



MODEL PROJECT REPORT



PROJECT REPORT ON CRICKET BAT

SWAVALAMBI BHARAT ABHIYAN

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 : **CRICKET BAT**
- 6 Name of the project / business activity proposed : **CRICKET BAT MAKING UNIT**
- 7 Cost of Project : Rs.19.82 Lakhs
- 8 Means of Finance
 Term Loan Rs.10.58 Lakhs
 Own Capital Rs.1.98 Lakhs
 Working Capital Rs.7.25 Lakhs
- 9 Debt Service Coverage Ratio : 3.06
- 10 Pay Back Period : 5 Years
- 11 Project Implementation Period : 5-6 Months
- 12 Break Even Point : 30%
- 13 Employment : 19 Persons
- 14 Power Requirement : 24.00 HP
- 15 Major Raw materials : Kasmiri willow wood cleft,Handles,Handle
 thread,Grips,Sand paper sheet,Stickers, etc.
- 16 Estimated Annual Sales Turnover (Max Capacity) : 174.68 Lakhs
- 17 Detailed Cost of Project & Means of Finance

COST OF PROJECT

(Rs. In Lakhs)

Particulars	Amount
Land	Own/Rented
Plant & Machinery	10.56
Furniture & Fixtures	1.20
Working Capital	8.06
Total	19.82

MEANS OF FINANCE

Particulars	Amount
Own Contribution	1.98
Working Capital(Finance)	7.25
Term Loan	10.58
Total	19.82

CRICKET BAT MAKING UNIT

Introduction:

Cricket is a very popular game in India as well as all the countries all around the world. So, it is in demand in the countries of the world. Looking to the internal and increase in export demand, there is a good scope for starting new manufacturing units in different parts of the country. The game of cricket is one of the most popular sports of common wealth countries. The demand for Tennis Ball Bats and other ancillary items is increasing day by day both in home and export markets. Raw materials required for Tennis ball Tennis Ball Bats are Kashmiri Willow Clefts, cane, wood etc.

The Kashmir willow Tennis Ball Bats are sold to other Indian states like Punjab, Uttar Pradesh, Delhi, Maharashtra, Madhya Pradesh, Gujarat, Chennai, Bangalore, Hyderabad and Kolkata etc. Among the forward linkage members, there are marketing agents, direct marketing and large industries. Most of the marketing is done through the marketing agents. However, the unit holders along with their produce visit the Indian cities to sell their product directly in the market. The willow clefts are supplied in lacs of numbers to Jalandhar, Jammu and Meerut based Tennis Ball Bat-manufacturing units. It is worth mentioning here that almost 80% of the world production of Tennis Ball Bats is done in India for which the willow is supplied from Kashmir.



Uses & Market Potential:

A Bat is a specialized piece of equipment used by batsmen in the sport of cricket to hit the ball, typically consisting of a cane handle attached to a flat-fronted willow-wood blade. It may also be used by a batter who is making their ground to avoid a run out, if they hold the bat and touch the ground with it. The global cricket equipment market will grow steadily over the next four years and a post CAGR of more than 3% by 2021.

Product:

Cricket Bat

Raw Material:

- Kashmiri Willow wood cleft
- Handles
- Handle Thread
- Grips
- Sand Paper Sheet
- Stickers
- Varnish
- Thinner
- Liquid Hydrogen
- Polish
- Fevicol
- Skin Padding Lamination
- Polythene Packing
- Bags for Bats

Manufacturing Process:



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 1200-1800Sqft.

Cost of Machines:

Machine	Unit	Rate	Price
Band saw machine	2	65000	130000
Surface Planner	1	95000	95000
Sand Roller with dust collecting duct	1	95000	95000
Bat press machine	1	149000	149000
Chook machine	1	80000	80000
Scoop wood design machine	1	100000	100000
Spray gun	1	25000	25000
Cutter with motor	1	10000	10000
Wood working lathe with motor	1	130000	130000

Router with motor and other accessories	1	17000	17000
Handle Lathe machine	1	40000	40000
Motor with bearing and driving belts	1	85000	85000
Other equipment's	-	100000	100000
Total Amount			1056000

Power Requirement- The estimated Power requirement is taken at 24 HP.

