

# UP MSME 1-Connect

## PROJECT REPORT

Planning to Start Your MSME Journey! Uncover Valuable Insights for your Business—Explore Now !!

PROJECT:

Badminton manufacturing Unit

# **PROJECT REPORT**

## **OF**

### **BADMINTON MANUFACTURING UNIT**

#### **PURPOSE OF THE DOCUMENT**

This particular pre-feasibility is regarding Badminton 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**

<b>1 Name of Proprietor/Director</b>	XXXXXXXXXX
<b>2 Firm Name</b>	XXXXXXXXXX
<b>3 Registered Address</b>	XXXXXXXXXX
<b>4 Nature of Activity</b>	XXXXXXXXXX
<b>5 Category of Applicant</b>	XXXXXXXXXX
<b>6 Location of Unit</b>	XXXXXXXXXX
<b>7 Cost of Project</b>	26.04 Rs. In Lakhs
<b>8 Means of Finance</b>	
<b>i) Own Contribution</b>	2.60 Rs. In Lakhs
<b>ii) Term Loan</b>	17.55 Rs. In Lakhs
<b>iii) Working Capital</b>	5.89 Rs. In Lakhs
<b>9 Debt Service Coverage Ratio</b>	2.83
<b>10 Break Even Point</b>	0.78
<b>11 Power Requiremnet</b>	30 KW
<b>12 Employment</b>	10 Persons
<b>13 Major Raw Materials</b>	Steel and aluminum rods ,String, Plastic buttons/grommets, Grip tape, Packing material etc.

### **14 Details of Cost of Project & Means of Finance**

<u><b>Cost of Project</b></u>	<b>Amount in Lacs</b>
<b>Particulars</b>	<b>Amount</b>
Land	Owned/Leased
Building & Civil Work	Owned/Leased
Plant & Machinery	17.50
Furniture & Fixture	1.00
Other Misc Assets	1.00
Working Capital Requirement	6.54
<b>Total</b>	<b>26.04</b>

<u><b>Means of Finance</b></u>	
<b>Particulars</b>	<b>Amount</b>
Own Contribution	2.60
Term Loan	17.55
Working capital Loan	5.89
<b>Total</b>	<b>26.04</b>

# **BADMINTON MANUFACTURING UNIT**

## **1. INTRODUCTION**

A badminton racquet is a piece of sports equipment that consists of a padded handle and the head of the racquet that is comprised of a network of strings that are tightly stretched. It is used for striking a shuttlecock in the sport of badminton. Some racquets consist of strings that are made from animal intestines called catgut. Racquets were traditionally made with wooden materials but they did not provide the frame of the racquet with adequate stiffness. Currently, racquets are being manufactured from non-wood materials such as aluminium, steel, and carbon fibre. These materials have been proven to be a better substitute and can make the frame of the racquet much stronger. The strings are generally made from nylon, but, there are models of racquets that have either polyamide strings or strings made from other polymers. Badminton is a popular sport played among youth in parts of Asia and Europe. A badminton racket is designed to be a comfortable and lightweight device. Badminton rackets are available in the market in different length sizes for amateur play, whereas professional badminton players have to use badminton rackets of a certain length and width. A badminton racket includes a frame formed circularly, a shaft joined to the frame, a joint installed reaching inside the frame, and the shaft at a joint portion of the frame and the shaft. There are five major parts of a badminton racket – the string area (string area), head (upper part), throat, shaft, and handle. The right combination of these makes a great racket. It can have a maximum frame length of 680 mm, while the full width is limited to 230 mm. The string area is the part from which players hit the shuttle cock. This part is an oval area of a certain length and width, woven with thin wires. According to the BWF rule, the string area should be flat, and

