

PROJECT REPORT

Of

INTRAVENEOUS STAND

PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding **Intravenous Stand**.

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 : xxxxxxxx
- 2 Constitution (legal Status) : xxxxxxxx
- 3 Father / Spouse Name : xxxxxxxx
- 4 Unit Address : xxxxxxxxxxxxxxxxxxxxxxxx
- District : xxxxxx
- Pin: xxxxxxx State: xxxxxxxx
- Mobile: xxxxxxx
- 5 Product and By Product : **INTRAVENEOUS STANDS**
- 6 Name of the project / business activity proposed : **INTRAVENEOUS STANDS MAKING UNIT**
- 7 Cost of Project : Rs.14 Lakhs
- 8 Means of Finance :
 Term Loan Rs.8.1 Lakhs
 Own Capital Rs.1.4 Lakhs
 Working capital Rs.4.5 Lakhs
- 9 Debt Service Coverage Ratio : 2.46
- 10 Pay Back Period : 5 Years
- 11 Project Implementation Period : 5-6 Months
- 12 Break Even Point : 51%
- 13 Employment : 9 Persons
- 14 Power Requirement : 20.00 HP
- 15 Major Raw materials : MS Pipe, Stainless Steel Pipe 202 Grade, Wheel set
- 16 Estimated Annual Sales Turnover (Max Capacity) : 71.78 Lakhs
- 17 Detailed Cost of Project & Means of Finance

COST OF PROJECT

Particulars	(Rs. In Lakhs)	
	Amount	
Land	Own/Rented	
Building / Shed 1000 Sq ft	4.00	
Plant & Machinery	3.70	
Furniture & Fixtures	1.30	
Working Capital	5.00	
Total	14.00	

MEANS OF FINANCE

Particulars	Amount
Own Contribution	1.40
Working Capital(Finance)	4.50
Term Loan	8.10
Total	14.00

INTRAVENEOUS STANDS

Introduction: Intravenous therapy (IV) is therapy that delivers fluids directly into a vein. The intravenous route of administration can be used both for injections, using a syringe at higher pressures; as well as for infusions, typically using only the pressure supplied by gravity. Intravenous infusions are commonly referred to as drips. The intravenous route is the fastest way to deliver medications and fluid replacement throughout the body, because they are introduced directly into the circulation. Intravenous therapy may be used for fluid volume replacement, to correct electrolyte imbalances, to deliver medications, and for blood transfusions and IV STANDS may act as media for INTRAVENEOUS Therapy.



Uses & Market Potential: IV poles and stands are a familiar item to see in any medical facility, particularly a hospital. IV poles, or intravenous poles, provide patients with a continuous supply of fluids and medicine. Wide range of IV Stands are required in the medical industry and become the essential need of hospitals and Nursing homes in today's era. Today, various types of IV Stands are available for basic medical requirements as well as specialized procedures. The most important function of the IV Stand is to treat the patient

during medical emergency. The largest segment in the total IV Stand is general that can get fix on patient bed and some of them are two Pipe (adjustable height) with stand and multiple hooks and which cost almost two times of and ordinary IV Stand , as for providing comfort to the patients the demand of this product is increasing day by day and there is good scope of IV Stand manufacturing industry as the demand of the improved technology stretchers is expected to increase in the future. The IV Poles market studied was projected to register a CAGR of about 6.3% over the forecast period. The major factor attributing to the growth of the market is the increase in the prevalence of diseases such as gastrointestinal diseases, neurological diseases, cancer where IV fluids are given to the patients.

