unit for 2025-26 is projected at 220 Lakhs projecting an increase of 10 % because of increase in production capacity. Projected performance appears reasonable considering the utilization of installed production capacity.
2. **PROFITABILITY:** The Proposed unit projected net profit of Rs. 15.20 lakhs for the year 2024-25, and Rs.27.72 Lakhs for the next year i.e., 2025-26. The projections made seem to be reasonable as the unit is endeavoring to improve profitability by reducing costs and by increasing the production capacity.

PART - C
SWOT ANALYSIS

SWOT ANALYSIS

A. STRENGTHS

1. Managed by entrepreneur having business experience of Seven (7) years. Including professional work experience of 20+ years.
2. Management is with Research skills so in future come up with innovative products in turn leads to high profit of margin products.
3. Use of Sophisticated techniques ensuring quality products.
4. Availability of Raw Material and Labour (Both Skilled and Unskilled) at cheaper cost.
5. Existing Marketing network developed by the current promoters can be used as a spring board for the proposed entity
6. Aggressive and focused marketing campaign with clear goals and strategy
7. Having wide experience in product and business know how
8. Higher Operational Efficiency
9. Good Relationship with Customers
10. Good Internal Communication

B. WEAKNESSES

1. Existence of other Competitive Players
2. Need to develop a strong marketing arm as the success of the venture is directly dependent on the acceptance of the products.
3. Stress Management
4. New Resources and assets
5. Customer Base Must be Established

C. OPPORTUNITIES

1. Scope for promotion of industries in a big way
2. Increasing Demand for the product



(formerly known as Visinno Remedies Private Limited)

3. Advantages Provided Under various provisions of the Indian law

4. Huge Market Size

5. A wider and unexploited and untapped market regions

6. High Growth in industry

7. Scope for entering surrounding markets as there is less competition

D. THREATS:

1. Price fluctuations for Raw materials