

**A
PROJECT PROFILE
ON
HOCKEY STICKS**

Month & Year of Preparation -

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(Under Action Plan Target, 2005-06)

PREPARED BY;

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PROJECT PROFILE ON HOCKEY STICKS

Product Code	-	NIC 2004:36932 ASICC: 93112.
Quality & Standard	-	Following I.S. Specification is available to guide the manufacturer of Hockey Sticks . IS - 829 : 1978 Re-affirmed 1990
Production Capacity	-	18000 Hockey Sticks.
Value	-	Rs. 57,60,000/-

INTRODUCTION

Hockey Stick is a stick of particular shape made out of mulberry wood and cane. Hockey is one of the major games of the world. As per the registration procedure of players in foreign countries, there are more than one lac players each in Holland and West Germany, and 50,000 in New Zealand. Similarly, East Europeans, South American countries have also started popularizing hockey game. In India, now more stress is being laid on the encouragement of hockey.

MARKET :

Hockey Sticks are mainly manufactured in Punjab and U.P. due to availability of mulberry wood being grown on the banks of canals, roadsides and other areas. This type of mulberry wood is also available in considerable quantity in parts of Haryana, Rajastyan and Himachal Pradesh. The wood available in Punjab is of high quality flexibility and parallel grain structure, which resists the jerk while hitting the ball and does not crack. Cane is available in Andaman and Nicobar islands, Karnataka, Kerala and Goa, etc. Hockey stick units can be started by getting mulberry blades, if wood available is not of good quality. Mulberry grown for breeding of silk worms is not suitable for manufacturing hockey sticks.

(2)

MARKETABILITY –

The demand of hockey sticks is increasing day by day all over the world and also in domestic market. In foreign countries, players are generally purchasing at least one hockey stick in two years. At present about Rs. 6.25 crores worth Hockey Sticks are being exported and their export is expected to increase substantially in the year to come. Thus the item offers good scope in domestic as well as in export market.

BASIS & PRESUMPTIONS :

1. Working hours : 8 hours per day (single shift basis)
2. Time period for achieving full / envisaged capacity utilization. : One – two years.
3. Wages : Monthly salary basis.
4. Rate of interest : 12% per annum.
5. Margin money : 25%
6. Pay back period of the product : 3 months.
7. Rented value : Rs. 5000/- per month.

IMPLEMENTATION SCHEDULE - Total time required 6 months.

TECHNICAL ASPECT –

Process of Manufacture - Mulberry wood karees are boiled in hot water for about six hours, tied in vices and moulded in press. Moulded karees are dried completely removed from vices and saved into blades. Selection of grade is done after examining the grain lines and knots etc, of saved blades. The can handles are manufactured separately. Both are finished and glued together in vices and also tied with rope. After drying the sticks are finished by hand with file and emery paper. Cloth type and twine is wrapped after applying chew paint or the joint is bound with parchment. Towel or leather grip is fixed on handles. Blade is finished by lacquer polish etc.

(3)

Quality Control & Standards - As per IS – 829 : 1978 re-affirmed 1990 in process quality control will be strictly adhered to.

Production Capacity -

- Quantity - 18000 Hockey Sticks.
Value - Rs. 57,60,000/- .
Motive Power - 20 HP
Pollution Control - No pollution is generated in the Manufacture of hockey sticks.
Energy Conservation - The suggested machines and equipments May be installed and should be run when Ever they are essentially required.

Financial Aspects -

A. Fixed Capital :

(i) Land and building - Rented.

Built up and open area 1000 Sq. ft. each Rs. 5000/-

(ii) Machinery & Equipments -

Sl. No	Description	Ind./ Imp.	Qty.	Rate (Rs.)	Value (Rs)
1.	Sawing Machine 36” with, 10 HP Motor.	Ind.	1	1,00,000/-	1,00,000/-
2.	Bending Press	”	1	40,000/-	40,000/-
3.	Tools & Equipments	L.S			10,000/-
4.	Office equipments	L.S			40,000/-
5.	Furniture	L.S			40,000/-
6.	Installation & electrification.	-	-	-	10,000/-
	Pre-operative expenses	-	-	-	<u>10,000/-</u>
	Total fixed capital	-	-	-	<u>2,50,000/-</u>

(4)

B - Working Capital(P.M.) :

(1) Salary & Wages :

Sl. No	Description	No of Staff	Salary (Rs.)	Total (Rs)
1.	Manager	1	10,000/-	10,000/-
2.	Supervisor	1	6,000/-	6,000/-
3.	Accountant /Cashier	1	5000/-	5,000/-
4.	Clerk cum typist	1	4,000/-	4,000/-
5.	Skilled Workers	4	5,000/-	20,000/-
6.	Unskilled Worker	2	3,500/-	7,000/-
7.	Watchman / Peon	2	3,500/-	7,000/-
8.	Sweeper (P.T.)	1	1,000/-	1,000/-
TOTAL				60,000/-
Perquisites @ 15%				9,000/-
Grand Total				69,000/-
Say Rs. 69,000/-				

(ii) Raw Material (P.M) - 1500 Pcs / month.

