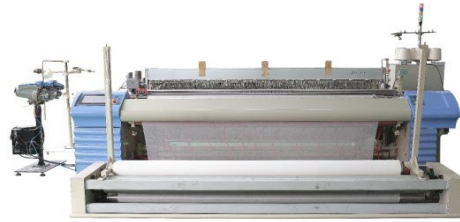


PROJECT REPORT FOR
SURGICAL BANDAGE MANUFACTURING



SUBMITTED BY:

PROMOTER:

XXXXXXXXXXXXXXXXXXXXXXXXXXXX

PROJECT LOCATION:

XXXXXXXXXXXXXXXXXXXXXXXXXXXX

PREPARED BY:

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I. PROJECT AT A GLANCE

1. About the Promoter : **XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX**
Address- XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX
2. Project Cost : Rs. 8.54 Lakhs
3. Mean of Finance :
 - A) T. L. facility from Bank : Rs. 5.00 Lakhs
 - B) Beneficiary contribution : Rs. 0.85 Lakhs
 - C) Cash Credit : Rs. 2.69 Lakhs
 - D) Subsidy : Rs. 2.13 Lakhs
4. Rate of Interest : 11.00% Per Annum
5. Repayment :60 monthly installments, EMI @ 0.11 Lakhs
6. Nature of Project : Surgical Bandage
7. Employment Potential : 8 Nos.
8. Nature of the Firm : Proprietorship
9. Average Debt Coverage ratios : **2.60**

II. ABOUT THE PROJECT

Introduction:

Surgical bandage making project can be initiated on a small scale with moderate capital investment. The demand for Surgical Bandage is found all throughout the year. The surgical bandage is the products manufactured from white bleached cotton gauge cloth of suitable quality.

The surgical bandage comes in roll form in length of 3 to 4 meters. With proper Machinery, you can make Surgical Bandage and can supply orders in hospitals, nursing homes, medicine stores, health centers, clinics. Remember, before starting this business you need a business license.

In view of the growth in the healthcare facilities network, an increase in the demand for various medicines and non-medicine items. It has been realized that the surgical bandage making project is feasible to start. A wide range of products both medicines and non-drug items such as surgical bandage are required as consumables in hospitals and basic health units. At present the industry consist of around 136 units in the organized sector hence there is a good scope for new investment.

Learn Surgical Bandage Making Process:

The process of manufacturing surgical bandages passes through the following stages: -

- Purchasing or weaving the bandage cloth
- Clearing and removing of organic impurities
- Washing and bleaching
- Drying and calendaring
- Rolling and cutting and
- Packing.

The main raw material for surgical bandage making is bleached cotton gauge cloth of suitable quality, conforming to IS-758/1925. The width of cloth ranges from 2.5 to 15 cm and length from 3 to 4 meter.

The cloth which is used to make Bandage is to be sourced from the local market. At first, you have to make the cloth germ-free with some process. Now roll up the cloth. in the indicated place of the machine. You have to cut the cloth in the indicated size you want with Cutting Machine. Now start the machine. It needs ½ hp motor to operate the Cutting Machine. It needs 1 hp motor and 220 volts to operate the Rolling Machine.

Project For:

Surgical Bandage Manufacturing

Manufacturing Machine and Raw Materials:

The main raw material required for bandage making is either cotton yarn or cotton fabrics. You can easily source from the local market or directly from the textile factories nearby.

The basic equipment required to make bandage is a Rolling machine, Trimming machine, Cutting equipment, Folding and pressing machine for gauze, Mixing tanks for processing medicated dressing, Hot air dry oven, Steam sterilizer, Worktables, etc.

The entire cost of the Surgical Bandage Making equipment including motor will cost a minimum of 4 Lacs in Indian Rupee.

MARKET POTENTIAL

Development of new and innovative products will also contribute in driving the market growth in coming years. Geographically, North America and Europe are the leading markets for absorbent and packing gauze surgical dressings. In Europe, EU-5 countries (Germany, France, U.K., Italy and Spain) offers immense opportunities to companies operating in the absorbent and packing gauze surgical dressings market. However, over the past few years, Asia-Pacific has been the fastest growing region for absorbent and packing gauze surgical dressings market, mainly due to emerging economies of India, China and Taiwan.

