

PROJECT REPORT FOR
BUILDING MATERIAL SUPPLIER



PREPARED FOR

PROMOTOR :

XXXXXXXXXXXXXXXXXXXXXXXXXXXX

ADDRESS

XXXXXXXXXXXXXXXXXXXXXXXXXXXX

PREPARED BY:

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1 187/67, GROUND FLOOR, GRUHALAXMI,
J.M. ROAD, NEAR BALGANDHARVA CHOWK,
PUNE, MAHARASHTRA 411005.

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<i>Project For:</i> Building Material Supplier

I. PROJECT AT A GLANCE

1. Name of Promoter : xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx
Address: xxxxxxxxxxxxxxxxxxxxxxxx

2. Project Cost : Rs. 8.00 Lakhs

3. Mean of Finance
 - A) T. L. facility from Bank : Rs. 6.00 Lakhs
 - B) Own contribution : Rs. 2.00 Lakhs

4. Rate of Interest : 9.90% Per Annum

5. Repayment : 60 monthly instalments @ Rs. 0.13
Lakhs EMI

6. Nature of Project : Building Material Supplier

7. Employment Potential : 2 Nos.

8. Nature of the Firm : Proprietary Firm

9. Average Debt Coverage ratios : **2.83**

INTRODUCTION

Now is a great time to attempt to break into India's building materials market. The nation has launched several ambitious building schemes in recent months, from 'smart cities' to housing projects, all of which need supplies of cement, ceramics, windows, and other construction materials.

This has led to a period of strength for the Indian construction materials market that looks set to grow over the coming months. As such, it is a great time for overseas firms to get involved with this vibrant industry. India is very open to trade and investment from international companies, which could make it a very lucrative option for building materials businesses. Late last year, India's Cabinet moved to relax foreign direct investment rules governing the construction sector, easing restrictions around minimum built-up areas, capital requirements, and exit norms.

A hardware store typically sells hand and power tools, building materials, fasteners, keys, locks, hinges, chains, electrical supplies, plumbing supplies, cleaning products, housewares, utensils, paint, and much more. Make a list of all and markdown those items you can manage to sell if you set up such a shop.

PRODUCT / SERVICES & PROCESS

The hardware shop consist of all building materials ranging from nails to cements and bathroom fittings

MARKET POTENTIAL & STRATEGY

The construction materials industry in India is continuing to grow, becoming more and more lucrative for international companies looking to get involved with this strong market. The recent boost in construction is causing several sectors to improve, as epitomized by recent news about the growth of the cement industry. his financial year will see cement production increase by as much as 7.5 percent, according to the ratings firm's predictions, thanks to increased demand from the construction industry.

Local advertisement, engaging local masons and plumbers, build a good rapport with them are very crucial.

Project For :
Building Material Supplier

II. ECONOMICS OF THE PROJECT

A. COST OF PROJECT

(Rs. Lacs)

S.No.	Particulars	Total	Spent	Bal. To be spent
1	Building (Shed/ Godawon)	-	-	-
2	Furniture & Interior	0.50	-	0.50
3	Working Capital	7.50	-	7.50
		<hr/>		
		8.00	-	8.00
		<hr/>		

Means of Finance :

a) Own Contribution (25%)	2.00
b) T L facility from Bank (75%)	6.00
<hr/>	
	8.00

Project For : Building Material Supplier
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B. PROFITABILITY STATEMENT

(Rs. Lacs)

