

# UP MSME 1-Connect

## PROJECT REPORT

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PROJECT:

Mini Rice Mill

# **PROJECT REPORT**

## **Of**

# **MINI RICE MILL**

## **PURPOSE OF THE DOCUMENT**

This particular pre-feasibility is regarding Mini Rice Mill

The objective of the pre-feasibility report is primarily to facilitate potential entrepreneurs in project identification for investment and in order to serve his objective; the document covers various aspects of the project concept development, start-up, marketing, finance and management.

[We can modify the project capacity and project cost as per your requirement. We can also prepare project report on any subject as per your requirement.]

## **MINI RICE MILL**



### **INTRODUCTION**

Rice is the basic grain consumed as a food in India which is found in almost every Indian kitchen. It is the most common grain and the most common food in India. However, India is not only a big consumer of rice but also it is the second largest producer of rice in the world after China. India also holds the largest agriculture land for paddy production in the world.

Rice is obtained by milling of paddy. The byproducts which we get from paddy milling are rice bran and husk. The amount of rice bran is approximately eight per cent of paddy processed. The rice bran is a pericarp or outer cuticle layer that remains beneath the hull. It gets removed during the milling process. About two decades back, rice bran was considered almost a waste and hence most of it was burnt. It is now viewed to have high nutritive value.

Rice is the primary source of carbohydrates and protein besides, rice also contains small quantities of fat, ash, fibre and moisture. It has very high calorific value (363 K cal) than any other cereal crop with easily digestible carbohydrates (80.40 per cent) and high quality protein (6.76 per cent) with biological value as high as egg protein, due to high content of

amino acids. Vitamins and minerals are present largely in bran and germ. Being rich in natural B-Vitamin, rice bran is used as a cattle feed. The rice bran processing has now gained momentum, with increasing consumer demand for oil, extracted from bran.

The practice of milling is as old as the cultivation of rice itself and finds reference even in Vedic literature. Different types of milling equipment's for shelling /polishing of rice existed in Indian homes many centuries ago. The discovery of parboiling was one of the most important achievements in food science and the credit for this discovery goes to India.

**PROJECTED BALANCE SHEET**

<b>PARTICULARS</b>	<b>Y1</b>	<b>Y2</b>	<b>Y3</b>	<b>Y4</b>	<b>Y5</b>
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**SOURCES OF FUNDS**

Proprietor Capital	1.76	1.76	1.76	1.76	1.76
Capital Subsidy	5.44	5.44	5.44	-	-
Retained profit	3.84	9.39	15.37	21.29	27.95
Term Loan from Bank	11.30	10.50	9.70	8.90	-
Cash Credit from Bank	8.50	8.50	8.50	8.50	8.50
Sundry Creditors	17.55	22.46	24.19	25.92	27.65
General Reserve	-	-	-	5.44	5.44
Expenses payable	0.36	0.40	0.44	0.48	0.53

Total	<b>48.75</b>	<b>58.45</b>	<b>65.40</b>	<b>72.29</b>	<b>71.83</b>
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**APPLICATION OF FUNDS**

Net Fixed Assets	11.56	9.83	8.36	7.11	6.04
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**CURRENT ASSETS, LOAN & ADVANCES**

Stock	19.56	28.21	30.37	32.52	35.26
Cash & Bank Balances	4.54	3.54	8.78	13.97	10.59
Sundry Debtors	7.66	11.44	12.45	18.68	19.93
Fixed Deposit	5.44	5.44	5.44	-	-

<b>48.75</b>	<b>58.45</b>	<b>65.40</b>	<b>72.29</b>	<b>71.83</b>
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**PROJECTED PROFITABILITY STATEMENT**

Particular	Y1	Y2	Y3	Y4	Y5
INSTALLED CAPACITY	45%	65%	70%	75%	80%
<b>A. SALES</b>					
Rice	229.71	343.06	373.57	400.36	427.11
Bran	9.53	17.84	20.72	22.23	23.73
Husk	6.71	8.95	10.44	11.18	11.93
<b>TOTAL (A)</b>	<b>245.95</b>	<b>369.84</b>	<b>404.72</b>	<b>433.77</b>	<b>462.77</b>
<b>B. COST OF SALES</b>					
1.Raw Material Consumed	233.28	336.96	362.88	388.80	414.72
2.Power & Fuel	1.38	1.61	1.72	1.84	2.07
3. Wages & Salary	3.78	4.04	4.32	4.62	4.94
4.Factory Expenses	0.61	0.92	1.01	1.08	1.16
5. Mandi Fee	5.83	8.42	9.07	9.72	10.37
6.Depreciation	0.94	1.73	1.47	1.25	1.07
<b>Cost of Production</b>	<b>245.83</b>	<b>353.69</b>	<b>380.48</b>	<b>407.31</b>	<b>434.32</b>
Add : Opening Stock	0.00	10.46	15.11	16.27	17.42
Less Closing Stock	10.46	15.11	16.27	17.42	19.16
<b>Cost of Sales: (B)</b>	<b>235.37</b>	<b>349.04</b>	<b>379.31</b>	<b>406.16</b>	<b>432.58</b>
<b>C. GROSS PROFIT (A-B)</b>	<b>10.58</b>	<b>20.80</b>	<b>25.41</b>	<b>27.61</b>	<b>30.19</b>
<b>D. Interest on Term Loan</b>	<b>0.90</b>	<b>0.82</b>	<b>0.71</b>	<b>0.60</b>	<b>0.48</b>
Interest on Cash Credit	0.60	1.19	1.19	1.19	1.19
<b>E: Salary Expenses</b>	<b>0.78</b>	<b>0.83</b>	<b>0.89</b>	<b>0.95</b>	<b>1.02</b>
General & Adam. Expenses	1.10	1.21	1.33	1.46	1.54
Selling Expenses	2.46	9.25	12.14	13.01	13.88
<b>TOTAL (D+E)</b>	<b>5.84</b>	<b>13.30</b>	<b>16.26</b>	<b>17.21</b>	<b>18.11</b>
<b>F: Net Profit/(Loss)</b>					
<b>(C-D-E-E1)</b>	<b>4.74</b>	<b>7.50</b>	<b>9.15</b>	<b>10.40</b>	<b>12.08</b>
<b>I: Taxation</b>	<b>0.00</b>	<b>0.75</b>	<b>1.37</b>	<b>2.08</b>	<b>2.42</b>
<b>J: Retained Profit</b>	<b>4.74</b>	<b>6.75</b>	<b>7.78</b>	<b>8.32</b>	<b>9.66</b>
<b>K: Depreciation Add Back</b>	<b>0.94</b>	<b>1.73</b>	<b>1.47</b>	<b>1.25</b>	<b>1.07</b>
<b>L: Net Cash Accruals</b>	<b>5.68</b>	<b>8.48</b>	<b>9.25</b>	<b>9.57</b>	<b>10.73</b>

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