The rising healthcare expenditure and growing awareness amongst patients about the benefits of wound dressings will also stimulate the market for wound dressings in the coming years. On the other hand, factors such as the soaring cost of advanced wound dressings may restrain demand within a number of Asian markets, thus having a negative impact on the overall market.

Project For : Surgical Bandage Manufacturing
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III. ECONOMICS OF THE PROJECT

A. COST OF PROJECT

(Rs. Lacs)

S.No.	Particulars	Total	Spent	Bal. To be spent
1	Land & Buildings (Own) Construction	2.25	0.00	2.25
2	Plant & Machinery	3.00	0.00	3.00
3	Furniture & Electricals	0.30	0.00	0.30
4	Working Capital	2.99	0.00	2.99
		8.54	0.00	8.54

Means of Finance :

a) Own Contribution (10%)	0.85
b) T L facility from Bank (90%)	5.00
c) C.C. Facility from Bank (90%)	2.69
<hr/>	
	8.54
<hr/>	
d) Subsidy Entitlement Under PMEGP scheme @ 25%	2.13

B. PROFITABILITY STATEMENT

(Rs. Lacs)

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1	Sales	18.60	22.31	26.03	29.75	31.61	33.47
	Add : Increase in Cl.Stock	2.21	1.24	1.42	1.59	1.59	1.68
	Total Turnover	20.81	23.56	27.45	31.34	33.20	35.15
2	RM Consumption	10.99	13.19	15.38	17.58	18.68	19.78
3	Overheads						
	a) Direct	5.41	5.95	6.55	7.19	7.89	8.66
	b) Indirect	0.79	0.87	0.96	1.04	1.12	1.21
4	Balance	3.62	3.55	4.56	5.54	5.51	5.50
5	Interest on TL & CC	0.83	0.74	0.64	0.52	0.40	0.32
6	Depreciation	0.71	0.61	0.53	0.46	0.40	0.35
7	Preliminary expenses W/off	-	-	-	-	-	-
8	Profit after Interest & Dep.	2.08	2.20	3.39	4.55	4.71	4.82
9	Income Tax	-	-	0.34	0.46	0.47	0.48
10	Profit after Tax	2.08	2.20	3.05	4.10	4.24	4.34
11	Add: Depreciation & Pre Exp.	0.71	0.61	0.53	0.46	0.40	0.35
12	Add : Interest on TL	0.83	0.74	0.64	0.52	0.40	0.32
13	Cash Accruals	3.62	3.55	4.22	5.08	5.04	5.01
14	Instalments of TL & Interest	1.63	1.63	1.63	1.63	1.63	0.32
15	DSCR	2.22	2.18	2.60	3.13	3.10	-
16	Average DSCR	2.65					
17	N.P. to Total receipts	11.18	9.84	11.72	13.77	13.41	12.97

Project For :
Surgical Bandage Manufacturing

C. CASH FLOW STATEMENT

(Rs. Lacs)

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
A CASH INFLOW :							
1	Collection from Debtors	17.82	21.38	24.95	28.51	30.30	32.08
2	T.L. from Bank	5.00					
3	CC from bank	2.69					
4	Capital	0.85	-	-	-	-	-
5	Subsidy	2.13	-				
TOTAL (A)		28.49	21.38	24.95	28.51	30.30	32.08
B CASH OUTFLOW :							
1	Fixed Assets	5.55			-		
2	Payments to creditors	9.16	10.99	12.82	14.65	15.57	16.48
3	Direct overheads	5.41	5.95	6.55	7.19	7.89	8.66
4	Indirect Overheads	0.79	0.87	0.96	1.04	1.12	1.21
5	Interest on Bank Loan	0.83	0.74	0.64	0.52	0.40	0.32
6	Income Tax	-	-	0.34	0.46	0.47	0.48
7	Term Loan Repayment	0.79	0.88	0.99	1.10	1.23	-
8	Drawings	0.50	0.55	0.61	0.67	0.73	0.81
TOTAL (B)		23.03	19.99	22.89	25.62	27.40	27.97
SUMMARY:							
Op. Cash & Bank Balance.		-	5.46	6.85	8.91	11.80	14.69
Add : Surplus / (Deficit)		5.46	1.40	2.05	2.89	2.89	4.11
Cl. Cash & Bank Balance.		5.46	6.85	8.91	11.80	14.69	18.80

Project For :
Surgical Bandage Manufacturing

D. BALANCE SHEET

(Rs. Lacs)

