

PROJECT REPORT

Of

STRETCHERS

PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding **Stretchers**.

The objective of the pre-feasibility report is primarily to facilitate potential entrepreneurs in project identification for investment and in order to serve his objective; the document covers various aspects of the project concept development, start-up, marketing, finance and management.

[We can modify the project capacity and project cost as per your requirement. We can also prepare project report on any subject as per your requirement.]



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PROJECT AT A GLANCE

- 1 Name of the Entrepreneur : xxxxxxxxxx
- 2 Constitution (legal Status) : xxxxxxxxxx
- 3 Father / Spouse Name : xxxxxxxxxxxxxx
- 4 Unit Address : xxxxxxxxxxxxxxxxxxxxxxxx
- District : xxxxxxxx
Pin: xxxxxxxx State: xxxxxxxxxx
Mobile xxxxxxxx
- 5 Product and By Product : **Stretchers**
- 6 Name of the project / business activity proposed : **Stretchers Manufacturing Unit**
- 7 Cost of Project : Rs.14.44 Lakhs
- 8 Means of Finance
Term Loan Rs.9 Lakhs
Own Capital Rs.1.44 Lakhs
Working Capital Rs.4 Lakhs
- 9 Debt Service Coverage Ratio : 2.49
- 10 Pay Back Period : 5 Years
- 11 Project Implementation Period : 5-6 Months
- 12 Break Even Point : 46%
- 13 Employment : 9 Persons
- 14 Power Requirement : 10 HP
- 15 Major Raw materials : M.S Pipe, Stainless Steel Sheet, Wheel Set etc
- 16 Estimated Annual Sales Turnover (Max Utilized Capacity) : 72.81 Lakhs
- 17 Detailed Cost of Project & Means of Finance

COST OF PROJECT

(Rs. In Lakhs)

Particulars	Amount
Land	Own/Rented
Building /Shed 2000 Sq ft	Own/Rented
Plant & Machinery	8.66
Furniture & Fixtures	1.34
Working Capital	4.44
Total	14.44

MEANS OF FINANCE

Particulars	Amount
Own Contribution	1.44
Term Loan	9.00
Working Capital	4.00
Total	14.44

PROJECT PROFILE ON STRETCHERS



INTRODUCTION

A **stretcher**, **litter**, or **pram** is an apparatus used for moving patients who require medical care. A basic type (cot or litter) must be carried by two or more people. A wheeled stretcher (known as a gurney, trolley, bed or cart) is often equipped with variable height frames, wheels, tracks, or skids.

MARKET POTENTIAL

The Stretcher is an essential part of any Medical procedure. Today, various types of stretchers are available for basic medical requirements as well as specialized procedures. The most important function of the stretcher is to move the patient during treatment and in case of medical emergency sometimes stretchers may be used as operation table or patient bed.

The largest segment in the total stretcher market is general stretchers. On average, specialty stretchers cost around two times as much as general stretchers, as for providing comfort to the patients the demand of this product is increasing day by day and there is good scope stretcher manufacturing industry as the demand of the improved technology stretchers is expected to increase in the future.

BASIS AND PREASSUMPTIONS

1. It is based on eight working hours a day and Twenty Five days in a month and the break even efficiency has been calculated on 60% capacity utilization in the first year and upto 80% in the fifth year
2. Labor and wages are mentioned as per prescribed minimum wages and the proprietor.
3. Interest is considered @ 11% in the project for recurring and non-recurring investment.
4. The margin money as applicable to general categories of entrepreneurs may be 10% of the project cost.
5. The payback period may be 5years after the loan has been disbursed.
6. The cost of the land, construction charges, cost of machinery and equipment, raw materials and consumables, other contingent expenses etc. indicated in the profile are based on the prices prevailing at the time of project preparation and can be changed from time based on local conditions.

IMPLEMENTATION SCHEDULE

The major activities and their implementation schedule are furnished below. The assessment of the items required for implementation of the project has been considered and accounted from the date of sanction of the loan:

Sno	Activities	Period in No. months
1	Application to financial institutions, submission of documents, certificates for loan and other formalities	1
2	Placement of orders for machinery and equipments and application for power connection	2
3	Procurement of raw materials	1
4	Clearing machinery, installation, electrification etc.	2
5	Trial and commercial production	1
	Total	7

The overall time required to commission the project may be 6 months.