the weave of its strings should be such that when one wire passes over another, it is woven in an up-and-down motion. The string pattern should be uniform and not too dense or too far apart. This is so that when the shuttle is hit, there is more tension in it. The length of the string should not exceed 280 mm, while the width is required to be maintained within 220 mm. The Head is the part of the badminton racquet in which the strings are weaved is the main part of the racket, which is called the head. The shape of the head of the racket is usually oval - used by professional players. However, it has another shape, which is called an 'isometric head'. In this, the racket is wider than the top. The throat is the part of the racket that connects the head to the shaft. This gives stability to the racket. This is an optional part, however, as some badminton rackets have the head attached directly to the shaft. In a racket that has no throat, the string area can be increased. However, the maximum width of the extended range can be 35 mm, while ensuring that the total length of the string area does not exceed 330 mm. The shaft is the part of the racket that connects the handle to the head, or in some rackets the head to the throat. The handle in a racket is the part with which the players hold the racket. The lowest part of the racket is the most important part of the racket that the players will hold.



## **2. MARKET POTENTIAL**

The global Badminton Racket market was valued at USD 716.3 million in 2020 and is expected to reach USD 1127.8 million by the end of 2027, growing at a CAGR of 6.7%. The increase in badminton tournaments on both national and international circuits is one of the major factors for the growth of the global badminton racquet market. Super Series Badminton League and the Premier Badminton League are some of the popular international tournaments. In addition, the developing sports culture, especially in countries such as India and China, is leading to an increase in the number of badminton enthusiasts. This, in turn, has led to the improvement of infrastructure for badminton and the large-scale production of badminton equipment. Demand for quality badminton rackets is increasing as well, manufacturers are developing and continuously innovating products to meet the changing norms of the game. Rising concerns for health and fitness are leading people to adopt fitness routines that include playing badminton. Such trends are proving to be significant factors in the growth of the global badminton racquet market. Government initiatives to develop sports facilities are also expected to be among other factors for the market's growth. The market in the Asia Pacific region is projected to account for the majority of revenue share owing to an increase in sports enthusiasts and the availability of adequate sports infrastructures in this region. Countries such as China and India are major contributors to the sport's revenue in this region. The market in Europe is expected to grow at a high compounded annual growth rate (CAGR). The market in North America is projected to grow moderately due to the lack of popularity of the sport and a relatively smaller consumer base when compared to the Asia Pacific region and Europe. Owing to less exposure to the sport in the global arena and consisting of a smaller fan base when compared to sports such as football, basketball, etc. it is expected that the

market growth might face restraint. Currently, football is the most popular sport and has the biggest fan base across the globe. Also, the badminton racquet market is expected to face stiff competition from the tennis racquet market due to tennis being a more popular racquet sport.

### **3. PRODUCT DESCRIPTION**

**3.1-PRODUCT USES** -A Badminton racket is a light long-handled racket used while playing badminton.

### **3.2-RAW MATERIAL REQUIREMENT**

- **Metal:** Steel and aluminum rods are used for making badminton shaft handles or frames.



**3.3-Other:** String, Plastic buttons/grommets, Grip tape, Packing material, etc.



#### **4. PROJECT COMPONENTS**

**4.1-Plant & Machinery-**This is a semi-automatic type of plant and the production capacity is set to be 400 – 500 pieces per day.

**Machines-**

<b>S.No.</b>	<b>Machine &amp; Equipment</b>
1.	Bending Machine
2.	Cutting Machine
3.	Drilling Machine
4.	Painting Machine
5.	Other machinery & equipment's

