

**PROJECT REPORT
ON
DAIRY FARM**

PROJECT AT A GLANCE

1	Name of the Unit	Govardhan Dairy Farm	
2	Line of Activity	Dairy Farm	
3	Products	Milk	
4	New/Expansion/Modernization	New	
5	Constitution	Proprietorship	
6	Name of the Proprietor	Pakanati Govardhan Reddy	
7	Registered Address	4-30, Komeruapudi, Sattenpalli Guntur, A P - 522438	
8	Site Location	4-30, Komeruapudi, Sattenpalli Guntur, A P - 522438	0
9	Cost of the Project		10,00,000.00
10	Feciliites Required	Term Loan	
11	Promoters Contribution		2,00,000.00
12	Loan From Bank		8,00,000.00
13	Moratorium	6 months	
14	Power	NA	
15	BEP	13.16%	
16	Average DSCR	13.24	

Govardhan Dairy Farm

Total Project Cost

S.No	Particulars	Amount
1	Cost of Buffellows Type - Murrah Nubmber of Bufellows- 7 Each Bufellow @ 80,000 /-	0 5,60,000
2	Shed Cost Area Required 20*60sft/ bufellow Total sft required for 7 bufellow - 1200 sft Cost of Const/sft @ 200	2,40,000
3	Chaff Cutter 3HP	15,000
4	Milking Machine	20,000
5	Bore Well	65,000
6	Motor 3HP	20,000
7	Electrical Wiring	30,000
8	Field Laese	-
9	Misc	50,000
	Total Cost	10,00,000

Means of Finance :Term Loan

S.NO	Particulars	Amount	%
1	Promoters Conribution	2,00,000	20%
2	Bank Finance	8,00,000	80%
	Total	10,00,000	100%

S.NO	Particulars	Amount	%
	Working Capital		
	Total Working Capital Required	43,59,200	3,58,290

Govardhan Dairy Farm

Yield Statement - Milk

Particulars	Year 1	Year 2	Year 3	Year 4	Year 5
1.Total Installed Capacity in Liters/ Bufellow	70	70	80	80	90
2.No of Bufellows	7	7	8	8	9
3.No of Production days in year	275	275	275	275	275
4.Total Installed Capacity	134750	134750	176000	176000	222750
5.Capacity Utilization	80.00%	80.00%	80.00%	80.00%	80.00%
5.Actual Capacity in Liters	107800	107800	140800	140800	178200
6.Selling Price per Liter	60	60	60	65	65
7.Total Revenue /Year	64,68,000	64,68,000	84,48,000	91,52,000	1,15,83,000

Cost

Particulars	Year 1	Year 2	Year 3	Year 4	Year 5
a) Feed Cost					
1.Feed Cost /Day/Bufellow	1600	1600	1800	1800	2000
2.Number of Bufellows	7	7	8	8	9
3.No of Days in a year	365	365	365	365	365
Total Feed Cost	40,88,000	40,88,000	52,56,000	52,56,000	65,70,000

Cost

Particulars	Year 1	Year 2	Year 3	Year 4	Year 5
a) Labour Cost					
1.Manpower Required	2	2	2	2	2
2.Salary/Month	10,000	10,000	10,000	10,000	10,000
Total Salary	2,40,000	2,40,000	2,40,000	2,40,000	2,40,000
b) Vetarnary Aid					
Medicines/ Year	10000	11000	12100	13310	14641
c) Insurance @2% on Animal Cost	11,200	11,200	12,200	12,200	13,200
d) Electrical Cost/ Year	10,000	11,000	12,100	13,310	14,641

Govardhan Dairy Farm

Projected Profitability Statement

Particulars	Projected Year 1	Projected Year 2	Projected Year 3	Projected Year 4	Projected Year 5
Income					
Sales Revenue	64,68,000	64,68,000	84,48,000	91,52,000	1,15,83,000
Other Income	-	-	-	-	-
Total	64,68,000	64,68,000	84,48,000	91,52,000	1,15,83,000
Expenditure					
Feed Cost	40,88,000	40,88,000	52,56,000	52,56,000	65,70,000
	-	-	-	-	-
Salaries & Wages	2,40,000	2,40,000	2,40,000	2,40,000	2,40,000
	-	-	-	-	-
Medicine Cost	10,000	11,000	12,100	13,310	14,641
Electricity Charges	10,000	11,000	12,100	13,310	14,641
Misc Exp	-	-	-	-	-
Finance Charges	1,06,000	56,667	40,667	24,667	8,667
Depriciation	1,00,000	1,00,000	1,00,000	1,00,000	1,00,000
Profit Before Tax	19,14,000	19,61,333	27,87,133	35,04,713	46,35,051
Provision for Tax	-	-	-	10,51,414	13,90,515
Profit After Tax	19,14,000	19,61,333	27,87,133	24,53,299	32,44,536
Net Profit Ratio	29.59%	30.32%	32.99%	26.81%	28.01%

