

PROJECT REPORT FOR POULTRY FEED MILL



PREPARED FOR:

PROPRIETOR:

XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX

PROJECT LOCATION:

XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX

PREPARED BY:

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C O N T E N T

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Project For:
Poultry Feeds Mill

I. PROJECT AT A GLANCE

1. About the Promoter : **XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX**
Project Location: **XXXXXXXXXXXXXXXXXXXX**
2. Project Cost : Rs. 5.00 Lakhs
3. Mean of Finance
- A) T. L. facility from Bank : Rs. 3.00 Lakhs
 - B) Beneficiary contribution : Rs. 0.25 Lakhs
 - C) Subsidy under PMEGP Scheme : Rs. 1.75 Lakhs
5. Rate of Interest : 11.00% Per Annum
6. Repayment : 60 monthly instalments, EMI @ 0.07 Lakhs
7. Nature of Project : Poultry Feeds
8. Employment Potential : 4 Nos
9. Nature of the Firm : Proprietary Firm
10. Average Debt Coverage ratios : **3.47**

II. ABOUT THE PROJECT

A poultry feed mill or a poultry feed pellet manufacturing plant is always a profitable business due to the massive demand for high quality poultry feeds. As long as we can differentiate yourself and offer your customers better quality or something unique, we can always have farmers willing to try out your poultry feed products. The most important thing is to identify the market need where the current poultry feed suppliers are under-performing and then make the investments to fill the need.

This is a business that is open to striving business owners particularly those that live around poultry farm neighborhoods or near to a farming community or poultry feed hub. All you require to start is a good location and government authorized center, consistent supply of grains and obviously, knowledge of running the business.

Manufacturing Process:

- Raw materials reception (cleaning impurities) – batching — sifting — crushing — mixing — pelletizing — sieving & cooling — feed pellets packaging (bulk) — power product packaging (bulk)
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Project For : Poultry Feeds

III. ECONOMICS OF THE PROJECT

A. COST OF PROJECT

(Rs. Lacs)

S.No.	Particulars	Total	Spent	Bal. To be spent
1	Building	1.00	0.00	1.00
2	Plant & Machinery	1.68	0.00	1.68
3	Furniture & Electricals	0.15	0.00	0.15
5	Working Capital	2.17	0.00	2.17
		5.00	0.00	5.00

Means of Finance :

a) Own Contribution (5%)	0.25
b) T L facility from Bank (60%)	3.00
C) Subsidy Entitlement Under PMEGP scheme @ 35%	1.75
	5.00

B. PROFITABILITY STATEMENT

(Rs. Lacs)

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1	Sales	13.02	15.62	18.22	20.83	22.13	23.43
	Add : Increase in Cl.Stock	1.63	0.93	1.06	1.19	1.15	1.22
	Total Turnover	14.65	16.55	19.28	22.02	23.28	24.65
2	RM Consumption	8.24	9.89	11.54	13.19	14.01	14.83
3	Overheads						
	a) Direct	3.69	4.06	4.46	4.91	4.96	5.11
	b) Indirect	0.52	0.55	0.58	0.60	0.63	0.66
4	Balance	2.19	2.05	2.70	3.32	3.68	4.04
5	Interest on TL & CC	0.31	0.25	0.19	0.12	0.04	-
6	Depreciation	0.37	0.32	0.28	0.24	0.21	0.18
7	Preliminary expenses W/off	-	-	-	-	-	-
8	Profit after Interest & Dep.	1.52	1.48	2.24	2.96	3.43	3.86
9	Income Tax	-	-	-	-	0.34	0.39
10	Profit after Tax	1.52	1.48	2.24	2.96	3.08	3.48
11	Add: Depreciation & Pre Exp.	0.37	0.32	0.28	0.24	0.21	0.18
12	Add : Interest on TL	0.31	0.25	0.19	0.12	0.04	-
13	Cash Accruals	2.19	2.05	2.70	3.32	3.34	3.66
14	Instalments of TL & Interest	0.78	0.78	0.78	0.78	0.78	-
15	DSCR	2.80	2.62	3.45	4.24	4.26	-
16	Average DSCR	3.47					
17	N.P. to Total receipts	11.66	9.50	12.28	14.20	13.93	14.85

Project For :
Poultry Feeds

C. CASH FLOW STATEMENT

(Rs. Lacs)