Raw Material: Major raw material requirements are as follows:

1. M.S. Pipe
2. Stainless steel pipe 202 Grade
3. Wheel Set

Machinery & Equipments: Major machineries & equipments are as follows:

S No.	Machine	Unit	Price
1.	Sensitive Drilling Machine.	2	40000
2.	Arc Welding set (with lead)	1	25000
3.	Bench grinder with 8" wheel dia with 1hp motor.	1	15000
4.	Fly press	1	35000
5.	Pipe cutter with 3HP motor 3Phase	1	55000
6.	Powder coating Machine	1	150000
7.	Other machines & equipments	Ls	50000
	Total Amount		370000

Manufacturing Process: The process of manufacturing of IV Stands does not involve any special technology. It is basically manufactured by sheet metal operation basically fabrication work which involve bending and cutting of Pipes and pressing of hooks. The Pipes MS/SS are cut as per drawing specifications by Pipe cutters and then the hooks are pressed by mechanical presses and sometimes it is manufactured as integral part or sometimes it is manufactured as detachable attachment. It is purely in accordance with the type of application and customer satisfaction, then the holes are drilled in the pipes so as to make it available of adjustable heights.

Area:

The industrial setup requires space for Inventory, workshop or manufacturing area, space for power supply utilities and auxiliary like Generator setup. Also some of the area of building is required for office staff facilities, documentation, office furniture, etc. Thus, the approximate total area required for complete industrial setup is 1500 to 2000Sqft. Civil work cost will be Rs 4 Lac. (Approx.)

Power Requirement: The power consumption required to run all the machinery could be approximated as 20hp

Manpower Requirement: There are requirement of skilled machine operators to run the machine set. Experience quality engineers are required for desired quality control. Some helpers are also required to transfer the material from one work station to other. Office staffs are required to maintain the documentation. The approximate manpower required is 9 including 1 Supervisor, 2 Machine operator, 1 unskilled worker, 1 Helper and 1 Security guard. 3 Skilled worker including Accountant, Manager and Sales person.

Bank Term Loan: Rate of Interest is assumed to be at 11%

Depreciation: Depreciation has been calculated as per the Provisions of Income Tax Act, 1961

Approvals & Registration Requirement:

Basic registration required in this project:

- GST Registration
- Udyog Aadhar Registration (Optional)
- Choice of a Brand Name of the product and secure the name with Trademark if require
- NOC from State Pollution Control Board

Implementation Schedule:

S No.	Activity	Time required
1.	Acquisition of premises	1-2 Months
2.	Procurement & installation of Plant & Machinery	1-2 Months
3.	Arrangement of Finance	1.5-2 Months
4.	Requirement of required Manpower	1 Month
5.	Commercial Trial Runs	1 Month
	Total time Required (some activities shall run concurrently)	5-6 Months

FINANCIALS

PROJECTED CASH FLOW STATEMENT					
PARTICULARS	I	II	III	IV	V
SOURCES OF FUND					
Own Contribution	1.40	-			
Reserve & Surplus	2.70	3.56	4.04	4.71	5.23
Depreciation & Exp. W/off	1.09	0.95	0.83	0.73	0.64
Increase In Cash Credit	4.50				
Increase In Term Loan	8.10	-	-	-	-
Increase in Creditors	0.39	0.05	0.03	0.03	0.03
TOTAL :	18.18	4.56	4.91	5.47	5.90
APPLICATION OF FUND					
Increase in Fixed Assets	9.00	-	-	-	-
Increase in Stock	3.04	0.32	0.29	0.29	0.29
Increase in Debtors	2.46	0.36	0.25	0.25	0.26
Repayment of Term Loan	0.90	1.80	1.80	1.80	1.80
Taxation	-	-	-	-	0.78
Drawings	1.00	1.50	2.00	2.20	2.70
TOTAL :	16.40	3.99	4.34	4.54	5.84
Opening Cash & Bank Balance	-	1.77	2.34	2.92	3.85
Add : Surplus	1.77	0.57	0.57	0.93	0.07
Closing Cash & Bank Balance	1.77	2.34	2.92	3.85	3.91

