

# UP MSME 1-Connect

## PROJECT REPORT

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**PROJECT:**

**PVC Bat & Ball Manufacturing unit**

**PROJECT REPORT  
OF  
PVC BAT & BALL  
MANUFACTURING UNIT  
PURPOSE OF THE DOCUMENT**

This particular pre-feasibility is regarding PVC Bat & Ball 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.]

## PROJECT AT GLANCE

1	Name of Proprietor/Director	XXXXXXXXXX	
2	Firm Name	XXXXXXXXXX	
3	Registered Address	XXXXXXXXXX	
4	Nature of Activity	XXXXXXXXXX	
5	Category of Applicant	XXXXXXXXXX	
6	Location of Unit	XXXXXXXXXX	
7	Cost of Project	24.56	Rs. In Lakhs
8	Means of Finance		
i)	Own Contribution	2.46	Rs. In Lakhs
ii)	Term Loan	17.60	Rs. In Lakhs
iii)	Working Capital	4.50	Rs. In Lakhs
9	Debt Service Coverage Ratio	2.96	
10	Break Even Point	32%	
11	Power Requirement	20	KW
12	Employment	8	Persons
13	Details of Cost of Project & Means of Finance		

COST OF PROJECT	
(in Lacs)	
PARTICULARS	Amount
Land & Building	Owned/Rented
Plant & Machinery	18.06
Furniture & Fixture	0.50
Miscellaneous Assets	1.00
Working capital Required	5.00
<b>Total</b>	<b>24.56</b>

MEANS OF FINANCE	
(in Lacs)	
PARTICULARS	Amount
Own Contribution @ 10%	2.46
Term Loan @ 90%	17.60
Working Capital (Bank Finance)	4.50
<b>Total</b>	<b>24.56</b>

# PVC BAT & BALL MANUFACTURING

## 1. INTRODUCTION

Cricket, was largely spread by the British during the days of the empire. Now in India, cricket is one of the most popular sports. The most essential part of cricket is its equipment which is a bat and ball. Professional cricket is played with a wood bat and leather ball. But not every cricket lover plays with leather or hard balls. This means there are a good number of cricket lovers who play this sport or gully cricket with tennis, rubber, plastic, and tape balls. Gully Cricket is a term used (mainly in the Indian subcontinent) to describe backyard cricket. It's a game that can be played anywhere and everywhere: in a parking lot, on a beach, or on an empty street. You can even play it in the corridor of your house. Now corporates are also highly preferring tape ball or tennis ball cricket tournaments. This raises the space for hard plastic cricket bats. A cricket bat is a specialized piece of equipment used by batters in the sport of cricket to hit the ball. It may also be used by a batter who is making ground to avoid a runout, by holding the bat and touching the ground with it. Plastic cricket bats are specifically designed for tennis ball cricket or similar. Some of the highlighting features of hard plastic cricket bats are lightweight, short handle, sweet spot, and durability. Currently, the hard plastic cricket bats are available in the 68 x 9 x 6 cm dimension and weigh around 850 grams. Along with this, the bat is manufactured using top-notch plastic material and is ideal for softball cricket. The hard plastic cricket bat is known to provide a minimum of 25% more power than a wooden bat. Bats can be available in full size and comes with a short handle. The plastic balls are available in various colors but widely used colors are red and white. The red ball is lighter than the white ball, and hence ballers can use it to their advantage at times. The cherry red color of the cricket ball makes it more useful during day

time. Also, the white ball is easier to see than a red one. To form plastic bats and balls PVC material is used widely. PVC has an extremely durable nature and is lightweight.



## **2. MARKET POTENTIAL**

The global sports equipment market size was valued at USD 331.4 billion in 2021 and is expected to expand at a compound annual growth rate (CAGR) of 6.4% from 2022 to 2030. The growing popularity of national and international events, such as the Cricket World Cup, is also boosting the growth of this market for sports equipment. Rising cases of lifestyle-related health issues, such as stress and obesity, are pushing more people to engage in outdoor and fitness activities and this is fueling the demand for various sorts of fitness and sports equipment. The growing availability of popular international athletic equipment brands is also contributing to product demand. Women's participation in sports is a major factor that is likely to boost the market growth. Spending on such equipment for kids has increased in gradually over the years thanks to the growing awareness about the benefits of such games in their physical development. India and China

are lucrative markets for sports equipment. Rising disposable income and improved living standards of the consumers are key factors accelerating product demand in these countries. Moreover, low production costs and thriving manufacturing industry are likely to propel market growth in the Asia Pacific. Plastic cricket bat and ball manufacturing companies are producing cricket bats on a large scale, with the sport gaining popularity worldwide. Cricket's popularity has been growing and the game has been spreading rapidly since it was founded in England. The game has gained major popularity and can be seen played in countries such as Australia, India, Pakistan, Sri Lanka, Bangladesh, Afghanistan, and Australia, as well as countries such as South Africa, Zimbabwe, and West Indies. This is among some of the major factors expected to result in a spurt in demand for cricket bat production, and in turn, drive growth does the global market.

