

UP MSME 1-Connect

PROJECT REPORT

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PROJECT:

Blood Pressure Machine unit

PROJECT REPORT

Of

BLOOD PRESSURE MACHINE

PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding Blood Pressure Machine unit.

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.]

PROJECT AT A GLANCE

- 1 Name of the Entrepreneur : xxxxxxxxxx
- 2 Constitution (legal Status) : xxxxxxxxxx
- 3 Father / Spouse Name : xxxxxxxxxxxxxx
- 4 Unit Address : xxxxxxxxxxxxxxxxxxxxxx
- District : xxxxxxxx
Pin: xxxxxxxx State: xxxxx
Mobile xxxxxxxx
- 5 Product and By Product : **BLOOD PRESSURE MACHINE**
- 6 Name of the project / business activity proposed : **BLOOD PRESSURE MACHINE UNIT**
- 7 Cost of Project : Rs.8.2 Lakhs
- 8 Means of Finance
Term Loan Rs.4.31 Lakhs
Own Capital Rs.0.82 Lakhs
Working Capital Rs.3.07 Lakhs
- 9 Debt Service Coverage Ratio : 4.55
- 10 Pay Back Period : 5 Years
- 11 Project Implementation Period : 5-6 Months
- 12 Break Even Point : 30%
- 13 Employment : 12 Persons
- 14 Power Requirement : 12.00 HP
- 15 Major Raw materials : Air Tube and Plug, Blood pressure cuff, Adapter,
: PCB with components, LCD Display and battery.
- 16 Estimated Annual Sales Turnover (Max Capacity) : 114.42 Lakhs
- 17 Detailed Cost of Project & Means of Finance

COST OF PROJECT

(Rs. In Lakhs)

Particulars	Amount
Land	Own/Rented
Plant & Machinery	4.29
Furniture & Fixtures	0.50
Working Capital	3.41
Total	8.20

MEANS OF FINANCE

Particulars	Amount
Own Contribution	0.82
Working Capital(Finance)	3.07
Term Loan	4.31
Total	8.20

BLOOD PRESSURE MACHINE UNIT

Introduction:

Doctors to measure the blood pressure of Patient in the clinic use B.P. machines. If the display of B.P. Machine is digital then it is called as Digital Blood Pressure Machines. Blood pressure is the pressure that the blood exerts against the walls of the arteries as it passes through them. The high and low points of this pressure waves are measured with the sphygmomanometer or blood pressure monitor and are expressed numerically in millimeter of mercury. Pulse refers to the periodic ejection of blood from the heart left ventricle into the aorta. The left ventricle or chamber receives blood from the left atrium, another of the heart chambers. By contracting the left ventricle drives the blood into the aorta, a central artery through which blood is relayed into the arteries of all limbs and organs except lungs.



Uses & Market Potential:

Nowadays, Electronic Blood Pressure Machines are majorly used in households. Whether a person has been diagnosed with hypertension (also known as high blood pressure) or they want to keep track of their health, a blood pressure monitor is a must have at home for keeping your numbers under control. Home-based monitors are usually digital and the whole measurement process is almost automatic.

Electronic B.P. machines have a wide market prospect. This is sold in local/national market and also there are avenues for export market. The global blood pressure monitoring devices market size was valued at USD 1.4 billion in 2020 and is expected to expand at a compound annual growth rate (CAGR) of 11.2% from 2021 to 2028. Increasing incidences of hypertension due to changing lifestyles are contributing to the growth of the market over the forecast period. According to the estimates published by the World Health Organization (WHO) in 2019, around billion people around the globe have hypertension, which is a major cause behind premature death worldwide. The demand for BP monitors is very high on account of the growing geriatric population and increasing risk of lifestyle associated disorders among a wide population due to the rising incidences of obesity and sedentary lifestyle.

Product:

Blood Pressure Machine

Raw Material:

The raw materials required are:

- Air Tube and Plug
- Blood Pressure Cuff
- Adapter
- PCB with all components
- LCD Display Unit
- Battery
- Packing Material

Manufacturing Process:

The steps are:

- ✓ Raw material procurement
- ✓ Assembly
- ✓ Testing
- ✓ Packaging

Area:

The industrial setup requires space for Inventory, workshop or manufacturing area, space for power supply utilities and polishing area. Also, some of the area of building is required for office staff facilities, office furniture, etc. Thus, the approximate total area required for complete industrial setup is 1500-2000Sqft.

