

METAL BASED INDUSTRIES

AGRICULTURAL IMPLEMENTS, CUTLERIES & HAND TOOLS

Introduction :

Metal based industries have greater development in every field such as industries, agricultural implements, building materials etc. Large number of agricultural implements, cutlries, hand tools etc have good demand and scope.

Raw Materials :

High carbon steel, MS items, Welding rod, handles, other items and consumables are locally available.

Manufacturing process :

The process includes cutting, bending, drilling, welding etc by using machinaries and assembled together necessary handles are attached and kept for marketing.

Marketing:

Agricultural implements and hand tools will have good demand and scope. The products can be marketed through out the state and neighbouring states.

Installed Capacity (in Nos)

1. Agricultural Implements - 20,000
2. Cutlries - 40,000
3. Hand Tools - 20,000

Fixed Assets

1. Land & Building : Rented

- Machinery & Equipments

	Items	Rate	Quantity	Value
	Welding Set		01	
	Buffing Motor		01	
	Drilling Machine		01	

	1 Hp Motor		01	
	Bench Grinder		01	
	Hand Drilling Machine		01	

	Hand Grinder		01	
	Bench vise		01	
	Pannel Board & Electrification		Total SI No.1 + 9 Sub-Total	1,50,000
	Miscellaneous Assets(3)			25,000
	Preliminary & Pre - Operative Expenses(4)			5,000
	Total Fixed Capital (2+3+4)			1,80,000

Working Capital

Recurring Expenses /Month

1. Requirement for Raw Materials at 50% of capacity utilization –
60,000/-

2. Wages – 16,000/-

3. Utilities & Other Expenses – 14,000/-

Total 90,000/-

4. Working Capital requirement –
1,50,000/-

(Two months raw Material cost and one month work expenses are estimated as Working Capital)

Courtesy:



5. Total Cost of Project

Sl.No	Items	Amount
1	Land & Building	Rented
2	Machinery & Equipments	1,80,000
3	Working Capital	1,50,000
	Total	3,30,000

6. Means of Finance

Sl.no	Items	Amount
1	Own fund	1,14,000
2	Term Loan	1,26,000
3	Working Capital	90,000
	Total	3,30,000

7. Monthly Profitability Statement

A. Sales	1,10,000
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B. Cost of Production

Sl.No.	Particulars	Amount
1.	Raw Materials	60,000
2.	Wages	16,000
3.	Utilities & other expenses	14,000
4.	Repairs 2% on Machinery	250
5.	Depreciation 10% of Fixed Assets	1,458
6.	Insurance	125
	Total	91,833

C. Gross Profit (A-B) 18,167

D. Financial Expenses	
Interest on Loan 13%	2,340
E. Administrative Expenses	
1% on sales	1,100
F. Selling Expenses 3% sales	3,300
G. Total of(D+ E+F)	6,740
H. Net Profit before tax (C-G)	11,427
I . Annual Profit	1,37,124
J. Return on Investment	41.55%

Courtesy:

