

PROJECT PROFILE

PRODUCT	TENNIS BALL
PRODUCT CODE	38510007
QUALITY AND STANDARD	As per Customers choice
PRODUCTION CAPACITY	1,50,000 Nos, Balls per year
MONTH AND YEAR OF PREPARATION	MARCH, 2011
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PROJECT PROFILE ON TENNIS BALL

A. INTRODUCTION

Sport goods industry is one of the major export oriented industry in Punjab and Uttar Pradesh, which is mainly concentrated at Jalandhar and Meerut. This industry is expanding day –by-day in two cities and coming in other places also. Lawn tennis is game, which is very popular and played not only in our country but all over the world. Lawn tennis is mainly played in commonwealth countries. At present, in India there are very few units manufacturing tennis balls at Jalandhar (Punjab) and Gurgaon (Haryana).

B. MARKET POTENTIAL

Tennis ball industry is on firm footing, looking into the internal and increases in export demand. There is good scope for starting more manufacturing units in different parts of the country. The demand for quality tennis ball is increasing hence there is scope for other new units every year in the each and every state. The important raw materials required for manufacturing of tennis balls are rubber and rubber chemicals, which is available in India.

C. BASIS AND PRESUMPTION

1.	Working Hours	8 hours per day single basis, 25 working days in a month
2.	To achieve capacity utilization	3 year
3.	Labour & Wages	Monthly salary basis
4.	Interest rate for fixed & Working capital	14%
5.	Margin Money	25%
6.	Pay Back of product	1 to 4 years

D. IMPLEMENTATION SCHEDULE: It will take one year to complete all the formalities before starting the commercial production.

E. TECHNICAL ASPECTS

1. Process Outline

Generally tennis balls are manufacturing in three grade i.e. 60 gms, 80gms and 120 gms. The raw material used in the manufacturing are RMA, foiscal-Dop-oil, Sperdal oil, Paraffin Wax, Zinc, Storic acid, Sulphur MBD, TMT and Rosin etc. All the materials are mixed in rubber mixing mill properly. Then the mixed rubber is pressed with hydraulic press in the shape of core die. Then two cores are joined and then melton cloth is pasted.

2. QUALITY SPECFIIONS:

The quality of product depends upon strict supervision and use of correct materials according to the buyers' specifications. The adhesive should be properly applied to obtain permanent bound. After the application of adhesive both cores are to permanent bound.

3. PRODUCTION CAPACITY Per Annum

Quantity : 1,50,000 Nos Tennis Balls per year.
Value : Rs. 40,50,000/-

4. POWER REQUIREMENT : 47 HP

5. POLLUTION CONTROL: There is no pollution in for manufacturing of tennis balls.

F. FINANCIAL ASPECTS

a. FIXED CAPITAL

1) LAND & BUILDING:

Built-up area 150 Sq mtrs. on rental basis @ Rs. 10000/- pm

(II) MACHINERY AND EQUIPMENTS

S.No.	Description	HP	Ind/Imp	Qty	Value (Rs.)
1.	Rubber mixing mill 12'x36'	40	Ind.	1	4,00,000
2.	Hydraulic press	2	Ind.	1	50,000
3.	Hydraulic press with pump x1'x1'	2	Ind	1	50,000
4.	Scrap grinder	1	Ind.	1	20,000
5.	Heating drum	---	Ind.	1	4,000
6.	Hand press for cutting cloth	--	Ind.	1	5,000
7.	Core die	---	Ind.	1	10,000
8.	Full core die	---	Ind.	2	10,000
9.	Finishing die	-	Ind.	8	30,000
10.	Boiler 100 psi with fittings	-	Ind	1	1,50,000
11.	Cutter	-	Ind	1	2,000
12.	Tubing machine	2	Ind	1	15,000
13.	Stamping machine	-	Ind	1	2,000
14.	Tools and equipments	-	-	5Sets	5,000
15.	Installation and electrification on machinery @10%				69,800
16.	Furniture		LS		50,000

	TOTAL	8,72,800
III. Pre-operative expenses		22,200

IV. Total Fixed Capital .

1.Machinery &Equipments	8,72,800
2.Pre-operative expenses	22.200
TOTAL	8,95,000

b.WORKING CAPITAL (PM)

1. PERSONNEL

S.No.	Designation	No.	Salary (Rs.)	Total (Rs.)
1.	Manager	1	15,000	15,000
2.	Technical supervisor	1	8,000	8,000
3.	Clerk-cum Accountant	1	5,000	5,000
4.	peon	1	3,000	3,000
5.	Peon	1	3,000	3,000
6.	Watchman	1	3,000	3000
7.	Skilled workers	4	7,000	28,000
8.	Un-skilled workers	2	3,000	6,000
	TOTAL			71,000
	Add perquisition@15%			10,650
	TOTAL			81,650

