

PROJECT REPORT FOR CEMENT SHOP



Prepared for

XXXXXXXXXXXXXXXXXXXXXXXXXXXX

Address:

XXXXXXXXXXXXXXXXXXXXXXXXXXXX

PREPARED BY:

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Project For:
Cement Shop

I. PROJECT AT A GLANCE

1. Name of Promoter : xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx
Address: xxxxxxxxxxxxxxxxxxxxxxxx

2. Project Cost : Rs. 21.00 Lakhs

3. Mean of Finance

- A) T. L. facility from Bank : Rs. 15.75 Lakhs
- B) Own contribution : Rs. 5.25 Lakhs

4. Rate of Interest : 11.00% Per Annum

5. Repayment : 60 monthly instalments @ Rs. 0.34
Lakhs EMI

6. Nature of Project : Cement Shop

7. Employment Potential : 2 Nos.

8. Nature of the Firm : Proprietary Firm

- 9. Average Debt Coverage ratios : 2.07**

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 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.

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. This 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.

Project For :
Cement Shop

II. ECONOMICS OF THE PROJECT

A. COST OF PROJECT

(Rs. Lacs)

S.No.	Particulars	Total	Spent	Bal. To be spent
1	Building (Shed/ Godawon)	12.00	-	12.00
2	Furniture & Electrical	1.00	-	1.00
3	Working Capital	8.00	-	8.00
		<hr/>		
		21.00	-	21.00
		<hr/>		

Means of Finance :

a) Own Contribution (25%)	5.25
b) T L facility from Bank (75%)	15.75
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	21.00

Project For :
Cement Shop

B. PROFITABILITY STATEMENT

(Rs. Lacs)

S.No.	Particulars	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6
1	Sales	25.00	27.50	30.25	33.28	36.60	40.26
	Add : Increase in Cl.Stock	3.13	0.31	0.34	0.38	0.42	0.46
	Total Turnover	28.13	27.81	30.59	33.65	37.02	40.72
2	Material Purchase	12.50	13.75	15.13	16.64	18.30	20.13
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	11.85	9.90	10.99	12.32	13.69	15.31
5	Interest on TL & CC	1.61	1.32	1.00	0.64	0.23	-
6	Depreciation	1.35	1.21	1.08	0.97	0.87	0.78
7	Preliminary expenses W/off	-	-	-	-	-	-
8	Profit after Interest & Dep.	8.89	7.38	8.92	10.72	12.59	14.53
9	Income Tax	0.98	0.68	0.98	1.42	1.98	2.56
10	Profit after Tax	7.91	6.70	7.93	9.30	10.61	11.97
11	Add: Depreciation & Pre Exp.	1.35	1.21	1.08	0.97	0.87	0.78
12	Add : Interest on TL & CC	1.61	1.32	1.00	0.64	0.23	-
13	Cash Accruals	10.87	9.23	10.01	10.91	11.71	12.75
14	Instalments of TL & Interest	4.11	4.11	4.11	4.11	4.11	-
15	DSCR	2.14	1.75	1.94	2.15	2.35	-
16	Average DSCR	2.07					
17	N.P. to Total receipts	31.64	24.37	26.23	27.96	28.99	29.74

Project For :
Cement Shop

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	23.96	26.35	28.99	31.89	35.08	38.59
2	T.L. from Bank	15.75					
3	CC from bank	-					
4	Capital	5.25					
5	Subsidy	1.61	1.32	1.00	0.64	0.23	
	TOTAL (A)	46.57	27.67	29.99	32.53	35.31	38.59
B	CASH OUTFLOW :						
1	Fixed Assets	13.00	-	-	-	-	-
2	Payment to creditors	10.45	13.54	14.90	16.39	18.03	19.83
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	1.61	1.32	1.00	0.64	0.23	-
6	Income Tax	0.98	0.68	0.98	1.42	1.98	2.56
7	Term Loan Repayment	2.50	2.79	3.11	3.47	3.87	-
8	Drawings	1.00	1.10	1.21	1.33	1.46	1.61
	TOTAL (B)	33.31	23.59	25.68	27.94	30.61	29.28
	SUMMERY:						
	Op. Cash & Bank Balance.	-	13.26	17.34	21.65	26.24	30.94
	Add : Surplus / (Deficit)	13.26	4.09	4.31	4.59	4.70	9.30
	Cl. Cash & Bank Balance.	13.26	17.34	21.65	26.24	30.94	40.25