<b>PROJECTED PROFITABILITY STATEMENT</b>					
<b>(in Lacs)</b>					
<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>35%</b>	<b>40%</b>	<b>45%</b>	<b>50%</b>	<b>55%</b>
<b><u>SALES</u></b>					
<b>Gross Sale</b>					
Badminton	101.50	125.71	148.49	173.42	200.69
<b>Total</b>	<b>101.50</b>	<b>125.71</b>	<b>148.49</b>	<b>173.42</b>	<b>200.69</b>
<b><u>COST OF SALES</u></b>					
Raw Material Consumed	58.80	70.56	83.16	97.20	112.20
Electricity Expenses	1.76	2.12	2.38	2.65	2.91
Depreciation	2.88	2.45	2.09	1.78	1.51
Wages & labour	6.24	6.86	7.55	8.31	9.14
Repair & maintenance	2.03	2.51	2.97	3.47	4.01
Consumables	4.06	5.66	7.72	9.02	10.03
<b>Cost of Production</b>	<b>75.77</b>	<b>90.16</b>	<b>105.87</b>	<b>122.41</b>	<b>139.81</b>
<b>Add: Opening Stock</b>	<b>-</b>	<b>2.53</b>	<b>3.01</b>	<b>3.53</b>	<b>4.08</b>
<b>Less: Closing Stock</b>	<b>2.53</b>	<b>3.01</b>	<b>3.53</b>	<b>4.08</b>	<b>4.66</b>
Cost of Sales	73.24	89.68	105.35	121.86	139.23
<b>GROSS PROFIT</b>	<b>28.26</b>	<b>36.03</b>	<b>43.14</b>	<b>51.56</b>	<b>61.46</b>
<b>G.P Ratio</b>	<b>27.84%</b>	<b>28.66%</b>	<b>29.05%</b>	<b>29.73%</b>	<b>30.62%</b>
Salary to Staff	6.84	8.21	9.85	11.82	13.59
Interest on Term Loan	1.72	1.52	1.09	0.66	0.23
Interest on working Capital	0.65	0.65	0.65	0.65	0.65
Rent	4.20	4.83	5.55	6.39	7.35
Selling & Administrative Exp.	10.15	12.57	14.85	17.34	20.07
<b>TOTAL</b>	<b>23.56</b>	<b>27.78</b>	<b>31.99</b>	<b>36.86</b>	<b>41.89</b>
<b>NET PROFIT</b>	<b>4.69</b>	<b>8.26</b>	<b>11.15</b>	<b>14.70</b>	<b>19.57</b>
Taxation	0.11	0.45	0.92	1.80	3.25
<b>PROFIT (After Tax)</b>	<b>4.58</b>	<b>7.81</b>	<b>10.23</b>	<b>12.90</b>	<b>16.33</b>
<b>N.P Ratio</b>	<b>4.52%</b>	<b>6.21%</b>	<b>6.89%</b>	<b>7.44%</b>	<b>8.14%</b>

<b>PROJECTED BALANCE SHEET</b>					
<b>(in Lacs)</b>					
<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		5.19	7.99	10.72	14.12
Add:- Own Capital	2.60				
Add:- Retained Profit	4.58	7.81	10.23	12.90	16.33
Less:- Drawings	2.00	5.00	7.50	9.50	12.50
<b>Closing Balance</b>	<b>5.19</b>	<b>7.99</b>	<b>10.72</b>	<b>14.12</b>	<b>17.95</b>
Term Loan	15.60	11.70	7.80	3.90	-
Working Capital Limit	5.89	5.89	5.89	5.89	5.89
Sundry Creditors	1.37	2.35	2.77	3.24	3.74
Provisions & Other Liability	0.20	0.36	0.40	0.44	0.48
<b>TOTAL :</b>	<b>28.25</b>	<b>28.29</b>	<b>27.58</b>	<b>27.59</b>	<b>28.06</b>
<b><u>Assets</u></b>					
<b>Fixed Assets ( Gross)</b>	<b>19.50</b>	<b>19.50</b>	<b>19.50</b>	<b>19.50</b>	<b>19.50</b>
Gross Dep.	2.88	5.32	7.41	9.19	10.70
<b>Net Fixed Assets</b>	<b>16.63</b>	<b>14.18</b>	<b>12.09</b>	<b>10.31</b>	<b>8.80</b>
<b>Current Assets</b>					
Loans & Advances	1.50	1.80	1.10	0.70	0.50
Sundry Debtors	3.38	4.19	4.95	5.78	6.69
Stock in Hand	4.49	5.36	6.30	7.32	8.40
Cash and Bank	2.25	2.77	3.14	3.47	3.67
<b>TOTAL :</b>	<b>28.25</b>	<b>28.29</b>	<b>27.58</b>	<b>27.59</b>	<b>28.06</b>

**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	2.60				
Net Profit	4.69	8.26	11.15	14.70	19.57
Depreciation & Exp. W/off	2.88	2.45	2.09	1.78	1.51
Increase in Cash Credit	5.89	-	-	-	-
Increase In Term Loan	17.55	-	-	-	-
Increase in Creditors	1.37	0.98	0.42	0.47	0.50
Increase in Provisions & Other labilities	0.20	0.16	0.04	0.04	0.04
-	-				
<b>TOTAL :</b>	<b>35.18</b>	<b>11.85</b>	<b>13.69</b>	<b>16.98</b>	<b>21.63</b>
<b><u>APPLICATION OF FUND</u></b>					
Increase in Fixed Assets	19.50				
Increase in Stock	4.49	0.87	0.94	1.02	1.08
Increase in Debtors	3.38	0.81	0.76	0.83	0.91
Increase in loans & advances	1.50	0.30	- 0.70	- 0.40	- 0.20
Repayment of Term Loan	1.95	3.90	3.90	3.90	3.90
Drawings	2.00	5.00	7.50	9.50	12.50
Taxation	0.11	0.45	0.92	1.80	3.25
<b>TOTAL :</b>	<b>32.93</b>	<b>11.33</b>	<b>13.33</b>	<b>16.65</b>	<b>21.44</b>
Opening Cash & Bank Balance	-	2.25	2.77	3.14	3.47
Add : Surplus	2.25	0.52	0.37	0.33	0.20
Closing Cash & Bank Balance	<b>2.25</b>	<b>2.77</b>	<b>3.14</b>	<b>3.47</b>	<b>3.67</b>

# REPAYMENT SCHEDULE OF TERM LOAN

Interest 11.00%

Year	Particulars	Amount	Addition	Total	Interest	Repayment	Closing Balance
<b>1st</b>	Opening Balance						
	1st month	-	17.55	17.55	-	-	17.55
	2nd month	17.55	-	17.55	0.16	-	17.55
	3rd month	17.55	-	17.55	0.16	-	17.55
	4th month	17.55	-	17.55	0.16	-	17.55
	5th month	17.55	-	17.55	0.16	-	17.55
	6th month	17.55	-	17.55	0.16	-	17.55
	7th month	17.55	-	17.55	0.16	0.33	17.23
	8th month	17.23	-	17.23	0.16	0.33	16.90
	9th month	16.90	-	16.90	0.15	0.33	16.58
	10th month	16.58	-	16.58	0.15	0.33	16.25
	11th month	16.25	-	16.25	0.15	0.33	15.93
	12th month	15.93	-	15.93	0.15	0.33	15.60
					<b>1.72</b>	<b>1.95</b>	
<b>2nd</b>	Opening Balance						
	1st month	15.60	-	15.60	0.14	0.33	15.28
	2nd month	15.28	-	15.28	0.14	0.33	14.95
	3rd month	14.95	-	14.95	0.14	0.33	14.63
	4th month	14.63	-	14.63	0.13	0.33	14.30
	5th month	14.30	-	14.30	0.13	0.33	13.98
	6th month	13.98	-	13.98	0.13	0.33	13.65
	7th month	13.65	-	13.65	0.13	0.33	13.33
	8th month	13.33	-	13.33	0.12	0.33	13.00
	9th month	13.00	-	13.00	0.12	0.33	12.68
	10th month	12.68	-	12.68	0.12	0.33	12.35
	11th month	12.35	-	12.35	0.11	0.33	12.03
	12th month	12.03	-	12.03	0.11	0.33	11.70
					<b>1.52</b>	<b>3.90</b>	
<b>3rd</b>	Opening Balance						
	1st month	11.70	-	11.70	0.11	0.33	11.38
	2nd month	11.38	-	11.38	0.10	0.33	11.05
	3rd month	11.05	-	11.05	0.10	0.33	10.73
	4th month	10.73	-	10.73	0.10	0.33	10.40
	5th month	10.40	-	10.40	0.10	0.33	10.08
	6th month	10.08	-	10.08	0.09	0.33	9.75
	7th month	9.75	-	9.75	0.09	0.33	9.43

