



B U S I N E S S P L A N · I N D I A

Ready-Mixed Concrete Plant

The product dies in ninety minutes

BUILD MATERIALS

AISEVAK.IN · BY ABL DIGITAL TECHNOLOGIES

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This document is confidential and prepared for planning purposes. All financial figures are illustrative model assumptions for an Indian MSME context and must be validated against live quotes, local rates and professional advice before any investment or borrowing decision.

1. Executive Summary

This plan sets out a **Ready-Mixed Concrete (RMC) Plant** in India — a computer-batched concrete manufacturing facility supplying designed-mix concrete by transit mixer and concrete pump to builders, contractors, infrastructure executors and individual house-builders within a defined urban catchment.

Every other business in this vertical has an inventory problem. This one has no inventory at all, and that single fact reorganises everything. Concrete begins hydrating the moment water meets cement, and the workable window from batching to discharge is roughly ninety minutes. Nothing produced in the morning exists by evening. Nothing can be made ahead, held for a price rise, carried to next season or written down eighteen months later, because there is no eighteen months — there is an hour and a half. The consequence a promoter must absorb before spending ₹12 crore is that the plant's market is a TIME radius rather than a distance one: the same eighteen kilometres is inside the catchment at six in the morning and outside it at six in the evening, so the serviceable market changes shape through the day and the schedule is built around time-of-day rather than around geography. This plan takes loads discharged beyond ninety minutes from 11.4% to 1.1% and average batch-to-discharge from 74 minutes to 58.

The second fact is that the plant is the cheap part. A batching plant is 19% of this project cost; the transit mixers, pumps and loaders that carry the concrete are 42%. A plant rated at sixty cubic metres an hour cannot produce sixty cubic metres an hour to a site forty minutes away, because each mixer carries six cubic metres and completes a round trip — load, travel, wait, discharge, wash, return — in something close to three hours. Rated plant capacity is a specification; fleet cycle time is the actual capacity, and the two are routinely confused in proposals for this business. This plan works the fleet rather than the plant: round-trip cycle time falls from 186 minutes to 148, which is worth more delivered volume than any plant upgrade would buy.

The third is the industry's integrity problem, and this plan states it rather than working around it. Cement is about seventy per cent of the material cost of concrete, and a plant that puts twenty kilograms less cement into each cubic metre than its mix design specifies saves roughly ₹150 per cubic metre — on this plan's Year-3 volume, ₹1.26 crore, which is more than the entire Year-3 profit. It is invisible at delivery. The concrete looks the same, flows the same, and no site engineer can detect it by eye. The verdict arrives twenty-eight days later in a cube test — by which time the concrete is inside somebody's building — and on a large share of Indian projects that test is never independently done at all. So an honest RMC plant is not competing against a textbook; it is competing against operators whose costs are genuinely lower for a reason that has nothing to do with efficiency. This plan's answer is the one control that actually works: cement consumed per cubic metre produced, reconciled every month against cement purchased, held within $\pm 1.5\%$ — because a plant cannot under-cement and still show a consistent ratio.

And the fourth is that this business has no security after delivery of any kind. A cement dealer's stock can in principle be recovered; a tile can be recovered; concrete cannot. The moment it is discharged into formwork, the entire value has transferred irreversibly into somebody else's building and the only remaining asset is a promise from a builder. An RMC plant therefore extends unsecured credit against an asset that ceased to exist at the point of sale — which is why receivable days (82 → 66), customer concentration (52% → 29%) and pre-pour credit clearance matter more here than in any other business in this vertical.

This plan models a plant requiring **₹12.40 crore** (₹3.70 crore promoter + ₹3.20 crore term loan + ₹4.20 crore equipment finance + ₹1.30 crore cash-credit limit), moving from **₹18.40 crore turnover and a ₹1.50 crore loss** to **₹41.16 crore**

turnover and ₹2.83 crore profit by Year 3, with capacity utilisation rising from 27.8% to 58.3% against a break-even of roughly 40%. (Ready-mixed concrete manufacture and delivery — figures illustrative.)

2. Business Description, Vision & Legal Structure

Concept: A computer-batched RMC plant run on cycle time, utilisation and verifiable mix compliance, supplying designed concrete within a time-defined catchment.

Vision: To be the plant whose batching slip a structural consultant is willing to rely on.

Mission: Discharge inside the window or not at all; reconcile cement to volume every month and publish the result; recycle what comes back; schedule the fleet rather than the plant; and never take a pour the fleet cannot finish.

Legal structure options

- **Private Limited** — strongly recommended: ₹7.40 crore of secured equipment and term borrowing, statutory environmental consents and infrastructure contracts all require a corporate form.
- **LLP** — workable where two or three promoters combine construction and capital, but weaker for equipment finance.
- **Proprietorship** — inappropriate at this capital intensity and with this liability profile, since a structural failure traced to concrete supply is not a commercial dispute.

Regulatory anchor: the heaviest in this vertical so far, because this is a manufacturing operation with an environmental footprint and a product that ends up structural. **IS 4926 governs ready-mixed concrete supply and IS 456 the structural use of it; mix designs, sampling frequency and cube testing under IS 516 are not optional documentation but the evidence trail that decides liability when a structure is investigated. State Pollution Control Board consent to establish and consent to operate under the Air and Water Acts — RMC plants generate dust from cement, fly ash and aggregate handling, and wash water that is strongly alkaline, and both are standard grounds for closure notices in Indian cities. Municipal siting approval, and in several metros restrictions on plant location relative to residential areas, along with construction-and-demolition waste rules covering returned concrete.** Then: factory or shops-and-establishment registration as applicable, **fire and electrical safety for high-tension supply and DG sets, statutory equipment certification for pumps and boom placers, and lifting-equipment inspection; commercial vehicle permits, fitness and driver compliance for a fleet of twelve to twenty-eight vehicles, which is a standing regulatory load rather than a one-time registration; GST with input credit and e-way bills; EPF, ESI and Building and Other Construction Workers welfare obligations where crews work on client sites; and public liability and product liability insurance, which in this business is a genuine requirement rather than a compliance box, because the failure mode is structural.**

3. Promoter & Ownership

Led by a promoter with concrete, civil contracting or construction-materials manufacturing background. Three competences decide outcomes. *Scheduling under a hard time constraint*, because this is a logistics business that happens to own a mixer — the daily decision is which pour gets which trucks at which hour, and a scheduling error is not a delay but a discharged load. *Technical credibility on mix design*, since the customer's structural consultant is the real counterparty on quality and a plant that cannot defend its design against a query will be substituted at the first cube result anyone dislikes. And *the discipline to hold mix integrity when a competitor's price implies he is not holding his* — the hardest of the three, because the temptation is invisible, immediately profitable and, in this industry, common. Ownership, equity & investor terms are editable inputs.

4. Market Analysis — India

Indian RMC penetration remains well below developed-market levels but is rising steadily, driven by high-rise construction that site-mixing cannot serve, quality requirements on institutional and infrastructure work, urban restrictions on site batching, and a shortage of skilled site labour.