### **3. PRODUCT DESCRIPTION**

#### **3.1 PRODUCT USES**

PVC bat and ball are used to play cricket. The PVC bat can be used to play with tennis, rubber, plastic, and tape balls.



### 3.2 RAW MATERIAL REQUIREMENT

- **Plastic granules:** PVC granules. PVC has an extremely durable nature and is lightweight. Here LDPE granules can also be used for binding.



- **Other:** Packing material, etc.

### 3.3 MANUFACTURING PROCESS

This process can be broken down into the following steps-

- **Raw material procurement**
- **Manufacturing Process:**

#### **Ball making**

- Molding
- Curling
- Finishing
- Packaging

#### **Bat making**

- Blow molding
- Finishing
- Packaging

- **Testing** (Quality Control)

## **4. PROJECT COMPONENTS**

### **Plant & Machinery**

This is a semi-automatic type of plant and the production capacity of PVC ball is set to be 400 – 500 pieces per day and of plastic bat is set to be 100 – 150.

### **Machines-**

- Extrusion Blow Moulding Machine
- Industrial Oven
- Heat Gun
- Dies/Moulds
- Other machines & equipment's

**PROJECTED PROFITABILITY STATEMENT**

(in Lacs)

<b>PARTICULARS</b>	<b>1st year</b>	<b>2nd year</b>	<b>3rd year</b>	<b>4th year</b>	<b>5th year</b>
Capacity Utilisation %	<b>50%</b>	<b>55%</b>	<b>60%</b>	<b>65%</b>	<b>70%</b>
<b>SALES</b>					
<b>Gross Sale</b>					
Plastic Cricket Ball	17.19	21.29	24.13	27.13	30.27
Plastic Cricket Ball	48.60	61.80	70.90	80.81	91.32
<b>Total</b>	<b>65.79</b>	<b>83.09</b>	<b>95.03</b>	<b>107.93</b>	<b>121.59</b>
<b>COST OF SALES</b>					
Raw Material Consumed	43.65	50.42	57.75	65.69	74.28
Electricity Expenses	2.40	2.90	3.17	3.43	3.70
Depreciation	2.91	2.47	2.11	1.79	1.53
Wages & labour	5.76	6.34	6.97	7.67	8.43
Repair & maintenance	0.66	1.66	1.90	2.16	1.82
Consumables	0.99	1.25	1.43	1.62	1.82
Packaging	0.66	0.83	0.95	1.08	1.22
<b>Cost of Production</b>	<b>57.02</b>	<b>65.87</b>	<b>74.27</b>	<b>83.44</b>	<b>92.80</b>
<b>Add: Opening Stock</b>	<b>-</b>	<b>4.75</b>	<b>5.49</b>	<b>6.19</b>	<b>6.95</b>
<b>Less: Closing Stock</b>	<b>4.75</b>	<b>5.49</b>	<b>6.19</b>	<b>6.95</b>	<b>7.73</b>
Cost of Sales	52.27	65.13	73.57	82.67	92.02
<b>GROSS PROFIT</b>	<b>13.52</b>	<b>17.96</b>	<b>21.46</b>	<b>25.26</b>	<b>29.57</b>
<b>Gross Profit Ratio</b>	<b>20.55%</b>	<b>21.61%</b>	<b>22.58%</b>	<b>23.40%</b>	<b>24.32%</b>
Salary to Staff	2.64	3.17	3.80	4.18	4.60
Interest on Term Loan	1.73	1.52	1.09	0.66	0.23
Interest on working Capital	0.50	0.50	0.50	0.50	0.50
Rent	1.80	1.98	2.18	2.40	2.64
Selling & Administrative Exp.	0.99	1.66	1.90	2.16	2.43
<b>TOTAL</b>	<b>7.65</b>	<b>8.83</b>	<b>9.47</b>	<b>9.89</b>	<b>10.40</b>
NET PROFIT	5.87	9.13	11.99	15.36	19.18
Taxation	0.30	0.95	1.85	2.86	4.00
PROFIT (After Tax)	5.57	8.18	10.15	12.50	15.18
<b>Net Profit Ratio</b>	<b>8.46%</b>	<b>9.84%</b>	<b>10.68%</b>	<b>11.59%</b>	<b>12.48%</b>

**PROJECTED BALANCE SHEET**

(in Lacs)

