

# PROJECT REPORT

Of

# HOCKEY STICKS

## PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding Hockey Sticks Manufacturing 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.]



**Lucknow Office:** Sidhivinayak Building ,  
27/1/B, Gokhley Marg, Lucknow-226001

**Delhi Office :** Multi Disciplinary Training  
Centre, Gandhi Darshan Rajghat,  
New Delhi 110002

**Email :** [info@udyami.org.in](mailto:info@udyami.org.in)  
**Contact :** +91 7526000333, 444, 555

**PROJECT AT A GLANCE**

- 1 Name of the Entrepreneur : xxxxxxxxxxxx
- 2 Constitution (legal Status) : xxxxxxxxxxxx
- 3 Father / Spouse Name : xxxxxxxxxxxx
- 4 Unit Address : xxxxxxxxxxxxxxxxxxxxxxxxxxxx
- District : xxxxxxxx
- Pin: xxxxxxxx State: xxxxx
- Mobile xxxxxxxx
- 5 Product and By Product : **HOCKEY STICKS**
- 6 Name of the project / business activity proposed : **HOCKEY STICKS MANUFACTURING UNIT**
- 7 Cost of Project : Rs.9.79 Lakhs
- 8 Means of Finance
- Term Loan Rs.5.4 Lakhs
- Own Capital Rs.0.98 Lakhs
- Working Capital Rs.3.41 Lakhs
- 9 Debt Service Coverage Ratio : 4.44
- 10 Pay Back Period : 5 Years
- 11 Project Implementation Period : 5-6 Months
- 12 Break Even Point : 33%
- 13 Employment : 9 Persons
- 14 Power Requirement : 8.00 HP
- 15 Major Raw materials : Mulberry wood, Fiber glass, Adhesive, Cotton Fabric, Therad, DUCO Paint, Packing Materials
- 16 Estimated Annual Sales Turnover (Max Capacity) : 68.82 Lakhs
- 17 Detailed Cost of Project & Means of Finance

**COST OF PROJECT**

(Rs. In Lakhs)

Particulars	Amount
Land	Own/Rented
Plant & Machinery	5.00
Furniture & Fixtures	1.00
Working Capital	3.79
<b>Total</b>	<b>9.79</b>

**MEANS OF FINANCE**

Particulars	Amount
Own Contribution	0.98
Working Capital(Finance)	3.41
Term Loan	5.40
<b>Total</b>	<b>9.79</b>

# HOCKEY STICKS MAKING UNIT

## Introduction:

Hockey is a game where two groups play against one another by attempting to man oeuvre a ball or a puck into the rival's objective utilizing a hockey stick. There are numerous kinds of hockey, for example, bandy, field hockey, ice hockey and arena hockey. A hockey stick is a piece of game gear utilized by the major parts in all the types of hockey to move the ball or puck either to push, pull, hit, strike, flick, steer, dispatch or stop the ball/puck during play with the goal being to move the ball/puck around the playing zone utilizing the stick, and afterward attempting to score. With the acquaintance of hockey with India in the second 50% of the nineteenth century, the material of decision for hockey sticks changed to mulberry which was better at retaining sway without breaking. In India, presently more pressure is being laid on the support of hockey.



## **Uses & Market Potential:**

Hockey stick is a stick of specific shape made out of mulberry wood and stick. Hockey is one of significant rounds of the world.

Sports in India have an enormous potential for extension in the current immense market. Hockey Sticks are mostly produced in U.P. what's more, Punjab because of accessibility of mulberry wood being developed on the banks of channels, side of the road what's more, different regions. This kind of mulberry wood is additionally accessible in significant amount in pieces of Haryana, Rajasthan and Himachal Pradesh. The wood accessible in Punjab is of excellent adaptability and equal grain structure, which opposes the twitch while hitting the ball and doesn't break. Stick is accessible in Andaman and Nicobar Islands, Karnataka, Kerala and Goa, and so on Hockey stick units can be begun by getting mulberry sharp edges, if wood accessible isn't of acceptable quality. Mulberry developed for reproducing of silk worms isn't reasonable for assembling hockey sticks.

