

AGRICULTURAL IMPLEMENTS

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

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 centres of tribal areas.

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. PRODUCTION CAPACITY PER ANNUM

Capacity	400 Nos
Selling Price	Rs. 2200 per No.

5. PROJECT COST/CAPITAL INVESTMENT

S.No	Description	Amount Rs.
1	Fixed Capital	41000
2	Working Capital for 1 month(s)	66750
3	Preliminary & Preoperative Expns	3000
	Total Project Cost	110750

6. MEANS OF FINANCE

S.No	Description	%age	Amount Rs.
1	Promoter Contribution	15%	16612.5
2	Subsidy/Soft Loan	20%	22150
3	Term Loan	65%	71987.5
	Total		110750

7. FINANCIAL ASPECTS

A. FIXED CAPITAL

i. Land and Buildings Rented Rs. 1500 per month

ii. Machinery and Equipment

S.No	Description	Qty.	Rate	Amount Rs.
1	Electric welding transformer	1	6500	6500
2	Double ended bench grinder - 8"	1	3500	3500
3	Pillar type drilling machine	1	12000	12000
4	Electric blower with 1 HP motor	1	4000	4000
5	Portable drilling machine - 12" cap	1	3000	3000
6	Tools and equipment	LS		3000
7	Erection and installation charges	LS		3000
8	Furnitures and fixtures	LS		5000
9	Miscellaneous expenses	LS		1000
	Total			41000

B. WORKING CAPITAL

i. Salaries & Wages (per month)

S.No	Description	Nos.	Sal/mon.	Amount Rs.
1	Supervisor/Entrepreneur	1	3000	3000
2	Skilled workers	1	2500	2500
3	Unskilled workers	3	1500	4500
	Total			10000

ii. Raw Material (per month)

S.No	Description	Unit	Qty.	Rate	Amount Rs.
1	MS Channel	kgs	600	17	10200
2	MS Angle	kgs	600	17	10200
3	MS Flates	kgs	1150	17	19550
4	Bolts, nuts, towpins, welding rods, etc		LS		10000
	Total				49950

iii. Utilities (per month)

S.No	Description	Unit	Amount Rs.
1	Power	LS	1000
2	Water	LS	300
	Total		1300

iv. Other Expenses (per month)

S.No	Description	Amount Rs.
1	Postage & Stationery Expenses	500
2	Transportation & Conveyance Expenses	1000
3	Advertisement Expenses	500
4	Consumable Stores	1500
5	Miscellaneous Expenses	500
	Total	4000

v. Total Working Capital (per month)

S.No	Description	Amount Rs.
1	Rent	1500
2	Salaries and Wages	10000
3	Raw Material	49950
4	Utilities	1300
5	Other Expenses	4000
	Total	66750

8. COST OF PRODUCTION (PER ANNUM)

S.No	Description	Amount Rs.
1	Total Working Capital	801000
2	Depreciation @ 15%	6150
3	Interest @ 12%	8639
	Total	815789

9. TURNOVER (PER YEAR)

S.No	Description	Unit	Qty.	Rate Rs.	Amount Rs.
1	Agricultural Implements	Nos	400	2200	880000
	Total				880000

10. FIXED COST (PER YEAR)

S.No	Description	Amount Rs.
1	Depreciation	6150
2	Interest	8639
3	Rent	18000
4	Salaries & Wages @ 40%	48000
5	Other Expenses incl. Utilities @ 40%	25440
	Total	106229

11. PROFIT ANALYSIS & RATIOS

1	Net Profit	Rs.	64212
2	Percentage of Profit on Sales		7%
3	Percentage of Return on Investment		58%
4	Break Even Point		62%