

LABIB DAIRY FEED & VET



BRIEF BIO OF THE ENTREPRENEUR

- Name : Md. Abu Hasnath Mondol
- Address : Bala Bari, Chillmari, Kurigram
- Mother : Hasena Begum, Thanahat, Chillmari, Centre # 76/Mo.
(*Grameen Bank Borrower*) : Member since 1999
Existing loans - BDT 36,000 and BDT 70,000
- Educational Qualification : S.S.C pass
- Experience : 2 (Two) years of experience in cattle feed business . Entrepreneur started his business with BDT 100,000 (one lac). Now it's value is BDT 160,000 (one lac sixty thousand)

BUSINESS BRIEFING

- ✘ Proposed Business : **Labib Dairy Feed & Vet**
- ✘ Shop location: Village market close to entrepreneur's residence in Chilmari, Kurigram
- ✘ Total Investment: BDT **360,000**
 - + Financing
 - Self BDT160,000 (from existing business – Annex I)
 - Required Investment BDT 200,000 (as equity)
- ✘ **Implementation:**

The business will start with different items of cattle feed products targeting break even point within first year & pay back period is estimated to be three years.

OBJECTIVES

- ✘ Self employment for the entrepreneur;
- ✘ Create employment opportunities for others (especially for family members of Grameen Bank Borrowers) ;
- ✘ Provide quality goods to meet demand for cattle feed in the community;
- ✘ Selling products that are environment friendly;
- ✘ Contribute in improving socio-economic condition.

INVESTMENT BREAKDOWN

Particulars	Amount (BDT)
Investment in New Products	180,000.00
Required Fixtures & Fittings (Decoration)	20,000.00
Existing Investment in Product	103,000.00
Existing Fixtures & Fittings (Decoration)	25,000.00
Existing Investment in Weight Machine	12,000.00
Existing Advance on Shop Rent	20,000.00
Total Investment	<u>360,000.00</u>

EXISTING BUSINESS

Particulars	EB (BDT)		
	Daily	Monthly	Yearly
(A) Estimated Income from Product Sales	2,200	66,000	792,000
Calculation of Variable Cost:			
Less: Variable Cost:			
Estimated Variable Cost on Product	1,870	56,100	673,200
Packing & Others	11	330	3,960
(B) Total Variable Cost	1,881	56,430	677,160
[C=(A-B)] Contribution Margin (CM)	319	9,570	114,840
Calculation of Fixed Cost:			
Less: Fixed Cost:			
Shop Rent		400	4,800
Electricity (By nature Semi-Variable & Fixed)		400	4,800
Salary		7,000	84,000
Depreciation Expenses		467	5,600
Ownership Transfer Fees		-	-
Others		600	7,200
(D) Total Fixed Cost		8,867	106,400
(C-D) Net Profit:		703	8,440

FINANCIAL PROJECTION

Income Statement

Particulars	Year 1 (BDT)			Year 2 (BDT)			Year 3 (BDT)		
	Daily	Monthly	Yearly	Daily	Monthly	Yearly	Daily	Monthly	Yearly
(A) Estimated Income from Product Sales	3,630	108,900	1,306,800	4,719	141,570	1,698,840	6,135	184,041	2,208,492
Calculation of Variable Cost:									
Less: Variable Cost:									
Estimated Variable Cost on Product	3,086	92,565	1,110,780	4,011	120,335	1,444,014	5,214	156,435	1,877,218
Packing & Others	18	545	6,534	24	708	8,494	31	920	11,042
(B) Total Variable Cost	3,104	93,110	1,117,314	4,035	121,042	1,452,508	5,245	157,355	1,888,261
[C=(A-B)] Contribution Margin (CM)	526	15,791	189,486	684	20,528	246,332	890	26,686	320,231
Calculation of Fixed Cost:									
Less: Fixed Cost:									
Shop Rent		800	9,600		1,000	12,000		1,000	12,000
Electricity (By nature Semi-Variable & Fixed)		400	4,800		400	4,800		400	4,800
Salary		8,000	96,000		9,000	108,000		10,000	120,000
Depreciation Expenses		800	9,600		800	9,600		800	9,600
Ownership Transfer Fees			8,000			14,000			18,000
Others		600	7,200		600	7,200		600	7,200
(D) Total Fixed Cost		10,600	135,200		11,800	155,600		12,800	171,600
(C-D) Net Profit:		5,191	54,286		8,728	90,732		13,886	148,631
Cumulative Net Profit:			54,286			145,018			293,649