Market availability- Sports a multi-billion-dollar industry around the globe. The worldwide games industry involves a broad scope of sports. The market of Hockey Sticks across the globe is flourishing at an eminent rate. Organizations of Hockey Equipment are getting a charge out of the perfect measure of interest from shoppers of each age gathering. The interest in game among the populace is solid, notwithstanding their powerless normal actual association in games. This premium in games is getting more grounded attributable to a few factors, for example, the ascent of online game web-based features, sports commitment through web-based media, promoting and commercial, and then some. At present about Rs. 6.25 crores worth Hockey Sticks are being sent out and their fare is relied upon to increment considerably in the year to come. Accordingly, the thing offers great extension in homegrown just as in fare market. This developing revenue in games is required to support the development of the worldwide Hockey Sticks Market in upcoming years.

## **Product:**

HOCKEY STICK

## **Raw Material:**

1. Mulberry wood
2. Fiber glass
3. Adhesives
4. Cotton fabric
5. Thread
6. DUCO paint
7. Packing material

## **Manufacturing Process:**



Fig. 1 – Process Flowchart

## **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:**

<b>S No.</b>	<b>Machine</b>	<b>Unit</b>	<b>Price (INR)</b>
1.	Bending Machine	1	3,20,000/-
2.	Bandsaw Machine	1	1,20,000/-
3.	Wood Lathe Machine	1	30,000/-
4	Other Tools & Equipments		30,000/-
	<b>Total</b>		<b>5,00,000/-</b>

**Power Requirement-** - The estimated Power requirement is taken at 8 HP

**Manpower Requirement-** Following manpower is required:

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

# **FINANCIALS**

**PROJECTED BALANCE SHEET**

<b>PARTICULARS</b>	<b>I</b>	<b>II</b>	<b>III</b>	<b>IV</b>	<b>V</b>
<b><u>SOURCES OF FUND</u></b>					
<b><u>Capital Account</u></b>					
Opening Balance	-	1.03	2.10	3.28	4.53
Add: Additions	0.98	-	-	-	-
Add: Net Profit	3.71	4.87	5.28	6.05	6.73
Less: Drawings	3.66	3.80	4.10	4.80	5.40
<b>Closing Balance</b>	<b>1.03</b>	<b>2.10</b>	<b>3.28</b>	<b>4.53</b>	<b>5.86</b>
CC Limit	3.41	3.41	3.41	3.41	3.41
Term Loan	4.80	3.60	2.40	1.20	-
Sundry Creditors	1.27	1.43	1.59	1.76	1.94
<b>TOTAL :</b>	<b>10.50</b>	<b>10.53</b>	<b>10.68</b>	<b>10.90</b>	<b>11.21</b>
<b><u>APPLICATION OF FUND</u></b>					
<b>Fixed Assets ( Gross)</b>	<b>6.00</b>	<b>6.00</b>	<b>6.00</b>	<b>6.00</b>	<b>6.00</b>
Gross Dep.	0.85	1.58	2.20	2.73	3.19
Net Fixed Assets	5.15	4.42	3.80	3.27	2.81
<b>Current Assets</b>					
Sundry Debtors	2.08	2.48	2.78	3.11	3.44
Stock in Hand	2.97	3.32	3.72	4.11	4.51
Cash and Bank	0.30	0.31	0.37	0.42	0.45
<b>TOTAL :</b>	<b>10.50</b>	<b>10.53</b>	<b>10.68</b>	<b>10.90</b>	<b>11.21</b>
	-	-	-	-	-

