



MODEL PROJECT REPORT



PROJECT REPORT ON AMLA PROCESSING

SWAVALAMBI BHARAT ABHIYAN

PROJECT AT A GLANCE

- 1 Name of the Entrepreneur xxxxxxxxxx
- 2 Constitution (legal Status) xxxxxxxxxx
- 3 Father / Spouse Name xxxxxxxxxxxx
- 4 Unit Address : xxxxxxxxxxxxxxxxxxxxxx
- District : xxxxxxxx
- Pin: xxxxxxxx State: xxxxx
- Mobile xxxxxxxx
- 5 Product and By Product : **ANIMAL FEED**
- 6 Name of the project / business activ **ANIMAL FEED MANUFACTURING UNIT**
- 7 Cost of Project : Rs.23.35 Lakhs
- 8 Means of Finance
- Term Loan Rs.13.38 Lakhs
- Own Capital Rs.2.33 Lakhs
- Working Capital Rs.7.63 Lakhs
- 9 Debt Service Coverage Ratio : 2.68
- 10 Pay Back Period : 5 Years
- 11 Project Implementation Period : 5-6 Months
- 12 Break Even Point : 50%
- 13 Employment : 12 Persons
- 14 Power Requirement : 10.00 KW
- 15 Major Raw materials : Grains,Brans, protein etc.
- 16 Estimated Annual Sales Turnov : 55.06 Lakhs
- 17 Detailed Cost of Project & Means of Finance

COST OF PROJECT

(Rs. In Lakhs)

Particulars	Amount
Land	Own/Rented
Plant & Machinery	13.87
Miss Assets	0.50
Furniture & Fixtures	0.50
Working Capital	8.48
Total	23.35

MEANS OF FINANCE

Particulars	Amount
Own Contribution	2.33
Working Capital(Finance)	7.63
Term Loan	13.38
Total	23.35

ANIMAL FEED MAKING UNIT

Introduction:

Animal feed is the food given to animals which are domestic often refers to fodder in course of care and management of farm animals by humans for profit. Supply of quality feed ensures the health of animals. Animal feed is the food given to animals which are domestic often refers to fodder in course of care and management of farm animals by humans for profit. Supply of quality feed ensures the health of animals. Various feeds include poultry feed, sheep husbandry, cat food, pet food, pig farming, cattle feeding, dog food, equine nutrition and bird food.

Compound cattle feed is an important constituent of ration, considering the fact that dairy animals in India have limited access to cultivated green fodder and grasses. Most of the macro and micronutrients to meet animals' requirements are provided by compound feed, especially on crop residue-based diets. It is possible to formulate balanced rations for growing and lactating animals only if the feed used conforms to the laid down specifications, for energy, protein, minerals, vitamins, etc.

In order to provide animals with necessary nutrients to meet their requirements for maintenance, growth, pregnancy, and production of milk, to reduce the risks of animal health and to minimize excretions and emissions into the environment, the chemical composition of cattle feed used in the diet has to be precisely known.



Uses & Market Potential:

Worldwide demand for dairy products is rapidly growing and is projected to increase by 58 % by 2050 compared to 2010, due to the strong demand from an emerging global middle class. The Indian animal feed market is driven by the rising dairy industry, backed by the White Revolution 2.0, which has resulted in the rapid growth of the cattle population. Currently, India has the largest cattle population in the world, thereby becoming a significant market for cattle feed. The demand for commercial cattle feed is projected to increase in India, as the dairy industry structure is becoming more organized and which are aimed at improving the overall status of the animal feed industry to provide for future demand. The Indian animal feed market size reached a value of almost INR 403.5 billion in the year 2020. The market is further expected to grow at a CAGR of 15% between 2021 and 2026 to reach a value of almost INR

933.3 billion by 2026. The Indian animal feed market is driven by increasing government support in the country. After the liberalization of the Indian economy in the early 1990s, the animal feed industry was presented with new opportunities. The industry continues to have substantial growth potential owing to increasing domestic consumption of animal-based products, rising livestock population, and growing dependence on imports.

Product:

ANIMAL FEED

Raw Material:

Major raw materials are as follows:

Grains: Wheat, Maize, oats, sorghum, rice, barley, millets, ragi, etc.

Brans: rice polish, De-oiled rice bran, wheat bran, maize bran, etc.

Protein meals/cakes: Rapeseed meal/cake, soybean meal, cottonseed meal/cake (decorticated and un-decorticated), groundnut meal/cake, coconut meal/cake,

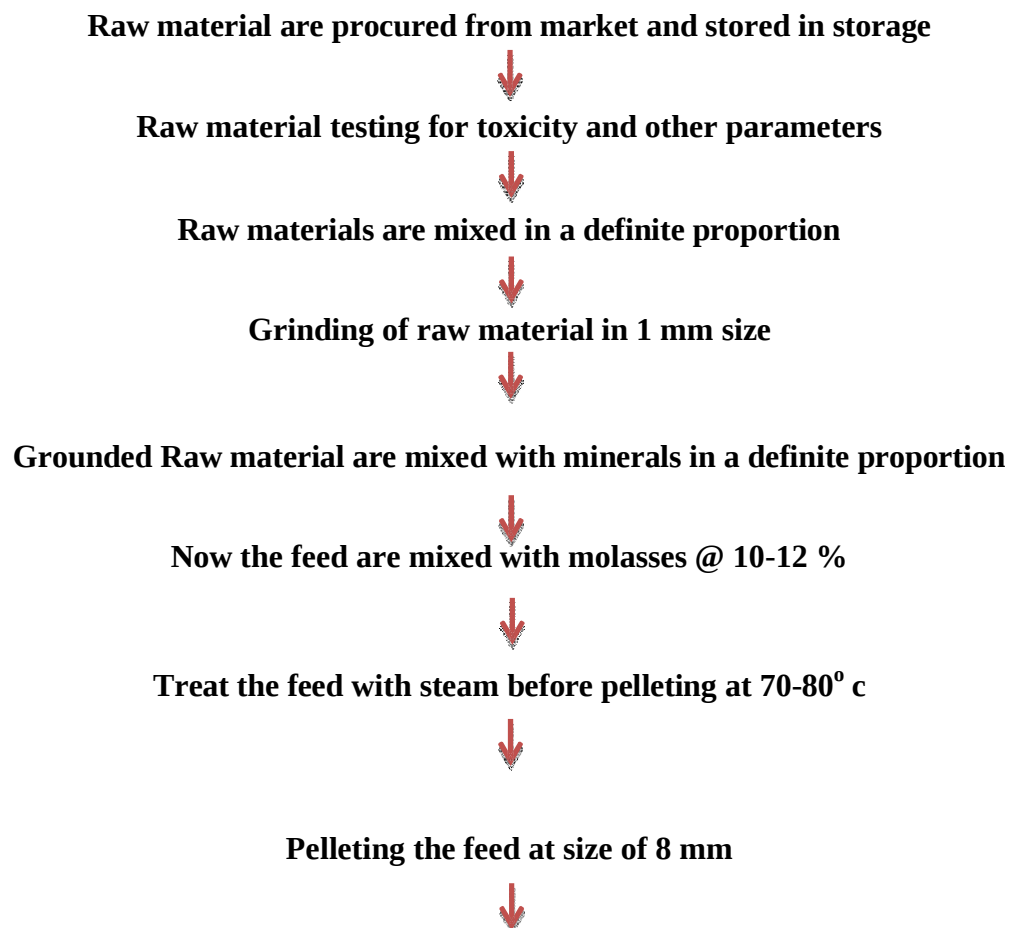
palm kernel, meal/cake, sesame cake, linseed cake, maize germ oil cake, maize gluten meal, sunflower meal, safflower meal, guar meal, etc.

Chunnies: Guar, tur, urad, moong gram & chunnies of other locally available pulses.

Agro-industrial by-products: Molasses, babul chunni, tamarind seed powder, mango kernel extraction, tapioca waste, etc.

Minerals and vitamins: Mineral mixture, calcite powder, common salt, di-calcium phosphate, vitamins A, D & E.

