

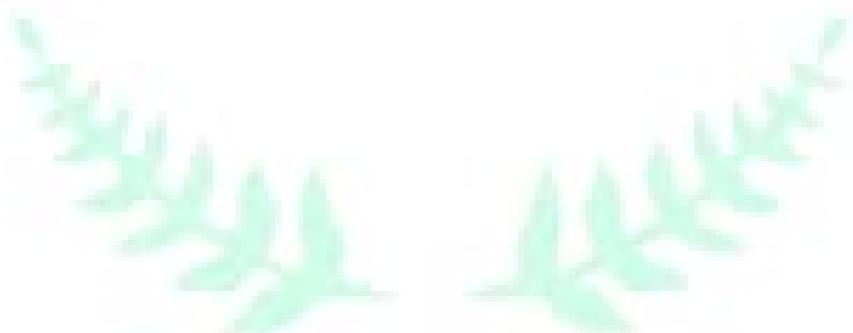


Detailed Project Report

on

Agro Service Center (Tractor based)

Under MKUY



Name of the Entrepreneur/Entity:

Address:



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1. Project Summary

1	Name of the Enterprise (as per the Illustrative List of Enterprises)	Agro-service Center
2	Sector (as per the Illustrative List of Enterprises)	Agriculture
3	Project Capacity ¹	7 machines/equipment's
4	Project location (Village/Ward, Gram Pranchayat/Municipality, Block, District)	
5	Key components of the project (Example: Dairy, Vermicomposting, Biogas, Apiary, Solar Lighting)	Machineries, Equipment's, Services
6	Products/Output from the project	Rental machinery services
7	Total Project Cost	Rs.23,02,950
8	Fixed Capital Cost	Rs.22,63,950
9	Working/Recurring capital	Rs.39,000
10	Bank Finance/ Self Finance	Bank
11	Bank Loan Amount	Rs. 18,42,360
12	Promoter Contribution (min 10% in case of bank loan)	Rs. 4,60,590
13	Bank details: Name of the Bank, Branch, IFSC Code	
14	Assumed Interest Rate of Interest	Under AIF (11-3)% = 8%
15	Subsidy Eligibility (40%, 50%)	
16	Repayment Terms (Tenure, Moratorium, Frequency, Mode of Repayment: equal principal/equal instalment)	Monthly equated instalments for 7 years
17	Key Financial Indicators: 1. Average Annual Net Profit 2. Debt Service Coverage Ratio (DSCR) 3. Internal Rate of Return Break Even Year	Rs. 9,87,568 3.13 42.0% 2 Years and 5 Months
18	Estimated employment to be generated (nos.)	4

Note: The price of the machinery / implements / equipment, custom hiring rate, bank interest etc quoted in the DPR is indicative. Final CIS will be calculated as per the laid down principles in the MKUY guideline.

¹ Capacity can be in terms of area or quantity



2. Project Profile

2.1 Entrepreneur/EntityProfile

1	Name of the Entrepreneur/Entity	
2	Legal status (Individual/ Group/ FPO/ FPC/ Proprietorship/ Partnership firm/ Company/ Cooperative/ Federation/ Society/ Trust)	
3	Name of Representative ² in Ease of entity	
4	Gender (Male/ Female/ Third Gender/ Not Applicable)	
5	Date of Birth of Individual/Representative of Entity	
6	Date of Incorporation/Registration of Entity	
7	Category opted for (Women/ ST/ SC/ Differently Abled/ Third gender/ Agri & Allied Graduate)	
8	Educational Qualification of Individual/Representative of Entity	
9	Passport size photograph of the Individual/ Representative of entity	
10	Local Address for Correspondence of the Individual/ Representative of entity	
11	Registered Address of Entity	
12	Main Office/Branch Address of Entity	
13	Phone no. of Individual/Representative of Entity	
14	Email Id of Individual/Representative of Entity	
15	AADHAR No. of Individual/Representative	
16	PAN of Individual/Representative of Entity, if available	
	Farmer Id of Individual, if available	
17	Registration No./ CIN of the Entity ³	
20	PAN/TAN of Entity	
21	GSTIN of Entity, if available	
22	Details of experience and exposure relevant to the proposed enterprise/project (family business, work experience, e- learning/certificate courses, trainings undertaken etc.)	