Demand drivers

- **High-rise residential and commercial construction**, where pumped concrete at height is not practically achievable by site mixing.
- **Infrastructure work** — metro, roads, flyovers, drainage — large volume, specification-driven and documentation-heavy.
- **Quality and consultant specification**, as structural designers increasingly require designed mixes with traceable batching records.
- **Urban restrictions on site mixing**, driven by dust, noise and space, which convert demand structurally rather than commercially.
- **Individual house construction**, a small-ticket but growing and cash-paying segment for slabs and foundations.
- **Labour scarcity**, which raises the effective cost of site mixing and narrows the price gap.

Market sizing (illustrative framing)

Layer	Definition	Indicative scale
TAM	Concrete consumed in the urban catchment	Construction-activity defined
SAM	Volume reachable inside a NINETY-MINUTE window	Time-bounded, and it moves with traffic
SOM (Yr 1–3)	Volume × contribution, constrained by fleet cycle time	40,000 → 84,000 m ³ ; utilisation 27.8% → 58.3%

The economic radius of this plant deserves to be compared directly with the one the beverage plan set out, because the two look similar and are fundamentally different in a way that matters. A beverage plant's radius is a cost boundary: freight per litre rises with distance until the delivered product is uncompetitive. That boundary can be crossed at a price — a customer willing to pay more can be served three hundred kilometres away, and sometimes is. This plant's radius cannot be crossed at any price, because beyond the time window the product does not exist. Concrete delivered at a hundred and ten minutes is not expensive concrete; it is waste that has to be discharged somewhere, and a customer offering to pay double for it is offering to buy a structural defect. Three consequences shape the plan. First, the catchment is defined in minutes and re-measured by time of day, with distant sites scheduled into morning slots and near sites into afternoon congestion. Second, growth beyond the radius means a second plant, not a longer haul — the model does not stretch, which is why RMC is a business of many small plants rather than few large ones. Third, retarding admixtures extend the window but do not remove it, and a plan that treats admixture dosage as a way to expand the catchment has misunderstood what it is buying.

5. Competition & Competitive Advantage

Landscape: large national and multinational RMC operators with multiple plants and brand-specified positions; regional independents competing largely on price and relationship; **captive plants installed by large builders on their own sites, which remove that customer from the market entirely rather than competing for him**; and site mixing, which remains the default at the bottom of the market and is this industry's real competitor by volume. **Concrete of a**

given grade from two compliant plants is, by design, the same product — so competition runs on reliability, pumping capability, schedule adherence and price, and on the unstated question of whether the cheaper quote reflects a cheaper mix.

The business's edge

- **Batching records issued with every load**, giving the customer's consultant what he actually needs.
- **Cement-to-volume reconciliation published monthly**, which no competitor volunteers and which is the only verifiable answer to the mix question.
- **Cycle-time discipline**, converting the same fleet into more delivered cubic metres.
- **Continuous-pour capability** committed only where the fleet can genuinely complete it.
- **Returned-concrete recycling**, which is both an environmental position and a cost recovery.
- **Independent quality reporting**, with the lab not reporting to sales.

Site mixing is the competitor most RMC proposals ignore, and it is the one that actually holds the majority of the volume in most Indian catchments — so the comparison should be made honestly rather than dismissed. Site-mixed concrete is genuinely cheaper on a material-cost basis, because the builder is not paying for a plant, a fleet, a lab or a margin. What he is paying instead is invisible to him: uncontrolled water addition, unmeasured aggregate moisture, volumetric rather than weighed batching, and strength variability that is managed by over-cementing when anyone is watching and under-cementing when nobody is. The honest argument for RMC is not that it is cheaper — often it is not — but that it is the same every time, and that the difference is documented. Three positions follow. **Against site mixing**, sell verifiability and speed rather than price, and accept that the price-only customer will site-mix and should. **Against large branded operators**, sell schedule reliability and a plant close enough to be inside the window, which is where a well-run independent genuinely wins. And against a cheaper regional quote, the only durable answer is the reconciliation record — a plant that publishes cement consumed per cubic metre every month is making a claim its competitor can match only by actually doing it.

6. Product, Mix Integrity & the Cement Question

Segment / element	Character	Economics
High-rise residential & commercial	Pumped, scheduled, repeat volume	The core; 60-90 day credit
Infrastructure & institutional	Specification and documentation heavy	Reliable payment, inflexible timing
Individual house-builders (slabs, foundations)	Small loads, cash or advance	Best margin and best collection; hardest to schedule
Contractor / sub-contractor supply	Price-sensitive, variable volume	Useful for filling idle slots only
The ninety-minute window	A physical limit, not a service level	Beyond it the product does not exist
Loads discharged beyond 90 minutes	Waste, or a defect somebody else will own	11.4% → 4.2% → 1.1%
Cement per m ³ reconciled to purchases, monthly	The only control that actually works	Variance held within ±1.5%

28-day cube results at or above design strength	A verdict four weeks after the money	96.2% → 99.1% → 99.8%
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The under-cementing question has to be addressed directly in a plan for this business, because a promoter who does not understand the temptation will not build the controls that resist it, and because the arithmetic is genuinely seductive. A twenty-kilogram reduction per cubic metre against a design of roughly three hundred and twenty kilograms is a six per cent cut nobody can see, and it is worth around ₹150 per cubic metre — ₹1.26 crore across this plan's Year-3 volume, comfortably more than the whole year's profit. Concrete does not announce it. The slump looks right, it pumps normally, the finish is unremarkable, and the customer's site engineer has no instrument that would tell him. The cube test comes twenty-eight days later, is frequently cast from a sample the plant's own crew helped prepare, and on much Indian work is not independently conducted at all — so the practice can continue for years and be discovered, if ever, in a structural investigation nobody wants. The controls that matter are physical and arithmetic rather than declaratory. Computer batching with weighed rather than volumetric proportioning, moisture-corrected aggregate weighing, and the printed batching slip issued to the customer with every load. Cement consumed per cubic metre produced, reconciled monthly against cement purchased and held within $\pm 1.5\%$ — the decisive control, because a plant cannot systematically under-cement and still show a consistent ratio against its own purchase invoices. Third-party cube testing at the customer's chosen laboratory, offered and paid for on request rather than resisted. And a quality function that reports to the promoter and not to sales, since a lab whose results inconvenience the person who signs its appraisal will eventually produce convenient results.

7. Go-to-Market — Consultants, Sites and the Slot

Acquisition

- **Structural consultants and project engineers**, who specify grade, approve the supplier and are the real technical counterparty.
- **Builder and contractor relationships** built on schedule adherence, since a plant that arrives when it says it will is the one that gets the next slab.
- **Infrastructure and institutional tendering**, documentation-led and slower but volume-stabilising.
- **Individual house-builder demand**, reached locally and valuable disproportionately to its volume.
- **Pumping capability** as an acquisition tool, because a site needing a boom placer has fewer options than a site needing concrete.

