

Agro Service Centre(ASC)

Due to higher rate of wage of agricultural labours and introduction of subsidy scheme and there has been considerable demand for use of tractor, Rotavator, seed cum fertilizer drill, 9 tine tiller, MB Plough, Hydraulic trailer and farm implements. Further by use of water lifting devises, other equipment's and package of practice to be provide to the farmers to improve the productivity. Besides timely harvesting and post harvesting of crops is of great importance. So that the farmer will get ample time to undertake first ploughing taking advantage of residual moisture of soil.

PROJECT REPORT OF AGRO SERVICE CENTRE (ASC)

NAME OF THE ENTER PRENIURE:

ADDRESS:

COMPONENTS OF AGRO SERVICE CENTRE

PARTICULARS	QTY.	AMOUNT(IN RS.)
(A)COMPULSORY ITEM		
1.Tractor:-MF7250DI,with hitch,hood,cage wheel	1	693500
2.Seed cum fertiliser drill, ROCK TILL	1	53300
3.Rotavator,Rock till	1	99000
4.M.B.Plough tractor drawn	1	26900
(B)OPTIONAL ITEM		
1.Trailer 4 ton capacity Durga agro	1	130000
2. 9 Tyne tiller		23300
3. Power Sayer	1	8147
Total cost of the project(in Rs.)		1034147
DPR @1%		10341.47
Grand Total		1044488.5
Amount tobe Financed(in Rs.)		1044488.5
Subsidy tobe provided after completion of the project etc.50% of project cost(in Rs.)		522244
Net Loan amount(in Rs.)/Investment cost		522244
Rate of interest		12.75%

1026000

OPERATIONAL COST

A. FIXED COST ANNUALLY

1. TRACTOR (With ,Hydraulic trailer, Rotavator, Leveller)

(a) Depreciation = $887500 - 88750 / 10$	<u>1026000 (-)</u>	<u>102600</u>		(=) 92340
	10			
(b) Interest = $887500 + 88750 / 2 \times 12.75 / 100$	<u>1026000 (+)</u>	<u>102600 X</u>	<u>12.75 (=)</u>	71948.25
	2		100	
© Insurance and tax 2% of Rs. 887500		2% of initial cost		(=) 20520
d. Housing		1% of initial cost		(=) 10260
Total fixed cost				195068.3

(B) Variable cost (Hourly)

(a) Diesel 4ltr/perhr. @ Rs. 57/per ltr.	4	63		(=) 252
(b) Lubricant 3%	0.12	280		(=) 33.6
© Repair and maintenance 10% Rs. 887500/1500	1026000	2000		(=) 51.3
(d) Salary and wages engaged for 12 months @ 4000/per month	4000	240		(=) 16.66667
Total				353.5667

2) Power sprayer

(A) Fixed cost annually

(a) Depreciation =	<u>8147 (-)</u>	<u>814.7</u>		(=) 8065.53
	10			
(b) Interest =	<u>8147 (+)</u>	<u>814.7 X</u>	<u>12.75 (=)</u>	571.3084
	2		100	
© Insurance and tax 2% of Initial cost	8147	2		162.94
Total				8799.778

(B) Variable cost (Hourly)

(a) petrol charges 0.25ltr/perhr. @ Rs. 63/per ltr.	0.25	75		(=) 18.75
(b) Lubricant 3%	0.0075	280		(=) 2.1
© Repair and maintenance 10% OF Rs. 162540/480	8147	480		(=) 1.697292
				22.54729

TOTAL ANNUAL FIXED COST

Sl.no.	ITEM	ANNUAL FIXED COST
1	TRACTOR AND ACCESSORIES LIKE SEED DRILL, ROTAVATOR, M.B. PLOUGH , HYDRAULLIC TRAILER, 9/11 tyne TILLER	Rs. 195,068.25
3	POWER SPAYER	Rs. 8,799.78
	Total	Rs. 203,868.03

TOTAL VARIABLE COST

Sl.no.	ITEM	HOURLY VARIABLE COST	ANNUALLY VARIABLE COST.
1	TRACTOR AND ACCESSORIES LIKE SEED DRILL, ROTAVATOR, M.B. PLOUGH , HYDRAULIC TRAILER, 9/11 tyne TILLER	353.57	707133.3333
2	POWER SPRAYER	22.55	5411.35
	TOTAL	376.11	712544.6833

INCOME GENERATION ANNUALLY

A. Tractor with trailer, M.B. Plough, cultivator, Rotavator, seed drill & @750/per hr. for 2000hrs.	750	2000	1500000
D. Power SPRAYER @ 100/per hr.	100	240	24000
Total income generation annually	850		1524000
Total income generation hourly 750+100	850		
Break Even Point = Annually fixed cost / (hourly benefit - hourly variable cost) =	Hour		430
Pay Back Period = Investment cost / Average annual benefit = Investment cost / Gross income - (Annual fixed cost + annual variable cost) =	years	1YEAR	0.86

CALCULATION OF INTEREST ANNUALLY

TRACTOR AND ACCESSORIES LIKE SEED

DRILL, ROTAVATOR, M.B. PLOUGH, HYDRAULIC

A. TRAILER, 9/11 tyne TILLER	130815
D. Power sprayer	1038.74
Annual interest	131853.7425
Total interest for 5 years.	659268.7125
Loan	522244
Total repayment	1181512.948

CALCULATION OF YEARLY PROFIT

Hiring charges equipment	1524000
Less variable cost	712544.6833
Gross profit	811455.3167
Less fixed cost	203868.0284
Net profit	607587.2883

CALCULATION OF BENEFIT COST RATIO(B.C.R.)

YEAR	Name of the machinery	hours of operation	Gross benefit in Rs.	Gross cost in Rs.	D.F.on 12.75%Rate of interest	Present value of benefit	Present value of cost
0	TRACTOR AND ACCESSORIES LIKE SEED DRILL, ROTAVATOR, M.B. PLOUGH, HYDRAULLIC TRAILER, 9/11 tyne TILLER Power Sprayer	0		522244	1		522244
1st year	TRACTOR AND ACCESSORIES LIKE SEED DRILL, ROTAVATOR, M.B. PLOUGH, HYDRAULLIC TRAILER, 9/11 tyne TILLER	1500	1125000	530350	0.89	1001250	472011.5
	Power sprayer	200	20000	4509.4583	0.89	17800	4013.417917
	Total		1145000	534859.46		1019050	476024.9179
2nd year	TRACTOR AND ACCESSORIES LIKE SEED DRILL, ROTAVATOR, M.B. PLOUGH, HYDRAULLIC TRAILER, 9/11 tyne TILLER	2000	1500000	707133.33	0.79	1185000	558635.3333
	Power SPRAYER	240	24000	5411.35	0.79	18960	4274.9665
	Total		1524000	712544.68		1203960	562910.2998
3rd year	TRACTOR AND ACCESSORIES LIKE SEED DRILL, ROTAVATOR, M.B. PLOUGH, HYDRAULLIC TRAILER, 9/11 tyne TILLER	2000	1500000	707133.33	0.7	1050000	494993.3333
	Power sprayer	240	24000	5411.35	0.7	16800	3787.945
	Total		1524000	712544.68		1066800	498781.2783
4th year	TRACTOR AND ACCESSORIES LIKE SEED DRILL, ROTAVATOR, M.B. PLOUGH, HYDRAULLIC TRAILER, 9/11 tyne TILLER	2000	1500000	707133.33	0.62	930000	438422.6667
	Power sprayer	240	24000	5411.35	0.62	14880	3355.037
	Total		1524000	712544.68		944880	441777.7037
5th year	TRACTOR AND ACCESSORIES LIKE SEED DRILL, ROTAVATOR, M.B. PLOUGH, HYDRAULLIC TRAILER, 9/11 tyne TILLER	2000	1500000	707133.33	0.55	825000	388923.3333
	Power sprayer	240	24000	5411.35	0.55	13200	2976.2425
	Total		1524000	712544.68		838200	391899.5758
Grand Total			7241000	3907282		5072890	2893638.011

Benefit cost ratio=Present value of benefit/present value of cost=

1.75

N.P.V.=

1657008

IRR=23%

CASH FLOW ANALYSIS

Year	Gross profit	Gross cost	Cash flow	Loan interest repayment	Net surplus
0	0	522244	(-)522244	0	
1st year	1145000	534859.4583	610140.54	300000	310140.5417
2nd year	1524000	712544.6833	811455.32	281512.9475	529942.3692
3rd year	1524000	712544.6833	811455.32	200000	611455.3167
4th year	1524000	712544.6833	811455.32	200000	611455.3167
5th	1524000	712544.6833	811455.32	200000	611455.3167
Total			3378014.8	1181512.948	

N.B.:-

B.C.R.-Benefit cost ratio

P.V.-Present value

N.P.V.-Net Present Value =Present value of future cash flow- initial investment

D.F.-Differential factor

Rate of interest=12.75%

B.E.P.-Break Even Point

P.B.P.-Pay Back Period

Life of Tractor-10years=15000hrs.,Annual use:-2000hours.

Life of Pump set :-10 years=3600hrs.

Life of Power thresher=10years=2400hrs.

Life of Power Srazer =10years=2400hrs.

Life of Reaper=10years=2400hrs.

Life of Power tiller=10years=4800hrs.

Axial flow thresher=10years=2400hrs.

I.R.R :-Internal rate of return (N.P.V.=0)