



10. PROJECT PROFILE ON TRACTOR SERVICING

Category : Manufacturing

Total Cost of Project : Rs. 145000/-

BEP : 39 %

I. INTRODUCTION OF BUSINESS IDEA:

This scheme envisages servicing of agricultural tractors. Tractors are very essential for agricultural activities. These tractors need repairs and service often as they work on rough road conditions. As well as farmers who are, using tractors are not trained and educated. Tractor servicing units are required in places where agriculture is a predominant activity.

II. SERVICE AND ITS APPLICATIONS :

The proposed unit is to provide repair and servicing to tractors. Frequent repairs may be required related to gear box, battery, wheel alignment and engine related etc. Some tractors may also require regular servicing.

III. MARKET POTENTIAL :

Mechanization of agricultural ability is on increase. Due to easy availability of credit deployment of tractor in agriculture is on rise. There is a scope for servicing of tractors as farmers are extensively using them.

IV. CAPACITY / REVENUE (1ST YEAR) :

Capacity / Revenue of the proposed unit.

Sl. No.	Sales / income	No.	Rate (Average)	Total Amount (Rs.)
01.	From Service charges	1,050	500	5,25,000
02.	Repairs	600	400	2,40,000
	Total			7,65,000

V. SERVICE METHODOLOGY AND QUALITY :

In case of repairs, first the fault with the tractor is identified. If a component has to be replaced, the same is carried out or if it is just general check/reconditioning, accordingly it is done. In addition, regular servicing is carried out like oil change, filter cleaning and washing etc. Re-filling of calibration of critical parts/assembly is carried out to get good efficient performance.



VI. COST OF PROJECT AND MEANS OF FINANCE, INCLUDING WORKING CAPITAL REQUIREMENTS :

A. COST OF PROJECT :

Sl. No.	Particulars	Amount (Rs).
1	Equipments	77,000
2	Other fixed assets	10,000
3	Preliminary and preoperative expenses	10,000
4	Deposits (Rent , electricity)	30,000
5	Working Capital Requirements	18,000
	Total	1,45,000

B. MEANS OF FINANCE:

Sl. No.	Particulars	Amount (Rs).
1	Loan @ 75%	1,09,000
2	Equity	36,000
	Total	1,45,000

C. WORKING CAPITAL REQUIREMENT:

Sl. No.	Particulars	Basis	Period	Amount (Rs.)
1	Raw- materials	99000/12	1 month	8,000
2	Working expenses	Lump sum	1 month	10,000
	Total			18,000

VII. MAIN INPUTS REQUIREMENT :

A. EQUIPMENTS:

Sl. No.	Particulars	No.	Rate	Total Cost
01.	Air compressor 1 HP motor	1	21,000	21,000
02.	Portable drilling M/C and Bench grinder	1 each	8,000	16,000
03.	Gas welding set, Screw jack	1	20,000	20,000
04.	Hose pipe, spray gun and hand tools etc	1 Set	LS	20,000
	Total			77,000

B. RAW-MATERIALS (CONSUMABLE) : (PER ANNUM)

Sl. No.	Particulars	Qty	Rate	Total Cost (Rs.)
1	Cotton waste	100 Kg	30	3000
2	Consumables items (Oil, Grease, Bolts, Nuts, Lubricants, Cleaning brushes etc)	Lump sum	8000	96000
	Total			99000



C. UTILITIES :

Sl. No.	Particulars	Monthly Requirement	Unit Cost	Monthly Charges (Rs.)	Annual Charges (Rs.)
1	Electricity	500 units	8	4,000	48,000
	Total				48,000

D. MAN-POWER REQUIREMENT:

Sl. No.	Workers	No.	Monthly Salary (Rs.)	Annual Salary (Rs.)
01	Skill worker	1	9,000	1,08,000
02	Semi-skill worker	1	5,000	60,000
03	Helper	1	4,000	48,000
	Total			2,16,000

E. MAIN INFRASTRUCTURE REQUIREMENT :

Building	Built up space of 400 sq. ft. is required & open spaces.
Power	Commercial power connection is required.
Water	2 kl Water is required per day
Rent	Rs. 60,000 @ Rs.5000 Per annum.

VIII. PROFITABILITY PROJECTION (ANNUAL) :

Particulars	Basis	Amount (Rs.)
Sales / income (Projected)	Ref : IV	7,65,000
Raw Materials	Ref : VII B	99,000
Man power expenses	Ref : VII D	2,16,000
Utilities	Ref : VII C	48,000
Interest	@ 12%	13,000
Depreciation	20% SLM	14,000
Overheads	Rent, Maintenance etc.	1,30,000
Total Expenses		5,20,000
Profit		2,45,000



IX. FINANCIAL INDICATOR :

Break Even Point $\frac{FC}{SR-VC} \times 100$	$\frac{157,000}{402,000} \times 100$	39 %
Payback period COP $\frac{\text{-----}}{\text{Profit} + \text{Deprn.}}$	$\frac{145000}{259000}$	Less than 1 year

X. ADDRESSES :

SUPPLIERS OF EQUIPMENTS & RAW MATERIAL:

M/s. Bellad Automobiles,
Near Unakal Cross,
Vidyanagar, Hubli. Phone No-0836-2376398.

XI. SPECIAL NOTE :

Skill training is required from ITI or vocational course at KHK Polytechnic, Dharwad.