

PROJECT PROFILE ON AGRICULTURE EQUIPMENT UNIT

1. INTRODUCTION

The agricultural implements cover ploughs, threshers, axes, powrahs, chaffcutter machine, cultivators, seed drills, etc. These implements are used for agriculture work to improve the efficiency and reduce the labour. A large variety of agricultural implements are also used as attachments to tractors.

Cultivators and other implements should be manufactured either as per the design available in the market or the designs developed or recommended by agricultural institutions/ universities of the region.

2. MARKET DEMAND

Our national economy is primarily based on agriculture income. At present agricultural labourers/farmers prefer to use modern agricultural implements for both bullocks drawn and for tractor drawn. It is estimated that the demand for these implements will be increasing.

Availability of agricultural implements in tribal areas is a major issue. There is scope to set up units in leading commercial centers of tribal areas.

PRODUCTION TARGETS

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

	Agriculture Implements (Cultivators)
Quantity (Nos)	300
Value (Rs)	7500000

3. MANUFACTURING PROCESS

Cultivator is an agricultural implement and a simple tool. It is fabricated from channel angle and flat section of mild steel. The size will depend on the type of land in particular area. The channel, angle and flats are cut to size and welded and fastened where required.

4. QUALITY CONTROL STANDARDS

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

5. LAND & BUILDING

1.	Covered area	Sq. Ft.	1000
2.	Uncovered area	Sq. Ft.	2000
3.	Total area	Sq. Ft.	3000
4.	Whether constructed or Rented		Rented
5.	If constructed, constructed value	Rs	N.A.
6.	If Rented, Rental value (per month)	Rs	2000

6. MACHINERY AND EQUIPMENT

S.N	Description	Qty.	Value (Rs.)
1.	Sheet Cutting Press	1	140000
2.	Angle and pipe bending press	1	
3.	Portable Grinder & Drill	1	
4.	350 AMP Arc welding set	1	
5.	Gas welding set	1	
6.	Bench Grinder & Drill	1	
7.	Hand Tools	L.S.	
8.	Sales Tax, Freight & Insurance etc.		14000
	Total		154000

7. RAW MATERIAL (PER MONTH)

S.N	Particulars	Quantity (MT)	Value (Rs)
1.	M.S. Angles, Sheets & Channels	13	520000
2.	Welding Rods	L.S.	5000
3.	Colour & Other Consumables	L.S.	2000
		Total	527000

8. STAFF & LABOUR (PER MONTH)

S.N	Particulars	Qty	Rate	Value (Rs)
A	Administrative and Supervisory			
(i)	Manager	1	3000	3000
(ii)	Peon/ Chowkidar	2	2000	6000
B	Technical (Skilled-Unskilled)			
(i)	Skilled Worker	2	3000	6000
(ii)	Unskilled Worker	4	2000	8000
	Sub-Total			23000
	Plus perquisites @ 30% of salaries			6900
	TOTAL			29900

9. OTHER EXPENSES (PER MONTH)

1.	Rent of Land & Building	2000
2.	Electricity Charges	1500
3.	Fuel Exp.	0
4.	Advertisement & Travelling	1000
5.	Transport	2000
6.	Consumable & stores etc.	1000
7.	Potage expenses/ telephones	1000
8.	Stationery	1000
9.	Repairs & Maintenance's	1000
	Total	10500

10. WORKING CAPITAL (FOR ONE MONTH)

SL.NO.	DESCRIPTION	AMOUNT(RS)
1	Raw material	527000
2	Salaries & Wages	29900
3	Other Expenses	10500
	Total	567400

11. TOTAL CAPITAL INVESTMENT

Building & Other Civil Works	-
Machinery & Equipment	154000
Working capital for one month	567400
Total	721400

12. COST OF PRODUCTION (PER ANNUM)

Total recurring cost per year	6808800
Depreciation on machinery & equipment	15000
Interest on total investment @ 10%	72000
Total	6895800

13. SALES PROCEEDS (PER ANNUM)

S.N.	Item	Qty (Nos)	Value (Rs.)
1.	Cultivator	300	7500000
	Total		7500000

Note: Concern can produce all agriculture implement, for profitability estimate only one is considered.

14. PROFITABILITY (BEFORE INCOME TAX)

1.	Annual Gross Profit	604200
2.	% of Profit on Sales	8.06%
3.	Break Even Analysis	
3.1	Annual Fixed Cost	484800
3.2	Annual Sales	7500000
3.3	Annual Variable Cost	6324000
3.4	Break Even Point	41.22%

Break-Even Analysis

(% of Total Production envisaged)

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

15. Manufactures/ Suppliers of Machinery

1	Gujrat engineering enterprises 31/1, Paigah Estate, Near SBI, Jehangirabad, Bhopal Ph. 2576240
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, Bhopal(m.p.)
5.	Maruti Sales Corporation Badshah Chamber, 45, Jawahar Marg, Indore (M.P.) 452 004
6.	Associated Commercial & Engg. Corpn. Hamidia Road, Bhopal PH 745287

16. Suppliers of Raw Materials

From Local Steel and Hardware shops 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	Farmers 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