HIRING OF CONCRETE MIXERS

1. Introduction

This business plan proposes to provide building construction equipments namely Concrete Mixer on hire basis which is essentially required in construction of houses and small buildings in rural as well as urban areas. The unit will be equipped with two sets of concrete mixers which the entrepreneur can provide on hire. The unit will expand gradually as the network of entrepreneur grows and he gets additional work of arranging labour and gets opportunity of taking work contracts. The business is well suited for person with some basic mechanical work skills and leadership qualities.

2. Market potential

As construction and development work activities are at peak now a days be it in organized and unorganized sector, the business has demand in urban as well as rural areas of the country and is increasing day by day. All over the country sufficient indigenous local market demand exists. Since housing is preferred activity, potential will continue to stay.

3. Technical details

(a) ***Production Target*** – Hiring of cement concrete mixer and vibrator with annual rent. Rs.1,28,000

(b) ***Utilities*** - 0.6 KW domestic power load is required.

4. Details of plant and machinery

S. No.	Items	Qty (No.)	Rate (Rs.)	Value (Rs.)
1.	Concrete mixer manual feeding 1.5 Bag capacity	1	45000.00	45000.00
2.	Concrete Mixer Hopper Type 1 Bag capacity	1	65000.00	65000.00
3.	Vibrator- Petrol with Shaft 50mm	1	12000.00	12000.00
4.	Other spare parts	L.S.		5000.00
5.	Furniture	L.S.		3000.00
			TOTAL	**130000.00**

5. Total cost of project

S. No.	Items	Amount (in Rs.)
1.	Shed/ Building	Rented
2.	Plant & Machinery (including installation etc.)	1,30,000.00
3.	Working capital	7,000.00
4.	Contingencies, cost escalation and interest during implementation period etc.	13,000.00
	TOTAL	**1,50,000.00**

6. Means of finance

S. No.	Items	Amount (in Rs.)	%age
1.	Promoter's Contribution	3,000.00	2.00
2.	NSTFDC – Term Loan	1,28,000.00	85.33
3.	M.M.L. - SCA	19,000.00	12.67
	TOTAL	**1,50,000.00**	**100.00%**

Note: The State Channelising Agencies shall arrange to provide subsidy to beneficiary(ies) as per norms of their Corporation. Further, SCAs may also make efforts to avail incentive/subsidy from other centrally sponsored schemes.

7. Utilities (Per annum)

S. No.	Item	Amount (in Rs.)
1.	Power (0.6 KW × 8 hrs. × 250 days × Rs.4)	4800.00
	TOTAL	**4800.00**

8. Manpower requirement (Per month)

S. No.	Category	No.	Salary/ Person/ month	Annual (Rs.)
1.	Manager/ proprietor(self)	1	2500.00	30,000.00
2.	Skilled worker	2	2,000.00	48,000.00
			TOTAL	**78,000.00**

9. Raw material requirement

S. No.	Item	Qty	Rate (Rs.)	Value (Rs.)
1.	Spare Parts @ Rs. 600/- pm.	L.S.	L.S.	7,200.00
			TOTAL	**7,200.00**

10. Project economics

A. Sales Realisation

S. No.	Item	Qty	Rate (Rs.)	Value (Rs.)
1.	Rent of concrete mixer	1	@ 250/- per day for 300 days	75,000.00
2.	Rent of concrete mixer Hopper feeding per piece	1	@ 350/- per day for 300 days	1,05,000.00
3.	Rent of Vibrator with Shaft per piece	1	@ 50/- per day for 300 days	15,000.00
			TOTAL	**1,95,000.00**

B. Cost of production

S. No.	Items	Amount (in Rs.)
(i)	Raw Materials	Nil
(ii)	Stores and Spares	7,200.00
(iii)	Utilities	4800.00
(iv)	Rent	18,000.00

(v)	Salaries & Wages	78,000.00
(vi)	Telephone, postage, stationery	6,000.00
(vii)	Selling Expenses	Nil
(viii)	Insurance	2,000.00
(ix)	Repair & Maintenance	4,000.00
(x)	Interest	8,820.00
(xi)	Transport/ Freight	2,780.00
	TOTAL	**1,31,600.00**
C.	**Cash Profit (A-C)**	**63,400.00**
D.	**Depreciation @ 15% of Fixed Assets**	**19,500.00**
E.	**Profit before Tax (D-E)**	**43,900.00**
F.	**Taxes**	**0.00**
G.	**Profit after Taxes**	**43,900.00**

11. Viability indicators

S. No.	**Particulars**	**Amount**
1.	Repayment per annum (period - 5 years)	29,400.00
2.	Return on Investment	29.27%
3.	Debt service coverage ratio	1.89

12. Interest, moratorium & repayment period for beneficiaries

(a) Interest : 6% on NSTFDC term loan

(b) Moratorium period : 6 months from date of release of funds by SCA.

(c) Repayment period : 5 years excluding moratorium period.

13. General remarks

- The cost of plant & machinery has been taken on the basis of items manufactured by Standard/ reputed suppliers having sound service network. The suppliers should be preferably based in local areas or nearby States.

- Optimum working capital cycle has been taken for calculating the requirements.

- The cost of project will vary in different States & Regions

- It is assumed that the services have good demand, and the promoters have sound experience in the relevant fields.