PROJECTED CASH FLOW STATEMENT

PARTICULARS	I	II	III	IV	V
<u>SOURCES OF FUND</u>					
Own Contribution	1.44	-			
Net Profit	1.18	2.82	4.39	5.96	7.61
Depreciation & Exp. W/off	1.43	1.22	1.05	0.90	0.77
Increase In Cash Credit	4.00				
Increase In Term Loan	9.00	-	-	-	-
Increase in Creditors	0.41	0.06	0.06	0.07	0.07
TOTAL :	17.45	4.10	5.50	6.93	8.45
<u>APPLICATION OF FUND</u>					
Increase in Fixed Assets	10.00	-	-	-	-
Increase in Stock	2.73	0.33	0.36	0.43	0.42
Increase in Debtors	2.18	0.38	0.34	0.36	0.39
Repayment of Term Loan	1.00	2.00	2.00	2.00	2.00
Taxation	-	-	-	0.30	0.38
Drawings	1.00	1.75	2.50	4.00	5.00
TOTAL :	16.90	4.46	5.20	7.09	8.20
Opening Cash & Bank Balance	-	0.55	0.19	0.50	0.33
Add : Surplus	0.55	- 0.36	0.30	- 0.16	0.25
Closing Cash & Bank Balance	0.55	0.19	0.50	0.33	0.58

PROJECTED BALANCE SHEET

PARTICULARS	I	II	III	IV	V
<u>SOURCES OF FUND</u>					
<u>Capital Account</u>					
Opening Balance	-	1.62	2.69	4.58	6.25
Add: Additions	1.44	-	-	-	-
Add: Net Profit	1.18	2.82	4.39	5.67	7.23
Less: Drawings	1.00	1.75	2.50	4.00	5.00
Closing Balance	1.62	2.69	4.58	6.25	8.48
CC Limit	4.00	4.00	4.00	4.00	4.00
Term Loan	8.00	6.00	4.00	2.00	-
Sundry Creditors	0.41	0.46	0.52	0.59	0.66
TOTAL :	14.02	13.14	13.10	12.83	13.13
<u>APPLICATION OF FUND</u>					
Fixed Assets (Gross)	10.00	10.00	10.00	10.00	10.00
Gross Dep.	1.43	2.66	3.70	4.60	5.37
Net Fixed Assets	8.57	7.34	6.30	5.40	4.63
Current Assets					
Sundry Debtors	2.18	2.55	2.89	3.25	3.64
Stock in Hand	2.73	3.06	3.42	3.85	4.27
Cash and Bank	0.55	0.19	0.50	0.33	0.58
TOTAL :	14.02	13.14	13.10	12.83	13.13
	-	-	-	-	-

PROJECTED PROFITABILITY STATEMENT

PARTICULARS	I	II	III	IV	V
<u>A) SALES</u>					
Gross Sale	43.50	51.03	57.78	64.95	72.81
Total (A)	43.50	51.03	57.78	64.95	72.81
<u>B) COST OF SALES</u>					
Raw Mateiral Consumed	24.31	27.65	31.26	35.17	39.39
Electricity Expenses	1.34	1.46	1.57	1.68	1.79
Repair & Maintenance	0.22	0.26	0.29	0.32	0.36
Labour & Wages	5.87	6.46	7.11	7.82	8.60
Depreciation	1.43	1.22	1.05	0.90	0.77
Cost of Production	33.18	37.05	41.28	45.89	50.92
Add: Opening Stock /WIP	-	1.11	1.22	1.33	1.50
Less: Closing Stock /WIP	1.11	1.22	1.33	1.50	1.65
Cost of Sales (B)	32.07	36.94	41.16	45.72	50.77
C) GROSS PROFIT (A-B)	11.43	14.09	16.62	19.23	22.04
	26.28%	27.62%	28.76%	29.61%	30.27%
D) Bank Interest (Term Loan)	0.98	0.80	0.58	0.36	0.14
ii) Interest On Working Capital	0.44	0.44	0.44	0.44	0.44
E) Salary to Staff	4.49	4.94	5.43	5.97	6.57
F) Selling & Adm Expenses Exp.	4.35	5.10	5.78	6.50	7.28
TOTAL (D+E)	10.25	11.28	12.23	13.27	14.43
H) NET PROFIT	1.18	2.82	4.39	5.96	7.61
	2.7%	5.5%	7.6%	9.2%	10.5%
I) Taxation	-	-	-	0.30	0.38
J) PROFIT (After Tax)	1.18	2.82	4.39	5.67	7.23