BALANCE SHEET

	Projected	Projected	Projected	Projected	Projected
Particulars	Year 1	Year 2	Year 3	Year 4	Year 5
Liabilities					
Proprietors Capital					
Capital	2,00,000	21,14,000	40,75,333	68,62,467	93,15,766
Reserves & Surplus	19,14,000	19,61,333	27,87,133	24,53,299	32,44,536
Less: Drawings	-	-	-	-	-
Total	21,14,000	40,75,333	68,62,467	93,15,766	1,25,60,302
Secured Loans					
Term Loan	6,40,000	4,80,000	3,20,000	1,60,000	-
Unsecured Loans					
	-	-	-	-	-
Current Liabilities					
Advances From Customers	-	-	-	-	-
Sundry Creditors	-	-	-	-	-
Other Provisions	-	-	-	-	-
Total	27,54,000	45,55,333	71,82,467	94,75,766	1,25,60,302
Assets					
Fixed Assets	9,00,000	8,00,000	7,00,000	6,00,000	5,00,000
Non Current Assets	-	-	-	-	-
Current Assets					
Sundry Debtors	1,25,767	1,25,767	1,64,267	1,77,956	2,25,225
Loans & Advances	-	-	-	-	-
Cash & Bank Balances	17,28,233	36,29,567	63,18,200	86,97,810	1,18,35,077
Total	27,54,000	45,55,333	71,82,467	94,75,766	1,25,60,302

Govardhan Dairy Farm

Term Loan **8,00,000.00**
 Rate **10.00%**
 Intallments Monthly **60**
 Insatallment Amount **13,333.33**

Installment No	Opening Balance	Installment Amount	Interest	Closing Balance	Yearly Interest
-	8,00,000.00	-	6,667	8,00,000	
-	8,00,000.00	-	6,667	8,00,000	
-	8,00,000.00	-	6,667	8,00,000	
-	8,00,000.00	-	6,667	8,00,000	
-	8,00,000.00	-	6,667	8,00,000	33,333
1	8,00,000.00	13,333.33	6,667	7,86,667	
2	7,86,666.67	13,333.33	6,556	7,73,333	
3	7,73,333.33	13,333.33	6,444	7,60,000	
4	7,60,000.00	13,333.33	6,333	7,46,667	
5	7,46,666.67	13,333.33	6,222	7,33,333	
6	7,33,333.33	13,333.33	6,111	7,20,000	
7	7,20,000.00	13,333.33	6,000	7,06,667	
8	7,06,666.67	13,333.33	5,889	6,93,333	
9	6,93,333.33	13,333.33	5,778	6,80,000	
10	6,80,000.00	13,333.33	5,667	6,66,667	
11	6,66,666.67	13,333.33	5,556	6,53,333	
12	6,53,333.33	13,333.33	5,444	6,40,000	72,667
13	6,40,000.00	13,333.33	5,333	6,26,667	
14	6,26,666.67	13,333.33	5,222	6,13,333	
15	6,13,333.33	13,333.33	5,111	6,00,000	
16	6,00,000.00	13,333.33	5,000	5,86,667	
17	5,86,666.67	13,333.33	4,889	5,73,333	
18	5,73,333.33	13,333.33	4,778	5,60,000	
19	5,60,000.00	13,333.33	4,667	5,46,667	
20	5,46,666.67	13,333.33	4,556	5,33,333	
21	5,33,333.33	13,333.33	4,444	5,20,000	
22	5,20,000.00	13,333.33	4,333	5,06,667	
23	5,06,666.67	13,333.33	4,222	4,93,333	
24	4,93,333.33	13,333.33	4,111	4,80,000	56,667
25	4,80,000.00	13,333.33	4,000	4,66,667	
26	4,66,666.67	13,333.33	3,889	4,53,333	
27	4,53,333.33	13,333.33	3,778	4,40,000	
28	4,40,000.00	13,333.33	3,667	4,26,667	
29	4,26,666.67	13,333.33	3,556	4,13,333	
30	4,13,333.33	13,333.33	3,444	4,00,000	
31	4,00,000.00	13,333.33	3,333	3,86,667	
32	3,86,666.67	13,333.33	3,222	3,73,333	
33	3,73,333.33	13,333.33	3,111	3,60,000	
34	3,60,000.00	13,333.33	3,000	3,46,667	
35	3,46,666.67	13,333.33	2,889	3,33,333	
36	3,33,333.33	13,333.33	2,778	3,20,000	40,667
37	3,20,000.00	13,333.33	2,667	3,06,667	
38	3,06,666.67	13,333.33	2,556	2,93,333	
39	2,93,333.33	13,333.33	2,444	2,80,000	
40	2,80,000.00	13,333.33	2,333	2,66,667	
41	2,66,666.67	13,333.33	2,222	2,53,333	
42	2,53,333.33	13,333.33	2,111	2,40,000	
43	2,40,000.00	13,333.33	2,000	2,26,667	
44	2,26,666.67	13,333.33	1,889	2,13,333	
45	2,13,333.33	13,333.33	1,778	2,00,000	
46	2,00,000.00	13,333.33	1,667	1,86,667	
47	1,86,666.67	13,333.33	1,556	1,73,333	
48	1,73,333.33	13,333.33	1,444	1,60,000	24,667
49	1,60,000.00	13,333.33	1,333	1,46,667	
50	1,46,666.67	13,333.33	1,222	1,33,333	
51	1,33,333.33	13,333.33	1,111	1,20,000	
52	1,20,000.00	13,333.33	1,000	1,06,667	
53	1,06,666.67	13,333.33	889	93,333	
54	93,333.33	13,333.33	778	80,000	