Cost of Machines:

Machine	Quantity	Rate	Amount
Digital Pressure Gauge	5	25000	125000
DC Power Supply	2	100000	200000
Digital Multimeter	3	10000	30000
Microcontroller	4	6000	24000
Other equipment's and tools	-	-	50000
Total Amount			429000

Power Requirement- The estimated Power requirement is taken at 12 HP.

Manpower Requirement– Following manpower is required:

- Machine operator-2
- Skilled/unskilled worker-3
- Helper-4
- Manager cum Accountant-1
- Sales Personnel-2

FINANCIALS

PROJECTED BALANCE SHEET

PARTICULARS	I	II	III	IV	V
<u>SOURCES OF FUND</u>					
<u>Capital Account</u>					
Opening Balance	-	1.49	2.54	4.12	5.79
Add: Additions	0.82	-	-	-	-
Add: Net Profit	2.67	3.46	4.38	5.17	6.18
Less: Drawings	2.00	2.40	2.80	3.50	4.50
Closing Balance	1.49	2.54	4.12	5.79	7.47
CC Limit	3.07	3.07	3.07	3.07	3.07
Term Loan	3.83	2.87	1.92	0.96	-
Sundry Creditors	1.62	1.93	2.25	2.58	2.92
TOTAL :	10.01	10.41	11.36	12.40	13.47
<u>APPLICATION OF FUND</u>					
Fixed Assets (Gross)	4.79	4.79	4.79	4.79	4.79
Gross Dep.	0.69	1.29	1.79	2.22	2.59
Net Fixed Assets	4.10	3.50	3.00	2.57	2.20
Current Assets					
Sundry Debtors	2.37	2.93	3.45	4.00	4.58
Stock in Hand	2.66	3.82	4.46	5.12	5.81
Cash and Bank	0.88	0.16	0.45	0.71	0.88
TOTAL :	10.01	10.41	11.36	12.40	13.47
	-	-	-	-	-

PROJECTED PROFITABILITY STATEMENT

PARTICULARS	I	II	III	IV	V
<u>A) SALES</u>					
Gross Sale	59.16	73.19	86.21	99.94	114.42
Total (A)	59.16	73.19	86.21	99.94	114.42
B) COST OF SALES					
Raw Material Consumed	32.40	38.56	44.95	51.57	58.45
Electricity Expenses	0.81	0.94	1.07	1.21	1.34
Repair & Maintenance	0.89	1.10	1.29	1.50	1.72
Labour & Wages	12.73	15.53	18.63	21.61	24.85
Depreciation	0.69	0.59	0.51	0.43	0.37
Cost of Production	47.51	56.71	66.45	76.33	86.73
Add: Opening Stock /WIP	-	1.58	1.89	2.21	2.54
Less: Closing Stock /WIP	1.58	1.89	2.21	2.54	2.89
Cost of Sales (B)	45.93	56.40	66.12	76.00	86.39
C) GROSS PROFIT (A-B)	13.23	16.79	20.08	23.94	28.03
	22.37%	22.94%	23.30%	23.96%	24.50%
D) Bank Interest i) (Term Loan)	0.47	0.38	0.28	0.17	0.07
ii) Interest On Working Capital	0.34	0.34	0.34	0.34	0.34
E) Salary to Staff	8.69	10.78	12.51	15.26	17.55
F) Selling & Adm Expenses Exp.	1.06	1.83	2.59	2.80	3.43
G) TOTAL (D+E+F)	10.56	13.33	15.71	18.56	21.38
H) NET PROFIT	2.67	3.46	4.38	5.38	6.65
	4.5%	4.7%	5.1%	5.4%	5.8%
I) Taxation	-	-	-	0.21	0.47
J) PROFIT (After Tax)	2.67	3.46	4.38	5.17	6.18

PROJECTED CASH FLOW STATEMENT

PARTICULARS	I	II	III	IV	V
<u>SOURCES OF FUND</u>					
Own Contribution	0.82	-	-	-	-
Reserve & Surplus	2.67	3.46	4.38	5.38	6.65
Depriciation & Exp. W/off	0.69	0.59	0.51	0.43	0.37
Increase In Cash Credit	3.07	-	-	-	-
Increase In Term Loan	4.31	-	-	-	-
Increase in Creditors	1.62	0.31	0.32	0.33	0.34
TOTAL :	13.18	4.36	5.20	6.14	7.37
<u>APPLICATION OF FUND</u>					
Increase in Fixed Assets	4.79	-	-	-	-
Increase in Stock	2.66	1.15	0.64	0.66	0.69
Increase in Debtors	2.37	0.56	0.52	0.55	0.58
Repayment of Term Loan	0.48	0.96	0.96	0.96	0.96
Taxation	-	-	-	0.21	0.47
Drawings	2.00	2.40	2.80	3.50	4.50
TOTAL :	12.30	5.07	4.92	5.88	7.20
Opening Cash & Bank Balance	-	0.88	0.16	0.45	0.71
Add : Surplus	0.88	- 0.72	0.28	0.27	0.16
Closing Cash & Bank Balance	0.88	0.16	0.45	0.71	0.88