² Representative should be authorized by the board/governing body of the entity.

³ Registration document:

Groups (SHG/PG/: FPO: , Proprietorship firm: Registration Certificate under Shops & Establishment Act,
Partnership firm: Registration Certificate from IGR of state, Company (Pvt. Ltd., Public Ltd., LLP, OPC, FPC):
Certification of Incorporation, Cooperative/Federation: Certificate of Registration from Registrar of Cooperative
Societies, Society/Trust: Darpan Unique Id



2.2. Project Consultant Details

DPR prepared by:

Please provide further details of the consultant:





2.3. Concept and Scope of the Project

Background

Indian agriculture is undergoing a gradual shift from dependence on human power and animal power to mechanical power because increasing cost for upkeep of animal and growing scarcity of human labour. Further, use of mechanical power has a direct bearing on the productivity of crops apart from reducing the drudgery and facilitating timeliness of agricultural operations. Most of the farmers have no plenty of resource to purchase high-cost agricultural machineries/implements. Thus, there is a strong need for taking up Agro-Service Centers (ASC) a custom hiring centre of agricultural machineries/implements. It eventually caters the need of all categories of farmers for need based field operations.

ASCs are basically a unit comprising a set of farm machinery, implements and equipment meant for custom hiring by farmers. Though certain implements and equipment are crop specific, the traction units like tractors, power tillers etc., and self-propelled machinery like combine harvesters etc., are used in common. Therefore, an ideal model envisaged in this project comprise farm machinery that are commonly used for tillage operations for all crops, multi crop equipment and a minimum of crop specific machinery.

Market Potential

Mechanical power is largely consumed in big land holdings and is still beyond the reach of small/marginal holdings which constitutes around 70% of the total land holdings. This is due to the fact that the small/marginal farmers, by virtue of their economic condition are unable to own farm machinery on their own or through institutional credit. Therefore, to bring farm machinery facilities available within the reach of small/marginal holdings, collective ownership or Agro-Service Center needs to be promoted in a big way.

Need for Agro Service Center (ASC)

- To make available various farm machinery/ implement /equipment's to small and marginal farmers
- To offset the adverse economies of scale due to high cost of individual ownership
- To improve mechanization in places with low farm power availability
- To provide hiring services for various agricultural machinery/ implements applied for different operations.
- To expand mechanized activities during cropping seasons in large areas especially in small and marginal holdings.
- To provide hiring services for various high value crop specific machines applied for different operations.

Problems to be addressed.

The latest farm machinery, plant protection equipment's and post-harvest equipment's on custom hiring is being practiced in an unorganized way. This should reach the small and marginal farmers through organized agro service centres which to be established at the block level. Through these centres the small and marginal farmers would utilize farm machinery efficiently and economically to enhance the productivity of crops grown.



Potential for ASCs

The farm power availability for small/marginal land holdings is the lowest. As the small/marginal holdings constitutes around 70% of total land holdings, the potential for ASC which will cater to the farm machinery requirement of such a vast area, is quite huge. Subsidy schemes are also being formulated to encourage entrepreneurs and agri-graduates to set up ASC. Therefore, keeping in view the emphasis of agricultural farm machinery and the need for taking the of farm machinery within the reach of small/marginal farmers, institutional credit needs to be made available for ASCs.

Location of the ASCs

The ASC can be in a place where by and large small land holdings are located within a radius of 5 to 7 kms. This will reduce the transport cost and time of transport of agricultural machinery. In other terms, one ASC is expected to cater to 4-5 villages and therefore a common place equidistant from the villages catered is advisable.

Target Customers

Though institutions like Primary Agricultural Credit Societies, Multipurpose Societies, Marketing societies etc., and line departments have machinery for custom hiring, a vast area remains uncovered. Informal hiring systems are also prevalent in rural areas, however, timely availability is not assured. Therefore, there is a need to encourage individuals like progressive farmers, rural unemployed youth, agri-graduates etc., and village level institutions like SHG Federations, PGs, FPCs etc., to set up ASCs.