S.No.	Particulars	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6
1	Sales	16.00	17.60	19.36	21.30	23.43	25.77
	Add : Increase in Cl.Stock	2.11	0.21	0.23	0.25	0.28	0.31
	Total Turnover	18.11	17.81	19.59	21.55	23.71	26.08
2	Material Purchase	8.42	9.26	10.19	11.21	12.33	13.56
3	Overheads						
	a) Direct	2.18	2.40	2.54	2.66	2.90	3.04
	b) Indirect	1.60	1.76	1.94	2.03	2.13	2.24
4	Balance	5.90	4.39	4.93	5.65	6.35	7.23
5	Interest on TL & CC	0.55	0.45	0.34	0.21	0.08	-
6	Depreciation	0.08	0.06	0.05	0.05	0.04	0.03
7	Preliminary expenses W/off	-	-	-	-	-	-
8	Profit after Interest & Dep.	5.28	3.88	4.54	5.39	6.23	7.20
9	Income Tax	0.26	0.39	0.45	0.28	0.45	0.64
10	Profit after Tax	5.02	3.49	4.08	5.11	5.78	6.56
11	Add: Depreciation & Pre Exp.	0.08	0.06	0.05	0.05	0.04	0.03
12	Add : Interest on TL & CC	0.55	0.45	0.34	0.21	0.08	-
13	Cash Accruals	5.65	4.00	4.47	5.37	5.90	6.59
14	Instalments of TL & Interest	1.53	1.53	1.53	1.53	1.53	-
15	DSCR	3.20	2.12	2.43	3.02	3.37	-
16	Average DSCR	2.83					
17	N.P. to Total receipts	31.39	19.82	21.09	23.99	24.69	25.46

Project For : Building Material Supplier
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C. CASH FLOW STATEMENT

(Rs. Lacs)

S.No.	Particulars	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6
A	CASH INFLOW :						
1	Collection from Debtors	15.33	16.87	18.55	20.41	22.45	24.69
2	T.L. from Bank	6.00					
3	CC from bank	-					
4	Capital	2.00					
5	Subsidy	0.55	0.45	0.34	0.21	0.08	
	TOTAL (A)	23.88	17.32	18.89	20.62	22.53	24.69
B	CASH OUTFLOW :						
1	Fixed Assets	0.50	-	-	-	-	-
2	Payment to creditors	7.04	9.12	10.04	11.04	12.15	13.36
3	Direct overheads	2.18	2.40	2.54	2.66	2.90	3.04
4	Indirect Overheads	1.60	1.76	1.94	2.03	2.13	2.24
5	Interest on Bank Loan	0.55	0.45	0.34	0.21	0.08	-
6	Income Tax	0.26	0.39	0.45	0.28	0.45	0.64
7	Term Loan Repayment	0.98	1.08	1.19	1.31	1.45	-
8	Drawings	0.25	0.28	0.30	0.33	0.37	0.40
	TOTAL (B)	13.35	15.47	16.79	17.87	19.51	19.68
	SUMMERY:						
	Op. Cash & Bank Balance.	-	10.54	12.38	14.48	17.23	20.24
	Add : Surplus / (Deficit)	10.54	1.84	2.10	2.75	3.02	5.01
	Cl. Cash & Bank Balance.	10.54	12.38	14.48	17.23	20.24	25.26

Project For :
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D. BALANCE SHEET

(Rs. Lacs)

S.No.	Particulars	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6
A	ASSETS :						
1	Fixed Assets	0.43	0.36	0.31	0.26	0.22	0.19
2	Investments	-	-	-	-	-	-
3	Current Assets	13.31	16.10	19.23	23.13	27.40	33.79
4	Loans & Advances	-	-	-	-	-	-
	TOTAL (A)	13.73	16.46	19.54	23.39	27.62	33.98
B	LIABILITIES:						
1	Capital	7.32	10.99	15.10	20.10	25.59	31.75
2	Secured loans Term Loan	5.02	3.95	2.76	1.45	-	-
3	Sundry Creditors	1.38	1.52	1.67	1.84	2.03	2.23
4	Current Liabilities Cash Credit	-	-	-	-	-	-
	TOTAL (B)	13.73	16.46	19.54	23.39	27.62	33.98

Project For :
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(Rs. Lacs)

E. CAPITAL ACCOUNT

S.No.	Particulars	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6
1	Op. Balance	-	7.32	10.99	15.10	20.10	25.59
2	Additions	2.55	0.45	0.34	0.21	0.08	-
3	Net Profit for the year.	5.02	3.49	4.08	5.11	5.78	6.56
	Sub Total	7.57	11.26	15.41	20.43	25.96	32.15
4	Less : Drawings	0.25	0.28	0.30	0.33	0.37	0.40
5	Cl. Balance	7.32	10.99	15.10	20.10	25.59	31.75