Retention

- **Slot reliability** — the pour starts when the programme says, or the customer loses a day of labour.
- **Consistent cube results** with records the consultant can file.
- **Honest refusal** of pours the fleet cannot complete, which builds more trust than an accepted booking that fails.
- **Demurrage applied predictably** rather than sporadically, so the commercial relationship has known rules.

The continuous pour is the highest-stakes transaction in this business and is regularly underpriced, because it is sold as a volume of concrete when it is actually the sale of an entire day's fleet capacity to one customer. A raft foundation of four hundred cubic metres must be placed without interruption; a gap long enough for the previous layer to begin setting produces a cold joint, which is a structural defect in a load-bearing element and not a cosmetic one. So the plant must commit its full fleet, decline other business for the day, and accept that a breakdown in the eighth hour is not a late delivery but a defect inside somebody's building that will be

argued about for months. There is no partial delivery of a continuous pour — eighty per cent of a raft is not eighty per cent of anything. Four disciplines follow. Pours accepted only where cycle-time arithmetic shows the fleet can complete them with a reserve vehicle, rather than where the volume is attractive. Standby mixer and standby pump committed to large pours as a matter of policy, costed into the quotation rather than hoped against. Site readiness confirmed the previous evening — pump position, access, labour, formwork clearance — because the commonest cause of a failed pour is not the plant. And large continuous pours priced above list, since the customer is buying exclusivity of capacity, which is what he is actually consuming (continuous pours completed without a cold joint: 91.4% → 99.7%).

8. Operations Plan (batch, dispatch, discharge, test, recover)

- **Mix design:** designed rather than nominal mixes, **re-validated quarterly against the current cement, fly-ash and aggregate sources, since a design proven on last year's aggregate is a document rather than a control.**
- **Batching:** computer-controlled weighed batching with **moisture-corrected aggregate weighing, which is the difference between a designed water-cement ratio and an aspirational one** (41% → 100% of batches).
- **Dispatch & scheduling:** slots allocated by time-of-day against the time radius, with distant sites served in the morning; the schedule is the product and the concrete is the consequence.
- **Transit:** GPS-tracked with batch-to-discharge time recorded on every load; **loads approaching the window are diverted to a nearer site or recycled, never discharged late.**
- **Site interface:** readiness confirmed before dispatch; **waiting time recorded from arrival, because it is the customer's delay and the plant's cost.**
- **Pumping:** pump and line capability matched to height and layout at booking rather than at arrival.
- **Testing:** cubes cast at stated frequency, **7-day results used as the leading indicator since the 28-day verdict arrives four weeks after the concrete is inside the structure;** third-party testing offered.
- **Returned concrete:** reclaimed for aggregate and water recovery or cast into blocks and kerbstones — **not tipped, which is both a compliance exposure and the visible reason RMC plants attract objection** (34% → 100% recycled).
- **Wash water:** settled, pH-corrected and recirculated (22% → 96%), **since alkaline discharge is among the commonest grounds for a closure notice.**
- **Maintenance:** fleet and plant preventive maintenance scheduled against cycle counts, **because an unplanned mixer failure during a continuous pour is the most expensive event this business has.**
- **Credit:** limits cleared BEFORE the pour is scheduled, **since after discharge there is nothing to recover.**

Control points

Area	Activity	Control point
The real constraint	Capacity utilisation against ~40% break-even	27.8% → 41.7% → 58.3%
The actual capacity	Fleet round-trip cycle time	186 → 164 → 148 min
The physical limit	Batch-to-discharge / loads beyond 90 minutes	74 → 58 min / 11.4% → 1.1%
Integrity, verifiable	Cement per m ³ reconciled to purchases, monthly	Within ±1.5%
Leading, not lagging	Moisture-corrected batches / 28-day cubes at design strength	41% → 100% / 96.2% → 99.8%
The customer's delay, the plant's cost	Site waiting per load / demurrage actually recovered	38 → 18 min / 12% → 86%

Waste & environment	Loads discharged as waste / returned concrete recycled / wash water recirculated	3.1% → 0.7% / 34% → 100% / 22% → 96%
No security after discharge	Receivable days / top-3 concentration	82 → 66 days / 52% → 29%

Demurrage is the clearest example in this vertical of a contractual right that almost every operator holds and almost none exercises, and the cost of that reluctance is larger than it looks. A mixer waiting thirty-eight minutes at a site is not idle equipment — it is a vehicle that will not complete its next cycle, on a fleet whose cycle count is the plant's entire capacity. Every supply agreement in this industry provides free waiting time and a charge beyond it; the charge is almost never invoiced, because the site says the pump failed, the customer is a repeat builder, and the sales team would rather not raise it. The result is that the plant absorbs a cost created entirely by the customer, and — worse — the customer receives no signal at all that his site readiness is expensive, so it does not improve. This plan invoices it. **Demurrage recovered rises from 12% to 86% of what is contractually due, and the more important number is the one it drives: site waiting time falls from 38 minutes to 18. That is the whole point of charging — not the recovery, which is modest, but the behaviour change, because a builder who is billed for his pump breaking down fixes his pump. Applied consistently, it is a commercial rule; applied selectively to small customers and waived for large ones, it is a grievance — the same principle the cement dealership applied to credit limits, in a different currency.**

9. Standards, Environmental & Trade Compliance (India)

- **IS 4926 for ready-mixed concrete supply, IS 456 for structural use, IS 516 for compression testing** — with mix designs, sampling frequency and cube records forming the evidence trail that decides liability when a structure is investigated.
- **State Pollution Control Board consent to establish and to operate** under the Air and Water Acts; **cement and aggregate dust and alkaline wash water are the two standard grounds for closure notices against urban RMC plants.**
- **Municipal siting approval and, in several metros, restrictions on plant proximity to residential areas** construction-and-demolition waste rules covering returned concrete.
- **Commercial vehicle permits, fitness and driver compliance across a 12-28 vehicle fleet**, a standing regulatory load rather than a one-time registration; **statutory certification and inspection of pumps, boom placers and lifting equipment.**
- Factory or shops-and-establishment registration, high-tension electrical safety, DG set consent, fire safety.
- **EPF, ESI and BOCW welfare obligations** where crews operate on client sites.
- **Public and product liability insurance, a genuine requirement here rather than a compliance box, because the failure mode is structural**; motor and equipment cover across the fleet.
- GST with input credit and e-way bills; **royalty and source documentation for aggregate and sand purchased, since the plant inherits its supplier's licensing exposure.**

10. Organisation & Manpower Plan

Role	Yr 1	Yr 2	Yr 3
Promoter / plant head	1	1	2
Transit mixer drivers	14	20	28

Pump operators & placing crew	6	9	13
Batching operators & control room	4	6	8
Maintenance (plant & fleet)	4	6	9
Dispatch & scheduling	3	4	6
Sales & project coordination	3	4	6
Accounts, credit control & admin	3	4	6
Yard & loader operators	3	4	5
QC / laboratory (reporting to the promoter, not to sales)	2	3	5
Total	43	61	88

Two allocations carry the plan. Dispatch and scheduling is three people in a forty-three-person business and is the highest-leverage function in it — the plant's output is decided by which truck goes where at what hour, and a scheduler who improves cycle time by twenty minutes has added delivered volume no capital expenditure would buy. And the laboratory reports to the promoter rather than to sales, for the reason this library has applied to cancellation authority, credit limits and stock ageing: a control that reports to the party it constrains is not a control — and here the constrained party is the one whose customer will be told his concrete failed.