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
A CASH INFLOW :							
1	Collection from Debtors	12.47	14.97	17.46	19.96	21.21	22.45
2	T.L. from Bank	3.00					
3	CC from bank	-					
4	Capital	0.25	-	-	-	-	-
5	Subsidy	1.75	-				
	TOTAL (A)	17.48	14.97	17.46	19.96	21.21	22.45
B CASH OUTFLOW :							
1	Fixed Assets	2.83			-		
2	Payments to creditors	6.87	8.24	9.61	10.99	11.68	12.36
3	Direct overheads	3.69	4.06	4.46	4.91	4.96	5.11
4	Indirect Overheads	0.52	0.55	0.58	0.60	0.63	0.66
5	Interest on Bank Loan	0.31	0.25	0.19	0.12	0.04	-
6	Income Tax	-	-	-	-	0.34	0.39
7	Term Loan Repayment	0.48	0.53	0.59	0.66	0.74	-
8	Drawings	0.25	0.28	0.30	0.33	0.37	0.40
	TOTAL (B)	14.94	13.91	15.74	17.62	18.76	18.92
SUMMARY:							
	Op. Cash & Bank Balance.	-	2.53	3.60	5.32	7.66	10.11
	Add : Surplus / (Deficit)	2.53	1.06	1.72	2.34	2.45	3.53
	Cl. Cash & Bank Balance.	2.53	3.60	5.32	7.66	10.11	13.64

Project For :
Poultry Feeds

D. BALANCE SHEET

(Rs. Lacs)

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
A	ASSETS :						
1	Fixed Assets	2.46	2.15	1.87	1.63	1.42	1.24
2	Investments	-	-	-	-	-	-
3	Current Assets	4.70	7.35	10.89	15.28	19.81	25.53
4	Loans & Advances	-	-	-	-	-	-
5	Pre Exp. Not written off	-	-	-	-	-	-
	TOTAL (A)	7.17	9.49	12.76	16.92	21.23	26.78
B	LIABILITIES:						
1	Capital	3.27	4.48	6.41	9.04	11.75	14.83
2	Secured loans						
	Term Loan	2.52	1.99	1.40	0.74	-	-
3	Unsecured Loans	-	-	-	-	-	-
4	Current Liabilities						
	Cash Credit	-	-	-	-	-	-
	Sundry Creditors	1.37	3.02	4.94	7.14	9.48	11.95
	TOTAL (B)	7.17	9.49	12.76	16.92	21.23	26.78

Project For :
Poultry Feeds

(Rs. Lacs)

E. CAPITAL ACCOUNT

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1	Op. Balance	-	3.27	4.48	6.41	9.04	11.75
2	Additions	2.00	-	-	-	-	-
3	Net Profit for the year.	1.52	1.48	2.24	2.96	3.08	3.48
	Sub Total	3.52	4.75	6.71	9.37	12.12	15.23
4	Less : Drawings	0.25	0.28	0.30	0.33	0.37	0.40
5	Cl. Balance	3.27	4.48	6.41	9.04	11.75	14.83

Project For :
Poultry Feeds

(Rs. Lacs)

F. PRODUCTION AND SALES

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
	Capacity utilisation	0.50	0.60	0.70	0.80	0.85	0.90
1	Production per annum (MT) Poultry Feeds	50.72	60.86	71.00	81.14	86.22	91.29
2	Cl.Stock of Finished Goods (MT) Poultry Feeds	4.23	5.07	5.92	6.76	7.18	7.61
3	Sales per annum (MT) (Tot Production less Cl. Stock) Poultry Feeds	46.49	55.79	65.08	74.38	79.03	83.68
4	Sales per annum Poultry Feeds (Selling Price @ 28,000 per MT)	13.02	15.62	18.22	20.83	22.13	23.43
	Total Sale	<u>13.02</u>	<u>15.62</u>	<u>18.22</u>	<u>20.83</u>	<u>22.13</u>	<u>23.43</u>
5	Sundry Debtors (Credit period allowed 15 days)	0.54	0.65	0.76	0.87	0.92	0.98
6	Collection from Debtors	12.47	14.97	17.46	19.96	21.21	22.45
7	Total cost of Production	11.93	13.95	16.00	18.10	18.97	19.94
8	Cost per MT	0.24	0.23	0.23	0.22	0.22	0.22
9	Value of Closing Stock	0.99	1.16	1.33	1.51	1.58	1.66

Project For :
Poultry Feeds

PRODUCTION

S.No.	Particulars	Installed capacity (MT)	Year 1 0.50	Year 2 0.60	Year 3 0.70	Year 4 0.80	Year 5 0.85	Year 6 0.90
1	Production of Poultry Feeds	101.43	50.72	60.86	71.00	81.14	86.22	91.29

Installed Capacity Kg/ Hrs	45.00
Per Day Working Hours	8.00
Less: Lunch Hours	1.00
Net	<u>7.00</u>
Total Production per day	0.32 MT
Total production per annum	101.43 MT
Total Working Days	365.00
Weekly off	26.00
Holidays	7.00
Machine Break down	10.00
Net Working days	<u>322.00</u>

