



# Sagar Asia

EUROSTAR JOINT VENTURE



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# 01

## THE COMPANY

Sagar Asia Private Limited (SA) is a **leading manufacturer** of **Aluminium Engineered products** such as **ladders, scaffolds, wind tower internals, and aviation docking systems**, for over **15 years** with exports to the **USA, Europe, the Middle East, Egypt, China, Singapore, Japan, and Malaysia**.

SA has been closely associated with many leading companies in the US, Canada, and Europe, some with a legacy close to **100 years**, in the form of **joint venture partnerships** or technical licenses, such as:

- > **Werner Co., USA**
- > **Zarges, Germany**
- > **Little Giant, USA**
- > **Hailo Wind Systems, Germany**
- > **Featherlite, Canada**
- > **NIJL, Netherlands**
- > **Tesicnor, Spain**

The company is certified for **ISO 9001:2015** along with OSHAS and ISO 14001 for the environment. All the products we manufacture conform to European, American, or Canadian Standards. Some of the products are **CCE-marked**. Our products are import substitutes and also intended for exports.



# THE COMPANY (CONTD.)

- > **SAGAR ASIA is now the largest producer and solution provider** of Aluminium Access Systems in India in terms of volumes and turnover.
- > World-class manufacturing facility in India for Aluminium Access Systems
- > Only **ISO-certified** producer in the organized sector in aluminium access systems.
- > Access solutions from 2 feet to any safe height as per **US and EN Standards**.
- > **Cost-effective solutions** on par or even superior to European counterparts.
- > Possibly the only Mobile Access Solution in the World with such a huge range of products.
- > Dedicated R&D and Design teams; **Experts at Aluminium & Steel Welding**
- > Committed core Executive team with **over 20 years of experience** in the Aluminium & Access Industry
- > Local production and local sourcing



# 02

## Sagar Asia's Conformity to Standards & Certifications

**SA Products conform to, or exceed these standards:**

- > OSHA (Occupational Safety & Health Administration) Code
- > ANSI (American National Standards Institute)
- > CSA (Canadian Standards Association)
- > DIN (Deutsches Institute for Normung)
- > EN (European Nations) Standards







# 03

## EUROSTAR

SA with its collaborations with **global leaders** and **past relationships** has amassed engineering technologies to manufacture the right kind of “**Value for Money**” safe and certified ladders meeting **international quality** and safety standards for ladders for **middle-class families** in the form of its Eurostar brand.

**Eurostar has about five different models** with over **20 SKUs** suiting every need, application, and taste.

**Eurostar is Sagar Asia’s flagship product** in domestic ladders conforming to EN 131 standards, which certifies ladders for all **safety parameters** with consistent checks and load capacity to ensure the product is best suited for all applications in working at heights.

# The Need for Joint Ventures

There are around **400 to 500 million lower middle-class** families in India, each of which needs a ladder though they may not realize it at present. SA has the **right kind of low-cost** and **best ladders** for these families in the form of its **Eurostar brand**.

## Sagar Asia is proposing joint ventures for its Eurostar brand to:

- > Access new markets
- > Share access to new technology
- > Share risks and resources
- > Pool talents and expertise

SA needs to **establish assembly plants** in different parts of the country to **effectively deliver the ladders** to customers all over India at a low cost.

Our close association with **American and European organizations** enables us with the right knowledge and expertise to support multiple assembly plants, which will be in the form of joint ventures.



# GEOGRAPHICAL MAPPING OF THE JOINT VENTURES

The 10 assembly plants will be located as follows

—  
Assam— 2

—  
Delhi-NCR area,  
Lucknow, Jammu— 3

—  
Mumbai, and  
surroundings— 2

—  
South— 1

—  
Orissa and West  
Bengal— 2

—  
Approximately 5,000 to 10,000 ft of the area is required to set up the assembly plant The installed capacity of each plant would be around 500 ladders/day, subsequently leading to a sale of upwards of 1 lakh ladders in a year.





