

# ***SUMON RICE MILL***



# BRIEF BIO DATA OF THE ENTREPRENEUR

- Name : Md. Abdullah Al-Sumon
- Date of Birth : November 18, 1985 (28 Years)
- Address : Vill: Uttar Shathalia, Post: Munsher Hat, Thana: Shagata, Dist: Ghaibandha  
E-mail: [alsumon175@gmail.com](mailto:alsumon175@gmail.com)
- Mother : Mrs. Shahara Begum, Centre # 17/Mo, Group no.:02, Loan no: 2091
- **(Grameen Bank Borrower)** : Member since 22/01/2006  
Existing loan – 63,000. Outstanding- 53,298 (Business Liability)
- Educational Qualification : **DEGREE PASS**
- Experience : The business is being run by the entrepreneur's father since 1985. In 2002, the entrepreneur took over the operations of the business. As such entrepreneur has a handsome experience in this sector. He is now interested to scale up his running business.

# BUSINESS BRIEFING

- Proposed Business : ***SUMON RICE MILL***
- Shop location: Close to entrepreneur's residence.
- Total Investment: BDT 1,386,500
  - + Financing
    - Self BDT- 886,500
    - Required Investment BDT 500,000 (as equity)
- **Implementation:**

The business will start with different types of paddy. The paddy will be processed to coarse rice and fine rice, which will be sold in the local market (retail and wholesale), targeting break even within the first year & pay back period is estimated to be five years.

# OBJECTIVES

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- Self employment for the entrepreneur;
- Create employment opportunities for others (especially for family members of Grameen Bank Borrowers) ;
- Provide quality Rice in the community;
- Contribute in improving socio-economic condition.



# INVESTMENT BREAKDOWN

Particulars	Existing Business	Proposed	Total
Tin Shed structure	200,000		200,000
Electricity Line	100,000		100,000
Motor	20,000		20,000
Rice Huller	20,000		20,000
Rice Huller-2	18,000		18,000
Wheat Huller	15,000		15,000
Fan for Drying Rice	5,000		5,000
Water Motor & Settings	14,000		14,000
Boiling Pan & Settings	10,000		10,000
Weight Machine (Manual)	10,000		10,000
Water structure for submerging rice	10,000		10,000
Area for drying rice	150,000		150,000
Van	7,000		7,000
Sacks 150x80	12,000		12,000
Investment in Working Capital:			-
Rice Purchase :			-
Coarse Rice 250x750	187,500	500,000	687,500
Finished Fine Rice 100x880	88,000		88,000
Other Rice 25*800	20,000		20,000
<b>Total Capital</b>	<b>886,500</b>	<b>500,000</b>	<b>1,386,500</b>

# MEANS OF FINANCE

Particulars	Amount (Tk.)	%
Entrepreneur's Contribution	886,500	64%
Investor's Investment	500,000	36%
<b>Total</b>	<b>1,386,500</b>	<b>100%</b>

# KEY ASSUMPTIONS (I/S)

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- Sales growth will be 20% in 1<sup>st</sup> year of injecting additional investment and 10% every year thereafter.
- Contribution Margin (CM) on products is 10% on average.

# FINANCIAL PROJECTION (EXISTING BUSINESS)

Particulars	Existing (BDT)	
	Monthly	Yearly
<b>Revenue</b>		
Coarse Rice selling	252,000	3,024,000
Fine Rice selling	133,650	1,603,800
Rice Husk selling	14,175	170,100
<b>Total Revenue</b>	<b>399,825</b>	<b>4,797,900</b>
<b>Less: Estimated Variable Expenses</b>		
Coarse Paddy Purchase	210,000	2,520,000
Fine Paddy Purchase	127,500	1,530,000
Carriage Inward & Outward (Van Rent)	12,000	144,000
Other cost (Labor Cost, Processing Cost)	9,000	108,000
<b>Total Variable Cost</b>	<b>358,500</b>	<b>4,302,000</b>
<b>Contribution Margin (CM):</b>	<b>41,325</b>	<b>495,900</b>
<b>Less: Fixed Cost</b>		
Electricity	12,000	144,000
Salary (Self)	12,000	144,000
Driver's Salary	6,000	72,000
Entertainment	1,000	12,000
Ownership Transfer Fees	-	-
Depreciation	4,825	57,900
<b>Total Fixed Cost</b>	<b>35,825</b>	<b>429,900</b>
<b>Net Profit</b>	<b>5,500</b>	<b>66,000</b>