PROJECTED BALANCE SHEET					
PARTICULARS	I	II	III	IV	V
SOURCES OF FUND					
Capital Account					
Opening Balance	-	3.10	5.16	7.20	9.71
Add: Additions	1.40	-	-	-	-
Add: Net Profit	2.70	3.56	4.04	4.71	4.45
Less: Drawings	1.00	1.50	2.00	2.20	2.70
Closing Balance	3.10	5.16	7.20	9.71	11.46
CC Limit	4.50	4.50	4.50	4.50	4.50
Term Loan	7.20	5.40	3.60	1.80	-
Sundry Creditors	0.39	0.45	0.48	0.51	0.55
TOTAL :	15.19	15.50	15.78	16.53	16.51
APPLICATION OF FUND					
Fixed Assets (Gross)	9.00	9.00	9.00	9.00	9.00
Gross Dep.	1.09	2.03	2.86	3.59	4.23
Net Fixed Assets	7.92	6.97	6.14	5.41	4.77
Current Assets					
Sundry Debtors	2.46	2.83	3.08	3.33	3.59
Stock in Hand	3.04	3.37	3.65	3.94	4.23
Cash and Bank	1.77	2.34	2.92	3.85	3.91
TOTAL :	15.19	15.50	15.78	16.53	16.51

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PROJECTED PROFITABILITY STATEMENT					
PARTICULARS	I	II	III	IV	V
A) SALES					
Gross Sale	49.25	56.53	61.52	66.60	71.78
Total (A)	49.25	56.53	61.52	66.60	71.78
B) COST OF SALES					
Raw Material Consumed	16.78	19.08	20.55	22.02	23.49
Electricity Expenses	1.93	2.10	2.26	2.42	2.58
Repair & Maintenance	8.86	9.04	9.23	9.99	10.77
Labour & Wages	10.33	11.16	12.83	14.12	15.53
Depreciation	1.09	0.95	0.83	0.73	0.64
Cost of Production	38.99	42.33	45.70	49.27	53.00
Add: Opening Stock /WIP	-	2.20	2.41	2.62	2.84
Less: Closing Stock /WIP	2.20	2.41	2.62	2.84	3.06
Cost of Sales (B)	36.79	42.12	45.49	49.05	52.78
C) GROSS PROFIT (A-B)	12.46	14.41	16.03	17.55	19.00
	25.30%	25.48%	26.06%	26.35%	26.47%
D) Bank Interest (Term Loan)	0.88	0.72	0.52	0.32	0.12
ii) Interest On Working Capital	0.50	0.50	0.50	0.50	0.50
E) Salary to Staff	5.92	6.81	7.90	8.69	9.56
F) Selling & Adm Expenses Exp.	2.46	2.83	3.08	3.33	3.59
TOTAL (D+E)	9.76	10.85	11.99	12.84	13.77
H) NET PROFIT	2.70	3.56	4.04	4.71	5.23
	5.5%	6.3%	6.6%	7.1%	7.3%
I) Taxation	-	-	-	-	0.78
J) PROFIT (After Tax)	2.70	3.56	4.04	4.71	4.45

COMPUTATION OF MAKING OF INTRAVENEIOUS STANDS			
Item to be Manufactured Intravenous Stands			
Manufacturing Capacity per day		6	No.s
No. of Working Hour		8	
No of Working Days per month		25	
No. of Working Day per annum		300	
Total Production per Annum		1,800	No.s
Total Production per Annum		1,800	No.s
Year		Capacity Utilisation	INTRAVENEIOUS STANDS
I		60%	1,080.00
II		65%	1,170.00
III		70%	1,260.00
IV		75%	1,350.00
V		80%	1,440.00

COMPUTATION OF RAW MATERIAL

Item Name	Quantity of Raw Material	Unit	Unit Rate of	Total CostPer Annum (100%)
MS Pipe	12,000.00	Kg	70	8,40,000.00
Stainless Steel Pipe 202 Grade	12,000.00	Kg	130	15,60,000.00
Wheel Set	1,800.00	Set of 5 wheels	220	3,96,000.00
Total				27,96,000.00
Total Raw material in Rs lacs				27.96