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
A ASSETS :							
1	Fixed Assets	4.85	4.23	3.70	3.24	2.84	2.49
2	Investments	-	-	-	-	-	-
3	Current Assets	8.44	12.01	16.57	22.29	28.09	35.27
4	Loans & Advances	-	-	-	-	-	-
5	Pre Exp. Not written off	-	-	-	-	-	-
	TOTAL (A)	13.29	16.25	20.27	25.53	30.92	37.76
B LIABILITIES:							
1	Capital	4.57	6.21	8.66	12.09	15.60	19.14
2	Secured loans						
	Term Loan	4.20	3.32	2.33	1.23	-	-
3	Unsecured Loans	-	-	-	-	-	-
4	Current Liabilities						
	Cash Credit	2.69	2.69	2.69	2.69	2.69	2.69
	Sundry Creditors	1.83	4.03	6.59	9.52	12.64	15.93
	TOTAL (B)	13.29	16.25	20.27	25.53	30.92	37.76

Project For :
Surgical Bandage Manufacturing

(Rs. Lacs)

E. CAPITAL ACCOUNT

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1	Op. Balance	-	4.57	6.21	8.66	12.09	15.60
2	Additions	2.99	-	-	-	-	-
3	Net Profit for the year.	2.08	2.20	3.05	4.10	4.24	4.34
	Sub Total	5.07	6.76	9.26	12.76	16.33	19.94
4	Less : Drawings	0.50	0.55	0.61	0.67	0.73	0.81
5	Cl. Balance	4.57	6.21	8.66	12.09	15.60	19.14

Project For : Surgical Bandage Manufacturing
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(Rs. Lacs)

F. PRODUCTION AND SALES

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
	Capacity utilisation	0.50	0.60	0.70	0.80	0.85	0.90
1	Production per annum (Mtrs) Surgical Bandage	112,700	135,240	157,780	180,320	191,590	202,860
2	Cl.Stock of Finished Goods (MT) Surgical Bandage	9,392	11,270	13,148	15,027	15,966	16,905
3	Sales per annum (MT) (Tot Production less Cl. Stock) Surgical Bandage	103,308	123,970	144,632	165,293	175,624	185,955
4	Sales per annum Surgical Bandage (Selling Price @ 20 Mtrs.)	18.60	22.31	26.03	29.75	31.61	33.47
	Total Sale	<u>18.60</u>	<u>22.31</u>	<u>26.03</u>	<u>29.75</u>	<u>31.61</u>	<u>33.47</u>
5	Sundry Debtors (Credit period allowed 15 days)	0.77	0.93	1.08	1.24	1.32	1.39
6	Collection from Debtors	17.82	21.38	24.95	28.51	30.30	32.08
7	Total cost of Production	16.40	19.14	21.93	24.77	26.57	28.44
8	Value of Closing Stock	1.37	1.59	1.83	2.06	2.21	2.37

Project For : Surgical Bandage Manufacturing
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PRODUCTION

S.No.	Particulars	Installed capacity (Mtrs.)	Year 1 0.50	Year 2 0.60	Year 3 0.70	Year 4 0.80	Year 5 0.85	Year 6 0.90
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1	Production of SURGICAL BANDAGE	225,400	112,700	135,240	157,780	180,320	191,590	202,860
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Installed Capacity Mtrs./ Hrs	100.00
Per Day Working Hours	8.00
Less: Lunch Hours	1.00
Net	<u>7.00</u>
Total Production per day	700 Mtrs.
Total production per annum	225,400 Mtrs.
Total Working Days	365.00
Weekly off	26.00
Holidays	7.00
Machine Break down	10.00
Net Working days	<u>322.00</u>

Project For :
Surgical Bandage Manufacturing

(Rs. Lacs)

G. RAW MATERIAL CONSUMPTION AND INVENTORY

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1	Production (Mtrs) (Output)	112,700	135,240	157,780	180,320	191,590	202,860
2	RM Purchases	10.14	12.17	14.20	16.23	17.24	18.26

Raw Material requirement (Input)

S.No.	Items	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1	Requirement of Raw Material (@ Rs. 9 per Mtrs)	10.14	12.17	14.20	16.23	17.24	18.26
2	Total cost of R.M	10.14	12.17	14.20	16.23	17.24	18.26

Project For :
Surgical Bandage Manufacturing

(Rs. Lacs)

