

## MINI RICE MILL

### 1. INTRODUCTION

India is the second largest producer of rice in the world. The major portion of the paddy is being processed through hullers.

The hullers are usually low capacity mills. In these hullers, both shelling and polishing operations are carried out simultaneously. Hence, there is no control on the polishing of rice, bran and a higher breakage of rice occurs.

To overcome all these a mini rice mill was designed to meet the needs of the villagers and a substitute for a huller mill, to get polished rice, rice bran and paddy husk.

### 2. MARKET

Rice being the staple food of majority population, no problem is envisaged in marketing. Besides, the mill can be utilised as a service unit for custom milling. It also noticed the tribals are going for long distance to convert paddy to rice for domestic consumption. Thus, there exists demand for non-trading rice mill in some important centres.

### 3. MANUFACTURING PROCESS

The mini rice mill consists of a paddy cleaner, sheller, separator and a polisher. The most important feature of the mill is that the shelling and polishing are kept separate. Because of the low capacity, a centrifugal sheller is most commonly employed. Different units could be used as polisher. For maximum advantage, it is necessary also to use a paddy separator, whereby need of a high polish can be avoided thus avoiding unnecessary loss of rice.

### 4. PRODUCTION CAPACITY PER ANNUM

Sale of rice, husk, bran Rs. 1600000 per annum

### 5. PROJECT COST/CAPITAL INVESTMENT

S.No	Description	Amount Rs.
1	Fixed Capital	450000
2	Working Capital for 1 month(s)	109700
3	Preliminary & Preoperative Expns	5000
	<b>Total Project Cost</b>	<b>564700</b>

## 6. MEANS OF FINANCE

S.No	Description	%age	Amount Rs.
1	Promoter Contribution	15%	84705
2	Subsidy/Soft Loan	20%	112940
3	Term Loan	65%	367055
	Total		564700

## 7. FINANCIAL ASPECTS

## A. FIXED CAPITAL

## i. Land and Buildings

Land	Rs.	50000
Buildings	Rs.	200000

## ii. Machinery and Equipment

S.No	Description	Qty.	Rate	Amount Rs.
1	Total plant and machinery	LS		200000
	Total			200000

## B. WORKING CAPITAL

## i. Salaries &amp; Wages (per month)

S.No	Description	Nos.	Sal/mon.	Amount Rs.
1	Supervisor/Entrepreneur	1	2500	2500
2	Skilled worker	1	2000	2000
3	Unskilled worker	1	1500	1500
	Total			6000

## ii. Raw Material (per month)

S.No	Description	Unit	Qty.	Rate	Amount Rs.
1	Paddy	tons	LS		100000
	Total				100000

## iii. Utilities (per month)

S.No	Description	Unit	Amount Rs.
1	Power	LS	1000
2	Water	LS	200
	Total		1200

## iv. Other Expenses (per month)

S.No	Description	Amount Rs.
1	Postage, Telephones & Stationery Expenses	200
2	Transportation & Conveyance Expenses	1000
3	Consumable Stores	300
4	Reparis and Maintenance Expenses	500
5	Miscellaneous Expenses	500
	Total	2500

## v. Total Working Capital (per month)

S.No	Description	Amount Rs.
2	Salaries and Wages	6000
3	Raw Material	100000
4	Utilities	1200
5	Other Expenses	2500
	Total	109700

## 8. COST OF PRODUCTION (PER ANNUM)

S.No	Description	Amount Rs.
1	Total Working Capital	1316400
2	Depreciation	
	- Buildings 5%	10000
	- Plant and machinery 15%	30000
3	Interest on term loan @ 12%	44047
	Total	1400447

## 9. TURNOVER (PER YEAR)

S.No	Description	Qty.	Rate Rs.	Amount Rs.
1	Sale of rice, husk, bran	LS	1600000	1600000
	Total			1600000

## 10 FIXED COST (PER YEAR)

S.No	Description	Amount Rs.
1	Depreciation	40000
2	Interest	44047
3	Salaries & Wages @ 40%	28800
4	Other Expenses incl. Utilities @ 40%	17760
	Total	130607

## 11. PROFIT ANALYSIS &amp; RATIOS

1	Net Profit	Rs.	199553
2	Percentage of Profit on Sales		12%
3	Percentage of Return on Investment		35%
4	Break Even Point		40%