**PROJECTED PROFITABILITY STATEMENT**

<b>PARTICULARS</b>	<b>I</b>	<b>II</b>	<b>III</b>	<b>IV</b>	<b>V</b>
<b><u>A) SALES</u></b>					
Gross Sale	41.68	49.54	55.69	62.12	68.82
<b>Total (A)</b>	<b>41.68</b>	<b>49.54</b>	<b>55.69</b>	<b>62.12</b>	<b>68.82</b>
<b><u>B) COST OF SALES</u></b>					
Raw Material Consumed	25.35	28.53	31.82	35.24	38.77
Electricity Expenses	0.90	0.98	1.07	1.16	1.25
Repair & Maintenance	0.42	0.50	1.11	1.24	1.38
Labour & Wages	6.55	7.21	7.93	8.72	9.59
Depreciation	0.85	0.73	0.62	0.53	0.46
<b>Cost of Production</b>	<b>34.06</b>	<b>37.94</b>	<b>42.56</b>	<b>46.90</b>	<b>51.45</b>
<b>Add: Opening Stock /WIP</b>	<b>-</b>	<b>1.70</b>	<b>1.90</b>	<b>2.13</b>	<b>2.34</b>
<b>Less: Closing Stock /WIP</b>	<b>1.70</b>	<b>1.90</b>	<b>2.13</b>	<b>2.34</b>	<b>2.57</b>
<b>Cost of Sales (B)</b>	<b>32.36</b>	<b>37.75</b>	<b>42.33</b>	<b>46.68</b>	<b>51.22</b>
<b>C) GROSS PROFIT (A-B)</b>	<b>9.32</b>	<b>11.79</b>	<b>13.36</b>	<b>15.44</b>	<b>17.60</b>
	<b>22.36%</b>	<b>23.80%</b>	<b>23.99%</b>	<b>24.86%</b>	<b>25.58%</b>
D) Bank Interest i) (Term Loan )	0.59	0.48	0.35	0.21	0.08
ii) Interest On Working Capital	0.37	0.37	0.37	0.37	0.37
E) Salary to Staff	3.40	4.08	4.90	5.88	7.05
F) Selling & Adm Expenses Exp.	1.25	1.98	2.23	2.48	2.75
<b>G) TOTAL (D+E+F)</b>	<b>5.61</b>	<b>6.92</b>	<b>7.85</b>	<b>8.95</b>	<b>10.26</b>
<b>H) NET PROFIT</b>	<b>3.71</b>	<b>4.87</b>	<b>5.51</b>	<b>6.49</b>	<b>7.34</b>
	<b>8.9%</b>	<b>9.8%</b>	<b>9.9%</b>	<b>10.4%</b>	<b>10.7%</b>
I) Taxation	-	-	0.23	0.43	0.61
<b>J) PROFIT (After Tax)</b>	<b>3.71</b>	<b>4.87</b>	<b>5.28</b>	<b>6.05</b>	<b>6.73</b>



**PROJECTED CASH FLOW STATEMENT**

<b>PARTICULARS</b>	<b>I</b>	<b>II</b>	<b>III</b>	<b>IV</b>	<b>V</b>
<b><u>SOURCES OF FUND</u></b>					
Own Contribution	0.98	-	-	-	-
Reserve & Surplus	3.71	4.87	5.51	6.49	7.34
Depriciation & Exp. W/off	0.85	0.73	0.62	0.53	0.46
Increase In Cash Credit	3.41	-	-	-	-
Increase In Term Loan	5.40	-	-	-	-
Increase in Creditors	1.27	0.16	0.16	0.17	0.18
<b>TOTAL :</b>	<b>15.61</b>	<b>5.76</b>	<b>6.30</b>	<b>7.19</b>	<b>7.97</b>
<b><u>APPLICATION OF FUND</u></b>					
Increase in Fixed Assets	6.00	-	-	-	-
Increase in Stock	2.97	0.35	0.40	0.39	0.40
Increase in Debtors	2.08	0.39	0.31	0.32	0.34
Repayment of Term Loan	0.60	1.20	1.20	1.20	1.20
Taxation	-	-	0.23	0.43	0.61
Drawings	3.66	3.80	4.10	4.80	5.40
<b>TOTAL :</b>	<b>15.31</b>	<b>5.75</b>	<b>6.24</b>	<b>7.14</b>	<b>7.95</b>
Opening Cash & Bank Balance	-	0.30	0.31	0.37	0.42
Add : Surplus	0.30	0.01	0.07	0.05	0.02
Closing Cash & Bank Balance	<b>0.30</b>	<b>0.31</b>	<b>0.37</b>	<b>0.42</b>	<b>0.45</b>

**COMPUTATION OF CLOSING STOCK & WORKING CAPITAL**

<b>PARTICULARS</b>	<b>I</b>	<b>II</b>	<b>III</b>	<b>IV</b>	<b>V</b>
<b><u>Finished Goods</u></b>					
(15 Days requirement)	1.70	1.90	2.13	2.34	2.57
<b><u>Raw Material</u></b>					
(15 Days requirement)	1.27	1.43	1.59	1.76	1.94
<b>Closing Stock</b>	<b>2.97</b>	<b>3.32</b>	<b>3.72</b>	<b>4.11</b>	<b>4.51</b>