Raw Material Consumed	Capacity Utilisation	Amount (Rs.)	
I	60%	16.78	
II	65%	19.08	5% Increase in Cost
III	70%	20.55	5% Increase in Cost
IV	75%	22.02	5% Increase in Cost
V	80%	23.49	5% Increase in Cost

COMPUTATION OF SALE					
Particulars	I	II	III	IV	V
Op Stock	-	54.00	58.50	63.00	67.50
Production	1,080.00	1,170.00	1,260.00	1,350.00	1,440.00
Less : Closing Stock(15 Days)	54.00	58.50	63.00	67.50	72.00
Net Sale	1,026.00	1,165.50	1,255.50	1,345.50	1,435.50
Sale Price	4,800.00	4,850.00	4,900.00	4,950.00	5,000.00
Sale (in Lacs)	49.25	56.53	61.52	66.60	71.78

COMPUTATION OF CLOSING STOCK & WORKING CAPITAL					
PARTICULARS	I	II	III	IV	V
Finished Goods					
(15 Days requirement)	2.20	2.41	2.62	2.84	3.06
Raw Material					
(15 Days requirement)	0.84	0.95	1.03	1.10	1.17
Closing Stock	3.04	3.37	3.65	3.94	4.23

COMPUTATION OF WORKING CAPITAL REQUIREMENT			
Particulars	Amount	Margin(10%)	Net Amount
Stock in Hand	3.04		
Less:			
Sundry Creditors	0.39		
Paid Stock	2.65	0.27	2.39
Sundry Debtors	2.46	0.25	2.22
Working Capital Requirement			4.60
Margin			0.51
MPBF			4.60
Working Capital Demand			4.50

<u>BREAK UP OF LABOUR</u>				
Particulars		Wages	No of	Total
		Per Month	Employees	Salary
Supervisor		20,000.00	1	20,000.00
Machine Operator		16,000.00	2	32,000.00
Unskilled Worker		12,000.00	1	12,000.00
Helper		10,000.00	1	10,000.00
Security Guard		8,000.00	1	8,000.00
				82,000.00
Add: 5% Fringe Benefit				4,100.00
Total Labour Cost Per Month				86,100.00
Total Labour Cost for the year (In Rs. Lakhs)			6	10.33

<u>BREAK UP OF SALARY</u>				
Particulars		Salary	No of	Total
		Per Month	Employees	Salary
Manager		20,000.00	1	20,000.00
Accountant cum store keeper		15,000.00	1	15,000.00
Sales		12,000.00	1	12,000.00
Total Salary Per Month				47,000.00
Add: 5% Fringe Benefit				2,350.00
Total Salary for the month				49,350.00
Total Salary for the year (In Rs. Lakhs)			3	5.92

COMPUTATION OF DEPRECIATION					
Description	Land	Building/shed	Plant & Machinery	Furniture	TOTAL
Rate of Depreciation		10.00%	15.00%	10.00%	
Opening Balance	Leased		-	-	-
Addition	-	4.00	3.70	1.30	9.00
	-	4.00	3.70	1.30	9.00
		-	-	-	
TOTAL		4.00	3.70	1.30	9.00
Less : Depreciation	-	0.40	0.56	0.13	1.09
WDV at end of Ist year	-	3.60	3.15	1.17	7.92
Additions During The Year	-	-	-	-	-
	-	3.60	3.15	1.17	7.92
Less : Depreciation	-	0.36	0.47	0.12	0.95
WDV at end of IInd Year	-	3.24	2.67	1.05	6.97
Additions During The Year	-	-	-	-	-
	-	3.24	2.67	1.05	6.97
Less : Depreciation	-	0.32	0.40	0.11	0.83
WDV at end of IIIrd year	-	2.92	2.27	0.95	6.14
Additions During The Year	-	-	-	-	-
	-	2.92	2.27	0.95	6.14
Less : Depreciation	-	0.29	0.34	0.09	0.73
WDV at end of IV year	-	2.62	1.93	0.85	5.41
Additions During The Year	-	-	-	-	-
	-	2.62	1.93	0.85	5.41
Less : Depreciation	-	0.26	0.29	0.09	0.64
WDV at end of Vth year	-	2.36	1.64	0.77	4.77