3. Techno-Commercial Assumptions

Sl. No.	Parameter	Value	Unit
1	Increase in Rate of Rent	5	%
2	Increase in fuel price	3	%
3	Collection from Debtors (First Year)	15	Days
4	Collection from Debtors	15	Days
5	Payable to Creditors	20	Days
6	Drawing By Promoter	10	%
7	Increase in Staff Salary	5	%
8	Rate of Interest on TL (11-3)% through AIF	8	%
9	Rate of Interest on WC	9	%
10	Loan Repayment (in year)	7	Years
11	Raw Material in Stock (on sales)	2	Days
12	Finished Goods in stock (on sales)	0	Days
13	Promoter's Contribution (Term Loan)	20	%
14	Promoter's Contribution (Working Capital)	20	%
15	Working Capital Requirement	10	Days
17	Working Capital Utilization	100	%
18	No of hours of Operation	8	Hrs
19	Cost of Operation of Tractor + trailer PTO hp per	1089	Rs.



Sl. No.	Parameter	Value	Unit
	Hr		
20	Cost of Operation of Combine Harvester per Hr	2885	Rs.
21	Cost of Operation of Tractor with Rotavator per Hr	1046	Rs.
22	Cost of Operation of Tractor with MB plough per Hr	1035	Rs.
23	Cost of Operation of Tractor with seed drill per Hr	1030	Rs.
24	Cost of Operation of Water Pump per Hr.	60	Rs.
25	Cost of Operation of Power Weeder per Hr	171	Rs.
26	Cost of Operation of Power sprayer per Hr		Rs.
27	Cost of Operation of Power Tiller per Hr		Rs.
28	Cost of Operation of Tractor with axial flow paddy thresher per hr.	1328	Rs.
29	Fuel Consumption per hr. by tractor	4.5	Ltrs/hr
30	Fuel Consumption per hr. combine harvester	7.5	Ltrs/hr
31	Fuel Consumption per hr. by pump	0.3	Ltrs/hr
32	Fuel Consumption per hr by Power Weeder	0.7	Ltrs/hr
33	Rate of Diesel per lit	97	Rs.
34	Rate of Petrol per lit.	110	Rs.
35	Insurance on machinery	1	%

4. Financial Details

4.1. Project Fixed Capital

Sl. No.	Particulars	Unit	Qty.	Cost per unit (Rs)	Total (Rs)
A	Land				
1	Land Development	Sq. ft	0	0	0
2	Fencing (Barbed wire/Green Fencing)	ft	0	0	0
	Sub Total				0
B	Civil Construction				
1	A shed for keeping the tools and machinery	Sq. ft	1200	700	8,40,000
	Sub Total				8,40,000
C	Water Supply				
1	Water Supply with tank, pump, and pipeline				00.00
D	Electrification				
1	Electrical Installation (with transformer and DG Unit as required)				00.00

E	Plant & Machinery	Specification	Qty.	Unit Price (Rs)	Total (Rs)
Sl. No.	Particulars	Specification	Qty.	Unit Price (Rs)	Total (Rs)
1	Tractor	40-50 pto hp	1	9,00,000	9,00,000
2	MB Plough (tractor optd)		1	45,000	45,000
3	Rotavator	5 to 6ft	1	1,30,000	1,30,000
4	Seed cum Fert Drill			70,000	70,000
5	Power weeder	5-8 HP	1	90,000	90,000



E Plant & Machinery					
Sl. No.	Particulars	Specification	Qty.	Unit Price (Rs)	Total (Rs)
6	Tractor trailer	4-ton capacity	1	1,60,000	1,60,000
7	Tractor operated axial flow Thresher	4-6 aspirator	1	2,35,000	2,35,000
Total					13,95,000
F Miscellaneous Expenditure					
Sl. No.	Particulars	Specification	Qty	Unit Price	Total
1	Insurance premium of assets				13,950
2	DPR Cost				5,435
3	Other misc. exp				9,565
Total Misc. Exp					28,950

