

Manufacturing of Batting Gloves

PRODUCT CODE	: N.A.
QUALITY AND STANDARDS	: IS 3800 Batting Gloves
PRODUCTION CAPACITY	: Qty. : 60,000 Pairs (per annum) Value: Rs. 85,20,000
MONTH AND YEAR OF PREPARATION	: February, 2003
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INTRODUCTION

The Cricket Batting Gloves are used as safety guards by the players while playing the Cricket to save hand from any injury being caused by the cricket ball and these gloves also observes the shock caused by hitting the ball, thus also help to keep the hand in comfortable condition during the play for longer period by absorbing the perspiration, etc. Initially, Batting Gloves were manufactured of leather but due to fast changing technology, the new synthetic material has been developed which is suitable, more durable and cheaper than the leather material. The process of manufacturing the Batting Gloves is the same as for other industrial gloves. The only difference is that for the safety of fingers, pads are used made out of woolen rug or foam attached on the upper side of the gloves.

MARKET POTENTIAL

Due to the growing interest amongst younger generation and Govt. of India's interest to develop Cricket, some Cricket Academies in some States have come up and many more may come up. In addition, there is great demand from overseas market also. This industry can earn lot of foreign exchange by way of exporting the cricket Gloves. Due to frequent change in design, it is advised to manufacture quality synthetic Gloves.

BASIS AND PRESUMPTIONS

The production envisaged is based on the single shift basis of 8 hours a day and 25 working days a month.

- Five years period for achieving full capacity utilisation.
- Labour on montly salary basis.
- Rate of interest-15%
- Margin Money-25%

- Pay back period 8 to 10 years.
- Land and building rented @ Rs. 10,000 p.m.
- Covered area-2500 sq. ft.

IMPLEMENTATION SCHEDULE

It is anticipated that all the formalities will be completed within 6-8 months of period before starting the commercial production.

TECHNICAL ASPECTS

Process of Manufacture

As per graded pattern, the components are clicked manually or by clicking process:

- Pre or post printing of monogram log etc. is carried out. This depends upon the price of the product agreed upon.
- Components are stitched together and padding is attached separately over the post bed machine.
- Fixing of buckle and button etc.
- Finishing i.e. excess thread/material or oily matter etc. is removed.
- Inspection and signing of Tag with full description, etc.
- Packing as per buyer's instruction.

Production Capacity

Cricket Batting Gloves : 60,000 Pairs
(per annum)

Value : Rs. 85,20,000

Motive Power 3 HP (approx.)

Pollution Control

This industry does not create any pollution, therefore, State Pollution Control Board's permission is not binding to start the industry.

Energy Conservation

There is no scope of energy conservation in this unit.

FINANCIAL ASPECTS

A. Fixed Capital

(i) Land and Building		(Rs.)
2500 sq.ft. Covered area rented @ Rs. 10,000 (per month)		10,000

(ii) Machinery and Equipments

Sl. No.	Description	Imp. Ind.	Qty.	Rate (Rs.)	Value (Rs.)
1.	Cylinder bed compound, Feed Machine (JUKI) No. MS-335)	Imp.	2	60,000	1,20,000
2.	Post bed Lock Stitching Machine (Juki No. MS-810)	"	2	60,000	1,20,000
3.	Electrification and Installation charges @ 10%	-	-	-	24,000
4.	Tools and Equipments				15,000
5.	Cost of Furniture and Fixture				30,000
Total					3,09,000

(iii) Pre-operative Expenses Rs. 10,000

Total Fixed Capital (ii+iii) Rs. 3,19,000

B. Working Capital (per month)

(i) Personnel/Technical (per month)

Sl. No.	Designation	No.	Salary (Rs.)	Total (Rs.)
1.	Manager	1	8,000	8,000
2.	Supervisor	1	5,000	5,000
3.	Skilled Worker	5	4,000	20,000
4.	Accountant/Clerk	1	3,000	3,000
5.	Peon/Chowkidar	1	2,000	2,000
6.	Sweeper/Helper	1	2,000	2,000
Total				40,000
Add perquisites @ 15% on Salary				6,000
Total				46,000

(ii) Raw Materials (per pair)