Project For :
Cement Shop

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	11.65	10.44	9.36	8.40	7.53	6.75
2	Investments	-	-	-	-	-	-
3	Current Assets	17.42	22.97	28.88	35.23	41.88	53.32
4	Loans & Advances	-	-	-	-	-	-
	TOTAL (A)	29.07	33.41	38.24	43.63	49.41	60.07
B	LIABILITIES:						
1	Capital	13.77	20.69	28.41	37.02	46.40	56.76
2	Secured loans Term Loan	13.25	10.46	7.35	3.87	-	-
3	Sundry Creditors	2.05	2.26	2.49	2.73	3.01	3.31
4	Current Liabilities Cash Credit	-	-	-	-	-	-
	TOTAL (B)	29.07	33.41	38.24	43.63	49.41	60.07

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	-	13.77	20.69	28.41	37.02	46.40
2	Additions	6.86	1.32	1.00	0.64	0.23	-
3	Net Profit for the year.	7.91	6.70	7.93	9.30	10.61	11.97
	Sub Total	14.77	21.79	29.62	38.35	47.86	58.37
4	Less : Drawings	1.00	1.10	1.21	1.33	1.46	1.61
5	Cl. Balance	13.77	20.69	28.41	37.02	46.40	56.76

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 Bag	25.00	27.50	30.25	33.28	36.60	40.26
2	Total Sale	<u>25.00</u>	<u>27.50</u>	<u>30.25</u>	<u>33.28</u>	<u>36.60</u>	<u>40.26</u>
3	Sundry Debtors (Credit period allowed 15 days)	1.04	1.15	1.26	1.39	1.53	1.68
4	Collection from Debtors	23.96	26.35	28.99	31.89	35.08	38.59

Project For :
Cement Shop

(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	25.00	27.50	30.25	33.28	36.60	40.26
2	Purchases of Material Cement Bag	12.50	13.75	15.13	16.64	18.30	20.13
3	Sundry Creditors (Assume 60 day Cedit Period allowed)	2.05	2.26	2.49	2.73	3.01	3.31
4	Payment to creditors	10.45	13.54	14.90	16.39	18.03	19.83
5	Stock of Material	3.13	3.44	3.78	4.16	4.58	5.03

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
		<u>1.60</u>	<u>1.76</u>	<u>1.94</u>	<u>2.03</u>	<u>2.13</u>	<u>2.24</u>

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.	15.75	13.25	10.46	7.35	3.87	-
2	Repayment during the year	2.50	2.79	3.11	3.47	3.87	-
3	Cl. Balance	13.25	10.46	7.35	3.87	-	-
4	Interest at 11 per cent p.a.	1.61	1.32	1.00	0.64	0.23	-
5	Total repayment with Interest	4.11	4.11	4.11	4.11	4.11	-
Total Interest		1.61	1.32	1.00	0.64	0.23	-

Term Loan Repayment Schedule

MONTHS	EMI	INTEREST	PRINCIPAL REPAYMENT	OST PRINCIPAL
0				15.75
1	0.34	0.14	0.20	15.55
2	0.34	0.14	0.20	15.35
3	0.34	0.14	0.20	15.15
4	0.34	0.14	0.20	14.95
5	0.34	0.14	0.21	14.74
6	0.34	0.14	0.21	14.53
7	0.34	0.13	0.21	14.32
8	0.34	0.13	0.21	14.11
9	0.34	0.13	0.21	13.90
10	0.34	0.13	0.22	13.69
11	0.34	0.13	0.22	13.47
12	0.34	0.12	0.22	13.25
First Year	4.11	1.61	2.50	
13	0.34	0.12	0.22	13.03
14	0.34	0.12	0.22	12.81
15	0.34	0.12	0.23	12.58
16	0.34	0.12	0.23	12.35
17	0.34	0.11	0.23	12.12
18	0.34	0.11	0.23	11.89
19	0.34	0.11	0.23	11.66

