PROF. NO.45

PROJECT PROFILE ON HOLLOW BLOCKS MANUFACTURING UNIT

1. INTRODUCTION

Hollow and dense cement concrete blocks are known as hollow blocks. These have been developed as an alternative to bricks. The products are widely used in construction activity.

The hollow blocks are made of cement, stone chips, stone dust and sand are not only cheaper than bricks but have other specialties as well. These blocks have more tensile strength, the walls constructed from these blocks act as thermal insulators because of their hollowness.

2. MARKET DEMAND

As the construction activity is growing day by day, there is a good demand for hollow blocks. These blocks find wide applicability and construction cost is largely reduced. It requires mainly by Govt. Departments and industries.

3. PRODUCTION TARGETS

Basis of estimation: 300 Working Days in a Year
Single Shift basis
8 hours per shift

	Hollow Block
Quantity (Nos)	240000
Value (Rs)	2160000

4. MANUFACTURING PROCESS

Cement concrete blocks can be solid (dense) or hollow. Besides different sizes and designs can be given to the blocks. The blocks are made in the sizes of 12x8x4"; 12x8x3"; 12x8x6", etc. Firstly cement, stone chips, sand, etc are mixed in the ratio of 1:6 or 1:12. This mixture is put in vibrator machine. This is then poured into the desired size mould. After 24 hours of drying, the blocks are put in water tank for curing.

The process of curing continues for two to three weeks to give the blocks compression strength. The blocks are used in construction process after drying.

5. QUALITY CONTROL STANDARDS

Quality of the product must be as per customers demand and according to BIS specification.

6. LAND & BUILDING

1.	Covered area	Sq. Ft.	1000
2.	Uncovered area	Sq. Ft.	5000
3.	Total area	Sq. Ft.	6000
4.	Whether constructed or Rented		Constructed
5.	If constructed, constructed value	Rs	300000
6.	If Rented, Rental value (per month)	Rs	N.A.

7. MACHINERY AND EQUIPMENT

S.N.	Description	Qty.	Value (Rs.)
1.	Semi Automatic Concrete Block Making Machine with motor and vibrator	1	250000
2.	Moulds	L.S.	
3.	Wooden Logs	L.S.	
4.	Hand Tools	L.S.	
5.	Sales Tax, Freight & Insurance etc.		25000
	Total		275000

8. RAW MATERIAL (PER MONTH)

S.N.	Particulars	Quantity (MT\ CUM)	Value (Rs)
1.	Cement	25	100000
2.	Aggregate	3000	12000
3.	Sand	6000	20000
		Total	132000

9. STAFF & LABOUR (PER MONTH)

S.N.	Particulars	Qty	Rate	Value (Rs)
A	Administrative and Supervisory			
(i)	Manager	1	3000	3000
(ii)	Peon/ Chowkidar	1	2000	2000
B	Technical (Skilled-Unskilled)			
(i)	Skilled Worker	1	3000	3000
(ii)	Unskilled Worker	2	2000	4000
	Sub-Total			12000
	Plus perquisites @ 30% of salaries			3600
	TOTAL			15600

9. OTHER EXPENSES (PER MONTH)

1.	Rent of Land & Building	
2.	Electricity Charges	3000
3.	Fuel Exp.	0
4.	Advertisement & Travelling	1000
5.	Transport	3000
6.	Consumable & stores etc.	1000
7.	Potage expenses/ telephones	1000
8.	Stationery	1000
9.	Repairs & Maintenance’s	1000
	Total	11000

10. WORKING CAPITAL (FOR ONE MONTH)

SL.NO.	DESCRIPTION	AMOUNT(RS)
1	Raw material	132000
2	Salaries & Wages	15600
3	Other Expenses	11000
	Total	158600

11. TOTAL CAPITAL INVESTMENT

Building & Other Civil Works	-
Machinery & Equipment	275000
Working capital for one month	158600
Total	433600

12. COST OF PRODUCTION (PER ANNUM)

Total recurring cost per year	1903200
Depreciation on machinery & equipment	27000
Interest on total investment @ 10%	43000
Total	1973200

13. SALES PROCEEDS (PER ANNUM)

S.N.	Item	Qty (Nos)	Value (Rs.)
1.	Hollow Blocks	240000	2160000
	Total		2160000

14. PROFITABILITY (BEFORE INCOME TAX)

1.	Annual Gross Profit	186800
2.	% of Profit on Sales	8.65%
3.	Break Even Analysis	
3.1	Annual Fixed Cost	319200
3.2	Annual Sales	2160000
3.3	Annual Variable Cost	1584000
3.4	Break Even Point	55.42%

Break-Even Analysis

(% of Total Production envisaged)

$$\frac{\text{Annual fixed cost} \times 100}{\text{Annual sales} - \text{Annual variable costs}} = \quad \%$$

15. Manufactures/ Suppliers of Machinery

1	Bombay Machinery & Tools Syndicate 79, Siyaganj, Indore -452 007. Ph.- 536431,542067.
2.	Jitendra Agencies 5, shivsadan, sardar patel marg, Indore.
3.	Indore machinery stores 40, siyaganj, main road, Indore 452 007 Ph. 534339
4.	Huma Traders Infront of shajanabad thana, Shajanabad, Satna(m.p.)
5.	Maruti Sales Corporation Badshah Chamber, 45, Jawahar Marg, Indore (M.P.) 452 004

16. Suppliers of Raw Materials

From Local cement, sand aggregate suppliers of the area.

17. IMPLEMENTATION PERIOD

Proposed Project can commence production with in 6-8 weeks after sanction and first disbursement of term loan.

18. ASSUMPTION FOR GENERATING PROJECT PROFITABILITY

1	Number of Working Days in a year	300 Days
2	Number of Shifts in a day	1 One
3	Hours in a Shift	8 hours
4	Plant Capacity	Consider on Average production capacities of plant.
5	Raw material Estimates	Based upon product Mix
6	Raw Material Availability	All districts of MP
7	Depreciation	Straight Line Method
8	Manpower	According to project Requirement
9	Rent estimate	On the basis of current market prize of the area.
10	Potential Area of Marketing the products	Contractors demand of the area.
11	If project is funded, term loan would be	60-80% of Total investment
12	Moratorium Period	6- 12 months
13	Repayment Period	5-7 years
14	Project may be established under	PMEGP (GOI) / Tribal Self Employment Scheme (NSTFDC) or Rani Durgawati Scheme of MP