11. Implementation Timeline & Milestones

Phase	Timeline	Milestone
Setup	Month 0–6	Site secured inside a viable time radius, SPCB consents to establish and operate obtained, plant erected and calibrated, wash-water recycling and dust control commissioned before first batch, fleet inducted, mix designs developed and trialled, lab established with independent reporting
Launch	Month 6–12	40,000 m ³ ; ₹18.40cr turnover, ₹1.50cr loss; utilisation 27.8% against ~40% break-even; cycle 186 min; loads beyond window 11.4%
Build	Year 2	60,000 m ³ ; utilisation 41.7% — just above break-even; cycle 164 min; waste loads 1.6%; demurrage recovery 58%; returned concrete 78% recycled; ₹28.50cr turnover, ₹33L profit
Scale	Year 3	84,000 m³; utilisation 58.3%; ₹41.16cr turnover, ₹2.83cr profit; cycle 148 min; loads beyond 90 min 1.1%; cubes at strength 99.8%; returned concrete 100% recycled; receivables 66 days

12. Financial Plan (Illustrative)

All figures are illustrative model assumptions for an Indian context, shown so the promoter can replace them with live rates. **Utilisation and cycle time are the levers. Price is barely one — concrete of a given grade is a specified product and the market rate is narrow.**

12.1 Project cost & means of finance

Capital requirement	₹
Transit mixers (12 vehicles)	3,84,00,000
Batching plant (60 m ³ /hr), silos, bins, control room & erection	2,40,00,000

Concrete pumps, boom placer & wheel loaders	1,40,00,000
Working capital (receivables + material stock)	1,60,00,000
Launch & initial operating losses	1,50,00,000
Site development, aggregate bays, drainage & wash-water recycling	88,00,000
Land lease deposit, consents, licences & legal	34,00,000
Laboratory, testing equipment & mix-design development	24,00,000
Technology (batching control, GPS, dispatch, ERP)	20,00,000
Total project cost	12,40,00,000
Promoter contribution	3,70,00,000
Equipment / vehicle finance (mixers & pumps)	4,20,00,000
Term loan (plant & site)	3,20,00,000
Cash-credit / working-capital limit	1,30,00,000

12.2 Projected Profit & Loss (3 years)

Particulars	Year 1	Year 2	Year 3
VOLUME DELIVERED (m³) / realisation per m³	40,000 / ₹4,600	60,000 / ₹4,750	84,000 / ₹4,900
TURNOVER (net of GST)	18,40,00,000	28,50,00,000	41,16,00,000
Materials (cement, fly ash, aggregates, admixtures, water)	13,62,00,000	20,52,00,000	29,02,00,000
Gross margin	4,78,00,000	7,98,00,000	12,14,00,000
Gross margin %	26.0%	28.0%	29.5%
Transport & fleet operating (diesel, tyres, maintenance, drivers)	1,52,00,000	2,10,00,000	2,76,00,000
Salaries (plant, pumping, QC, dispatch, sales, admin)	96,00,000	1,22,00,000	1,56,00,000
Depreciation (plant, mixers, pumps, loaders)	1,08,00,000	1,12,00,000	1,24,00,000
Finance cost (term loan, equipment finance, cash credit)	78,00,000	88,00,000	96,00,000
Plant operating, power, DG & water	44,00,000	58,00,000	74,00,000
Returned & wasted concrete	38,00,000	42,00,000	46,00,000
Land lease & site rent	36,00,000	38,00,000	42,00,000
Bad debt & write-offs	22,00,000	26,00,000	30,00,000
Testing, QC & mix-design development	18,00,000	24,00,000	30,00,000
Insurance, admin & compliance	16,00,000	21,00,000	27,00,000
Environmental compliance (wash water, dust, recycling)	14,00,000	17,00,000	21,00,000
Technology (batching control, GPS, dispatch)	6,00,000	7,00,000	9,00,000

Total expenses	6,28,00,000	7,65,00,000	9,31,00,000
Net profit / (loss) before tax	(1,50,00,000)	33,00,000	2,83,00,000
Net margin (on turnover)	(8.15%)	1.16%	6.88%
AVERAGE CAPITAL EMPLOYED	11,80,00,000	11,90,00,000	12,60,00,000
RETURN ON CAPITAL EMPLOYED	(12.7%)	2.8%	22.5%
CAPACITY UTILISATION (against ~40% break-even)	27.8%	41.7%	58.3%
CONTRIBUTION PER m³ / fixed cost base	₹955 / ₹5.32cr	₹1,110 / ₹6.33cr	₹1,245 / ₹7.63cr
BREAK-EVEN VOLUME (m³) / as % of capacity	55,700 / 38.7%	57,000 / 39.6%	61,300 / 42.6%
FLEET ROUND-TRIP CYCLE TIME / m³ per mixer per day	186 min / 11.1	164 min / 13.3	148 min / 15.6
BATCH-TO-DISCHARGE / loads beyond 90 minutes	74 min / 11.4%	66 min / 4.2%	58 min / 1.1%
CEMENT PER m³ RECONCILED TO PURCHASES (monthly variance)	within ±1.5%	within ±1.5%	within ±1.5%
28-DAY CUBES AT DESIGN STRENGTH / moisture-corrected batches	96.2% / 41%	99.1% / 88%	99.8% / 100%
Site waiting per load / demurrage actually recovered	38 min / 12%	27 min / 58%	18 min / 86%
Loads discharged as waste / returned concrete recycled / wash water recirculated	3.1% / 34% / 22%	1.6% / 78% / 74%	0.7% / 100% / 96%
Continuous pours completed without a cold joint	91.4%	98.6%	99.7%
Receivable days / top-3 customer concentration	82 / 52%	74 / 38%	66 / 29%

12.3 Unit economics & break-even

- This vertical's GMROI rule — report gross margin × stock turns — does not apply to this business, and the reason it does not apply is the point. There is no finished-goods inventory to earn a return on; the product does not survive the afternoon. The equivalent measure here is **CAPACITY UTILISATION × CONTRIBUTION PER CUBIC METRE**, and a promoter who reports raw-material turns for an RMC plant is reporting a number that is enormous and meaningless.
- Break-even is roughly 40% of capacity and Year 1 runs at 27.8% — which IS the ₹1.50 crore loss, not an execution failure. A plant this capital-heavy cannot be profitable at low utilisation, and a projection showing Year-1 profit on a new RMC plant is describing either a captive volume commitment or an optimistic spreadsheet.
- Contribution rises from ₹955 to ₹1,245 per cubic metre while realisation rises only ₹300, because cycle-time improvement spreads the same fleet cost over more delivered volume. **Roughly half the improvement is operational rather than commercial.**
- The fleet is 42% of project cost against the plant's 19%, and mixer productivity moves from 11.1 to 15.6 m³ per vehicle per day — a 41% gain in effective capacity bought with scheduling rather than capital.
- Under-cementing by 20 kg/m³ would be worth ₹1.26 crore at Year-3 volume, against a Year-3 profit of ₹2.83 crore. That comparison is stated here deliberately: it is the size of the temptation, it explains competitor pricing that otherwise looks impossible, and it is why the cement-to-volume reconciliation is a control point rather than a footnote.

