PROJECT REPORT

Of

FLOUR MILL

PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding **Flour 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.]

SAMADHAN
Nurturing Dreams - Innovative Solutions

Lucknow Office: Sidhivinayak Building ,
27/1/B, Gokhlley Marg, Lucknow-226001

Delhi Office : Multi Disciplinary Training
Centre, Gandhi Darshan Rajghat,
New Delhi 110002

Email : info@udyami.org.in
Contact : +91 7526000333, 444, 555

Flour Mill

1. INTRODUCTION:

Wheat flour, also known as Atta in Hindi, is widely used product on daily basis in every household. For making chapattis, bread, roti, naan, puri Wheat Flour is basic and essential raw material. Most atta is milled from the semi-hard wheat varieties, also known as **durum wheat** that comprises 90% of the Indian wheat crop, and is more precisely called Durum Atta.

2. PRODUCT & ITS APPLICATION:

Wheat Flour or Atta is the predominantly used in food items in India, such as chapatti, roti, naan and puri and in sweat items too like halwa, pakoda, etc. This is basic and most essential product for daily consumption in every home in India.

3. DESIRED QUALIFICATIONS FOR PROMOTER:

Do not require any specific qualification.

4. INDUSTRY LOOKOUT AND TRENDS

Wheat is the most widely produced cereal all over the world, used for human consumption; Contribution of wheat to energy intake is significant. Global wheat flour market is majorly driven by rising consumption of bakery products fuelled by combined influence of growing population, change in tastes of consumer and rise in disposable income of consumers worldwide.

In last few years, there has been a rising demand for wheat flour due to changing trend in food industry with innovations in food products and recipes coupled with changing taste of

consumers. Companies are launching new products, investing in expansion, and forming strategic alliances to increase their market share. The major players in the wheat flour market include Archer Daniels Midland Company (U.S.), Cargill Inc (U.S.), General Mills (U.S.), Ardent Mills Corporate (U.S.) and ITC Limited (India).

5. MARKET POTENTIAL AND MARKETING ISSUES, IF ANY:

Whole wheat flour is used in making Chapaties, Puries, Parotha and other roasted cereal-based products. Sooji / Rava is used in many sweetmeat products. Wheat flour or Maida is a basic raw material for making Bread, Biscuits Cakes and other bakery products. Bran separated on milling is used as cattle feed. The products sold under brand names are very few. The concept for branded cereal flour products is now increasing.

6. RAW MATERIAL REQUIREMENTS:

Basic raw materials required are Wheat Blended of different types. For packing, gunny bags will be required.

7. MANUFACTURING PROCESS:

Firstly, wheat is thoroughly cleaned such that all dust particles, stones and other foreign matters will be removed. Clean wheat will be tempered before grinding by treating with water so that the bran is separated from the endosperm. The tempered wheat is crushed between corrugated rollers (Break rolls). The first break rolls are set relatively far apart to grind the wheat lightly, while successive break yield finer and finer products. The first break is separated by sieving or bolting in to very fine particles (flour), intermediate particles (middling) and coarse particles (stock). The stock is then sent to second break rolls. This process may continue through 5 to 6 breaks. The stock contains pieces of endosperm and bran and the stock from the last break is principally bran. The middling contains endosperm, bran and germ which are then successively classified and some of the bran removed is sent to reduction rollers. These are smooth rollers, but like the break rolls they are graduated so

that successive reduction becomes finer and finer. After each reduction, sifters separate the flour, middling and stock, this process is continued until most of the endosperm has been removed as flour and most of the bran has been separated in the sifters.

8. MANPOWER REQUIREMENT:

The enterprise requires 12 employees as detailed below**:**

S.No.	Designation	No.	Salary(Rs.)	Total(In. Rs.)
1	Skilled Workers	2	10,000.00	20,000.00
2	Semi-skilled Workers	4	6,000.00	24,000.00
3	Miller-cum Chemist	1	10,000.00	10,000.00
4	Sales Supervisor	1	12,500.00	12,500.00
5	Store Keeper	1	15,000.00	15,000.00
6	Salesman	1	12,000.00	12,000.00
7	Accountant	1	11,000.00	11,000.00
8	Security Personnel	1	7,500.00	7,500.00
		12		**1,04,500.00**
	Total Annual Salary			**12,54,000.00**

9. IMPLEMENTATION SCHEDULE:

The project can be implemented in 13 months' time as detailed below:

Sr. No.	Activity	Time Required *(in months)*
1	Acquisition of premises	1.50
2	Construction (if applicable)	3.00
3	Procurement & installation of Plant & Machinery	1.5
4	Arrangement of Finance	1.50
5	Recruitment of required manpower	0.50
	Total time required *(some activities shall run concurrently)*	7.00

10. COST OF PROJECT:

The project shall cost Rs 115.35 lacs as detailed below:

S.NO.	PARTICULARS	TOTAL COST	MARGIN 25%	LOAN
1	Land & Building	-	Owned/Rented	-
2	Plant and Machinery	23.84	5.96	17.88
3	Furniture & Fixture	1.15	0.29	0.86
5	Pre- and Post-operative and	2.38	2.38	-
6	Margin for Working Capital	5.56	5.56	-
	Total	**32.93**	14.19	18.74

11. MEANS OF FINANCE:

The proposed funding pattern is as under:

S.NO.	PARTICULARS		AMOUNT
1	Own Contribution		14.19
2	Term Loan		18.74
	Total		**32.93**

12. LIST OF MACHINERY REQUIRED:

A detail of important machinery is given below:

Sr. No.	Particulars	UOM	Qtty	Rate (Rs)	Value (Rs in Lacs)
	Plant & Machinery / equipment's				
a)	***Main Machinery***				
1	Single Bucket Elevator	Nos	1	Rs 0.90	0.90
2	Reel Machine	Nos	1	Rs 0.40	0.40
3	Rotary Separator	Nos	1	Rs 1.00	1.00
4	Scourer Machine	Nos	1	Rs 0.75	0.75
5	Intensive dampner	Nos	1	Rs 0.40	0.40

6	Rotometer	Nos	1	Rs 0.25	0.25
7	De-Stoner without fan & cyclone	Nos	1	Rs 0.75	0.75
8	Indent cylinder	Nos	1	Rs 0.90	0.90
9	Screw conveyor 7 m 1500/m, 4.5 m 1500/m	Nos	1	Rs 0.43	0.43
10	Dust cyclone with airseal dia 1120	Nos	1	Rs 0.17	0.17
11	Dust cyclone with airseal dia 960	Nos	1	Rs 0.15	0.15
12	L.P. Fan for Ist Cleaning	Nos	1	Rs 0.30	0.30
13	L.P. Fan for Main Cleaning	Nos	1	Rs 0.27	0.27
14	L.P. Fan for DE stoner	Nos	1	Rs 0.23	0.23
15	L.P. Fan for final Cleaning	Nos	1	Rs 0.25	0.25
Sr. No.	**Particulars**	**UOM**	**Qtty**	**Rate (Rs)**	**Value**
16	Magnets 6"*12"	Nos	2	Rs 0.02	0.04
17	Silogate	Nos	3	Rs 0.02	0.05
18	Roller Mill body	Nos	1	Rs 1.25	1.25
19	Rolls dia 250 * 1000 mm (Indian)	Nos	2	Rs 0.38	0.76
20	Roll Grooving & spindle cutting	Nos	2	Rs 0.03	0.06
21	Plansifter 8 feed /16 sec.	Nos	1	Rs 1.50	1.50
22	Purifier	Nos	1	Rs 0.60	0.60
23	Bran – finisher	Nos	1	Rs 0.20	0.20
24	Pneumatic lifts	Nos	4	Rs 0.18	0.72
25	Tripple worm 8 mt. Each	Nos	1	Rs 0.02	0.02
26	L.P. Fan purifier	Nos	1	Rs 0.25	0.25
27	Dust cyclone dia 1120	Nos	1	Rs 0.20	0.20
28	H.P. Fan	Nos	1	Rs 0.45	0.45
29	Supper cyclone	Nos	1	Rs 0.30	0.30
30	Bolting cloth		Lot	Rs 0.40	0.40
31	Misc. accessories such as inspection, cover & joint range etc.	Nos	1	Rs 0.15	0.15
32	Electrical motors	LS		Rs 3.50	3.50
33	Electric pannel board fitted with starter main switches, cables, cable fittings, volts and AMP meters, AC.B capacitors etc.	LS		Rs 2.50	2.50
34	Reduction gears standard make	LS		Rs 0.75	0.75
35	V-Groove, Pulleys, Couplings, V-Belts etc.	LS		Rs 0.30	0.30