REPAYMENT SCHEDULE OF TERM LOAN						11.0%	
Year	Particulars	Amount	Addition	Total	Interest	Repayment	CI Balance
I	Opening Balance						
	Ist Quarter	-	8.10	8.10	0.22	-	8.10
	IInd Quarter	8.10	-	8.10	0.22	-	8.10
	IIIrd Quarter	8.10	-	8.10	0.22	0.45	7.65
	Ivth Quarter	7.65	-	7.65	0.21	0.45	7.20
					0.88	0.90	
II	Opening Balance						
	Ist Quarter	7.20	-	7.20	0.20	0.45	6.75
	IInd Quarter	6.75	-	6.75	0.19	0.45	6.30
	IIIrd Quarter	6.30	-	6.30	0.17	0.45	5.85
	Ivth Quarter	5.85		5.85	0.16	0.45	5.40
					0.72	1.80	
III	Opening Balance						
	Ist Quarter	5.40	-	5.40	0.15	0.45	4.95
	IInd Quarter	4.95	-	4.95	0.14	0.45	4.50
	IIIrd Quarter	4.50	-	4.50	0.12	0.45	4.05
	Ivth Quarter	4.05		4.05	0.11	0.45	3.60
					0.52	1.80	
IV	Opening Balance						
	Ist Quarter	3.60	-	3.60	0.10	0.45	3.15
	IInd Quarter	3.15	-	3.15	0.09	0.45	2.70
	IIIrd Quarter	2.70	-	2.70	0.07	0.45	2.25
	Ivth Quarter	2.25		2.25	0.06	0.45	1.80
					0.32	1.80	
V	Opening Balance						
	Ist Quarter	1.80	-	1.80	0.05	0.45	1.35
	IInd Quarter	1.35	-	1.35	0.04	0.45	0.90
	IIIrd Quarter	0.90	-	0.90	0.02	0.45	0.45
	Ivth Quarter	0.45		0.45	0.01	0.45	-
					0.12	1.80	

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>	3.79	4.50	4.87	5.44	5.08
Interest on Term Loan	0.88	0.72	0.52	0.32	0.12
Total	4.66	5.22	5.39	5.76	5.21
<u>REPAYMENT</u>					
Repayment of Term Loan	0.90	1.80	1.80	1.80	1.80
Interest on Term Loan	0.88	0.72	0.52	0.32	0.12
Total	1.78	2.52	2.32	2.12	1.92
DEBT SERVICE COVERAGE RATIO	2.62	2.07	2.32	2.72	2.71
AVERAGE D.S.C.R.			2.46		

COMPUTATION OF ELECTRICITY				
(A) POWER CONNECTION				
Total Working Hour per day		Hours	8	
Electric Load Required		HP	20	
Load Factor			0.7460	
Electricity Charges		per unit	7.50	
Total Working Days			300	
Electricity Charges				2,68,560.00
Add : Minimim Charges (@ 10%)				
(B) DG set				
No. of Working Days			300	days
No of Working Hours			0.3	Hour per day
Total no of Hour			90	
Diesel Consumption per Hour			8	
Total Consumption of Diesel			720	
Cost of Diesel			65.00	Rs. /Ltr
Total cost of Diesel			0.47	
Add : Lube Cost @15%			0.07	
Total			0.54	
Total cost of Power & Fuel at 100%				3.22
Year		Capacity		Amount (in Lacs)
I		60%		1.93
II		65%		2.10
III		70%		2.26
IV		75%		2.42
V		80%		2.58

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