<b>PARTICULARS</b>	<b>1st year</b>	<b>2nd year</b>	<b>3rd year</b>	<b>4th year</b>	<b>5th year</b>
<b><u>Liabilities</u></b>					
<b>Capital</b>					
Opening balance		5.02	8.20	11.35	14.85
Add: - Own Capital	2.46				
Add: - Retained Profit	5.57	8.18	10.15	12.50	15.18
Less: - Drawings	3.00	5.00	7.00	9.00	11.00
<b>Closing Balance</b>	<b>5.02</b>	<b>8.20</b>	<b>11.35</b>	<b>14.85</b>	<b>19.03</b>
Term Loan	15.65	11.73	7.82	3.91	-
Working Capital Limit	4.50	4.50	4.50	4.50	4.50
Sundry Creditors	2.91	3.36	3.85	4.38	4.95
Provisions & Other Liability	0.40	0.48	0.58	0.69	0.83
<b>TOTAL:</b>	<b>28.48</b>	<b>28.28</b>	<b>28.10</b>	<b>28.33</b>	<b>29.31</b>
<b><u>Assets</u></b>					
<b>Fixed Assets (Gross)</b>					
Gross Dep.	2.91	5.38	7.49	9.28	10.81
<b>Net Fixed Assets</b>	<b>16.65</b>	<b>14.17</b>	<b>12.07</b>	<b>10.28</b>	<b>8.75</b>
<b>Current Assets</b>					
Sundry Debtors	2.19	2.77	3.17	3.60	4.05
Stock in Hand	6.21	7.17	8.11	9.14	10.21
Cash and Bank	2.43	2.76	3.15	3.52	4.30
Loans & Advances	1.00	1.40	1.60	1.80	2.00
<b>TOTAL:</b>	<b>28.48</b>	<b>28.28</b>	<b>28.10</b>	<b>28.33</b>	<b>29.31</b>

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**PROJECTED CASH FLOW STATEMENT**

(in Lacs)

<b>PARTICULARS</b>	<b>1st year</b>	<b>2nd year</b>	<b>3rd year</b>	<b>4th year</b>	<b>5th year</b>
<b><u>SOURCES OF FUND</u></b>					
Own Margin	2.46				
Net Profit	5.87	9.13	11.99	15.36	19.18
Depreciation & Exp. W/off	2.91	2.47	2.11	1.79	1.53
Increase in Cash Credit	4.50	-	-	-	-
Increase In Term Loan	17.60	-	-	-	-
Increase in Creditors	2.91	0.45	0.49	0.53	0.57
Increase in Provisions & Oth liabilities	0.40	0.08	0.10	0.12	0.14
	-				
<b>TOTAL:</b>	<b>36.64</b>	<b>12.14</b>	<b>14.68</b>	<b>17.80</b>	<b>21.42</b>
<b><u>APPLICATION OF FUND</u></b>					
Increase in Fixed Assets	19.56				
Increase in Stock	6.21	0.96	0.94	1.03	1.07
Increase in Debtors	2.19	0.58	0.40	0.43	0.46
Repayment of Term Loan	1.96	3.91	3.91	3.91	3.91
Loans & Advances	1.00	0.40	0.20	0.20	0.20
Drawings	3.00	5.00	7.00	9.00	11.00
Taxation	0.30	0.95	1.85	2.86	4.00
<b>TOTAL:</b>	<b>34.21</b>	<b>11.80</b>	<b>14.30</b>	<b>17.43</b>	<b>20.64</b>
Opening Cash & Bank Balance	-	2.43	2.76	3.15	3.52
Add : Surplus	2.43	0.33	0.38	0.37	0.78
Closing Cash & Bank Balance	<b>2.43</b>	<b>2.76</b>	<b>3.15</b>	<b>3.52</b>	<b>4.30</b>

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

<b>PARTICULARS</b>	<b>1st year</b>	<b>2nd year</b>	<b>3rd year</b>	<b>4th year</b>	<b>5th year</b>
<b>CASH ACCRUALS</b>	8.48	10.65	12.25	14.30	16.70
Interest on Term Loan	1.73	1.52	1.09	0.66	0.23
<b>Total</b>	10.21	12.18	13.35	14.96	16.93
<b><u>REPAYMENT</u></b>					
Instalment of Term Loan	1.96	3.91	3.91	3.91	3.91
Interest on Term Loan	1.73	1.52	1.09	0.66	0.23
<b>Total</b>	3.69	5.44	5.01	4.57	4.14
<b>DEBT SERVICE COVERAGE RATIO</b>	<b>2.77</b>	<b>2.24</b>	<b>2.67</b>	<b>3.27</b>	<b>4.09</b>
<b>AVERAGE D.S.C.R.</b>					<b>2.96</b>