36	erecting Material such as angle, Channel Sheet, Iron etc.	LS		Rs 2.00	2.00
37	Tools and other equipment required during erecting	LS		Rs 0.35	0.35
38	Consumable items such as Nut, Bolt, Gas, and Welding Rods, Namda, Fevicol etc.	LS		Rs 0.20	0.20
39	Weighing scale	Nos	1	Rs 0.15	0.15
	sub-total Plant & Machinery				**23.84**
	Furniture / Electrical installations				
1	Office furniture	LS		0.7	0.70
Sr. No.	**Particulars**	**UOM**	**Qtty**	**Rate (Rs)**	**Value**
	sub total				**0.70**
	Other Assets				
1	preliminary and preoperative	LS		2.38	2.38
	sub-total Other Assets				**2.38**
	Erection and Consultancy Charges	LS		0.45	**0.45**
	Total				**27.37**

13. PROFITABILITY CALCULATIONS:

i Cost of Production

S.No.	Particulars		In. Rs.
1	Total Recurring Expenditure		251.93
2	Depreciation on Plant and Machinery @ 15%		3.58
3	Depreciation of Furniture/Fixture & Office Equipment @ 10 %		0.12
4	Finance Cost		7.91
	TOTAL COST OF PRODUCTION	(in Lacs)	263.53

ii **Turnover**

S.No.	Particulars		Qty)	Rate (in Rs)	In. Rs.
1	Maida	50%	720.00	23,000.00	1,65,60,000.00
2	Sooji	12%	172.80	25,000.00	43,20,000.00
3	Atta	20%	288.00	22,000.00	63,36,000.00
4	Chokar	18%	259.20	13,000.00	33,69,600.00
			1,440.00		3,05,85,600.00

The basis of profitability calculation:

Profitability

(ii)	**Profit [ii-i]**	(In Lacs)	**42.33**
	At 100% capacity utilisation		
	Percentage profit on sales		**13.84%**

This unit will have 2400 MT/Annum capacity. The growth of selling capacity will be increased 10% per year. (This is assumed by various analysis and study; it can be increased according to the selling strategy.)

Energy Costs are considered at Rs 7 per Kwh.The depreciation of plant is taken at 15 % and Interest costs are taken at 12 % depending on type of industry.

15. STATUTORY / GOVERNMENT APPROVALS

The Ministry of Food Processing Industries has been operating several plan schemes for the development of processed food sector in the country during the 10th Plan. One of the schemes relates to the Technology Up-gradation/ Establishment/ Modernization of food processing industries.

The Indian food processing industry is regulated by several laws which govern the aspects of sanitation, licensing and other necessary permits that are required to start up and run a food business. The legislation that dealt with food safety in India was the Prevention of Food Adulteration Act, 1954 (hereinafter referred to as "**PFA**"). The PFA had been in place for over five decades and there was a need for change due to varied reasons which include the changing requirements of our food industry. The act brought into force in place of the PFA is the Food Safety and Standards Act, 2006 (hereinafter referred to as "**FSSA**") that overrides all other food related laws.

FSSA initiates harmonization of India's food regulations as per international standards. It establishes a new national regulatory body, the Food Safety and Standards Authority of India (hereinafter referred to as "**FSSAI**"), to develop science based standards for food and to regulate and monitor the manufacture, processing, storage, distribution, sale and import of food so as to ensure the availability of safe and wholesome food for human consumption. Entrepreneur may contact State Pollution Control Board where ever it is applicable.

Key Regulations of FSSA

A. Packaging and Labeling

B. Signage and Customer Notices

C. Licensing Registration and Health and Sanitary Permits

The scheme is implemented by agencies/ organizations such as Govt. / PSUs/ Joint Ventures/ NGOs/ Cooperatives/ SHGs / FPOs / Private Sector / individuals etc.

SAMADHAN
Nurturing Dreams - Innovative Solutions

DISCLAIMER

The views expressed in this Project Report are advisory in nature. SAMADHAN assume no financial liability to anyone using the content for any purpose. All the materials and content contained in Project report is for educational purpose and reflect the views of the industry which are drawn from various research material sources from internet, experts, suppliers and various other sources. The actual cost of the project or industry will have to be taken on case to case basis considering specific requirement of the project, capacity and type of plant and other specific factors/cost directly related to the implementation of project. It is intended for general guidance only and must not be considered a substitute for a competent legal advice provided by a licensed industry professional. SAMADHAN hereby disclaims any and all liability to any party for any direct, indirect, implied, punitive, special, incidental or other consequential damages arising directly or indirectly from any use of the Project Report Content, which is provided as is, and without warranties.