Manpower Requirement– Following manpower is required:

- Machine operator-4
- Skilled/unskilled worker-5
- Helper-7
- 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	-	2.66	4.50	7.29	10.84
Add: Additions	1.98	-	-	-	-
Add: Net Profit	3.68	5.14	6.38	8.05	9.60
Less: Drawings	3.00	3.30	3.60	4.50	6.00
Closing Balance	2.66	4.50	7.29	10.84	14.43
CC Limit	7.25	7.25	7.25	7.25	7.25
Term Loan	9.41	7.06	4.70	2.35	-
Sundry Creditors	2.52	3.00	3.50	4.01	4.55
TOTAL :	21.84	21.81	22.74	24.45	26.23
<u>APPLICATION OF FUND</u>					
Fixed Assets (Gross)	11.76	11.76	11.76	11.76	11.76
Gross Dep.	1.70	3.16	4.40	5.46	6.37
Net Fixed Assets	10.06	8.60	7.36	6.30	5.39
Current Assets					
Sundry Debtors	4.15	5.21	6.14	7.12	8.15
Stock in Hand	6.43	7.66	8.95	10.27	11.64
Cash and Bank	1.21	0.34	0.29	0.76	1.05
TOTAL :	21.84	21.81	22.74	24.45	26.23
	-	-	-	-	-

PROJECTED PROFITABILITY STATEMENT

PARTICULARS	I	II	III	IV	V
<u>A) SALES</u>					
Gross Sale	88.92	111.67	131.56	152.56	174.68
Total (A)	88.92	111.67	131.56	152.56	174.68
<u>B) COST OF SALES</u>					
Raw Material Consumed	50.40	59.98	69.91	80.23	90.92
Electricity Expenses	1.61	1.88	2.15	2.42	2.69
Repair & Maintenance	2.22	2.79	3.29	3.81	4.37
Labour & Wages	22.18	27.05	32.47	37.66	42.93
Depreciation	1.70	1.45	1.24	1.06	0.91
Cost of Production	78.11	93.16	109.06	125.18	141.81
Add: Opening Stock /WIP	-	3.91	4.66	5.45	6.26
Less: Closing Stock /WIP	3.91	4.66	5.45	6.26	7.09
Cost of Sales (B)	74.21	92.40	108.26	124.37	140.98
C) GROSS PROFIT (A-B)	14.71	19.27	23.29	28.19	33.70
	16.54%	17.25%	17.71%	18.48%	19.29%
D) Bank Interest i) (Term Loan)	1.15	0.94	0.68	0.42	0.16
ii) Interest On Working Capital	0.80	0.80	0.80	0.80	0.80
E) Salary to Staff	7.31	9.06	10.69	12.62	14.64
F) Selling & Adm Expenses Exp.	1.78	3.13	4.21	5.34	6.99
G) TOTAL (D+E+F)	11.03	13.92	16.38	19.18	22.58
H) NET PROFIT	3.68	5.34	6.91	9.01	11.12
	4.1%	4.8%	5.3%	5.9%	6.4%
I) Taxation	-	0.20	0.53	0.96	1.52
J) PROFIT (After Tax)	3.68	5.14	6.38	8.05	9.60

PROJECTED CASH FLOW STATEMENT

PARTICULARS	I	II	III	IV	V
<u>SOURCES OF FUND</u>					
Own Contribution	1.98	-	-	-	-
Reserve & Surplus	3.68	5.34	6.91	9.01	11.12
Depreciation & Exp. W/off	1.70	1.45	1.24	1.06	0.91
Increase In Cash Credit	7.25	-	-	-	-
Increase In Term Loan	10.58	-	-	-	-
Increase in Creditors	2.52	0.48	0.50	0.52	0.53
TOTAL :	27.72	7.28	8.65	10.59	12.56
<u>APPLICATION OF FUND</u>					
Increase in Fixed Assets	11.76	-	-	-	-
Increase in Stock	6.43	1.23	1.29	1.32	1.37
Increase in Debtors	4.15	1.06	0.93	0.98	1.03
Repayment of Term Loan	1.18	2.35	2.35	2.35	2.35
Taxation	-	0.20	0.53	0.96	1.52
Drawings	3.00	3.30	3.60	4.50	6.00
TOTAL :	26.51	8.15	8.70	10.12	12.27
Opening Cash & Bank Balance	-	1.21	0.34	0.29	0.76
Add : Surplus	1.21	- 0.87	- 0.05	0.47	0.29
Closing Cash & Bank Balance	1.21	0.34	0.29	0.76	1.05