12.4 Projected Cash Flow — Year 1 (quarterly, illustrative)

Particulars (₹)	Q1	Q2 monsoon	Q3 festive	Q4 peak
Opening balance	1,10,00,000	72,00,000	38,00,000	30,00,000
Collections from customers	3,28,00,000	2,86,00,000	4,42,00,000	5,18,00,000
Payments to suppliers, fleet, salaries, interest & overheads	3,66,00,000	3,20,00,000	4,50,00,000	5,26,00,000
Closing balance	72,00,000	38,00,000	30,00,000	22,00,000

The cash position of an RMC plant has a feature that separates it from every other business in this vertical: the security value of the sale falls to zero at the moment of discharge. A cement dealer holding stock has an asset a lender can value and, in principle, recover. A showroom's tiles can be repossessed, even if a discontinued series is worth little. Concrete cannot be recovered at all — ninety minutes after it leaves the plant it is a structural element of somebody else's building, and what remains on the plant's books is an unsecured promise from a builder whose own cash depends on his project completing. The plant has therefore financed a customer's structure, at a thin margin, with no recourse to the thing it sold. Three consequences run through the plan. **First, credit clearance happens BEFORE the pour is scheduled rather than at invoicing, because there is no post-delivery leverage of any kind — the only moment of control is the moment before the truck loads. Second, concentration is dangerous beyond the usual: at 52% top-three exposure in Year 1 a single builder's failure removes both the receivable and most of the volume that covers the fixed cost, so the plant would lose its collections and its utilisation together. Third, the monsoon quarter is a genuine cash trough — pours stop in heavy rain, utilisation falls below an already-unmet break-even, and the fixed cost of a fleet and a plant continues regardless — which is a seasonality to be funded in advance rather than survived.**

12.5 Key Performance Indicators to Monitor

- **The real constraint:** capacity utilisation against break-even; contribution per m³; m³ per mixer per day; fleet cycle time by site and by hour.
- **The physical limit:** batch-to-discharge distribution; loads beyond 90 minutes; loads discharged as waste; site waiting time; demurrage billed and recovered.
- **Integrity:** cement per m³ reconciled to purchases monthly; moisture-corrected batch share; 7-day and 28-day cube results; third-party test share; mix designs re-validated.
- **Environment:** returned concrete recycled; wash water recirculated; dust monitoring; consent conditions tracked with renewal dates.
- **Commercial:** receivable days; concentration; credit cleared before scheduling; continuous pours completed without a cold joint; standby vehicle availability on large pours.

13. Funding Requirement & Bankability

Total ask: **₹3.20 crore term loan, ₹4.20 crore equipment finance and a ₹1.30 crore cash-credit limit** against ₹3.70 crore promoter contribution. Four points. **First, this is an asset-backed proposition unusually well suited to structured lending: transit mixers and pumps are standard, identifiable, resaleable equipment with an active secondary market, which is why 34% of the project cost carries its own security. Second, the working-capital exposure is the weak leg and should be priced as such — the receivable is unsecured against a product that no longer exists, so drawing power against book debts in this business is materially weaker than the same calculation for a materials dealer holding stock. Third, the diagnostic question is utilisation, not turnover. An RMC plant's entire economics is fixed-cost absorption, so a promoter who can state his cycle time, his m³ per**

mixer per day and his break-even utilisation is running the business, and one who quotes rated plant capacity and expected turnover is quoting a brochure. Fourth — and this is specific to this industry — a lender should ask for the cement-to-volume reconciliation. It is the one figure that distinguishes a plant whose margin comes from utilisation from a plant whose margin comes from the mix, and the second is not a credit risk that shows up in the accounts until it shows up in a structural investigation.

13.1 Funding utilisation

Use of funds	₹	% of total
Transit mixers (12 vehicles)	3,84,00,000	31.0%
Batching plant, silos, bins, control room & erection	2,40,00,000	19.4%
Concrete pumps, boom placer & wheel loaders	1,40,00,000	11.3%
Working capital (receivables + material stock)	1,60,00,000	12.9%
Launch & initial operating losses	1,50,00,000	12.1%
Site development, aggregate bays, drainage & wash-water recycling	88,00,000	7.1%
Land lease deposit, consents, licences & legal	34,00,000	2.7%
Laboratory, testing equipment & mix-design development	24,00,000	1.9%
Technology (batching control, GPS, dispatch, ERP)	20,00,000	1.6%
Total	12,40,00,000	100%

14. Risk Analysis & Mitigation

Risk	Mitigation
The product dies in ninety minutes	OPENS THE MANUFACTURING SUB-MODEL AND INVERTS THE VERTICAL'S INVENTORY PROBLEM: THE SHOWROOM'S DIFFICULTY WAS STOCK THAT REFUSED TO DIE AND LOOKED PERFECT FOR YEARS; THIS PLANT HAS NO FINISHED-GOODS INVENTORY AT ALL. CONCRETE HYDRATES FROM THE MOMENT WATER MEETS CEMENT AND THE WORKABLE WINDOW IS ROUGHLY NINETY MINUTES, SO NOTHING CAN BE MADE AHEAD, HELD FOR A PRICE RISE OR CARRIED TO NEXT SEASON. THE PLANT'S MARKET IS THEREFORE A TIME RADIUS RATHER THAN A DISTANCE ONE — THE SAME EIGHTEEN KILOMETRES IS INSIDE THE CATCHMENT AT SIX IN THE MORNING AND OUTSIDE IT AT SIX IN THE EVENING. UNLIKE THE BEVERAGE PLANT'S RADIUS, WHICH IS A COST BOUNDARY THAT CAN BE CROSSED AT A PRICE, THIS ONE CANNOT BE CROSSED AT ANY PRICE: CONCRETE DELIVERED AT A HUNDRED AND TEN MINUTES IS NOT EXPENSIVE CONCRETE, IT IS WASTE, AND A CUSTOMER OFFERING TO PAY DOUBLE FOR IT IS OFFERING TO BUY A STRUCTURAL DEFECT → catchment defined in minutes and re-measured by time of day, with distant sites scheduled into morning slots; loads approaching the window diverted or recycled, NEVER discharged late (beyond 90 min 11.4%→1.1%; batch-to-discharge 74→58 min; waste loads 3.1%→0.7%); and growth beyond the radius taken as a SECOND PLANT rather than a longer haul, WHICH IS WHY RMC IS A BUSINESS OF MANY SMALL PLANTS RATHER THAN FEW LARGE ONES