RAW MATERIAL CONSUMPTION AND INVENTORY

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1	RM cost for total production	10.14	12.17	14.20	16.23	17.24	18.26
2	Cl. Stock of RM (assumed 30 days consumption)						
	O/p Stock	-	0.85	1.86	3.04	4.40	5.83
	Add : Addition	0.85	1.01	1.18	1.35	1.44	1.52
	Closing Stock	0.85	1.86	3.04	4.40	5.83	7.35
3	RM Purchases	10.99	13.19	15.38	17.58	18.68	19.78
4	Sundry Creditors (Credit period allowed 60 days)	1.83	2.20	2.56	2.93	3.11	3.30
5	Payment to creditors	9.16	10.99	12.82	14.65	15.57	16.48

Project For :
Surgical Bandage Manufacturing

(Rs. Lacs)

H. DIRECT OVERHEADS

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1	Manpower						
a	Skilled Worker 3 no.@ Rs. 10,000 per month	2.16	2.38	2.61	2.87	3.16	3.48
b	Unskilled Worker 5 no.@ Rs. 5,000 per month	2.40	2.64	2.90	3.19	3.51	3.87
2	Electricity @ Rs. 3000 per month	0.36	0.40	0.44	0.48	0.53	0.58
3	Packaging & Forwarding @ Rs. 2,000 per month	0.24	0.26	0.29	0.32	0.35	0.39
4	Other Production Overheads	0.25	0.28	0.30	0.32	0.33	0.35
	Total	5.41	5.95	6.55	7.19	7.89	8.66

Project For :
Surgical Bandage Manufacturing

(Rs. Lacs)

I. INDIRECT OVERHEADS

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1	Advertisement & Publicity	0.25	0.28	0.30	0.33	0.37	0.40
2	Repairs & Maint. (5% of machinery cost)	0.24	0.27	0.29	0.32	0.35	0.39
3	Misc. Expenses	0.30	0.33	0.36	0.38	0.40	0.42
		<u>0.79</u>	<u>0.87</u>	<u>0.96</u>	<u>1.04</u>	<u>1.12</u>	<u>1.21</u>

Project For :
Surgical Bandage Manufacturing

(Rs. Lacs)

J. TERM LOAN REPAYMENT AND INTEREST THEREON

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1	TL / Op. Bal.	5.00	4.20	3.32	2.33	1.23	-
2	Repayment during the year	0.79	0.88	0.99	1.10	1.23	-
3	Cl. Balance	4.20	3.32	2.33	1.23	-	-
4	Interest at 11 per cent p.a.	0.51	0.42	0.32	0.20	0.07	-
5	Total repayment with Interest	1.63	1.63	1.63	1.63	1.63	0.32
6	Interest on CC (at 12 per cent p.a.)	0.32	0.32	0.32	0.32	0.32	0.32
	Total Interest	0.83	0.74	0.64	0.52	0.40	0.32

Term Loan Repayment Schedule

MONTHS	EMI	INTEREST	PRINCIPAL REPAYMENT	OST PRINCIPAL
0				5.00
1	0.11	0.05	0.06	4.93
2	0.11	0.05	0.06	4.87
3	0.11	0.04	0.06	4.80
4	0.11	0.04	0.06	4.74
5	0.11	0.04	0.07	4.68
6	0.11	0.04	0.07	4.61
7	0.11	0.04	0.07	4.54
8	0.11	0.04	0.07	4.48
9	0.11	0.04	0.07	4.41
10	0.11	0.04	0.07	4.34
11	0.11	0.04	0.07	4.27
12	0.11	0.04	0.07	4.20
First Year	1.30	0.51	0.79	
13	0.11	0.04	0.07	4.13
14	0.11	0.04	0.07	4.06
15	0.11	0.04	0.07	3.99
16	0.11	0.04	0.07	3.92
17	0.11	0.04	0.07	3.85
18	0.11	0.04	0.07	3.77
19	0.11	0.03	0.07	3.70