**COMPUTATION OF WORKING CAPITAL REQUIREMENT**

<b>Particulars</b>	<b>Amount</b>	<b>Margin(10%)</b>	<b>Net Amount</b>
Stock in Hand	2.97		
Less:			
Sundry Creditors	1.27		
<b>Paid Stock</b>	<b>1.70</b>	<b>0.17</b>	<b>1.53</b>
Sundry Debtors	2.08	0.21	1.88
<b>Working Capital Requirement</b>			<b>3.41</b>
<b>Margin</b>			0.38
<b>MPBF</b>			<b>3.41</b>
<b>Working Capital Demand</b>			<b>3.41</b>

**REPAYMENT SCHEDULE OF TERM LOAN**

11.0%

Year	Particulars	Amount	Addition	Total	Interest	Repayment	CI Balance
<b>I</b>	Opening Balance						
	Ist Quarter	-	5.40	5.40	0.15	-	5.40
	Iind Quarter	5.40	-	5.40	0.15	-	5.40
	IIIrd Quarter	5.40	-	5.40	0.15	0.30	5.10
	Ivth Quarter	5.10	-	5.10	0.14	0.30	4.80
					0.59	0.60	
<b>II</b>	Opening Balance						
	Ist Quarter	4.80	-	4.80	0.13	0.30	4.50
	Iind Quarter	4.50	-	4.50	0.12	0.30	4.20
	IIIrd Quarter	4.20	-	4.20	0.12	0.30	3.90
	Ivth Quarter	3.90		3.90	0.11	0.30	3.60
					0.48	1.20	
<b>III</b>	Opening Balance						
	Ist Quarter	3.60	-	3.60	0.10	0.30	3.30
	Iind Quarter	3.30	-	3.30	0.09	0.30	3.00
	IIIrd Quarter	3.00	-	3.00	0.08	0.30	2.70
	Ivth Quarter	2.70		2.70	0.07	0.30	2.40
					0.35	1.20	
<b>IV</b>	Opening Balance						
	Ist Quarter	2.40	-	2.40	0.07	0.30	2.10
	Iind Quarter	2.10	-	2.10	0.06	0.30	1.80
	IIIrd Quarter	1.80	-	1.80	0.05	0.30	1.50
	Ivth Quarter	1.50		1.50	0.04	0.30	1.20
					0.21	1.20	
<b>V</b>	Opening Balance						
	Ist Quarter	1.20	-	1.20	0.03	0.30	0.90
	Iind Quarter	0.90	-	0.90	0.02	0.30	0.60
	IIIrd Quarter	0.60	-	0.60	0.02	0.30	0.30
	Ivth Quarter	0.30		0.30	0.01	0.30	0.00
					0.08	1.20	

Door to Door Period      60 Months  
Moratorium Period        6 Months  
Repayment Period         54 Months

**CALCULATION OF D.S.C.R**

<b>PARTICULARS</b>	<b>I</b>	<b>II</b>	<b>III</b>	<b>IV</b>	<b>V</b>
<b><u>CASH ACCRUALS</u></b>	4.56	5.60	5.90	6.59	7.18
Interest on Term Loan	0.59	0.48	0.35	0.21	0.08
Total	5.14	6.08	6.25	6.80	7.27
<b><u>REPAYMENT</u></b>					
Repayment of Term Loan	0.60	1.20	1.20	1.20	1.20
Interest on Term Loan	0.59	0.48	0.35	0.21	0.08
Total	1.19	1.68	1.55	1.41	1.28
<b>DEBT SERVICE COVERAGE RATIO</b>	<b>4.34</b>	<b>3.62</b>	<b>4.04</b>	<b>4.81</b>	<b>5.67</b>
<b>AVERAGE D.S.C.R.</b>			<b>4.44</b>		

### **Assumptions:**

1. Production Capacity of Hockey Sticks unit is taken at 130 Pcs per day. First year, Capacity has been taken @ 50%.
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 15 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 KW.
10. Selling Prices & Raw material costing has been increased by 3% & 2% respectively in the subsequent years.

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