COMPUTATION OF STRETCHERS MANUFACTURING UNIT**Items to be Manufactured Stretchers**

Manufacturing Capacity per Day		5.00	pcs
No. of Working Hour		8	
No of Working Days per month		25	
No. of Working Day per annum		300	
Total Production per Annum		1,500	pcs
Year		Capacity	Stretchers
		Utilisation	
I		60%	900
II		65%	975
III		70%	1,050
IV		75%	1,125
V		80%	1,200

COMPUTATION OF RAW MATERIAL

Item Name	Quantity of Raw Material	Unit	Unit Rate of	Total CostPer Annum (100%)
M.S Pipe	18,200.00	kg	66.00	1,201,200.00
Stainless Steel Sheet	15,000.00	kg	180.00	2,700,000.00
Wheel Set(4 wheel sets)	1,500.00	sets	100.00	150,000.00
Total	33,200.00			4,051,200.00

Total Raw material in Rs lacs at 100% Capacity 40.51
 Cost per Stretchers (In Rs) **2,700.80**

Raw Material Consumed	Capacity Utilisation	Rate	Amount (Rs.)
I	60%	2,700.80	24.31
II	65%	2,835.80	27.65
III	70%	2,977.60	31.26
IV	75%	3,126.50	35.17
V	80%	3,282.80	39.39

COMPUTATION OF SALE

Particulars	I	II	III	IV	V
Op Stock	-	30.00	33.00	35.00	38.00
Production	900.00	975.00	1,050.00	1,125.00	1,200.00
	900.00	1,005.00	1,083.00	1,160.00	1,238.00
Less : Closing Stock(10 Days)	30.00	33.00	35.00	38.00	40.00
Net Sale	870.00	972.00	1,048.00	1,122.00	1,198.00
Sale Price per Bed	5,000.00	5,250.00	5,513.00	5,789.00	6,078.00
Sale (in Lacs)	43.50	51.03	57.78	64.95	72.81

COMPUTATION OF CLOSING STOCK & WORKING CAPITAL

PARTICULARS	I	II	III	IV	V
<u>Finished Goods</u>					
(10 Days requirement)	1.11	1.22	1.33	1.50	1.65
<u>Raw Material</u>					
(20 Days requirement)	1.62	1.84	2.08	2.34	2.63
Closing Stock	2.73	3.06	3.42	3.85	4.27

COMPUTATION OF WORKING CAPITAL REQUIREMENT

Particulars	Amount	Margin(10%)	Net Amount
Stock in Hand	2.73		
Less:			
Sundry Creditors	0.41		
Paid Stock	2.32	0.23	2.09
Sundry Debtors	2.18	0.22	1.96
Working Capital Requirement			4.05
Margin			0.45
MPBF			4.05
Working Capital Demand			4.00

BREAK UP OF LABOUR

Particulars	Wages Per Month	No of Employees	Total Salary
Plant Operator	15,000.00	1	15,000.00
Unskilled Worker	8,500.00	2	17,000.00
Helper	5,000.00	1	5,000.00
Security Guard	7,500.00	1	7,500.00
			44,500.00
Add: 10% Fringe Benefit			4,450.00
Total Labour Cost Per Month			48,950.00
Total Labour Cost for the year (In Rs. Lakhs)		5	5.87

BREAK UP OF SALARY

Particulars	Salary Per Month	No of Employees	Total Salary
Accountant cum store keeper	10,000.00	1	10,000.00
Administrative Staffs	8,000.00	3	24,000.00
Total Salary Per Month			34,000.00
Add: 10% Fringe Benefit			3,400.00
Total Salary for the month			37,400.00
Total Salary for the year (In Rs. Lakhs)		4	4.49