The plant is the cheap part; the fleet is the capacity	A BATCHING PLANT IS 19% OF PROJECT COST AND THE MIXERS, PUMPS AND LOADERS ARE 42%. A PLANT RATED AT SIXTY CUBIC METRES AN HOUR CANNOT PRODUCE SIXTY TO A SITE FORTY MINUTES AWAY, BECAUSE EACH MIXER CARRIES SIX AND COMPLETES A ROUND TRIP — LOAD, TRAVEL, WAIT, DISCHARGE, WASH, RETURN — IN CLOSE TO THREE HOURS. RATED PLANT CAPACITY IS A SPECIFICATION; FLEET CYCLE TIME IS THE ACTUAL CAPACITY, AND PROPOSALS FOR THIS BUSINESS ROUTINELY CONFUSE THE TWO → the plan works the fleet rather than the plant (cycle 186→148 min; 11.1→15.6 m³ per mixer per day, A 41% GAIN IN EFFECTIVE CAPACITY BOUGHT WITH SCHEDULING RATHER THAN CAPITAL); dispatch staffed as the highest-leverage function in the business; preventive maintenance scheduled against cycle counts, since AN UNPLANNED MIXER FAILURE DURING A CONTINUOUS POUR IS THE MOST EXPENSIVE EVENT THIS BUSINESS HAS
The plant can under-cement and nobody will know for 28 days	CEMENT IS ABOUT SEVENTY PER CENT OF MATERIAL COST. TWENTY KILOGRAMS LESS PER CUBIC METRE AGAINST A DESIGN OF THREE HUNDRED AND TWENTY IS A SIX PER CENT CUT NOBODY CAN SEE, WORTH ~₹150/m³ — ₹1.26 CRORE AT YEAR-3 VOLUME, AGAINST A YEAR-3 PROFIT OF ₹2.83 CRORE. THE SLUMP LOOKS RIGHT, IT PUMPS NORMALLY, THE FINISH IS UNREMARKABLE, AND NO SITE ENGINEER HAS AN INSTRUMENT THAT WOULD TELL HIM. THE VERDICT ARRIVES TWENTY-EIGHT DAYS LATER IN A CUBE FREQUENTLY CAST FROM A SAMPLE THE PLANT'S OWN CREW HELPED PREPARE, AND ON MUCH INDIAN WORK IS NEVER INDEPENDENTLY CONDUCTED AT ALL — SO AN HONEST PLANT IS NOT COMPETING AGAINST A TEXTBOOK BUT AGAINST OPERATORS WHOSE COSTS ARE GENUINELY LOWER FOR A REASON THAT HAS NOTHING TO DO WITH EFFICIENCY → CEMENT CONSUMED PER m³ RECONCILED MONTHLY AGAINST CEMENT PURCHASED AND HELD WITHIN ±1.5% — THE DECISIVE CONTROL, BECAUSE A PLANT CANNOT SYSTEMATICALLY UNDER-CEMENT AND STILL SHOW A CONSISTENT RATIO AGAINST ITS OWN PURCHASE INVOICES; weighed computer batching with moisture-corrected aggregate (41%→100%) and the printed batching slip issued with every load; third-party cube testing offered and paid for on request rather than resisted; and A LABORATORY REPORTING TO THE PROMOTER AND NOT TO SALES, SINCE A LAB WHOSE RESULTS INCONVENIENCE THE PERSON WHO SIGNS ITS APPRAISAL WILL EVENTUALLY PRODUCE CONVENIENT RESULTS (28-day cubes at strength 96.2%→99.8%)
Nothing can be recovered after discharge	A CEMENT DEALER'S STOCK CAN IN PRINCIPLE BE RECOVERED AND A TILE CAN BE REPOSSESSED; CONCRETE CANNOT. NINETY MINUTES AFTER IT LEAVES THE PLANT IT IS A STRUCTURAL ELEMENT OF SOMEBODY ELSE'S BUILDING, AND WHAT REMAINS ON THE BOOKS IS AN UNSECURED PROMISE FROM A BUILDER WHOSE OWN CASH DEPENDS ON HIS PROJECT COMPLETING. THE PLANT HAS FINANCED A CUSTOMER'S STRUCTURE, AT A THIN MARGIN, WITH NO RECOURSE TO THE THING IT SOLD — SO SECURITY VALUE FALLS TO ZERO AT THE MOMENT OF SALE → credit cleared BEFORE the pour is scheduled rather than at invoicing, since THE ONLY MOMENT OF CONTROL IS THE MOMENT BEFORE THE TRUCK LOADS; concentration reduced 52%→29%, because AT 52% TOP-THREE EXPOSURE A SINGLE BUILDER'S FAILURE REMOVES BOTH THE RECEIVABLE AND MOST OF THE VOLUME COVERING THE FIXED COST — THE PLANT WOULD LOSE ITS COLLECTIONS AND ITS UTILISATION TOGETHER; receivables 82→66 days; bad debt provided at 1.2% of turnover rather than assumed away
Break-even is ~40% of capacity and Year 1 runs at 27.8%	THE ENTIRE ECONOMICS OF THIS BUSINESS IS FIXED-COST ABSORPTION: PLANT, FLEET, DRIVERS, LAB AND LEASE CONTINUE WHETHER OR NOT A POUR HAPPENS, AND THE ₹1.50 CRORE YEAR-1 LOSS IS NOT AN EXECUTION FAILURE — IT IS 27.8% UTILISATION AGAINST A 38.7% BREAK-EVEN. A PROJECTION SHOWING YEAR-1 PROFIT ON A NEW RMC PLANT IS DESCRIBING EITHER A CAPTIVE VOLUME COMMITMENT OR AN OPTIMISTIC SPREADSHEET → utilisation 27.8%→41.7%→58.3% with break-even volume stated explicitly each year (55,700→61,300 m³); contribution per m³ ₹955→₹1,245 OF WHICH ROUGHLY HALF THE IMPROVEMENT IS CYCLE TIME RATHER THAN PRICE; monsoon funded in advance as a known trough, since POURS STOP IN HEAVY RAIN WHILE THE FIXED COST OF A FLEET AND A PLANT CONTINUES REGARDLESS; and idle slots filled with contractor and individual-house volume rather than left empty