Manufacturing Process:



Testing the feed for (temperature and binding of Pellets)

Filling and  packaging

Area:

The industrial setup requires space for Inventory, workshop or manufacturing area, space for power supply utilities and polishing area. Also, some of the area of building is required for office staff facilities, office furniture, etc. Thus, the approximate total area required for complete industrial setup is 1000Sqft

Cost of Machines:

Description	Rate	Unit	Amount
Cattle Feed Batch mixer	95000	1	95000
Cattle Feed Grinder	120000	1	120000
Cattle Feed Screw Conveyer	140000	1	140000
Cattle Feed Pellet Making machine	400000	1	400000
Packing Machine	380000	1	380000
Material handling equipments(trolley, bins, etc.)			40000
Total Amount			1175000
GST @18%			211500
Net Amount			1386500

Power Requirement- - The estimated Power requirement is taken at 10 KW

Manpower Requirement- Following manpower is required:

- Machine operator-2
- Skilled/unskilled worker-4
- Helpers-4
- Manager cum Accountant-1
- Sales Personnel-1

FINANCIALS

<u>PROJECTED BALANCE SHEET</u>					(in Lacs)
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
<u>Liabilities</u>					
Capital					
Opening Balance		4.06	6.18	8.45	11.02
Add:- Own Capital	2.33				
Add:- Retained Profit	4.23	5.12	6.27	8.07	9.78
Less:- Drawings	2.50	3.00	4.00	5.50	6.50
Closing Balance	4.06	6.18	8.45	11.02	14.30
Term Loan	11.90	8.92	5.95	2.97	-
Working Capital Limit	7.63	7.63	7.63	7.63	7.63
Sundry Creditors	1.42	1.81	1.99	2.17	2.37
Provisions & Other Liabilities	0.50	0.75	0.90	1.08	1.30
TOTAL :	25.51	25.29	24.92	24.88	25.60
<u>Assets</u>					
Fixed Assets (Gross)	14.87	14.87	14.87	14.87	14.87
Gross Depreciation	2.21	4.08	5.68	7.04	8.20
Net Fixed Assets	12.66	10.79	9.19	7.83	6.67
<u>Current Assets</u>					
Sundry Debtors	5.51	6.50	7.28	8.12	9.03
Stock in Hand	4.39	5.06	5.63	6.24	6.89
Cash and Bank	1.95	2.20	1.57	1.69	1.51
Loans and advances/other current assets	1.00	0.75	1.25	1.00	1.50
TOTAL :	25.51	25.29	24.92	24.88	25.60

<u>PROJECTED CASH FLOW STATEMENT</u>					(in Lacs)
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
<u>SOURCES OF FUND</u>					
Own Margin	2.33				
Net Profit	4.23	5.12	6.75	8.99	11.30
Depriciation & Exp. W/off	2.21	1.88	1.60	1.36	1.16
Increase in Cash Credit	7.63	-	-	-	-
Increase In Term Loan	13.38	-	-	-	-
Increase in Creditors	1.42	0.39	0.18	0.19	0.20
Increase in Provisions & Other liabilities	0.50	0.25	0.15	0.18	0.22
TOTAL :	31.70	7.63	8.67	10.72	12.87
<u>APPLICATION OF FUND</u>					
Increase in Fixed Assets	14.87				
Increase in Stock	4.39	0.67	0.57	0.61	0.65
Increase in Debtors	5.51	0.99	0.78	0.84	0.91
Increase in loans and advances	1.00	- 0.25	0.50	- 0.25	0.50
Repayment of Term Loan	1.49	2.97	2.97	2.97	2.97
Drawings	2.50	3.00	4.00	5.50	6.50
Taxation	-	-	0.47	0.92	1.51
TOTAL :	29.75	7.38	9.30	10.60	13.05
Opening Cash & Bank Balance	-	1.95	2.20	1.57	1.69
Add : Surplus	1.95	0.25	-0.63	0.12	-0.18
Closing Cash & Bank Balance	1.95	2.20	1.57	1.69	1.51