S.No	Description	Qty.	@	Value (Rs)
1.	Mulberry Blades	1500 Nos.	125/-	1,87,500/-
2.	Cane handles	1500 Nos.	15/-	22,500/-
3.	Synthetic Glue	45 kgs.	125/-	5,625/-
4.	Ply Pieces	3000 Nos.	6/-	18,000/-
5.	Glue flakes	15 kgs.	60/-	900/-
6.	Pachra	1500 Nos.	12/-	18,000/-
7.	Towel grip	1500 mtrs.	7/-	10,500/-
8.	Coloured Cotton tape	45 Nos.	15/-	675/-
9.	White Cotton tape	45 Nos.	15/-	675/-
10.	Binding Cloth	75 mtr.	25/-	1,875/-
11.	Duco paint	45 ltr.	150/-	6,750/-
12.	Thinner	15 ltr.	125/-	1,875/-
13.	N.C. lacquer	15 ltr.	125/-	1,875/-
14.	Cello tape	1500 mtr.	3/-	4,500/-
15.	Packaging material		15/-	22,500/-
Total Rs.				3,03,750/-

(5)

(iii) Utilities (P.M) :

Electricity	-	7,500/-
Water	-	1,500/-
Fuel	-	<u>5,000/-</u>
TOTAL	-	<u>14,000/-</u>

(iv) Other Contingent Expenses (P.M):

S.No.	Description	Amount (Rs.)
1.	Rent	5,000/-
2.	Stationery & Postage	3,000/-
3.	Telephone	2,000/-
4.	Traveling expenses	3,000/-
5.	Advertisement & Publicity	3,000/-
6.	Repairs & Maintenance	2,000/-
7.	Consumable stores	1,000/-
8.	Sales expenses	4,000/-
9.	Insurance	1,000/-
10.	Miscellaneous expenses	1,000/-
TOTAL		25,000/-

(V) Total Working Capital (P.M) :

1.	Raw Material	-	3,03,750/-
2.	Staff & Labour	-	69,000/-
3.	Utilities	-	14,000/-
4.	Other contingent expenses	-	<u>25,000/-</u>

Total	-	4,11,750/-
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Say Rs. - 4,12,000/-

(vi) Working Capital for 3 months . - 12,36,000/-

(6)

C. TOTAL CAPITAL INVESTMENT ;

1. Fixed Capital - 2,50,000/-

2. Working capital for 3 months - 12,36,000/-

Total	-	<u>14,86,000/-</u>
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FINANCIAL ANALYSIS :

(1) Cost of Production (P.A) :

S.No.	Description	Amount (Rs)
1.	Total Recurring Cost	49,32,000/-
2.	Depreciation on Machinery @ 10%	14,000/-
3.	Depreciation on Tools & Equipments @ 25%	2,500/-
4.	Depreciation on Office furniture @ 20%	16,000/-
5.	Interest of total Capital investment @ 12%	2,22,900/-
	Total	51,87,400/-
	Say Rs.	51,87,400/-

(2) Turnover (P.A) :

Sales of 18000 Hockey Sticks @ 320/- = 57,60,000/-

(3) Net Profit (P.A.) :

Turnover - Cost of Production

57,60,000 - 51,87,400 = 5,72,600/-

(4) Net Profit Ratio :

$$\frac{\text{Net Profit (P.A)} \times 100}{\text{Turnover (P.A)}} \quad (7)$$

$$\frac{5,72,600 \times 100}{57,60,000} = 9.94 \%$$

(5) Rate of Return on total Investment :

$$\frac{\text{Net Profit (P.A)} \times 100}{\text{Total Investment}}$$

$$\frac{5,72,600 \times 100}{14,86,000} = 38.53 \%$$

(6) Break Even Point :

Fixed Cost :

a) Rent for one year	-	60,000/-
b) Depreciation on machinery, tools & Equipments	-	16,500/-
c) Depreciation on Office equipments	-	16,000/-
d) Interest on Capital Investment	-	2,22,900/-
e) 40% of Salary & Wages	-	3,31,200/-
f) 40% of other contingent expenses	-	1,20,000/-
g) 40% of utilities	-	<u>67,200/-</u>
Total	-	<u>7,73,800/-</u>

$$\begin{aligned} \text{BEP} &= \frac{\text{Fixed Cost} \times 100}{\text{Fixed Cost} + \text{Net Profit.}} \\ &= \frac{7,73,800 \times 100}{7,73,800 + 5,72,600} \end{aligned}$$

= 57.47 %

(8)

Name & Address of Machinery & Equipment Suppliers :-

1. M/s Avtar Engg. Works,
Basto Road, Jalandhar,
PUNJAB.
2. M/s Aggarwal Engg. Works (Regd).,
G.T. Road, Batala,
PUNJAB.
3. M/s N.S. Industries,
Basti Sheikh Road,
Jalandhar, PUNJAB.
4. M/s Golden Engg. Works,
Basti Adda, Jalandhar,
PUNJAB.
5. M/s Rattan Engineering,
Bhargav Nagar,
Jalandhar, PUNJAB.
6. M/s Standard Furniture Industrial Co-op. Society,
Bhargav Nagar,
Jalandhar, PUNJAB.

Raw Material Suppliers :-

From the Dealers of Mulberry Wood, cane and other hardware merchants.