20	0.11	0.03	0.07	3.62
21	0.11	0.03	0.08	3.55
22	0.11	0.03	0.08	3.47
23	0.11	0.03	0.08	3.39
24	0.11	0.03	0.08	3.32
Second Year	1.30	0.42	0.88	
25	0.11	0.03	0.08	3.24
26	0.11	0.03	0.08	3.16
27	0.11	0.03	0.08	3.08
28	0.11	0.03	0.08	3.00
29	0.11	0.03	0.08	2.92
30	0.11	0.03	0.08	2.84
31	0.11	0.03	0.08	2.75
32	0.11	0.03	0.08	2.67
33	0.11	0.02	0.08	2.59
34	0.11	0.02	0.08	2.50
35	0.11	0.02	0.09	2.42
36	0.11	0.02	0.09	2.33
Third Year	1.30	0.32	0.99	
37	0.11	0.02	0.09	2.24
38	0.11	0.02	0.09	2.15
39	0.11	0.02	0.09	2.07
40	0.11	0.02	0.09	1.98
41	0.11	0.02	0.09	1.89
42	0.11	0.02	0.09	1.79
43	0.11	0.02	0.09	1.70
44	0.11	0.02	0.09	1.61
45	0.11	0.01	0.09	1.52
46	0.11	0.01	0.09	1.42
47	0.11	0.01	0.10	1.33
48	0.11	0.01	0.10	1.23
Fourth Year	1.30	0.20	1.10	
49	0.11	0.01	0.10	1.13
50	0.11	0.01	0.10	1.03
51	0.11	0.01	0.10	0.93
52	0.11	0.01	0.10	0.83
53	0.11	0.01	0.10	0.73
54	0.11	0.01	0.10	0.63
55	0.11	0.01	0.10	0.53
56	0.11	0.00	0.10	0.42
57	0.11	0.00	0.10	0.32
58	0.11	0.00	0.11	0.21
59	0.11	0.00	0.11	0.11
60	0.11	0.00	0.11	0.00
Fifth Year	1.30	0.07	1.23	

Project For :
Surgical Bandage Manufacturing

(Rs. Lacs)

K. WORKING CAPITAL

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1	Total Inventory	2.21	3.45	4.87	6.46	8.05	9.72
2	Sundry Debtors	0.77	0.93	1.08	1.24	1.32	1.39
	Total	2.99	4.38	5.96	7.70	9.36	11.12
3	Bank C.C. (90 per cent)	2.69	3.95	5.36	6.93	8.43	10.01
4	Own Contribution (10%)	0.30	0.44	0.60	0.77	0.94	1.11

Project For :
Surgical Bandage Manufacturing

(Rs. Lacs)

L. CURRENT ASSETS

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1	Cl. Stock of Materials	0.85	1.86	3.04	4.40	5.83	7.35
2	Cl. Stock of Finished Goods	1.37	1.59	1.83	2.06	2.21	2.37
	Total Inventory	<u>2.21</u>	<u>3.45</u>	<u>4.87</u>	<u>6.46</u>	<u>8.05</u>	<u>9.72</u>
3	Cash and bank Balance	5.46	6.85	8.91	11.80	14.69	18.80
4	Sundry Debtors	0.77	1.70	2.79	4.03	5.35	6.74
	Total	<u>8.44</u>	<u>12.01</u>	<u>16.57</u>	<u>22.29</u>	<u>28.09</u>	<u>35.27</u>

Project For :
Surgical Bandage Manufacturing

M. FIXED ASSETS AND DEPRECIATION

(Rs. Lacs)

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1	Land & Buildings (Own)						
	Op. Balance	-	2.03	1.82	1.64	1.48	1.33
	Additions	2.25	-				
	Total	2.25	2.03	1.82	1.64	1.48	1.33
	Less : Depreciation	0.23	0.20	0.18	0.16	0.15	0.13
	Cl. WDV	2.03	1.82	1.64	1.48	1.33	1.20
2	Plant & Machinery						
	Op. Balance	-	2.55	2.17	1.84	1.57	1.33
	Additions	3.00	-				
	Total	3.00	2.55	2.17	1.84	1.57	1.33
	Less : Depreciation	0.45	0.38	0.33	0.28	0.23	0.20
	Cl. WDV	2.55	2.17	1.84	1.57	1.33	1.13
3	Furniture & Electricals						
	Op. Balance	-	0.27	0.24	0.22	0.20	0.18
	Additions	0.30	-				
	Total	0.30	0.27	0.24	0.22	0.20	0.18
	Less : Depreciation	0.03	0.03	0.02	0.02	0.02	0.02
	Cl. WDV	0.27	0.24	0.22	0.20	0.18	0.16
	Total Depreciation	0.71	0.61	0.53	0.46	0.40	0.35
	Cl. WDV	4.85	4.23	3.70	3.24	2.84	2.49