<u>PROJECTED PROFITABILITY STATEMENT</u>					(in Lacs)
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
Capacity Utilisation %	70%	75%	80%	85%	90%
<u>SALES</u>					
ANIMAL FEED	55.06	64.99	72.81	81.25	90.34
Total	55.06	64.99	72.81	81.25	90.34
<u>COST OF SALES</u>					
Raw material cost	32.76	36.15	39.72	43.45	47.40
Electricity Expenses	1.68	1.93	2.22	2.56	2.94
Depreciation	2.21	1.88	1.60	1.36	1.16
Wages & labour	6.72	7.73	8.89	10.22	11.75
Repair & maintenance	0.28	0.81	0.87	0.81	0.90
Consumables	0.83	0.97	1.09	1.22	1.36
Packaging cost	0.55	0.65	0.73	0.81	0.90
Cost of Production	45.02	50.13	55.12	60.43	66.41
Add: Opening Stock	-	2.75	3.25	3.64	4.06
Less: Closing Stock	2.75	3.25	3.64	4.06	4.52
Cost of Sales	42.26	49.63	54.72	60.01	65.96
GROSS PROFIT	12.80	15.36	18.08	21.24	24.38
GROSS PROFIT %	23.24%	23.63%	24.84%	26.14%	26.99%
Salary to Staff	3.60	4.14	4.76	5.48	6.30
Interest on Term Loan	1.32	1.16	0.83	0.50	0.18
Interest on working Capital	0.84	0.84	0.84	0.84	0.84
Rent	2.40	2.64	2.90	3.19	3.51
Selling & Administration Expenses	0.41	1.46	2.00	2.23	2.26
TOTAL	8.57	10.24	11.34	12.25	13.09
NET PROFIT	4.23	5.12	6.75	8.99	11.30
NET PROFIT %	7.68%	7.87%	9.26%	11.07%	12.50%
Taxation			0.47	0.92	1.51
PROFIT (After Tax)	4.23	5.12	6.27	8.07	9.78

CALCULATION OF D.S.C.R

PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
CASH ACCRUALS	6.44	6.99	7.87	9.43	10.94
Interest on Term Loan	1.32	1.16	0.83	0.50	0.18
Total	7.75	8.15	8.70	9.93	11.12
<u>REPAYMENT</u>					
Instalment of Term Loan	1.49	2.97	2.97	2.97	2.97
Interest on Term Loan	1.32	1.16	0.83	0.50	0.18
Total	2.80	4.13	3.81	3.48	3.15
DEBT SERVICE COVERAGE RATIO	2.77	1.97	2.29	2.86	3.53
AVERAGE D.S.C.R.	2.68				

COMPUTATION OF CLOSING STOCK & WORKING CAPITAL					(in Lacs)
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
<u>Finished Goods</u>					
(15 Days)	2.75	3.25	3.64	4.06	4.52
<u>Raw Material</u>					
(15 Days)	1.64	1.81	1.99	2.17	2.37
Closing Stock	4.39	5.06	5.63	6.24	6.89

COMPUTATION OF WORKING CAPITAL REQUIREMENT					
TRADITIONAL METHOD					(in Lacs)
Particulars	Amount	Own Margin		Bank Finance	
Finished Goods & Raw Material	4.39				
Less : Creditors	1.42				
Paid stock	2.97	10%	0.30	90%	2.67
Sundry Debtors	5.51	10%	0.55	90%	4.96
	8.48		0.85		7.63
MPBF					7.63
WORKING CAPITAL LIMIT DEMAND (from Bank)					7.63

REPAYMENT SCHEDULE OF TERM LOAN							
						Interest	11.00%
Year	Particulars	Amount	Addition	Total	Interest	Repayment	Balance
1st	Opening Balance	-					
	1st month		13.38	13.38	-	-	13.38
	2nd month	13.38	-	13.38	0.12	-	13.38
	3rd month	13.38	-	13.38	0.12	-	13.38
	4th month	13.38	-	13.38	0.12	-	13.38
	5th month	13.38	-	13.38	0.12	-	13.38
	6th month	13.38	-	13.38	0.12	-	13.38
	7th month	13.38	-	13.38	0.12	0.25	13.14
	8th month	13.14	-	13.14	0.12	0.25	12.89
	9th month	12.89	-	12.89	0.12	0.25	12.64
	10th month	12.64	-	12.64	0.12	0.25	12.39
	11th month	12.39	-	12.39	0.11	0.25	12.14
	12th month	12.14	-	12.14	0.11	0.25	11.90
					1.32	1.49	
2nd	Opening Balance						
	1st month	11.90	-	11.90	0.11	0.25	11.65
	2nd month	11.65	-	11.65	0.11	0.25	11.40
	3rd month	11.40	-	11.40	0.10	0.25	11.15
	4th month	11.15	-	11.15	0.10	0.25	10.90
	5th month	10.90	-	10.90	0.10	0.25	10.66
	6th month	10.66	-	10.66	0.10	0.25	10.41
	7th month	10.41	-	10.41	0.10	0.25	10.16
	8th month	10.16	-	10.16	0.09	0.25	9.91
	9th month	9.91	-	9.91	0.09	0.25	9.67
	10th month	9.67	-	9.67	0.09	0.25	9.42
	11th month	9.42	-	9.42	0.09	0.25	9.17
	12th month	9.17	-	9.17	0.08	0.25	8.92
					1.16	2.97	
3rd	Opening Balance						
	1st month	8.92	-	8.92	0.08	0.25	8.67
	2nd month	8.67	-	8.67	0.08	0.25	8.43
	3rd month	8.43	-	8.43	0.08	0.25	8.18
	4th month	8.18	-	8.18	0.07	0.25	7.93
	5th month	7.93	-	7.93	0.07	0.25	7.68
	6th month	7.68	-	7.68	0.07	0.25	7.44
	7th month	7.44	-	7.44	0.07	0.25	7.19