Project For :
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(Rs. Lacs)

F. SALES

S.No.	Particulars	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6
1	Sales per annum cement, steel, sand, concrete, ready- mix concrete, binding wires, aggregates, bricks, blocks, etc	16.00	17.60	19.36	21.30	23.43	25.77
2	Total Sale	<u>16.00</u>	<u>17.60</u>	<u>19.36</u>	<u>21.30</u>	<u>23.43</u>	<u>25.77</u>
3	Sundry Debtors (Credit period allowed 15 days)	0.67	0.73	0.81	0.89	0.98	1.07
4	Collection from Debtors	15.33	16.87	18.55	20.41	22.45	24.69

Project For :
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(Rs. Lacs)

G. MATERIAL CONSUMPTION AND INVENTORY

S.No.	Particulars	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6
1	Sale of material	16.00	17.60	19.36	21.30	23.43	25.77
2	Purchases of Material cement, steel, sand, concrete, ready-mix concrete, binding wires, aggregates, bricks, blocks,etc	8.42	9.26	10.19	11.21	12.33	13.56
3	Sundry Creditors (Assume 60 day Cedit Period allowed)	1.38	1.52	1.67	1.84	2.03	2.23
4	Payment to creditors	7.04	9.12	10.04	11.04	12.15	13.36
5	Stock of Material	2.11	2.32	2.55	2.80	3.08	3.39

Project For :
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(Rs. Lacs)

H. DIRECT OVERHEADS

S.No.	Particulars	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6
1	Staff Salary (Monthly salary- Rs. 7,000/- per staff) (No. of staff- 2)	1.68	1.85	1.93	2.03	2.23	2.34
2	Other Overheads	0.50	0.55	0.61	0.64	0.67	0.70
	Total	2.18	2.40	2.54	2.66	2.90	3.04

Project For :
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(Rs. Lacs)

I. INDIRECT OVERHEADS

S.No.	Particulars	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6
1	Travelling & Conveyance	0.50	0.55	0.61	0.64	0.67	0.70
2	Repairs & Maint.	0.25	0.28	0.30	0.32	0.33	0.35
3	Electricity Expenses (Off.)	0.36	0.40	0.44	0.46	0.48	0.50
4	Telephone Expenses	0.24	0.26	0.29	0.30	0.32	0.34
5	Misc. Expenses	0.25	0.28	0.30	0.32	0.33	0.35
		1.60	1.76	1.94	2.03	2.13	2.24

Project For :
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J. TERM LOAN REPAYMENT AND INTEREST THEREON

(Rs. Lacs)

S.No.	Particulars	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6
1	TL / Op. Bal.	6.00	5.02	3.95	2.76	1.45	-
2	Repayment during the year	0.98	1.08	1.19	1.31	1.45	-
3	Cl. Balance	5.02	3.95	2.76	1.45	-	-
4	Interest at 9.90 per cent p.a.	0.55	0.45	0.34	0.21	0.08	-
5	Total repayment with Interest	1.53	1.53	1.53	1.53	1.53	-
Total Interest		0.55	0.45	0.34	0.21	0.08	-

Term Loan Repayment Schedule

MONTHS	EMI	INTEREST	PRINCIPAL REPAYMENT	OST PRINCIPAL
0				6
1	0.13	0.05	0.08	5.92
2	0.13	0.05	0.08	5.84
3	0.13	0.05	0.08	5.77
4	0.13	0.05	0.08	5.69
5	0.13	0.05	0.08	5.61
6	0.13	0.05	0.08	5.52
7	0.13	0.05	0.08	5.44
8	0.13	0.04	0.08	5.36
9	0.13	0.04	0.08	5.28
10	0.13	0.04	0.08	5.19
11	0.13	0.04	0.08	5.11
12	0.13	0.04	0.09	5.02
First Year	1.53	0.55	0.98	
13	0.13	0.04	0.09	4.94
14	0.13	0.04	0.09	4.85
15	0.13	0.04	0.09	4.76
16	0.13	0.04	0.09	4.68
17	0.13	0.04	0.09	4.59
18	0.13	0.04	0.09	4.50
19	0.13	0.04	0.09	4.41