CASH FLOW (REC. & PAY.)

	Year 1 (BDT)	Year 2 (BDT)	Year 3 (BDT)
Receipts			
<i>Opening Balance</i>	-	23,886	54,218
Capital Infusion by Entrepreneur	-	-	-
Capital Infusion by Investor	200,000	-	-
Revenue	1,306,800	1,698,840	2,208,492
Total Receipts	1,506,800	1,722,726	2,262,710
Payments			
<i>Investment in Business</i>	200,000	-	
Estimated Variable Cost on Product	1,110,780	1,444,014	1,877,218
Packing & Others	6,534	8,494	11,042
Shop Rent	9,600	12,000	12,000
Electricity (By nature Semi-Variable & Fixed)	4,800	4,800	4,800
Salary	96,000	108,000	120,000
Others	7,200	7,200	7,200
Payback (to Investor)	48,000	84,000	108,000
Total Payments	1,482,914	1,668,508	2,140,261
Closing Balance: (Cash in hand & at Bank)	23,886	54,218	122,449
Total	1,506,800	1,722,726	2,262,710

OWNERS' EQUITY STATEMENT

<i>Particulars</i>	<i>1 Year</i>	<i>2nd Year</i>	<i>3rd Year</i>
	<i>Amount in BDT</i>	<i>Amount in BDT</i>	<i>Amount in BDT</i>
Opening Capital (Entrepreneur)	160,000	214,286	305,018
Investor's Share	200,000	160,000	90,000
Total Investment	360,000	374,286	395,018
Add: Net Profit	54,286	90,732	148,631
Ending Owner's Equity before payback to Investor	414,286	465,018	543,649
Less: Investment payback to Investor	40,000	70,000	90,000
Ending Owner's Equity	<u>374,286</u>	<u>395,018</u>	<u>453,649</u>
Increase in Entrepreneur's equity			293,649

OUTCOMES

- The business will start with BDT **360,000** and it is expected that by the end of three years after payback of investor's money the entrepreneur's capital will be BDT **453,649**.
- The business will serve the community by selling quality and in demand products and strive to improve every year.

RISK FACTORS

- Theft
- Local competition
- Political Unrest

RISK MANAGEMENT

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

Thank You



ANNEX I – EXISTING INVEST.

Calculation of Total Existing Investment	
<i>Particulars</i>	<i>Amount in BDT</i>
Investment in Cattle Medicine Products:	
First Aid Medicine for Cattle	2,000
Vitamin Capsul	5,000
Zink Syrup	1,030
Zymovet & Stomavet	3,000
Burga Fat & Buta Fat	2,000
vitamin Tablet	2,500
Fish Vit for Fish	2,500
Allergy Tablet	3,000
Medicine for increase in Milk	600
Investment in Food items:	
Rice Husk	9,900
Rice	16,000
Wheat Husk	7,650
Cattle Feed	6,420
Broilar Feed	1,300
Khail from sharisha	1,300
Kalaiyer Husk	1,300
Jute Sack	17,500
Plastic Sack	20,000
Total Existing Investment in Product	<u>103,000</u>
Investment in Decoration	<u>25,000</u>
Advance Rent for Shop	<u>20,000</u>
Weight Machine	<u>12,000</u>
Total Existing Investment	<u><u>160,000</u></u>