# FINANCIAL PROJECTION

Particulars	Year1 (BDT)		Year 2 (BDT)		Year 3 (BDT)		Year 4 (BDT)		Year 5 (BDT)	
	Monthly	Yearly	Monthly	Yearly	Monthly	Yearly	Monthly	Yearly	Monthly	Yearly
<b>Revenue</b>										
Coarse Rice selling	302,400	3,628,800	332,640	3,991,680	365,904	4,390,848	402,494	4,829,933	442,744	5,312,926
Fine Rice selling	160,380	1,924,560	176,418	2,117,016	194,060	2,328,718	213,466	2,561,589	234,812	2,817,748
Rice Husk selling	17,010	204,120	18,711	224,532	20,582	246,985	22,640	271,684	24,904	298,852
<b>Total Revenue</b>	<b>479,790</b>	<b>5,757,480</b>	<b>527,769</b>	<b>6,333,228</b>	<b>580,546</b>	<b>6,966,551</b>	<b>638,600</b>	<b>7,663,206</b>	<b>702,461</b>	<b>8,429,526</b>
<b>Less: Estimated Variable Expenses</b>										
Coarse Paddy Purchase	252,000	3,024,000	277,200	3,326,400	304,920	3,659,040	335,412	4,024,944	368,953	4,427,438
Fine Paddy Purchase	153,000	1,836,000	168,300	2,019,600	185,130	2,221,560	203,643	2,443,716	224,007	2,688,088
Carriage Inward & Outward (Van Rent)	14,400	172,800	15,840	190,080	17,424	209,088	19,166	229,997	21,083	252,996
Other cost (Labor Cost, Processing Cost)	10,800	129,600	11,880	142,560	13,068	156,816	14,375	172,498	15,812	189,747
<b>Total Variable Cost</b>	<b>430,200</b>	<b>5,162,400</b>	<b>473,220</b>	<b>5,678,640</b>	<b>520,542</b>	<b>6,246,504</b>	<b>572,596</b>	<b>6,871,154</b>	<b>629,856</b>	<b>7,558,270</b>
<b>Contribution Margin (CM):</b>	<b>49,590</b>	<b>595,080</b>	<b>54,549</b>	<b>654,588</b>	<b>60,004</b>	<b>720,047</b>	<b>66,004</b>	<b>792,051</b>	<b>72,605</b>	<b>871,257</b>
<b>Less: Fixed Cost</b>										
Electricity	16,800	201,600	18,480	221,760	20,328	243,936	22,361	268,330	24,597	295,163
Salary (Self)	12000	144,000	13000	156,000	14000	168,000	15000	180,000	16000	192,000
Driver Salary	6,000	72,000	7,000	84,000	7,500	90,000	8,000	96,000	8,500	102,000
Entertainment	1,000	12,000	1,200	14,400	1,500	18,000	1,500	18,000	1,500	18,000
Ownership Transfer Fees	-	-	1,667	20,000	1,667	20,000	1,667	20,000	3,333	40,000
Depreciation	4,825	57,900	4,825	57,900	4,825	57,900	4,825	57,900	4,825	57,900
<b>Total Fixed Cost</b>	<b>40,625</b>	<b>487,500</b>	<b>46,172</b>	<b>554,060</b>	<b>49,820</b>	<b>597,836</b>	<b>53,352</b>	<b>640,230</b>	<b>58,755</b>	<b>705,063</b>
<b>Net Profit</b>	<b>8,965</b>	<b>107,580</b>	<b>8,377</b>	<b>100,528</b>	<b>10,184</b>	<b>122,211</b>	<b>12,652</b>	<b>151,822</b>	<b>13,850</b>	<b>166,194</b>
<b>Cumulative Profit</b>		<b>107,580</b>		<b>208,108</b>		<b>330,319</b>		<b>482,141</b>		<b>648,335</b>

# BREAK EVEN POINT ANALYSIS

Particulars	Monthly	Yearly
<b>Contribution Margin Ratio: (CM/Rev)</b>	10%	
<b>Break Even Point (BEP): (Fixed Cost/CM)</b>	40,625	487,500
	10%	10%
<b>Break Even Point (in Tk.)</b>	<b>393,052</b>	<b>4,716,629</b>

# CASH FLOW (REC. & PAY.)

<i>Particulars</i>	<i>Existing Business (BDT)</i>	<i>Year 1 (BDT)</i>	<i>Year 2 (BDT)</i>	<i>Year 3 (BDT)</i>	<i>Year 4 (BDT)</i>	<i>Year 5 (BDT)</i>
<b>Cash Inflow</b>						
New Investment	-	500,000	-	-	-	-
Net Profit	66,000	210,000	120,528	142,211	171,822	206,194
Depreciation	57,900	57,900	57,900	57,900	57,900	57,900
Opening Balance of Cash Surplus	-	123,900	891,800	950,228	1,030,339	1,140,061
<b>Total Cash Inflow</b>	<b>123,900</b>	<b>891,800</b>	<b>1,070,228</b>	<b>1,150,339</b>	<b>1,260,061</b>	<b>1,404,155</b>
<b>Cash Outflow</b>						
Investment Pay Back	-	-	120,000	120,000	120,000	240,000
<b>Total Cash Outflow</b>	<b>-</b>	<b>-</b>	<b>120,000</b>	<b>120,000</b>	<b>120,000</b>	<b>240,000</b>
<b>Total Cash Surplus</b>	<b>123,900</b>	<b>891,800</b>	<b>950,228</b>	<b>1,030,339</b>	<b>1,140,061</b>	<b>1,164,155</b>

# OUTCOMES

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- The business will start with BDT **1,386,500** and it is expected that by the end of five years after payback of investor's money the entrepreneur's capital will be BDT **1,534,835**.
- The business will serve the community by selling quality and in demand rice products and strive to improve every year.

# RISK FACTORS

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- Theft
- Local competition
- Political Unrest

# RISK MANAGEMENT

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- Adequate precautions to be taken
- Proper security measures will be taken
- Close market watch to compete



**PHOTO  
EXHIBITION**































# Thank You

From,  
**Sumon Rice Mill**