The continuous pour cannot be partially delivered	A FOUR-HUNDRED-CUBIC-METRE RAFT MUST BE PLACED WITHOUT INTERRUPTION; A GAP LONG ENOUGH FOR THE PREVIOUS LAYER TO BEGIN SETTING PRODUCES A COLD JOINT, WHICH IS A STRUCTURAL DEFECT IN A LOAD-BEARING ELEMENT AND NOT A COSMETIC ONE. THE PLANT COMMITS ITS FULL FLEET, DECLINES OTHER BUSINESS FOR THE DAY, AND A BREAKDOWN IN THE EIGHTH HOUR IS NOT A LATE DELIVERY BUT A DEFECT INSIDE SOMEBODY'S BUILDING THAT WILL BE ARGUED ABOUT FOR MONTHS — EIGHTY PER CENT OF A RAFT IS NOT EIGHTY PER CENT OF ANYTHING. IT IS SOLD AS A VOLUME OF CONCRETE AND IT IS ACTUALLY THE SALE OF AN ENTIRE DAY'S FLEET CAPACITY TO ONE CUSTOMER → pours accepted only where cycle-time arithmetic shows completion WITH A RESERVE VEHICLE, rather than where the volume is attractive; standby mixer and pump committed as policy and COSTED INTO THE QUOTATION rather than hoped against; site readiness confirmed the previous evening, since THE COMMONEST CAUSE OF A FAILED POUR IS NOT THE PLANT; and large continuous pours priced above list because THE CUSTOMER IS BUYING EXCLUSIVITY OF CAPACITY, WHICH IS WHAT HE IS ACTUALLY CONSUMING (completed without a cold joint 91.4%→99.7%)
Demurrage everybody has and nobody invoices	A MIXER WAITING THIRTY-EIGHT MINUTES AT A SITE IS NOT IDLE EQUIPMENT — IT IS A VEHICLE THAT WILL NOT COMPLETE ITS NEXT CYCLE, ON A FLEET WHOSE CYCLE COUNT IS THE PLANT'S ENTIRE CAPACITY. EVERY AGREEMENT PROVIDES FREE WAITING TIME AND A CHARGE BEYOND IT; THE CHARGE IS ALMOST NEVER INVOICED, BECAUSE THE SITE SAYS THE PUMP FAILED AND THE SALES TEAM WOULD RATHER NOT RAISE IT — SO THE PLANT ABSORBS A COST CREATED ENTIRELY BY THE CUSTOMER, AND THE CUSTOMER RECEIVES NO SIGNAL THAT HIS SITE READINESS IS EXPENSIVE, SO IT DOES NOT IMPROVE → demurrage recovered 12%→86%, and THE MORE IMPORTANT NUMBER IS THE ONE IT DRIVES: SITE WAITING FALLS 38→18 MINUTES. THAT IS THE POINT OF CHARGING — NOT THE RECOVERY, WHICH IS MODEST, BUT THE BEHAVIOUR CHANGE, BECAUSE A BUILDER WHO IS BILLED FOR HIS PUMP BREAKING DOWN FIXES HIS PUMP. Applied consistently it is a commercial rule; APPLIED SELECTIVELY TO SMALL CUSTOMERS AND WAIVED FOR LARGE ONES IT IS A GRIEVANCE — the cement dealership's credit-limit principle in a different currency
Environment, standards, site mixing & compliance	DUST FROM CEMENT AND AGGREGATE HANDLING AND STRONGLY ALKALINE WASH WATER ARE THE TWO STANDARD GROUNDS FOR CLOSURE NOTICES AGAINST URBAN RMC PLANTS, AND RETURNED CONCRETE TIPPED RATHER THAN RECLAIMED IS THE VISIBLE REASON THESE PLANTS ATTRACT OBJECTION → SPCB consent conditions tracked with renewal dates; returned concrete reclaimed or cast into blocks and kerbstones (34%→100%); wash water settled, pH-corrected and recirculated (22%→96%); dust suppression and enclosure at transfer points. Standards: IS 4926, IS 456 AND IS 516, WHERE MIX DESIGNS, SAMPLING FREQUENCY AND CUBE RECORDS ARE THE EVIDENCE TRAIL THAT DECIDES LIABILITY WHEN A STRUCTURE IS INVESTIGATED; designs re-validated quarterly against current material sources, since A DESIGN PROVEN ON LAST YEAR'S AGGREGATE IS A DOCUMENT RATHER THAN A CONTROL ; ROYALTY AND SOURCE DOCUMENTATION ON AGGREGATE AND SAND PURCHASED, SINCE THE PLANT INHERITS ITS SUPPLIER'S LICENSING EXPOSURE. Competitively, SITE MIXING HOLDS MOST OF THE VOLUME IN MOST CATCHMENTS AND IS GENUINELY CHEAPER ON MATERIAL COST — THE HONEST ARGUMENT FOR RMC IS NOT THAT IT IS CHEAPER BUT THAT IT IS THE SAME EVERY TIME AND THE DIFFERENCE IS DOCUMENTED; product and public liability insurance carried as a real requirement, because the failure mode is structural

15. SWOT Analysis

Strengths Cement-to-volume reconciliation published monthly, which no competitor volunteers and which is the only verifiable answer to the mix question; batching records issued with every load for the consultant's file; cycle-time discipline converting the same fleet into 41% more delivered volume; independent laboratory reporting; returned-concrete recycling as both compliance and cost recovery; standard resaleable equipment backing 34% of project cost.	Weaknesses ₹12.40 crore of capital against a product with a ninety-minute life and no inventory value; break-even at ~40% utilisation with Year 1 at 27.8%; security value falling to zero at discharge; 52% Year-1 customer concentration; thin pricing power on a specified commodity; a fleet whose regulatory and maintenance load is continuous.
Opportunities Rising RMC penetration from a low base as high-rise and infrastructure work grows; urban restrictions on site mixing converting demand structurally rather than commercially; consultant specification of designed mixes with traceable records, which rewards exactly this plan's disciplines; pumping capability as an acquisition tool; individual house-builder volume at better margin and better collection; a second plant as the correct growth path.	Threats Competitors whose lower price reflects a lower mix rather than lower cost; captive plants installed by large builders removing customers from the market entirely; a closure notice on dust or wash water, which stops the business rather than fining it; construction-cycle downturn hitting volume and collection together; cement and diesel price movement against contracted rates; a structural claim traced to supply.

16. Recommended AiSevak Tools for This Business

This plant would use AiSevak's Build Materials vertical tools in operations:

- **The real constraint: utilisation against break-even volume, contribution per m³, m³ per mixer per day, fleet cycle-time analysis by site and by hour of day.**
- **The physical limit: batch-to-discharge tracking with a 90-minute alert, time-radius scheduling by time of day, waste-load register, site waiting log with demurrage billing.**
- **Integrity: cement-per-m³ reconciliation against purchase invoices, moisture-corrected batch compliance, 7-day and 28-day cube registers with trend, mix-design revalidation prompts, batching slip issue with every load.**
- **Pour management:** continuous-pour feasibility calculator against fleet cycle time, standby vehicle allocation, site-readiness checklist the evening before, cold-joint incident log.
- **Environment & commercial:** returned-concrete and wash-water recycling records, SPCB consent-condition tracker with renewal dates, credit clearance gate before scheduling, receivable ageing and concentration monitor.