20	0.13	0.04	0.09	4.32
21	0.13	0.04	0.09	4.23
22	0.13	0.03	0.09	4.13
23	0.13	0.03	0.09	4.04
24	0.13	0.03	0.09	3.95
Second Year	1.53	0.45	1.08	
25	0.13	0.03	0.09	3.85
26	0.13	0.03	0.10	3.76
27	0.13	0.03	0.10	3.66
28	0.13	0.03	0.10	3.56
29	0.13	0.03	0.10	3.47
30	0.13	0.03	0.10	3.37
31	0.13	0.03	0.10	3.27
32	0.13	0.03	0.10	3.17
33	0.13	0.03	0.10	3.07
34	0.13	0.03	0.10	2.97
35	0.13	0.02	0.10	2.86
36	0.13	0.02	0.10	2.76
Third Year	1.53	0.34	1.19	
37	0.13	0.02	0.10	2.65
38	0.13	0.02	0.11	2.55
39	0.13	0.02	0.11	2.44
40	0.13	0.02	0.11	2.34
41	0.13	0.02	0.11	2.23
42	0.13	0.02	0.11	2.12
43	0.13	0.02	0.11	2.01
44	0.13	0.02	0.11	1.90
45	0.13	0.02	0.11	1.79
46	0.13	0.01	0.11	1.68
47	0.13	0.01	0.11	1.56
48	0.13	0.01	0.11	1.45
Fourth Year	1.53	0.21	1.31	
49	0.13	0.01	0.12	1.33
50	0.13	0.01	0.12	1.22
51	0.13	0.01	0.12	1.10
52	0.13	0.01	0.12	0.98
53	0.13	0.01	0.12	0.86
54	0.13	0.01	0.12	0.74
55	0.13	0.01	0.12	0.62
56	0.13	0.01	0.12	0.50
57	0.13	0.00	0.12	0.38
58	0.13	0.00	0.12	0.25
59	0.13	0.00	0.13	0.13
60	0.13	0.00	0.13	0.00
Fifth Year	1.53	0.08	1.45	

Project For :
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K. CURRENT ASSETS

(Rs. Lacs)

S.No.	Particulars	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6
1	Cl. Stock of Materials	2.11	2.32	2.55	2.80	3.08	3.39
	Total Inventory	2.11	2.32	2.55	2.80	3.08	3.39
2	Cash and bank Balance	10.54	12.38	14.48	17.23	20.24	25.26
3	Sundry Debtors	0.67	1.40	2.21	3.09	4.07	5.14
	Total	13.31	16.10	19.23	23.13	27.40	33.79

Project For :
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L. FIXED ASSETS AND DEPRECIATION

(Rs. Lacs)

S.No.	Particulars	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6
1	Furniture & Interior						
	Op. Balance	-	0.43	0.36	0.31	0.26	0.22
	Additions	0.50	-		-		
	Total	0.50	0.43	0.36	0.31	0.26	0.22
	Less : Depreciation	0.08	0.06	0.05	0.05	0.04	0.03
	Cl. WDV	0.43	0.36	0.31	0.26	0.22	0.19
	Total Depreciation	0.08	0.06	0.05	0.05	0.04	0.03
	Cl. WDV	0.43	0.36	0.31	0.26	0.22	0.19

Project For :
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M. WORKING CAPITAL

(Rs. Lacs)

S.No.	Particulars	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6
1	Total Current Assets	13.31	16.10	19.23	23.13	27.40	33.79
2	Total Current Liabilities	1.38	1.52	1.67	1.84	2.03	2.23
3	Working Capital	11.92	14.57	17.56	21.28	25.37	31.56