II. RAW MATERIAL (PM)

S.No.	Description	Quantity	Rate(Rs.)	Total (Rs.)
1.	R.M.A._5	750 kg	60/-	45,000
2.	Foiscal-5	625Kg	12/-	7500
3.	DPO oil	12.5Kg	90/-	1,125
4.	Sperdal oil	25Kg	40/-	1,000
5.	Paraffin wax	25Kg	50/-	1,250
6.	Zinc	25Kg	80/-	2,000
7.	Streatic acid	25Kg	70/-	1,750
8.	Sulphur	75Kg	20/-	1,500
9.	MBD	7.5Kg	200/-	1,500
10.	TMT	1.250Kg	200/-	250
11.	Resin	5Kg	60/-	300
12.	Melton cloth	200Mtrs	150/-	30,000
13.	Packing Boxes	1250 Box	10/-	12,500
	TOTAL		=	1,05,675
			Say	=
		1,05,700		

III. UTILITIES (PM):

S. No	Description	Amount (Rs.)
1.	Power	25,000
2.	Fuel/Diesel	5,000

TOTAL 30,000

IV. OTHER CONTINGENT EXPENSES (PM)

S.No.	Description	Amount (Rs.)
1.	Rent	10,000
2.	Postage, Stationery & Telephone	8,000
3.	Transportation charges	7,000
4.	Consumables stores	5,000
5.	Repair and maintenance	5,000
6.	Insurance	5,000
7.	Other Misc. expenditure	5,000
	TOTAL	45,000

V. TOTAL WORKING CAPITAL (PM)

S.No.	Description	Amount (Rs.)
1.	Personnel	81,650
2.	Raw Material	1,05,700
3.	Utilities	30,000
4.	Other contingent expenditure	45,000
	TOTAL	2,62,350
	Say	2,62,400

VI. WORKING CAPITAL (for 3 months)

$$2,62,400 \times 3 = 7,87,200$$

c. TOTAL CAPITAL INVESTMENT

S. No.	Description	Amount (Rs.)
1.	Fixed Capital	8,95,000
2.	Working Capital (3 months)	7,87,200
	TOTAL =	16,82,200

G. MACHINERY UTILIZATION: 70% of major machinery

H. FINANCIAL ANALYSIS

1. Cost of production (per year)

S. No.	Description	Amount (Rs)
1.	Working Capital	31,48,800
2.	Depreciation on Machinery @ 10%	69,800
3.	Depreciation on Tools and Equipments @25%	13,750
4.	Depreciation on office Equipments and Fixture @ 20%	10,000
5.	Interest on Total Investment @ 14%	2,35,508
	TOTAL=	34,77,858
	Say =	34,77,900

2. **TURNOVER (Per annum)**

Description	Qty	Rate	Value (Rs)
Tennis ball	1,50,000	27/-	40,50,000

3. **PROFIT**

Turnover	—	Cost of production	=	Profit
40,50,000	—	34,77,900	=	5,72,100

4. **Net profit Ratio:**

$$\frac{\text{Net profit} \times 100}{\text{Turnover}} = \frac{5,72,100 \times 100}{40,50,000} = 14.12\%$$

5. **Rate of Return:**

$$\frac{\text{Profit} \times 100}{\text{Total Capital Investment}} = \frac{5,72,100 \times 100}{16,82,200} = 34\%$$

6. **Break—Even Point**

a) **Fixed Cost:**

S. No	Description	Amount	(Rs)
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a)	Rent		1,20,000
b)	Depreciation on Machinery		69,800
c)	Depreciation on Equipments, Dies and Furniture		23,750
d)	Interest on total capital Investment @14%		2,35,508
e)	Insurance		24,000
f)	40% of salary and wages		3,91,920
g)	40% of other contingent expenditure and Utilities		3,12,000
		TOTAL	11,76,978
		Say =	11,77,000

b) B.E.P.

$$\text{B.E.P.} = \frac{\text{Fixed Cost} \times 100}{\text{Fixed Cost} + \text{Profit}} = \frac{11,77,000 \times 100}{11,77,000 + 5,72,100} = 67.2\%$$

ADDRESSES OF MACHINERY AND EQUIPMENTS SUPPLIERS

1. M/S . Anant Engg.Works, Sirhind (Punjab)
2. M/S India Expeller Works , Nardo Industrial Estate , Ahmedabad.
3. M/S . Richardson & Cruddar Ltd,Sir J.J.Road,Byculla, Mumbai-400008.
4. M/S Chika Ltd, Mehta Chamber,13, Mathew Road, Mumbai-400001
5. M/S All India Rubber Board, Kottayam.

RUBBER CHEMICALS SUPPLIERS

1. M/S Kamani Metallic oxides Pvt,Ltd,
Nicolson Road Kumar Chambers
Mumbai-40001.
2. .M/S.Bhag Industries, Nagin Mahal
Vir Narima Road,Mumbai-400001.