Sl. Description No.	Qty.	Rate (Rs.)	Amount (Rs.)
1. Single Thick Cloth	0.08 kg.	132 per kg.	10.56
2. PVC (fingers)	0.12 meter	70 per meter	8.40
3. Sweat Band	0.50 meter	50 per meter	25.00
4. PVC for quirk	0.02 meter	80 per meter	1.60
5. Thread No.50	0.1 Reel	150 per pc.	15.00
6. Gusset-Nylon tape	0.050 kg.	390 per kg.	19.50
7. Velcro 2" H/L	0.40 meter	20 per meter	8.00
8. Thimbla		0.90	0.90
9. Logo/Monogram Printing	L.S.		10.00
10. Packing and forwarding			5.00
	Total		103.96
	Say		104.00
(per month 104 x 200 x 25)			5,20,000.00

(iii) Utilities (per month)

Sl. Description No.	Amount (Rs.)
1. Power	2,800
2. Water	200
Total	3,000

(iv) Other Contingent Expenses (per month)

Sl. Description No.	Amount (Rs.)
1. Rent	10,000
2. Postage and Stationery	2,000
3. Repair and Maintenance	1,000
4. Transportation	5,000
5. Advertisement and publicity	1,000
6. Insurance	1,000
7. Consumable Stores	1,000
8. Other contingent Expenses	5,000
Total	26,000

(v) Total Recurring Expenditure (per month)

Sl. Description No.	Amount (Rs.)
1. Raw Materials	5,20,000
2. Staff and Labour	46,000
3. Utilities	3,000
4. Other contingent expenses	26,000
Total	5,95,000

(vi) Working Capital for 3 months

$$5,95,000 \times 3 = \text{Rs. } 17,85,000$$

C. Total Capital Investment

Sl. Description No.	Amount (Rs.)
1. Fixed Capital	3,19,000
2. Working capital	17,85,000
Total	21,04,000

FINANCIAL ANALYSIS

(1) Cost of Production (per year)

Sl. Description No.	Amount (Rs.)
i) Total recurring cost	71,40,000
ii) Depreciation on machinery @ 10%	26,400
iii) Depreciation on tools and equipments @ 25%	3,750
iv) Depreciation on furniture and fixtures @ 25%	7,500
v) Interest on Total Capital Investment @ 15%	3,15,600
Total	74,93,250
Say	74,93,300

(2) Turnover (per year)

Sl. Items No.	Qty.	Rate (Rs.)	Amount (Rs.)
1. Cricket Batting Gloves	60,000 pairs	142 per pair	85,20,000
Total			85,20,000

(3) Net Profit (per year)	(Rs.)
Turnover	85,20,000
Cost of Production (-)	74,93,300
Total	10,26,700

(4) Net Profit Ratio

$$= \frac{\text{Net Profit per year} \times 100}{\text{Turnover per year}}$$

$$= \frac{10,26,700 \times 100}{85,20,000}$$

$$= 12.05\%$$

(5) Rate of Return on Total Investment

$$= \frac{\text{Net Profit per year} \times 100}{\text{Total Investment}}$$

$$= \frac{10,26,700 \times 100}{21,04,000}$$

$$= 48.79\%$$

(6) Break-even Point

Fixed Cost

Sl. No.	Description	Amount (Rs.)
a)	Rent	1,20,000
b)	Total depreciation	37,650
c)	40% of Salary and Wages	2,20,800
d)	40% of other Contingent expenses	91,200
e)	Total interest	3,15,600
	Total	7,85,250

B.E.P.

$$= \frac{\text{Fixed cost} \times 100}{\text{Fixed cost} + \text{Net Profit}}$$

$$= \frac{7,85,250 \times 100}{7,85,250 + 10,26,700}$$

$$= 43.33\%$$

Addresses of Machinery and Equipment Suppliers

1. M/s. Jay Cee Enterprises Pvt. Ltd.
6, South Model Gram,
Dutta Building,
Ludhiana.
2. M/s. J.C. Enterprises
E-357, Greater Kailash-II,
New Delhi.
3. M/s. Singer Sewing Machine Co.
Anna Salai,
Chennai-600 002.

Raw Material Suppliers

1. M/s. Global Enterprises
Kotwali Bazar,
Jalandhar
(Punjab.)
2. M/s. Kerala Rubber House
Kotwali Bazar,
Jalandhar
(Punjab)
3. M/s. Rasulbhai Adamji and Co.
163, Near Basoo Street,
Mumbai-3