Project For :
Poultry Feeds

(Rs. Lacs)

G. RAW MATERIAL CONSUMPTION AND INVENTORY

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1	Production (MT) (Output)	50.72	60.86	71.00	81.14	86.22	91.29
2	RM Purchases	7.61	9.13	10.65	12.17	12.93	13.69

Raw Material requirement (Input)

S.No.	Items	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1	Requirement of Raw Material (MT)	50.72	60.86	71.00	81.14	86.22	91.29
2	Purchase of Raw Material (@Rs. 15 per KG.)	7.61	9.13	10.65	12.17	12.93	13.69
3	Packaing Material (@Rs. 0.20 per KG.)	0.10	0.12	0.14	0.16	0.17	0.18
4	Total cost of R.M	7.61	9.13	10.65	12.17	12.93	13.69

Project For :
Poultry Feeds

(Rs. Lacs)

RAW MATERIAL CONSUMPTION AND INVENTORY

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1	RM cost for total production	7.61	9.13	10.65	12.17	12.93	13.69
2	Cl. Stock of RM (assumed 30 days consumption)						
	O/p Stock	-	0.63	1.39	2.28	3.30	4.37
	Add : Addition	0.63	0.76	0.89	1.01	1.08	1.14
	Closing Stock	0.63	1.39	2.28	3.30	4.37	5.52
3	RM Purchases	8.24	9.89	11.54	13.19	14.01	14.83
4	Sundry Creditors (Credit period allowed 60 days)	1.37	1.65	1.92	2.20	2.34	2.47
5	Payment to creditors	6.87	8.24	9.61	10.99	11.68	12.36

Project For :
Poultry Feeds

(Rs. Lacs)

H. DIRECT OVERHEADS

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1	Salary & wages	2.65	2.92	3.21	3.53	3.56	3.67
2	Power 35 HP 1000 Units per month @ Rs.5 per Unit	0.60	0.66	0.73	0.80	0.81	0.83
3	Selling & distribution (Rs.2,000 per month)	0.24	0.26	0.29	0.32	0.32	0.33
4	Other Mfg. Overheads	0.20	0.22	0.24	0.27	0.27	0.28
Total		3.69	4.06	4.46	4.91	4.96	5.11

Salary & Wages Cost

Labour

Particulars	No	Days	Rate per day	Total
Semiskilled	2	200	250.00	100000.00
Skilled	1	300	350.00	105000.00
Total				<u>205000.00</u> 2.05

Office Staff

Name	No	Rate per month	Yearly
Watchman	1	5,000	60,000
Total			<u>60,000</u> 0.60
Total cost (Labour + staff)			2.65

Project For :
Poultry Feeds

(Rs. Lacs)

I. INDIRECT OVERHEADS

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1	Advertisement & Publicity	0.20	0.22	0.24	0.27	0.29	0.32
2	Repairs & Maint. (5% of machinery cost)	0.12	0.11	0.09	0.08	0.07	0.06
3	Misc. Expenses	0.20	0.22	0.24	0.25	0.27	0.28
		<u>0.52</u>	<u>0.55</u>	<u>0.58</u>	<u>0.60</u>	<u>0.63</u>	<u>0.66</u>

Project For :
Poultry Feeds

(Rs. Lacs)

J. TERM LOAN REPAYMENT AND INTEREST THEREON

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1	TL / Op. Bal.	3.00	2.52	1.99	1.40	0.74	-
2	Repayment during the year	0.48	0.53	0.59	0.66	0.74	-
3	Cl. Balance	2.52	1.99	1.40	0.74	-	-
4	Interest at 11 per cent p.a.	0.31	0.25	0.19	0.12	0.04	-
5	Total repayment with Interest	0.78	0.78	0.78	0.78	0.78	-
Total Interest		0.31	0.25	0.19	0.12	0.04	-

Term Loan Repayment Schedule

MONTHS	EMI	INTEREST	PRINCIPAL REPAYMENT	OST PRINCIPAL
0				3.00
1	0.07	0.03	0.04	2.96
2	0.07	0.03	0.04	2.92
3	0.07	0.03	0.04	2.89
4	0.07	0.03	0.04	2.85
5	0.07	0.03	0.04	2.81
6	0.07	0.03	0.04	2.77
7	0.07	0.03	0.04	2.73
8	0.07	0.03	0.04	2.69
9	0.07	0.02	0.04	2.65
10	0.07	0.02	0.04	2.61
11	0.07	0.02	0.04	2.57
12	0.07	0.02	0.04	2.52
First Year	0.78	0.31	0.48	
13	0.07	0.02	0.04	2.48
14	0.07	0.02	0.04	2.44
15	0.07	0.02	0.04	2.40
16	0.07	0.02	0.04	2.35
17	0.07	0.02	0.04	2.31
18	0.07	0.02	0.04	2.27
19	0.07	0.02	0.04	2.22
20	0.07	0.02	0.04	2.18

