



5. PROJECT PROFILE FOR ESTABLISHING HOLLOW CONCRETE BLOCKS

Category : Manufacturing

Total Cost of Project : Rs6,60,000/-

BEP : 49 %

I. INTRODUCTION OF BUSINESS IDEA :

Cement hollow blocks are nowadays used extensively in civil constructions. These are replacing the conventional bricks for certain advantages.

II. PRODUCT AND ITS APPLICATIONS :

Cement hollow blocks are used for civil construction like residential building, commercial complex and the compound wall etc. These are advantageous over the conventional bricks by way of saving in cement and time.

III. MARKET POTENTIAL :

The construction activity in the district has been on the rise due to the increased economic activities. The brick availability has been reducing due to the non availability of suitable clay. The contractors are unable to complete the building in time due to the non availability of bricks in the district. Hence, there is good potential for the proposed product.

IV. CAPACITY-REVENUE & SALES(1st year) :

Sl. No.	Product	Qty.	Rate per block	Total amount (Rs)
01.	Cement hollow blocks (standard size)	75,000	25	18,75,000
Total				18,75,000

V. MANUFACTURING PROCESS & QUALITY :

The raw material namely, cement, sand and granite aggregates are mixed in the required proportion with sufficient water in the hydraulic concrete mixer. The concrete mix is fed into the minato moulding machine where in the concrete block takes a proper shape and is placed on the yard. After each block is layed the machine moves forward for next laying. The blocks are kept for 24 hours for proper setting and subsequently, they are placed in water for curing for 21 days.



VI. COST OF PROJECT AND MEANS OF FINANCE, INCLUDING WORKING CAPITAL REQUIREMENTS :

A. Cost of Project :

Sl. No	Particulars	Amount (Rs).
1	Equipments	3,50,000
2	Other fixed assets	15,000
3	Preliminary and preoperative expenses	10,000
4	Deposits	80,000
5	Working Capital Requirements	2,05,000
	Total	6,60,000

B. Means of Finance:

Sl. No	Particulars	Amount (Rs).
	Loan @ 75%	4,95,000
	Equity	1,05,000
	Total	6,60,000

C. Working capital requirement

Sl. No.	Particulars	Basis	Period	Amount (Rs).
1	Raw-materials	9,30,000/12 x 1	1 m	78,000
2	Bills receivables	18,75,000 ----- x ¾ 12	3 w	1,17,000
3	Working expenses		1m	10,000
	Total			2,05,000

VII. MAIN INPUTS REQUIREMENT :

A. Machinery :

Sl. No.	Particulars	Qty.	Rate	Total Cost
1.	Minato Hollow block machine of 40 per hour capacity with 3 moulds for block size, one mould for corner column size, and a hydraulic concrete mixer with rubber tyres.	1	3,00,000	3,00,000
2	Tools and accessories			20,000
3	Installation and electrification			30,000
	Total			3,50,000



B. Raw-materials (per annum):

Sl. No.	Particulars	Qty	Rate (Rs.)	Annual Charges (Rs)
1	Cement	40 Tons	12,000 per Ton	4,80,000
2	Sand	90 Tons	3,000 per Ton	2,70,000
3	Jelly	180 tons	1,000 per Ton	1,80,000
	Total			9,30,000

C. Utilities :

Sl. No.	Particulars	Monthly Charges (Rs.)	Annual charges (Rs)
1	Electricity , Water	5,000	60,000

D. Man-power requirement :

Sl. No.	Workers	No.	Monthly Salary (Rs.)	Annual Salary (Rs.)
01	Skilled workers	1	8,000	96,000
02	Helper	5	5,000	3,00,000
	Total	6		3,96,000

E. MAIN INFRASTRUCTURE REQUIREMENT :

Building	200 sft built up area and a yard of 4000 sft Rented @ Rs. 24000 per annum
Power	10 Hp power connection is required.
Water	1 kl Water per day is required

VIII. PROFITABILITY PROJECTION (Annual) :

Particulars	Basis	Amount (Rs.)
Sales Revenue (Projected)	Ref : IV	18,75,000
Raw Materials	Ref : VII B	9,30,000
Man power expenses	Ref : VII D	3,96,000
Utilities	Ref : VII C	60,000
Interest	@ 12%	59,000
Depreciation	@ 20% SLM	70,000
Overheads	Rent, maintenance etc	1,10,000
Total Expenses		16,25,000
Profit		2,50,000



IX. FINANCIAL INDICATOR :

Break Even Point $\frac{FC}{SR-VC} \times 100$	$\frac{2,39,000}{4,89,000} \times 100$	49 %
Payback period $\frac{COP}{\text{Profit} + \text{Depn.}}$	$\frac{6,60,000}{3,20,000}$	2 years 1 month

ADDRESSES :

X. SUPPLIERS OF EQUIPMENTS :

M/s. Minato Shirka Concrete Machines (P) Ltd.,
72-76, Industrial Estate,
Mundhwa, Poona - 411036.

SUPPLIERS OF RAWMATERIAL

Building material suppliers are available locally