4.2. Project Variable Expenses

Details of Recurring Expenditure						
Details of raw material						
Sl. No.	Items	Description	Operating Hrs	No of working days per year	Qty of fuel per annum (lit)	Amount (Rs)
1	Tractor	Self-propelled (Diesel)	8	-	-	-
2	MB Plough (tractor optd)	tractor optd (Diesel)	8	60	2,160	2,09,520
3	Rotavator	Tractor optd (Diesel)	8	45	1,620	1,57,140
4	Seed cum Fertilizer Drill/DSR (Tractor optd)	tractor optd (Diesel)	8	30	1,080	1,04,760
5	Power weeder	Self-propelled (Diesel)	8	120	672	65,184
6	Tractor trailer	Tractor drawnd (Diesel)	8	90	3,240	3,14,280
7	Tractor operated axial flow Paddy Thresher	Tractor optd (diesel)	8	60	2,160	2,09,520
	Total		56	405	10,932	10,60,404

Details of salary and other benefits				
Sl. No.	Type of workers	No. of Worker	Salary Per Month/head (Rs)	Total Salary per annum (Rs)
1	Machine operators	1	15,060	1,80,720
2	Labour/ helper	1	10,560	1,26,720
	Grand Total	2	25,620	3,07,440



4.2. Details of Sales

Details of Income						
Sl. No.	Particulars	Description	Operating Hrs per day	No of working days per year	Total working hours per year	Total (Rs)
1	Tractor	Self-propelled (Diesel)	8	-	-	-
2	MB Plough (tractor optd)	tractor optd (Diesel)	8	60	480	4,96,800
3	Rotavator	Tractor optd (Diesel)	8	45	360	3,76,560
4	Seed cum Fertilizer Drill/DSR (Tractor optd)	tractor optd (Diesel)	8	30	240	2,47,200
5	Power weeder	Self-propelled (Diesel)	8	120	960	1,64,160
6	Tractor trailer	Tractor drawnd (Diesel)	8	90	720	7,84,080
7	Tractor operated axial flow Paddy Thresher	Tractor optd (diesel)	8	60	480	6,37,440
	Total		56	405	3240	2706240



4.3. Project Balance Sheet

Liabilities	I	II	III	IV	V	VI	VII
Opening Capital	-	9,22,116	15,63,279	22,33,168	29,23,772	36,33,775	43,64,335
Add: Introduced	4,60,590						
Add: Profit	5,13,526	8,15,163	9,18,888	10,15,604	11,14,003	12,15,560	13,20,233
Less: Drawing	52,000	1,74,000	2,49,000	3,25,000	4,04,000	4,85,000	5,69,000
Closing Capital	9,22,116	15,63,279	22,33,168	29,23,772	36,33,775	43,64,335	51,15,568
Term Loan from Bank	16,10,035	13,92,216	11,56,319	9,00,842	6,24,161	3,24,516	-
Current Liabilities							
Cash Credit from Bank	31,200	31,200	31,200	31,200	31,200	31,200	31,200
Sundry Creditors	56,555	69,200	71,333	73,533	75,800	78,133	80,533
Expenses Payable	29,700	31,400	33,000	34,700	36,400	38,200	40,200
Current Provisions	19,007	94,416	1,25,952	1,67,402	2,09,573	2,53,097	2,97,957
Total Current Liabilities	1,36,461	2,26,216	2,61,486	3,06,835	3,52,973	4,00,630	4,49,890
Total Liabilities	26,68,613	31,81,711	36,50,972	41,31,450	46,10,909	50,89,481	55,65,458
Assets							
Fixed Assets	22,63,950	22,63,950	22,63,950	22,63,950	22,63,950	22,63,950	22,63,950
Less Depreciation	2,93,250	5,46,713	7,65,936	9,55,677	11,20,019	12,62,466	13,86,026
Net Fixed Assets	19,70,700	17,17,238	14,98,014	13,08,273	11,43,931	10,01,484	8,77,924
Current Assets							
Sundry Debtors	1,08,300	1,35,000	1,41,800	1,48,900	1,56,300	1,64,200	1,72,400
Inventories	5,700	7,000	7,200	7,400	7,600	7,900	8,100
Cash and Bank Balance	21,700	27,000	28,400	29,800	31,300	32,900	34,500
Other Current Assets	5,62,213	12,95,474	19,75,558	26,37,077	32,71,779	38,82,997	44,72,533
Total Current Assets	6,97,913	14,64,474	21,52,958	28,23,177	34,66,979	40,87,997	46,87,533
Total Assets	26,68,613	31,81,711	36,50,972	41,31,450	46,10,909	50,89,481	55,65,458



