



HEALTH AND WELLNESS EQUIPMENT STORE

Introduction

Health and wellness refer to the state of complete wellbeing of the body, mind and spirit. Some of the important aspects of the health and wellness industry include personal care/beauty, nutrition, weight management, fitness, preventive/personalized medicine, etc. A health or wellness coach helps their clients to make sustainable, healthy changes in their life, based on that client's personal goals and lifestyle. ... Or personal trainers AND health coaches. Or you could be a health coach who also sells essential oils or other products that support a healthy lifestyle.

Market Potential

India's health and wellness market is currently characterised by high levels of investment, increasing consumer awareness, and high-end technology integrations. Consumers are focussed on availing the best products and services, and paying more attention to preventive healthcare and holistic wellness. These factors are highly instrumental in determining this market's growth, and the degree to which it will deliver value to all its stakeholders.

The growing healthcare market in India comprises hospitals, medical devices, clinical trials, outsourcing, telemedicine, medical tourism, health insurance, and medical equipment. As per Invest India, the market is forecasted to grow to USD \$372 billion by 2022.

The wellness market, which primarily consists of three segments- nutraceuticals, alternate therapies, and fitness and slimming, is also witnessing fast growth. According to FICCI-EY Wellness and Beauty Report, it is expected to reach USD \$24 billion by 2020.

Assumptions

1. For SME unit having yearly turnover of 500 lakhs, the Nayak Committee's recommendation has been implemented by all the banks. Hence, we have worked out the funding requirement accordingly.
2. Sales of such trading units is majorly impacted by the selection of business location. The entrepreneur should examine all business aspects while selecting this location. Normally, health and wellness equipment store is established in a prevalent market area. Thus, we have assumed that the unit has been set up in a market area.
3. The shop premises of this unit is taken on lease. 500 sq. ft. is the proposed area which shall be spacious for stock display and stock-keeping.
4. Computation of Closing Stock is done on the basis of Working Capital cycle which is assumed to be of 2 months.
5. DSCR is high because of the term loan component is lesser than working capital requirement. We have not considered repayment for working capital and it is running on a continuous basis.

Cost of Project

Particulars	Amount (Rs. in Lakhs)
Premises (Lease)	-
Interior Civil Work including False Ceiling, Wall Rack, Partition Rack, etc @700 per sq. ft. (Shop Premises)	3.50
Equipments	-
Furniture and Fixtures as per Annexure	0.25
Electrical Equipment (AC, as per Annexure)	1.35
Desktop and Printer	0.50
Software Cost (Tally/SAP) (as per Annexure)	0.30
Inverter (15 kv office inverter)	0.30
Preliminary & Preoperative Expenses	1.61
Sub-total (A)	7.81
Working Capital Margin @25% of Total WC Requirement	8.75
Total Project Cost	16.56
Total Working Capital Required (lump sum) (B)	35.00
MEANS OF FINANCE	
Total Funds Required (A+B)	42.81
<u>Loan Component-</u>	-
TERM LOAN (75% of A)	5.86
WORKING CAPITAL (75% of B)	26.25
Total	32.11
Equity	10.70
Total	42.81

Detailed Cost Element

Sl. No.	Particulars	Quantity	Rate	Amount (Rs. in Lakhs)
Electrical Equipment				
1	AC	3	30000	0.90
2	CCTV	3	5000	0.15
3	Billing machine	2	10000	0.20
4	Light	LS	LS	0.10
Total				1.35
Furniture and Fixtures				
1	Chairs	LS	LS	0.10
2	Reception Cum Billing Counter	1	15000	0.15
Total				0.25

Preliminary Expenses

Particulars	Amount (Rs. in Lakhs)
Incorporation Expenses	0.10
Project Report Preparation	0.10
Interior Designer's Fee	0.25
Legal Charges - Drafting for agreements, contracts, stamp paper, notary and affidavit cost	0.05
Salary	0.63
Rent Expenses	0.40
Interest Cost for period before commercial production	0.08
Total	1.61

Salary

Designation	Manpower	Amount (Rs. in Lakhs)
Manager	1	1.20
Staff	4	2.40

Profitability Statement

Particulars	Amount (Rs. in lakhs)				
	Year- 1	Year- 2	Year- 3	Year- 4	Year- 5
<u>A. INCOME</u>					
Total Working Days in a Year	300	300	300	300	300
Estimated Sales per Day (Rs.)	0.47	0.51	0.57	0.62	0.68
Annual Sales (Rs.)	140.00	154.00	169.40	186.34	204.97
Total income during the year	140.00	154.00	169.40	186.34	204.97
<u>B. OPERATING EXPENSES</u>					
Stock Consumed(65%of sales)	91.00	100.10	110.11	121.12	133.23
Salary	3.60	3.78	3.97	4.17	4.38
Rent	2.40	2.52	2.65	2.78	2.92
Power & utilities	3.60	3.67	3.75	3.82	3.90
Depreciation and Amortization	0.87	0.87	0.87	0.70	0.70
Administrative and General Expenses	2.80	3.08	3.39	3.73	4.10
Total Operating Expenses	104.27	114.02	124.73	136.31	149.22
Operating Profit (A-B)	35.73	39.98	44.67	50.03	55.75
<u>C.FINANCIAL EXPENSES</u>					
Interest on Term Loan	0.45	0.35	0.25	0.15	0.05
Interest on WC Loan	2.23	2.23	2.23	2.23	2.23
Total Expenses	2.68	2.58	2.48	2.38	2.29
Profit Before Tax	33.04	37.39	42.19	47.64	53.47
Provision for Tax	8.26	9.35	10.55	11.91	13.37
Profit after Tax (PAT)	24.78	28.04	31.64	35.73	40.10