## Sagar Asia's Role in the JV

SA's expertise in required **machinery and layout** along with training the technicians will be an integral part of the JV.

Sagar Asia would be:

1. **Joint Venture Partner** in the assembly project.
2. **Licenser of technology**– the extension of certifications, process training, recruitment of personnel, training in supply chain facilitation, Quality Control Systems, and support in packaging and logistics.
3. **Supplier of special purpose** equipment, raw material, sub-assemblies, components, etc.
4. **Principal for other products** viz., Liberti, Freiheit, Sagarasia, etc.

**Marketing:** Although the products will be sold by each assembly plant, SA will take **full responsibility** for marketing efforts, including branding, conducting exhibitions, and **attending marketing collaterals**.



## PROJECT COST

Project Cost	Amount (in Rs.)
Machinery, Infrastructure, etc.	1,75,00,000
Technology Fee	50,00,000
Margins for working capital	75,00,000
Pre-operatives comprising of deposits etc.	50,00,000
<b>TOTAL</b>	<b>3,50,00,000</b>



# SOURCES OF FUNDS

Sources of Funds	Amount (in Lakh Rs.)
SA	76
JV Partner	24
Unsecured Loans	50
Bank Loans	200
Subsidy from Government	25
TOTAL	350

PROJECTED CASH FLOW FOR THE 1ST YEAR	AMOUNT (IN RS.)
Raw Material Cost (At 80% of sales)	24,00,00,000
Contribution (Sale – Raw material only) At 20% of sales	19,20,00,000
Training by SA	4,80,00,000
Interest on Bank Loan ( 2 cr @12%)	76,00,000
Working Capital @12%	24,00,000
Unsecured Loan 50,00,000 @10%	24,00,000
Salary for working partners	5,00,000
Wages and Salaries @ 5 lakh/month	24,00,000
SA Wages and Salaries	60,00,000
Royalty to SA @ 10%	36,00,000
Travel & Admin Expenses	24,00,000
Repayment of Term Loan	12,00,000
Factory rent	18,00,000
Power	18,00,000
<b>TOTAL</b>	<b>2,83,00,000</b>
<b>PROFIT</b>	<b>1,97,00,000</b>
Depreciation @ average 15%	26,25,000
<b>Profit before Tax</b>	<b>1,70,75000</b>
Tax @ an average of 25%	42,68,750
<b>Profit after Tax</b>	<b>1,28,06,250</b>

## PROJECTED PROFITABILITY



## PROJECTED CASH FLOW FOR THE FIRST YEAR

PROJECTED CASH FLOW FOR THE 1ST YEAR	AMOUNT (IN LAKH RS.)
<b>Inflow</b>	
Profit after tax with depreciation added back	154
Share capital	100
Unsecured Loans	50
Term Loan	200
Working Capital	200
Subsidy from Government	25
<b>TOTAL INFLOW</b>	<b>729</b>
<b>Outflow</b>	
Increase in Gross Block	175
Increase in Net Current Assets	250
Repayment of Term Loan	30
Deposits etc.	50
Technology Fee	50
<b>TOTAL OUTFLOW</b>	<b>555</b>
<b>THE CLOSING BALANCE OF CASH &amp; BANK</b>	<b>174</b>



## PROJECTED BALANCE SHEET

PROJECTED BALANCE SHEET	AMOUNT (IN LAKH RS.)
<b>Liabilities</b>	
Share Capital	100
Reserves (including Govt Subsidy)	153
Unsecured Loans	50
Term Loan after repayment in 1st year	170
Working Capital	200
<b>TOTAL</b>	<b>673</b>
<b>Assets</b>	
Gross Block – net of depreciation	149
Net Current Assets	250
Deposits etc.	50
Closing cash & bank balance	174
Technology Fee to be written-off	50*
<b>TOTAL</b>	<b>673</b>

\*Written-off over 5 years





# Thanks

Do you have any questions?



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