4.4. Calculation of Depreciation

Rates of Depreciation		10%	15%	Total depreciation for the year		
Year	1	84,000.00	2,09,250	2,93,250		
	2	75,600.00	1,77,863	2,53,463		
	3	68,040.00	1,51,183	2,19,223		
	4	61,236.00	1,28,506	1,89,742		
	5	55,112.40	1,09,230	1,64,342		
	6	49,601.16	92,845	1,42,446		
	7	44,641.04	78,919	1,23,560		

4.5. Projected P&L

Description	Year ending March 31st						
	I	II	III	IV	V	VI	VII
Capacity Utilisation	80	95	95	95	95	95	95
Revenue							
Sales	21,64,992	27,00,000	28,35,000	29,77,000	31,26,000	32,83,000	34,48,000
Total Income (A)	21,64,992	27,00,000	28,35,000	29,77,000	31,26,000	32,83,000	34,48,000
Expenditure							
Opening stock of Raw Material	-	5,700	7,000	7,200	7,400	7,600	7,900
Purchase (Net) of Material	8,48,323	10,38,000	10,70,000	11,03,000	11,37,000	11,72,000	12,08,000
Closing Stock of Raw material	5,700	7,000	7,200	7,400	7,600	7,900	8,100
Raw Material Consumption	8,42,623	10,36,700	10,69,800	11,02,800	11,36,800	11,71,700	12,07,800
Repair & Maintenance- Machinery (@5% of Cost)	22,640	23,800	25,000	26,300	27,700	29,100	30,600
Electricity expense	1,299	1,620	1,701	1,786	1,876	1,970	2,069
Insurance cost	13,950	14,700	15,500	16,300	17,200	18,100	19,100
Administrative salaries and wages	3,07,440	3,22,900	3,39,100	3,56,100	3,74,000	3,92,700	4,12,400
Other Misc. Expenses [@1% of sales]	10,825	13,500	14,175	14,885	15,630	16,415	17,240
Total Cost	11,98,777	14,13,220	14,65,276	15,18,171	15,73,206	16,29,985	16,89,209
Profit Before Depreciation, Interest and Tax	9,66,215	12,86,780	13,69,724	14,58,829	15,52,794	16,53,015	17,58,791
Depreciation	2,93,250	2,53,463	2,19,223	1,89,742	1,64,342	1,42,446	1,23,560



Profit Before Interest and Tax	6,72,965	10,33,318	11,50,501	12,69,087	13,88,452	15,10,569	16,35,232
Interest on Term Loan	1,37,624	1,20,931	1,02,852	83,273	62,068	39,104	14,234
Interest on Working Capital Loan	2,808	2,808	2,808	2,808	2,808	2,808	2,808
Total Interest Paid	1,40,432	1,23,739	1,05,660	86,081	64,876	41,912	17,042
Profit Before Tax	5,32,533	9,09,578	10,44,841	11,83,006	13,23,576	14,68,657	16,18,190
Income Tax	19,007	94,416	1,25,952	1,67,402	2,09,573	2,53,097	2,97,957
Profit after Tax	5,13,526	8,15,163	9,18,888	10,15,604	11,14,003	12,15,560	13,20,233

