

CEMENT BASED PRODUCTS

1. INTRODUCTION

Cement Products are more on the move now-a-days with the increase in housing activity. There is a phenomenal increase in the consumption of cement jollies. These are available in various sizes and designs. Cement jallies/ventilators and other allied decorative items are precast concrete products. Cement jallies are made in sizes of 1 sq.ft. to 6 Sq.ft. area.

2. MARKET

Cement based products are used in construction of houses, schools and other public buildings and also in housing for weaker sections. They are also used by Municipalities for plantation of trees. There are one or two units in every town, but they are required in many mandals also. A cement item can be made as per local requirement.

3. MANUFACTURING PROCESS

Cement, sand, stone chips and stone dust are mixed in suitable proportions along with water. This concrete mix is placed in the moulds made of metal frame or wood. For reinforcement, wire mesh or rods are placed between successive layers of concrete mix and compacted by vibration. The cast items are demolished and allowed on the floor for a day. Then they are cured in water tank for 15 days for complete curing.

4. PRODUCTION CAPACITY PER ANNUM

Capacity 2400 Kgs
Selling Price Rs. 220 Kg.

5. PROJECT COST/CAPITAL INVESTMENT

| S.No | Description | Amount Rs. |
|------|----------------------------------|------------|
| 1 | Preliminary & Preoperative Expns | 4000 |
| 2 | Fixed Capital | 25000 |
| 3 | Working Capital for 1 month(s) | 40500 |
| | Total Project Cost | 69500 |

6. MEANS OF FINANCE

| S.No | Description | %age | Amount Rs. |
|------|-----------------------|------|------------|
| 1 | Promoter Contribution | 15% | 10425 |
| 2 | Subsidy | 20% | 13900 |
| 3 | Term Loan | 65% | 45175 |
| | Total | | 69500 |

7. FINANCIAL ASPECTS

A. FIXED CAPITAL

i. Land and Buildings Rented 1000 per month

ii. Machinery and Equipment

| S.No | Description | Qty. | Rate | Amount Rs. |
|------|-------------|------|-------|------------|
| 1 | Moulds | 1 | 25000 | 25000 |
| 2 | | 0 | 0 | 0 |
| 3 | | 0 | 0 | 0 |
| 4 | | 0 | 0 | 0 |
| 5 | | 0 | 0 | 0 |
| 6 | | 0 | 0 | 0 |
| 7 | | 0 | 0 | 0 |
| | | | | 0 |
| | | | | 0 |
| | Total | | | 25000 |

B. WORKING CAPITAL

i. Salaries & Wages (per month)

| S.No | Description | Nos. | Sal/mon. | Amount Rs. |
|------|-------------------------|------|----------|------------|
| 1 | Supervisor/Entrepreneur | 1 | 4000 | 4000 |
| 2 | Skilled Workers | 1 | 3000 | 3000 |
| 3 | Unskilled Workers | 1 | 1500 | 1500 |
| 4 | | 0 | | 0 |
| 5 | | 0 | 0 | 0 |
| | Total | | | 8500 |

ii. Raw Material (per month)

| S.No | Description | Unit | Qty. | Rate | Amount Rs. |
|------|------------------|------|------|-------|------------|
| 1 | Cement 0.40 Ton | | 1 | 6000 | 6000 |
| 2 | Sand - 200 Loads | | 1 | 10000 | 10000 |
| 3 | MS Rods | | 1 | 11000 | 11000 |
| 4 | | | 0 | 0 | 0 |
| 5 | | | 0 | 0 | 0 |
| 6 | | | 0 | 0 | 0 |
| 7 | | | 0 | 0 | 0 |
| | Total | | | | 27000 |

iii. Utilities (per month)

| S.No | Description | Unit | Amount Rs. |
|------|-------------|------|------------|
| 1 | Power | LS | 1000 |
| 2 | Water | LS | 1000 |
| | Total | | 2000 |

iv. Other Expenses (per month)

| S.No | Description | Amount Rs. |
|------|-------------------------------|------------|
| 1 | Postage & Stationery Expenses | |
| 2 | Transportation Expenses | 1000 |
| 3 | Advertisement Expenses | 0 |
| 4 | Consumable Stores | 0 |
| 5 | Miscellaneous Expenses | 500 |
| | Total | 1500 |

v. Total Working Capital (per month)

| S.No | Description | Amount Rs. |
|------|--------------------|------------|
| 1 | Rent | 1500 |
| 2 | Salaries and Wages | 8500 |
| 3 | Raw Material | 27000 |
| 4 | Utilities | 2000 |
| 5 | Other Expenses | 1500 |
| | Total | 40500 |

8. COST OF PRODUCTION (PER ANNUM)

| S.No | Description | Amount Rs. |
|------|-----------------------|------------|
| 1 | Total Working Capital | 486000 |
| 2 | Depreciation @ 15% | 3750 |
| 3 | Interest @ 12% | 5421 |
| | Total | 495171 |

9. TURNOVER (PER YEAR)

| S.No | Description | Unit | Qty. | Rate Rs. | Amount Rs. |
|------|-----------------------|------|------|----------|------------|
| 1 | Cement based products | Kgs | 2400 | 220 | 528000 |
| | Total | | | | 528000 |

10. FIXED COST (PER YEAR)

| S.No | Description | Amount Rs. |
|------|--------------------------------------|------------|
| 1 | Depreciation | 3750 |
| 2 | Interest | 5421 |
| 3 | Rent | 12000 |
| 4 | Salaries & Wages @ 40% | 40800 |
| 5 | Other Expenses incl. Utilities @ 40% | 16800 |
| | Total | 78771 |

11. PROFIT ANALYSIS & RATIOS

| | | | |
|---|-------------------------------|-----|-------|
| 1 | Net Profit | Rs. | 32829 |
| 2 | Percentage of Profit on Sales | | 6% |
| 3 | Return on Investment | | 47% |
| 4 | Break Even Analysis | | 71% |