20	0.34	0.11	0.24	11.42
21	0.34	0.10	0.24	11.19
22	0.34	0.10	0.24	10.95
23	0.34	0.10	0.24	10.70
24	0.34	0.10	0.24	10.46
Second Year	4.11	1.32	2.79	
25	0.34	0.10	0.25	10.21
26	0.34	0.09	0.25	9.96
27	0.34	0.09	0.25	9.71
28	0.34	0.09	0.25	9.46
29	0.34	0.09	0.26	9.20
30	0.34	0.08	0.26	8.95
31	0.34	0.08	0.26	8.69
32	0.34	0.08	0.26	8.42
33	0.34	0.08	0.27	8.16
34	0.34	0.07	0.27	7.89
35	0.34	0.07	0.27	7.62
36	0.34	0.07	0.27	7.35
Third Year	4.11	1.00	3.11	
37	0.34	0.07	0.28	7.07
38	0.34	0.06	0.28	6.79
39	0.34	0.06	0.28	6.51
40	0.34	0.06	0.28	6.23
41	0.34	0.06	0.29	5.95
42	0.34	0.05	0.29	5.66
43	0.34	0.05	0.29	5.37
44	0.34	0.05	0.29	5.07
45	0.34	0.05	0.30	4.78
46	0.34	0.04	0.30	4.48
47	0.34	0.04	0.30	4.18
48	0.34	0.04	0.30	3.87
Fourth Year	4.11	0.64	3.47	
49	0.34	0.04	0.31	3.57
50	0.34	0.03	0.31	3.26
51	0.34	0.03	0.31	2.95
52	0.34	0.03	0.32	2.63
53	0.34	0.02	0.32	2.31
54	0.34	0.02	0.32	1.99
55	0.34	0.02	0.32	1.67
56	0.34	0.02	0.33	1.34
57	0.34	0.01	0.33	1.01
58	0.34	0.01	0.33	0.68
59	0.34	0.01	0.34	0.34
60	0.34	0.00	0.34	0.00
Fifth Year	4.11	0.23	3.87	

Project For :
Cement Shop

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	3.13	3.44	3.78	4.16	4.58	5.03
	Total Inventory	3.13	3.44	3.78	4.16	4.58	5.03
2	Cash and bank Balance	13.26	17.34	21.65	26.24	30.94	40.25
3	Sundry Debtors	1.04	2.19	3.45	4.83	6.36	8.04
	Total	17.42	22.97	28.88	35.23	41.88	53.32

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	Building (Shed/ Godawon)						
	Op. Balance	-	10.80	9.72	8.75	7.87	7.09
	Additions	12.00	-		-		
	Total	12.00	10.80	9.72	8.75	7.87	7.09
	Less : Depreciation	1.20	1.08	0.97	0.87	0.79	0.71
	Cl. WDV	10.80	9.72	8.75	7.87	7.09	6.38
2	Furniture & Electrical						
	Op. Balance	-	0.85	0.72	0.61	0.52	0.44
	Additions	1.00	-		-		
	Total	1.00	0.85	0.72	0.61	0.52	0.44
	Less : Depreciation	0.15	0.13	0.11	0.09	0.08	0.07
	Cl. WDV	0.85	0.72	0.61	0.52	0.44	0.38
	Total Depreciation	1.35	1.21	1.08	0.97	0.87	0.78
	Cl. WDV	11.65	10.44	9.36	8.40	7.53	6.75

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	17.42	22.97	28.88	35.23	41.88	53.32
2	Total Current Liabilities	2.05	2.26	2.49	2.73	3.01	3.31
3	Working Capital	15.37	20.71	26.40	32.50	38.87	50.01