COMPUTATION OF DEPRECIATION

Description	Land	Building/shed	Plant & Machinery	Furniture	TOTAL
Rate of Depreciation			15.00%	10.00%	
Opening Balance	Own/Rented		-	-	-
Addition	-		8.66	1.34	10.00
	-		8.66	1.34	10.00
TOTAL		-	8.66	1.34	10.00
Less : Depreciation	-	-	1.30	0.13	1.43
WDV at end of Ist year	-	-	7.36	1.21	8.57
Additions During The Year	-	-	-	-	-
	-	-	7.36	1.21	8.57
Less : Depreciation	-	-	1.10	0.12	1.22
WDV at end of IIInd Year	-	-	6.26	1.09	7.34
Additions During The Year	-	-	-	-	-
	-	-	6.26	1.09	7.34
Less : Depreciation	-	-	0.94	0.11	1.05
WDV at end of IIIrd year	-	-	5.32	0.98	6.30
Additions During The Year	-	-	-	-	-
	-	-	5.32	0.98	6.30
Less : Depreciation	-	-	0.80	0.10	0.90
WDV at end of IV year	-	-	4.52	0.88	5.40
Additions During The Year	-	-	-	-	-
	-	-	4.52	0.88	5.40
Less : Depreciation	-	-	0.68	0.09	0.77
WDV at end of Vth year	-	-	3.84	0.79	4.63

REPAYMENT SCHEDULE OF TERM LOAN

11.0%

Year	Particulars	Amount	Addition	Total	Interest	Repayment	CI Balance
I	Opening Balance						
	Ist Quarter	-	9.00	9.00	0.25	-	9.00
	IInd Quarter	9.00	-	9.00	0.25	-	9.00
	IIIrd Quarter	9.00	-	9.00	0.25	0.50	8.50
	Ivth Quarter	8.50	-	8.50	0.23	0.50	8.00
					0.98	1.00	
II	Opening Balance						
	Ist Quarter	8.00	-	8.00	0.22	0.50	7.50
	IInd Quarter	7.50	-	7.50	0.21	0.50	7.00
	IIIrd Quarter	7.00	-	7.00	0.19	0.50	6.50
	Ivth Quarter	6.50	-	6.50	0.18	0.50	6.00
					0.80	2.00	
III	Opening Balance						
	Ist Quarter	6.00	-	6.00	0.17	0.50	5.50
	IInd Quarter	5.50	-	5.50	0.15	0.50	5.00
	IIIrd Quarter	5.00	-	5.00	0.14	0.50	4.50
	Ivth Quarter	4.50	-	4.50	0.12	0.50	4.00
					0.58	2.00	
IV	Opening Balance						
	Ist Quarter	4.00	-	4.00	0.11	0.50	3.50
	IInd Quarter	3.50	-	3.50	0.10	0.50	3.00
	IIIrd Quarter	3.00	-	3.00	0.08	0.50	2.50
	Ivth Quarter	2.50	-	2.50	0.07	0.50	2.00
					0.36	2.00	
V	Opening Balance						
	Ist Quarter	2.00	-	2.00	0.06	0.50	1.50
	IInd Quarter	1.50	-	1.50	0.04	0.50	1.00
	IIIrd Quarter	1.00	-	1.00	0.03	0.50	0.50
	Ivth Quarter	0.50	-	0.50	0.01	0.50	-
					0.14	2.00	

Door to Door Period 60 Months
Moratorium Period 6 Months
Repayment Period 54 Months

CALCULATION OF D.S.C.R

PARTICULARS	I	II	III	IV	V
<u>CASH ACCRUALS</u>	2.61	4.04	5.44	6.56	8.00
Interest on Term Loan	0.98	0.80	0.58	0.36	0.14
Total	3.59	4.84	6.02	6.92	8.13
<u>REPAYMENT</u>					
Repayment of Term Loan	1.00	2.00	2.00	2.00	2.00
Interest on Term Loan	0.98	0.80	0.58	0.36	0.14
Total	1.98	2.80	2.58	2.36	2.14
DEBT SERVICE COVERAGE RATIO	1.81	1.73	2.33	2.94	3.81
AVERAGE D.S.C.R.			2.49		

COMPUTATION OF ELECTRICITY**(A) POWER CONNECTION**

Total Working Hour per day	Hours	8	
Electric Load Required	HP	10	
Load Factor		0.7460	
Electricity Charges	per unit	7.50	
Total Working Days		300	
Electricity Charges			1.34
Add : Minimim Charges (@ 10%)			

(B) DG set

No. of Working Days		300	days
No of Working Hours		0.5	Hour per day
Total no of Hour		150	
Diesel Consumption per Hour		8	
Total Consumption of Diesel		1,200	
Cost of Diesel		65.00	Rs. /Ltr
Total cost of Diesel		0.78	
Add : Lube Cost @15%		0.12	
Total		0.90	
Total cost of Power & Fuel at 100%			2.24

Year	Capacity	Amount (in Lacs)
I	60%	1.34
II	65%	1.46
III	70%	1.57
IV	75%	1.68
V	80%	1.79

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