

# Magicrete plans new plant in Karnataka



▲ A view of the new Jhajjar facility.

SANDEEP MENEZES

**M**agicrete Building Solutions, one of India's leading manufacturers of AAC (aerated autoclaved concrete) blocks, plans to set up a new manufacturing facility near Bengaluru in Karnataka.

"We intend to go into southern India soon. Our first plant in the south would be somewhere near Bengaluru. We are currently looking out for land. The plant might be operational in the next 12 months," Sourabh Bansal, Co-founder & Managing Director, Magicrete, told *Projectmonitor*.

At present, the company has two manufacturing facilities in Surat (Gujarat) and one at Jhajjar (Haryana) which was inaugurated recently. The proposed facility in Bengaluru will be the company's fourth AAC block manufacturing facility.

AAC blocks have eight times better thermal insulation than bricks as well as better sound resistance; it does not allow water to pass through. "All its features are better than bricks and price-wise it has parity with bricks, then why should anyone select bricks over AAC blocks," Bansal questioned.

In spite of a slowdown in construction activity, Magicrete claims to be focusing more on the conversion segment wherein it intends to convert existing practices such as bricks into blocks. Therefore, even if the construction segment slows down, the

company will not be impacted since it will focus on converting bricks to blocks.

Magicrete also intends to venture into manufacturing AAC panels which are expected to be commercially available within the next six to 12 months. The company has also envisaged an investment of ₹6 crore towards equipping its manufacturing facilities for preparing these panels.

Bansal explained, "There is expected to be a capital expenditure of around \$1 million (₹6 crore) to make our current facilities ready for manufacturing these panels. Our plants need to be equipped to handle larger sized elements. Currently, blocks are handled by smaller cranes but panels would require larger cranes. Each panel would be weighing nearly 100 kg so obviously it can't be handled manually. Also, pallets of those panels loading into trucks would need to be automated; therefore, all those additions are being done."

AAC panels are 10 times the size of blocks that means nearly 100 times the size of a brick. Cities like Mumbai would witness fast adoption of those panels and then it will also penetrate into the hinterland and Tier 2 & 3 cities. The panels will have the same physical properties as AAC blocks only that they would be steel reinforced. They will be large structures from ceiling to floor. It is a total dry form of construction which does not need sand, cement or mortar on-site to

join those panels.

The company plans to modify one of its existing facilities to manufacture the panels; however, the facility has not been finalised yet. The company is evaluating which facility is better equipped to shift to panels. It has started trials at the Surat facility, an indication that this unit could manufacture the panels first.

To begin with, Magicrete is looking at a capacity of one lakh cubic metres of panels per annum and, later, equip all its facilities for manufacturing panels. ■

## Excellence awards for Supreme Aviation

**A**midst tough competition and nominations of thousands of Indian-owned corporations serving in America, Supreme Aviation was awarded the best Indian Company in USA in two categories: Best Small and Medium Enterprise and Best Service Provider at the Corporate Excellence Awards hosted by Indo-American Chambers of Commerce in Mumbai recently.

Supreme Aviation, located in Dallas, Texas, USA, provides aviation services including air tours over the city, pilot training to international candidates and others. "Supreme's activities are not only rare and outstanding, but also excellent and enjoyed by thousands of citizens of America," remarked Nadir Godrej, one of the jury members of the award.

Headed by a young entrepreneur from Mumbai, Ammeet K. Agarwal set up Supreme Aviation in 2006. Peter Haas, Consul General of USA who was present at the event exclaimed, "After some bitter taste at flying clubs locally and across India,

Ammet went for his pilot training to Texas in 2006, when he was just 17. He returned back asking for a business visa as he had started his own company and training institute."

In last seven years Supreme Aviation has embossed brand India in thousands of hearts of American and other globetrotters. "With flags of India and Jai Shree Ram stickers on all airplanes operated by Supreme Aviation in America, both awards stand true recognition towards Ammeet K. Agarwal's entrepreneurship in America and India," said Nimesh Kampani, Managing Director, JM financial Ltd, another jury member of the award.



▲ Maharashtra Chief Minister Prithviraj Chavan presenting the awards to Ammeet K. Agarwal.

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## Bank loans to power companies go up

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scheduled commercial banks.

The annual growth in non-food credit at the end of May 2013 works out to ₹6,412 billion (14.9 per cent) compared to ₹6,145 billion (16.7 per cent) a year ago. Micro, small, medium and large industries got ₹3,034 billion (15.5 per cent) more annually; agriculture and allied activities ₹610 billion (11.2 per cent), service industries ₹1,469 billion (14.6 per cent), priority sectors like agriculture, housing and export credit ₹2,261 billion (16.3 per cent), and personal loans ₹1,299 billion (16.3 per cent).

Incremental housing loans (including priority sector lending) and vehicle loans in personal loans were ₹700 billion (17.1 per cent) and ₹253 billion (27.6 per cent), respectively. Food credit

for food grain procurement, etc increased 9 per cent to ₹1,158 billion.

In industry sector loans, infrastructure sectors, which include power, telecom, roads etc., got ₹1,342 billion (21 per cent) more annually by May 31, 2013, against ₹950 billion (17.5 per cent) a year ago. Lending to power companies went up ₹1,087 billion (32.7 per cent), speeding from ₹475 billion (16.7 per cent a year) ago.

Among the other industries, loans to basic metal and metal products increased annually by ₹532 billion (20 per cent), food processing ₹313 billion (33.5 per cent), textiles ₹247 billion (15.5 per cent), chemicals and chemical products ₹191 billion (15.2 per cent) and engineering ₹178 billion (15.8 per cent). ■

— Dr. M.S. Kapadia

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