21	0.07	0.02	0.05	2.13
22	0.07	0.02	0.05	2.09
23	0.07	0.02	0.05	2.04
24	0.07	0.02	0.05	1.99
Second Year	0.78	0.25	0.53	
25	0.07	0.02	0.05	1.95
26	0.07	0.02	0.05	1.90
27	0.07	0.02	0.05	1.85
28	0.07	0.02	0.05	1.80
29	0.07	0.02	0.05	1.75
30	0.07	0.02	0.05	1.70
31	0.07	0.02	0.05	1.65
32	0.07	0.02	0.05	1.60
33	0.07	0.01	0.05	1.55
34	0.07	0.01	0.05	1.50
35	0.07	0.01	0.05	1.45
36	0.07	0.01	0.05	1.40
Third Year	0.78	0.19	0.59	
37	0.07	0.01	0.05	1.35
38	0.07	0.01	0.05	1.29
39	0.07	0.01	0.05	1.24
40	0.07	0.01	0.05	1.19
41	0.07	0.01	0.05	1.13
42	0.07	0.01	0.05	1.08
43	0.07	0.01	0.06	1.02
44	0.07	0.01	0.06	0.97
45	0.07	0.01	0.06	0.91
46	0.07	0.01	0.06	0.85
47	0.07	0.01	0.06	0.80
48	0.07	0.01	0.06	0.74
Fourth Year	0.78	0.12	0.66	
49	0.07	0.01	0.06	0.68
50	0.07	0.01	0.06	0.62
51	0.07	0.01	0.06	0.56
52	0.07	0.01	0.06	0.50
53	0.07	0.00	0.06	0.44
54	0.07	0.00	0.06	0.38
55	0.07	0.00	0.06	0.32
56	0.07	0.00	0.06	0.26
57	0.07	0.00	0.06	0.19
58	0.07	0.00	0.06	0.13
59	0.07	0.00	0.06	0.06
60	0.07	0.00	0.06	0.00
Fifth Year	0.78	0.04	0.74	

Project For :
Poultry Feeds

(Rs. Lacs)

K. WORKING CAPITAL

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1	Total Inventory	1.63	2.56	3.62	4.80	5.96	7.18
2	Sundry Debtors	0.54	0.65	0.76	0.87	0.92	0.98
	Total	2.17	3.21	4.38	5.67	6.88	8.15

Project For :
Poultry Feeds

(Rs. Lacs)

L. CURRENT ASSETS

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1	Cl. Stock of Materials	0.63	1.39	2.28	3.30	4.37	5.52
2	Cl. Stock of Finished Goods	0.99	1.16	1.33	1.51	1.58	1.66
	Total Inventory	1.63	2.56	3.62	4.80	5.96	7.18
3	Cash and bank Balance	2.53	3.60	5.32	7.66	10.11	13.64
4	Sundry Debtors	0.54	1.19	1.95	2.82	3.74	4.72
	Total	4.70	7.35	10.89	15.28	19.81	25.53

Project For :
Poultry Feeds

M. FIXED ASSETS AND DEPRECIATION

(Rs. Lacs)

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1	Building						
	Op. Balance	-	0.90	0.81	0.73	0.66	0.59
	Additions	1.00	-				
	Total	1.00	0.90	0.81	0.73	0.66	0.59
	Less : Depreciation	0.10	0.09	0.08	0.07	0.07	0.06
	Cl. WDV	0.90	0.81	0.73	0.66	0.59	0.53
2	Plant & Machinery						
	Op. Balance	-	1.43	1.21	1.03	0.88	0.75
	Additions	1.68	-				
	Total	1.68	1.43	1.21	1.03	0.88	0.75
	Less : Depreciation	0.25	0.21	0.18	0.15	0.13	0.11
	Cl. WDV	1.43	1.21	1.03	0.88	0.75	0.63
2	Furniture & Electricals						
	Op. Balance	-	0.14	0.12	0.11	0.10	0.09
	Additions	0.15	-				
	Total	0.15	0.14	0.12	0.11	0.10	0.09
	Less : Depreciation	0.02	0.01	0.01	0.01	0.01	0.01
	Cl. WDV	0.14	0.12	0.11	0.10	0.09	0.08
	Total Depreciation	0.37	0.32	0.28	0.24	0.21	0.18
	Cl. WDV	2.46	2.15	1.87	1.63	1.42	1.24