COMPUTATION OF CLOSING STOCK & WORKING CAPITAL

PARTICULARS	I	II	III	IV	V
<u>Finished Goods</u>					
(15 Days requirement)	3.91	4.66	5.45	6.26	7.09
<u>Raw Material</u>					
(15 Days requirement)	2.52	3.00	3.50	4.01	4.55
Closing Stock	6.43	7.66	8.95	10.27	11.64

COMPUTATION OF WORKING CAPITAL REQUIREMENT

Particulars	Amount	Margin(10%)	Net
			Amount
Stock in Hand	6.43		
Less:			
Sundry Creditors	2.52		
Paid Stock	3.91	0.39	3.52
Sundry Debtors	4.15	0.41	3.73
Working Capital Requirement			7.25
Margin			0.81
MPBF			7.25
Working Capital Demand			7.25

REPAYMENT SCHEDULE OF TERM LOAN						11.0%	
Year	Particulars	Amount	Addition	Total	Interest	Repayment	CI Balance
I	Opening Balance						
	Ist Quarter	-	10.58	10.58	0.29	-	10.58
	Iind Quarter	10.58	-	10.58	0.29	-	10.58
	IIIrd Quarter	10.58	-	10.58	0.29	0.59	10.00
	Ivth Quarter	10.00	-	10.00	0.27	0.59	9.41
					1.15	1.18	
II	Opening Balance						
	Ist Quarter	9.41	-	9.41	0.26	0.59	8.82
	Iind Quarter	8.82	-	8.82	0.24	0.59	8.23
	IIIrd Quarter	8.23	-	8.23	0.23	0.59	7.64
	Ivth Quarter	7.64		7.64	0.21	0.59	7.06
					0.94	2.35	
III	Opening Balance						
	Ist Quarter	7.06	-	7.06	0.19	0.59	6.47
	Iind Quarter	6.47	-	6.47	0.18	0.59	5.88
	IIIrd Quarter	5.88	-	5.88	0.16	0.59	5.29
	Ivth Quarter	5.29		5.29	0.15	0.59	4.70
					0.68	2.35	
IV	Opening Balance						
	Ist Quarter	4.70	-	4.70	0.13	0.59	4.12
	Iind Quarter	4.12	-	4.12	0.11	0.59	3.53
	IIIrd Quarter	3.53	-	3.53	0.10	0.59	2.94
	Ivth Quarter	2.94		2.94	0.08	0.59	2.35
					0.42	2.35	
V	Opening Balance						
	Ist Quarter	2.35	-	2.35	0.06	0.59	1.76
	Iind Quarter	1.76	-	1.76	0.05	0.59	1.18
	IIIrd Quarter	1.18	-	1.18	0.03	0.59	0.59
	Ivth Quarter	0.59		0.59	0.02	0.59	- 0.00
					0.16	2.35	
<div> <div>Door to Door Period</div> <div>60 Months</div> </div> <div> <div>Moratorium Period</div> <div>6 Months</div> </div> <div> <div>Repayment Period</div> <div>54 Months</div> </div>							

CALCULATION OF D.S.C.R

PARTICULARS	I	II	III	IV	V
<u>CASH ACCRUALS</u>	5.38	6.60	7.63	9.11	10.50
Interest on Term Loan	1.15	0.94	0.68	0.42	0.16
Total	6.53	7.53	8.31	9.53	10.67
<u>REPAYMENT</u>					
Repayment of Term Loan	1.18	2.35	2.35	2.35	2.35
Interest on Term Loan	1.15	0.94	0.68	0.42	0.16
Total	2.32	3.29	3.03	2.77	2.51
DEBT SERVICE COVERAGE RATIO	2.81	2.29	2.74	3.44	4.24
AVERAGE D.S.C.R.			3.06		

Assumptions:

1. Production Capacity of Cricket Bat Making unit is taken at 40 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 15 days.
4. Credit period to Sundry Debtors has been given for 14 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 24 HP.
10. Selling Prices & Raw material costing has been increased by 3% & 2% respectively in the subsequent years.