	8th month	9.43	-	9.43	0.09	0.33	9.10
	9th month	9.10	-	9.10	0.08	0.33	8.78
	10th month	8.78	-	8.78	0.08	0.33	8.45
	11th month	8.45	-	8.45	0.08	0.33	8.13
	12th month	8.13	-	8.13	0.07	0.33	7.80
					<b>1.09</b>	<b>3.90</b>	
<b>4th</b>	Opening Balance						
	1st month	7.80	-	7.80	0.07	0.33	7.48
	2nd month	7.48	-	7.48	0.07	0.33	7.15
	3rd month	7.15	-	7.15	0.07	0.33	6.83
	4th month	6.83	-	6.83	0.06	0.33	6.50
	5th month	6.50	-	6.50	0.06	0.33	6.18
	6th month	6.18	-	6.18	0.06	0.33	5.85
	7th month	5.85	-	5.85	0.05	0.33	5.53
	8th month	5.53	-	5.53	0.05	0.33	5.20
	9th month	5.20	-	5.20	0.05	0.33	4.88
	10th month	4.88	-	4.88	0.04	0.33	4.55
	11th month	4.55	-	4.55	0.04	0.33	4.23
	12th month	4.23	-	4.23	0.04	0.33	3.90
					<b>0.66</b>	<b>3.90</b>	
<b>5th</b>	Opening Balance						
	1st month	3.90	-	3.90	0.04	0.33	3.58
	2nd month	3.58	-	3.58	0.03	0.33	3.25
	3rd month	3.25	-	3.25	0.03	0.33	2.93
	4th month	2.93	-	2.93	0.03	0.33	2.60
	5th month	2.60	-	2.60	0.02	0.33	2.28
	6th month	2.28	-	2.28	0.02	0.33	1.95
	7th month	1.95	-	1.95	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>3.90</b>	
	DOOR TO DOOR	60	MONTHS				
	MORATORIUM PERIOD	6	MONTHS				
	REPAYMENT PERIOD	54	MONTHS				

**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>
CASH ACCRUALS	7.46	10.25	12.32	14.68	17.84
Interest on Term Loan	1.72	1.52	1.09	0.66	0.23
<b>Total</b>	<b>9.18</b>	<b>11.77</b>	<b>13.41</b>	<b>15.34</b>	<b>18.07</b>
<b><u>REPAYMENT</u></b>					
Instalment of Term Loan	1.95	3.90	3.90	3.90	3.90
Interest on Term Loan	1.72	1.52	1.09	0.66	0.23
Total	3.67	5.42	4.99	4.56	4.13
<b>DEBT SERVICE COVERAGE RATIO</b>	<b>2.50</b>	<b>2.17</b>	<b>2.69</b>	<b>3.36</b>	<b>4.37</b>
<b>AVERAGE D.S.C.R.</b>	<b>2.98</b>				

## **DISCLAIMER**

The views expressed in this Project Report are advisory in nature. UP MSME assume no financial liability to anyone using the content for any purpose. All the materials and content contained in Project report is for educational purpose and reflect the views of the industry which are drawn from various research material sources from internet, experts, suppliers and various other sources. The actual cost of the project or industry will have to be taken on case to case basis considering specific requirement of the project, capacity and type of plant and other specific factors/cost directly related to the implementation of project. It is intended for general guidance only and must not be considered a substitute for a competent legal advice provided by a licensed industry professional. UP MSME hereby disclaims any and all liability to any party for any direct, indirect, implied, punitive, special, incidental or other consequential damages arising directly or indirectly from any use of the Project Report Content, which is provided as is, and without warranties.