17. Key Assumptions & Notes

- Ready-mixed concrete plant: computer-batched designed-mix concrete manufactured and delivered by transit mixer and concrete pump to builders, contractors, infrastructure executors and individual house-builders within a defined urban catchment. **Third plan in the build-materials vertical and the MANUFACTURING sub-model anchor.**
- **⚠ MANUFACTURING SUB-MODEL CONVENTION SET HERE: (a) THE PRODUCT DIES IN NINETY MINUTES, SO THE MARKET IS A TIME RADIUS RATHER THAN A DISTANCE ONE — AND UNLIKE THE BEVERAGE PLANT'S RADIUS, WHICH IS A COST BOUNDARY CROSSABLE AT A PRICE, THIS ONE CANNOT BE CROSSED AT ANY**

PRICE. (b) THE PLANT IS 19% OF PROJECT COST AND THE FLEET IS 42% — RATED CAPACITY IS A SPECIFICATION, FLEET CYCLE TIME IS THE ACTUAL CAPACITY. (c) THE PLANT CAN UNDER-CEMENT AND NOBODY WILL KNOW FOR TWENTY-EIGHT DAYS AND USUALLY NEVER, SO CEMENT-PER-m³ RECONCILED TO PURCHASES IS THE ONLY CONTROL THAT ACTUALLY WORKS. (d) SECURITY VALUE FALLS TO ZERO AT DISCHARGE — CONCRETE CANNOT BE RECOVERED, SO CREDIT IS CLEARED BEFORE THE POUR IS SCHEDULED. (e) THE CONTINUOUS POUR IS THE SALE OF A DAY'S FLEET CAPACITY, NOT A VOLUME OF CONCRETE, AND EIGHTY PER CENT OF A RAFT IS NOT EIGHTY PER CENT OF ANYTHING.

- **□ ON THE VERTICAL'S GMROI RULE: IT DOES NOT APPLY HERE, AND THE REASON IS THE POINT. THE SHOWROOM'S PROBLEM WAS STOCK THAT REFUSED TO DIE AND LOOKED PERFECT FOR YEARS; THIS PLANT HAS NO FINISHED-GOODS INVENTORY AT ALL. THE EQUIVALENT MEASURE IS CAPACITY UTILISATION × CONTRIBUTION PER CUBIC METRE, AND A PROMOTER REPORTING RAW-MATERIAL TURNS FOR AN RMC PLANT IS REPORTING A NUMBER THAT IS ENORMOUS AND MEANINGLESS. SUBSEQUENT MANUFACTURING PLANS IN THIS VERTICAL (bricks-blocks-mfg) SHOULD USE THE UTILISATION FORM; TRADING AND RETAIL PLANS KEEP GMROI.**
- **ON THE HONESTY OF THE YEAR-1 LOSS: BREAK-EVEN IS ~40% OF CAPACITY AND YEAR 1 RUNS AT 27.8%, WHICH IS THE ₹1.50 CRORE LOSS RATHER THAN AN EXECUTION FAILURE. A PLANT THIS CAPITAL-HEAVY CANNOT BE PROFITABLE AT LOW UTILISATION, AND A PROJECTION SHOWING YEAR-1 PROFIT ON A NEW RMC PLANT IS DESCRIBING EITHER A CAPTIVE VOLUME COMMITMENT OR AN OPTIMISTIC SPREADSHEET →** break-even volume stated explicitly each year (55,700 → 57,000 → 61,300 m³, i.e. 38.7% → 42.6% of capacity); contribution per m³ ₹955→₹1,245 with roughly half the gain from cycle time rather than price; monsoon funded in advance as a known trough.
- **ON THE UNDER-CEMENTING TEMPTATION, STATED DELIBERATELY RATHER THAN OMITTED: TWENTY KILOGRAMS LESS PER CUBIC METRE IS WORTH ₹1.26 CRORE AT YEAR-3 VOLUME AGAINST A YEAR-3 PROFIT OF ₹2.83 CRORE. IT IS STATED BECAUSE IT IS THE SIZE OF THE TEMPTATION, BECAUSE IT EXPLAINS COMPETITOR PRICING THAT OTHERWISE LOOKS IMPOSSIBLE, AND BECAUSE A PROMOTER WHO DOES NOT UNDERSTAND IT WILL NOT BUILD THE CONTROLS THAT RESIST IT — THE SAME POSTURE THE MEDICAL-TOURISM AND ADVENTURE PLANS TOOK TOWARD THEIR OWN INDUSTRIES' WORST PRACTICES.**
- **Economics & cash — THE ENTIRE ECONOMICS IS FIXED-COST ABSORPTION AND THE FLEET IS THE CAPACITY** (Y1 —₹1.50cr → Y3 ₹2.83cr; net margin —8.15%→6.88%; gross margin 26.0%→29.5%; **ROCE (12.7%)→2.8%→22.5%**; volume 40,000→84,000 m³ at ₹4,600→₹4,900; utilisation 27.8%→58.3%; cycle 186→148 min; 11.1→15.6 m³ per mixer per day; receivables 82→66 days; break-even Year 2). **Regulatory: IS 4926, IS 456 AND IS 516, WHERE MIX DESIGNS, SAMPLING FREQUENCY AND CUBE RECORDS ARE THE EVIDENCE TRAIL THAT DECIDES LIABILITY WHEN A STRUCTURE IS INVESTIGATED; SPCB CONSENT TO ESTABLISH AND OPERATE, WHERE DUST AND ALKALINE WASH WATER ARE THE TWO STANDARD GROUNDS FOR CLOSURE NOTICES — A RISK THAT STOPS THE BUSINESS RATHER THAN FINING IT;** municipal siting restrictions and C&D waste rules on returned concrete; commercial vehicle permits and driver compliance across 12-28 vehicles as a standing load; statutory certification of pumps and boom placers; EPF, ESI and BOCW where crews work on client sites; **PRODUCT AND PUBLIC LIABILITY INSURANCE AS A GENUINE REQUIREMENT RATHER THAN A COMPLIANCE BOX, BECAUSE THE FAILURE MODE IS STRUCTURAL;** royalty and source documentation on aggregate and sand, since the plant inherits its supplier's licensing exposure. **Lender note: 34% OF PROJECT COST IS STANDARD, IDENTIFIABLE, RESALEABLE EQUIPMENT AND CARRIES ITS OWN SECURITY — BUT THE WORKING-CAPITAL LEG IS WEAK AND SHOULD BE PRICED AS SUCH, BECAUSE THE RECEIVABLE IS UNSECURED AGAINST A PRODUCT THAT NO LONGER EXISTS; THE DIAGNOSTIC QUESTION IS UTILISATION, NOT TURNOVER — A PROMOTER WHO CAN STATE HIS CYCLE TIME, HIS m³ PER MIXER PER DAY AND HIS BREAK-EVEN UTILISATION IS RUNNING THE BUSINESS; ONE WHO QUOTES RATED PLANT CAPACITY AND EXPECTED TURNOVER IS QUOTING A BROCHURE; and ASK FOR THE CEMENT-TO-VOLUME RECONCILIATION, THE ONE FIGURE THAT DISTINGUISHES A PLANT WHOSE MARGIN**

COMES FROM UTILISATION FROM A PLANT WHOSE MARGIN COMES FROM THE MIX — AND THE SECOND IS NOT A CREDIT RISK THAT SHOWS UP IN THE ACCOUNTS UNTIL IT SHOWS UP IN A STRUCTURAL INVESTIGATION. ₹12.40cr, volume 40,000→84,000 m³, turnover 18.40→41.16cr, 43→88 staff, utilisation 27.8%→58.3%, ROCE (12.7%)→22.5%. Figures illustrative, exclude GST.

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