4.6. Projected Cash Flow

Period Ending	I	II	III	IV	V	VI	VII
Cash & Bank Balance at Beginning	-	21,700	27,000	28,400	29,800	31,300	32,900
Cash Inflow during the Period	29,61,863	11,58,379	11,73,381	12,50,696	13,24,483	14,05,664	14,93,053
Cash Outflow during the Period	29,40,163	11,53,079	11,71,981	12,49,296	13,22,983	14,04,064	14,91,453
Closing Cash & Bank Balance	21,700	27,000	28,400	29,800	31,300	32,900	34,500

4.7. Projected Loan Repayment

Year	Interest	EMI	Principal
1	1,37,624.37	3,38,749.54	2,01,125.17
2	1,20,931.08	3,38,749.54	2,17,818.46
3	1,02,852.25	3,38,749.54	2,35,897.28
4	83,272.89	3,38,749.54	2,55,476.64
5	62,068.46	3,38,749.54	2,76,681.08
6	39,104.07	3,38,749.54	2,99,645.47
7	14,233.64	3,38,749.54	3,24,515.90
Total	5,60,086.76	23,71,246.76	18,11,160.00



4.8. Calculation of DSCR, IRR and BEP

Calculation of DSCR							
Year	I	II	III	IV	V	VI	VII
Net Sales	21,64,992	27,00,000	28,35,000	29,77,000	31,26,000	32,83,000	34,48,000
Net Profit	5,13,526	8,15,163	9,18,888	10,15,604	11,14,003	12,15,560	13,20,233
Interest Paid	1,40,432	1,23,739	1,05,660	86,081	64,876	41,912	17,042
Cash Accruals (a)	6,53,959	9,38,902	10,24,549	11,01,685	11,78,879	12,57,472	13,37,275
Principal	2,01,125	2,17,818	2,35,897	2,55,477	2,76,681	2,99,645	3,24,516
Interest	1,40,432	1,23,739	1,05,660	86,081	64,876	41,912	17,042
Total (b)	3,41,558	3,41,558	3,41,558	3,41,558	3,41,558	3,41,558	3,41,558
DSCR	1.91	2.75	3.00	3.23	3.45	3.68	3.92
Average DSCR	3.13						

Calculation of Break-Even Point (BEP)							
Sales	21,64,992	27,00,000	28,35,000	29,77,000	31,26,000	32,83,000	34,48,000
Variable Cost	8,53,448	10,50,200	10,83,975	11,17,685	11,52,430	11,88,115	12,25,040
Contribution	13,11,544	16,49,800	17,51,025	18,59,315	19,73,570	20,94,885	22,22,960
Fixed Cost	7,79,011	7,40,222	7,06,184	6,76,309	6,49,994	6,26,228	6,04,770
BEP Sales	12,85,929	12,11,419	11,43,349	10,82,856	10,29,546	9,81,394	9,38,050
Average BEP sales	10,96,078						

Calculation of Internal Rate of Return (IRR)							
Sl. No.	Year		PAT	Depreciation	Cash Accrual		
	Cash outflow at beginning				-23,02,950		
1		31-03-2023	5,13,526	2,93,250		8,06,776	
2		31-03-2024	8,15,163	2,53,463		10,68,625	
3		31-03-2025	9,18,888	2,19,223		11,38,112	
4		31-03-2026	10,15,604	1,89,742		12,05,346	
5		31-03-2027	11,14,003	1,64,342		12,78,345	
6		31-03-2028	12,15,560	1,42,446		13,58,006	
7		31-03-2029	13,20,233	1,23,560		14,43,793	
IRR	42.0%						
Payback Period			2 Years 5 Months				



4.9. Summary of Project Cost

Sl. No.	Name of Assets	Amount (INR)
1	Land Development	-
2	Civil Construction	8,40,000
3	Irrigation/Water Supply	-
4	Electrification	-
5	Plant & Machinery	13,95,000
6	Livestock	-
7	Insurance	13,950
8	DPR Cost	5,435
9	Other misc. exp	9,565
	Total Fixed Cost	22,63,950
	Recurring	39,000
	Cost of Project	23,02,950