Installment No	Opening Balance	Installment Amount	Interest	Closing Balance	Yearly Interest
55	80,000.00	13,333.33	667	66,667	
56	66,666.67	13,333.33	556	53,333	
57	53,333.33	13,333.33	444	40,000	
58	40,000.00	13,333.33	333	26,667	
59	26,666.67	13,333.33	222	13,333	
60	13,333.33	13,333.33	111	-0	8,667

Debt Service Coverage Ratio

Particulars	Projected Year 1	Projected Year 2	Projected Year 3	Projected Year 4	Projected Year 5
Profit After tax	19,14,000	19,61,333	27,87,133	24,53,299	32,44,536
Depriciation	1,00,000	1,00,000	1,00,000	1,00,000	1,00,000
Interest on term Loan	1,06,000	56,667	40,667	24,667	8,667
Total	21,20,000	21,18,000	29,27,800	25,77,966	33,53,203
Payment Obligation					
TL Installments	1,60,000	1,60,000	1,60,000	1,60,000	1,60,000
Interest	1,06,000	56,667	40,667	24,667	8,667
Total	2,66,000	2,16,667	2,00,667	1,84,667	1,68,667
DSCR	7.97	9.78	14.59	13.96	19.88
Avg DSCR	13.24				

Break Even Point

Particulars	Projected Year 1	Projected Year 2	Projected Year 3	Projected Year 4	Projected Year 5
Revenue	64,68,000	64,68,000	84,48,000	91,52,000	1,15,83,000
Variable Costs					
Feed Cost	40,88,000	40,88,000	52,56,000	52,56,000	65,70,000
Medicine Cost	10,000	11,000	12,100	13,310	14,641
Total	40,98,000	40,99,000	52,68,100	52,69,310	65,84,641
Contribution	23,70,000	23,69,000	31,79,900	38,82,690	49,98,359
Fixed Costs					
Salaries	2,40,000	2,40,000	2,40,000	2,40,000	2,40,000
Electricity Charges	10,000	11,000	12,100	13,310	14,641
Interest	1,06,000	56,667	40,667	24,667	8,667
Depriciation	1,00,000	1,00,000	1,00,000	1,00,000	1,00,000
Total	4,56,000	4,07,667	3,92,767	3,77,977	3,63,308
Break even Point	19.24%	17.21%	12.35%	9.73%	7.27%
Break even Sales	12,44,476	11,13,038	10,43,458	8,90,940	8,41,915
Margin of Safety Sales	52,23,524	53,54,962	74,04,542	82,61,060	1,07,41,085
Average BEP	13.16%				

Assumptions

- 1 Sale Prices are expected to increase by Rs 5 per Liter for every year
- 2 Feed Cost is expected to increase by Rs.5 for every year
- 3 Salaries are expected to increase by 5% for every year
- 4 Term Loan Interest is considered at 10% p.a
- 5 Internal Accruals are expected to invest in Lands
- 6
Income tax is considered at rates applicable to Individuals as per Income tax act,1961
- 7 Depreciation on Bufellow & Other Equipment is considered @ 10% on Straight Line basis