Breakeven Point

Break Even Point (BEP)		Amount (Rs. In Lakhs)				
SL	Particulars	Year - 1	Year - 2	Year - 3	Year - 4	Year - 5
A.	Net Sales	140.00	154.00	169.40	186.34	204.97
B.	Variable Cost					
	Stock Consumed	91.00	100.10	110.11	121.12	133.23
	Power and Utility	3.60	3.67	3.75	3.82	3.90
	Total Variable Cost	94.60	103.77	113.86	124.94	137.13
C.	Contribution (A-B)	45.40	50.23	55.54	61.40	67.84
D.	Fixed					
	Salary	3.60	3.78	3.97	4.17	4.38
	Rent Expenses	2.40	2.52	2.65	2.78	2.92
	Interest on term loan	0.45	0.35	0.25	0.15	0.05
	Interest on working capital	2.23	2.23	2.23	2.23	2.23
	Depreciation and Amortization	0.87	0.87	0.87	0.70	0.70
	Total Fixed Cost	9.56	9.76	9.97	10.03	10.28
E.	Breakeven Point	21%	19%	18%	16%	15%
F.	Cash BEP	19%	18%	16%	15%	14%

Debt-Service Coverage Ratio

		Amount (Rs. In lakhs)				
SL	Particulars	Year - 1	Year - 2	Year - 3	Year - 4	Year - 5
i	Profit	24.78	28.04	31.64	35.73	40.10
ii	Depreciation	0.87	0.87	0.87	0.70	0.70
iii	Interest on term loan	0.45	0.35	0.25	0.15	0.05
A	Total (i + ii + iii)	26.11	29.27	32.76	36.58	40.85
i	Interest on term loan	0.45	0.35	0.25	0.15	0.05
ii	Principal repayment on term loan	1.17	1.17	1.17	1.17	1.17
B	Total (i + ii)	1.62	1.52	1.43	1.33	1.23
	DSCR (A / B)	16.07	19.20	22.99	27.60	33.32

Interest on Term Loan and Principal Repayment

Refer Annexure I for Loan Repayment Schedule.

We have assumed the repayment tenure of term loan for a period of 5 years, Rate of interest being 8.5% p.a.

Address of Vendors

Name of the Vendor	Address and Contact Number
Astha Mercantile	35, Paikpara 2nd Row Ground Floor, Back Portion, Western Side, West Bengal 700037 098301 28524
Partha International (CCTV and Computer Shops)	7, Chandni Chowk St, Near Sabir Hotel, Chandni Chawk, Bowbazar, Kolkata, West Bengal 700072 099036 42800

ANNEXURE - 1

Year	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Annually
I													
Principal													
Opening	5.86	5.76	5.66	5.57	5.47	5.37	5.27	5.18	5.08	4.98	4.88	4.79	
Repaid	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	1.17
Closing	5.76	5.66	5.57	5.47	5.37	5.27	5.18	5.08	4.98	4.88	4.79	4.69	
Interest	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.03	0.03	0.45
II													
Principal													
Opening	4.69	4.59	4.49	4.39	4.30	4.20	4.10	4.00	3.91	3.81	3.71	3.61	
Repaid	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	1.17
Closing	4.59	4.49	4.39	4.30	4.20	4.10	4.00	3.91	3.81	3.71	3.61	3.52	
Interest	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.35
III													
Principal													
Opening	3.52	3.42	3.32	3.22	3.13	3.03	2.93	2.83	2.73	2.64	2.54	2.44	
Repaid	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	1.17
Closing	3.42	3.32	3.22	3.13	3.03	2.93	2.83	2.73	2.64	2.54	2.44	2.34	
Interest	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.25
IV													
Principal													
Opening	2.34	2.25	2.15	2.05	1.95	1.86	1.76	1.66	1.56	1.46	1.37	1.27	
Repaid	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	1.17
Closing	2.25	2.15	2.05	1.95	1.86	1.76	1.66	1.56	1.46	1.37	1.27	1.17	
Interest	0.02	0.02	0.02	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.15
V													
Principal													
Opening	1.17	1.07	0.98	0.88	0.78	0.68	0.59	0.49	0.39	0.29	0.20	0.10	
Repaid	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	1.17
Closing	1.07	0.98	0.88	0.78	0.68	0.59	0.49	0.39	0.29	0.20	0.10	-0.00	
Interest	0.01	0.01	0.01	0.01	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.05