**REPAYMENT SCHEDULE OF TERM LOAN**

Interest 11.00%

<b>Year</b>	<b>Particulars</b>	<b>Amount</b>	<b>Addition</b>	<b>Total</b>	<b>Interest</b>	<b>Repayment</b>	<b>Closing Balance</b>
<b>1st</b>	Opening Balance						
	1st month	-	17.60	17.60	-	-	17.60
	2nd month	17.60	-	17.60	0.16	-	17.60
	3rd month	17.60	-	17.60	0.16	-	17.60
	4th month	17.60	-	17.60	0.16		17.60
	5th month	17.60	-	17.60	0.16		17.60
	6th month	17.60	-	17.60	0.16		17.60
	7th month	17.60	-	17.60	0.16	0.33	17.28
	8th month	17.28	-	17.28	0.16	0.33	16.95
	9th month	16.95	-	16.95	0.16	0.33	16.62
	10th month	16.62	-	16.62	0.15	0.33	16.30
	11th month	16.30	-	16.30	0.15	0.33	15.97
	12th month	15.97	-	15.97	0.15	0.33	15.65
					<b>1.73</b>	<b>1.96</b>	
<b>2nd</b>	Opening Balance						
	1st month	15.65	-	15.65	0.14	0.33	15.32
	2nd month	15.32	-	15.32	0.14	0.33	14.99
	3rd month	14.99	-	14.99	0.14	0.33	14.67
	4th month	14.67	-	14.67	0.13	0.33	14.34
	5th month	14.34	-	14.34	0.13	0.33	14.02
	6th month	14.02	-	14.02	0.13	0.33	13.69
	7th month	13.69	-	13.69	0.13	0.33	13.36
	8th month	13.36	-	13.36	0.12	0.33	13.04
	9th month	13.04	-	13.04	0.12	0.33	12.71
	10th month	12.71	-	12.71	0.12	0.33	12.39
	11th month	12.39	-	12.39	0.11	0.33	12.06
	12th month	12.06	-	12.06	0.11	0.33	11.73
					<b>1.52</b>	<b>3.91</b>	
<b>3rd</b>	Opening Balance						
	1st month	11.73	-	11.73	0.11	0.33	11.41
	2nd month	11.41	-	11.41	0.10	0.33	11.08
	3rd month	11.08	-	11.08	0.10	0.33	10.76
	4th month	10.76	-	10.76	0.10	0.33	10.43
	5th month	10.43	-	10.43	0.10	0.33	10.10
	6th month	10.10	-	10.10	0.09	0.33	9.78
	7th month	9.78	-	9.78	0.09	0.33	9.45
	8th month	9.45	-	9.45	0.09	0.33	9.13
	9th month	9.13	-	9.13	0.08	0.33	8.80
	10th month	8.80	-	8.80	0.08	0.33	8.48
	11th month	8.48	-	8.48	0.08	0.33	8.15

12th month	8.15	-	8.15	0.07	0.33	7.82
				<b>1.09</b>	<b>3.91</b>	
<b>4th</b> Opening Balance						
1st month	7.82	-	7.82	0.07	0.33	7.50
2nd month	7.50	-	7.50	0.07	0.33	7.17
3rd month	7.17	-	7.17	0.07	0.33	6.85
4th month	6.85	-	6.85	0.06	0.33	6.52
5th month	6.52	-	6.52	0.06	0.33	6.19
6th month	6.19	-	6.19	0.06	0.33	5.87
7th month	5.87	-	5.87	0.05	0.33	5.54
8th month	5.54	-	5.54	0.05	0.33	5.22
9th month	5.22	-	5.22	0.05	0.33	4.89
10th month	4.89	-	4.89	0.04	0.33	4.56
11th month	4.56	-	4.56	0.04	0.33	4.24
12th month	4.24	-	4.24	0.04	0.33	3.91
				<b>0.66</b>	<b>3.91</b>	
<b>5th</b> Opening Balance						
1st month	3.91	-	3.91	0.04	0.33	3.59
2nd month	3.59	-	3.59	0.03	0.33	3.26
3rd month	3.26	-	3.26	0.03	0.33	2.93
4th month	2.93	-	2.93	0.03	0.33	2.61
5th month	2.61	-	2.61	0.02	0.33	2.28
6th month	2.28	-	2.28	0.02	0.33	1.96
7th month	1.96	-	1.96	0.02	0.33	1.63
8th month	1.63	-	1.63	0.01	0.33	1.30
9th month	1.30	-	1.30	0.01	0.33	0.98
10th month	0.98	-	0.98	0.01	0.33	0.65
11th month	0.65	-	0.65	0.01	0.33	0.33
12th month	0.33	-	0.33	0.00	0.33	-
				<b>0.23</b>	<b>3.91</b>	
DOOR TO DOOR	60		MONTHS			
MORATORIUM PERIOD	6		MONTHS			
REPAYMENT PERIOD	54		MONTHS			

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