	8th month	7.19	-	7.19	0.07	0.25	6.94
	9th month	6.94	-	6.94	0.06	0.25	6.69
	10th month	6.69	-	6.69	0.06	0.25	6.44
	11th month	6.44	-	6.44	0.06	0.25	6.20
	12th month	6.20	-	6.20	0.06	0.25	5.95
					0.83	2.97	
4th	Opening Balance						
	1st month	5.95	-	5.95	0.05	0.25	5.70
	2nd month	5.70	-	5.70	0.05	0.25	5.45
	3rd month	5.45	-	5.45	0.05	0.25	5.20
	4th month	5.20	-	5.20	0.05	0.25	4.96
	5th month	4.96	-	4.96	0.05	0.25	4.71
	6th month	4.71	-	4.71	0.04	0.25	4.46
	7th month	4.46	-	4.46	0.04	0.25	4.21
	8th month	4.21	-	4.21	0.04	0.25	3.97
	9th month	3.97	-	3.97	0.04	0.25	3.72
	10th month	3.72	-	3.72	0.03	0.25	3.47
	11th month	3.47	-	3.47	0.03	0.25	3.22
	12th month	3.22	-	3.22	0.03	0.25	2.97
					0.50	2.97	
5th	Opening Balance						
	1st month	2.97	-	2.97	0.03	0.25	2.73
	2nd month	2.73	-	2.73	0.02	0.25	2.48
	3rd month	2.48	-	2.48	0.02	0.25	2.23
	4th month	2.23	-	2.23	0.02	0.25	1.98
	5th month	1.98	-	1.98	0.02	0.25	1.73
	6th month	1.73	-	1.73	0.02	0.25	1.49
	7th month	1.49	-	1.49	0.01	0.25	1.24
	8th month	1.24	-	1.24	0.01	0.25	0.99
	9th month	0.99	-	0.99	0.01	0.25	0.74
	10th month	0.74	-	0.74	0.01	0.25	0.50
	11th month	0.50	-	0.50	0.00	0.25	0.25
	12th month	0.25	-	0.25	0.00	0.25	-
					0.18	2.97	
	DOOR TO DOOR	60	MONTHS				
	MORATORIUM PERIOD	6	MONTHS				
	REPAYMENT PERIOD	54	MONTHS				

Assumptions:

1. Production Capacity of a Animal Feed making unit is taken at 1200 KG per day. First year, Capacity has been taken @ 70%.
2. Working shift of 8 hours per day has been considered.
3. Raw Material stock and Finished goods closing stock has been taken for 15 days.
4. Credit period to Sundry Debtors has been given for 25-30 days.
5. Credit period by the Sundry Creditors has been provided for 15 days.
6. Depreciation and Income tax has been taken as per the Income tax Act,1961.
7. Interest on working Capital Loan and Term loan has been taken at 11%.
8. Salary and wages rates are taken as per the Current Market Scenario.
9. Power Consumption has been taken at 10 KW.
10. Selling Prices & Raw material costing has been increased by 5% & 3% respectively in the subsequent years.