COMPUTATION OF CLOSING STOCK & WORKING CAPITAL

PARTICULARS	I	II	III	IV	V
<u>Finished Goods</u>					
(10 Days requirement)	1.58	1.89	2.21	2.54	2.89
<u>Raw Material</u>					
(10 Days requirement)	1.08	1.93	2.25	2.58	2.92
Closing Stock	2.66	3.82	4.46	5.12	5.81

COMPUTATION OF WORKING CAPITAL REQUIREMENT

Particulars	Amount	Margin(10%)	Net Amount
Stock in Hand	2.66		
Less:			
Sundry Creditors	1.62		
Paid Stock	1.04	0.10	0.94
Sundry Debtors	2.37	0.24	2.13
Working Capital Requirement			3.07
Margin			0.34
MPBF			3.07
Working Capital Demand			3.07

<u>REPAYMENT SCHEDULE OF TERM LOAN</u>						11.0%	
Year	Particulars	Amount	Addition	Total	Interest	Repayment	CI Balance
I	Opening Balance						
	Ist Quarter	-	4.31	4.31	0.12	-	4.31
	Iind Quarter	4.31	-	4.31	0.12	-	4.31
	IIIrd Quarter	4.31	-	4.31	0.12	0.24	4.07
	Ivth Quarter	4.07	-	4.07	0.11	0.24	3.83
					0.47	0.48	
II	Opening Balance						
	Ist Quarter	3.83	-	3.83	0.11	0.24	3.59
	Iind Quarter	3.59	-	3.59	0.10	0.24	3.35
	IIIrd Quarter	3.35	-	3.35	0.09	0.24	3.11
	Ivth Quarter	3.11		3.11	0.09	0.24	2.87
					0.38	0.96	
III	Opening Balance						
	Ist Quarter	2.87	-	2.87	0.08	0.24	2.63
	Iind Quarter	2.63	-	2.63	0.07	0.24	2.40
	IIIrd Quarter	2.40	-	2.40	0.07	0.24	2.16
	Ivth Quarter	2.16		2.16	0.06	0.24	1.92
					0.28	0.96	
IV	Opening Balance						
	Ist Quarter	1.92	-	1.92	0.05	0.24	1.68
	Iind Quarter	1.68	-	1.68	0.05	0.24	1.44
	IIIrd Quarter	1.44	-	1.44	0.04	0.24	1.20
	Ivth Quarter	1.20		1.20	0.03	0.24	0.96
					0.17	0.96	
V	Opening Balance						
	Ist Quarter	0.96	-	0.96	0.03	0.24	0.72
	Iind Quarter	0.72	-	0.72	0.02	0.24	0.48
	IIIrd Quarter	0.48	-	0.48	0.01	0.24	0.24
	Ivth Quarter	0.24		0.24	0.01	0.24	- 0.00
					0.07	0.96	
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>	3.36	4.05	4.88	5.60	6.55
Interest on Term Loan	0.47	0.38	0.28	0.17	0.07
Total	3.83	4.43	5.16	5.77	6.61
<u>REPAYMENT</u>					
Repayment of Term Loan	0.48	0.96	0.96	0.96	0.96
Interest on Term Loan	0.47	0.38	0.28	0.17	0.07
Total	0.95	1.34	1.23	1.13	1.02
DEBT SERVICE COVERAGE RATIO	4.04	3.31	4.18	5.11	6.46
AVERAGE D.S.C.R.			4.55		

Assumptions:

1. Production Capacity of Blood Pressure Machine unit is taken at 80 Units per day. First year, Capacity has been taken @ 30%.
2. Working shift of 10 hours per day has been considered.
3. Raw Material stock and Finished goods closing stock has been taken for 10 days.
4. Credit period to Sundry Debtors has been given for 12 days.
5. Credit period by the Sundry Creditors has been provided for 15 days.
6. Depreciation and Income tax has been taken as per the Income tax Act,1961.
7. Interest on working Capital Loan and Term loan has been taken at 11%.
8. Salary and wages rates are taken as per the Current Market Scenario.
9. Power Consumption has been taken at 12 HP.
10. Selling Prices & Raw material costing has been increased by 3% & 2% respectively in the subsequent years.

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