PROJECT REPORT

Of

SOYA FLOUR

PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding **Soya Flour making unit.**

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.

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PROJECT REPORT

ON

'SOYA FLOUR'

Product and its applications

Lifestyle is changing in most of the urban cities very rapidly. Urban population is health conscious and adopting healthy food habits. There is a lot of stress on avoiding junk food and adopting protein rich food. Soya beans are a rich source of protein and are extensively used in many food items. Soya beans are cultivated in most of the states, Madhya Pradesh being the leader. States like Maharashtra, Andhra Pradesh, and Uttar Pradesh Soya bean has good market particularly in value added forms. Bulk of the production is used for extraction of oil. Other products such as soya milk, flour, curd, paneer etc are also popularly consumed as Soya beans are high in protein, low in fat and easy to digest. Gujarat has joined the cultivation but Madhya Pradesh is the highest producer of Soya Beans. With both the husband and wife working the eating and cooking habits are undergoing changeover. Couples do not find time to cook fresh vegetables and resort to using pre cooked or sometimes high protein soya nuggets which do not call for lengthy cooking and have high nutritional value. These soya products are made out of soya flour. Soya flour is highly nutritious food ingredient that has been used for many years. An addition of Soya flour increases its protein content and serves as a source of energy and nutrition. This value addition to the wheat flour does not affect its shelf life and economics. The technology for such products is available with CFTRI. Compliance with PFA Act for such a unit is essential.

Industry Profile and Market Assessment

Although soya flour has nutritional benefits, it is primarily used for its functional benefits. The potential market for soya flour are in school feeding programme, social welfare feeding programme, confectionery industry baking industries for nuggets and chunks manufacturing, as a supplement for whear flour. When incorporated into bread dough, it enables bread to retain more moisture during baking process, thereby increasing yield. Thus it is a money maker for the baker. It also extends shelf life of the product by decreasing the rate of staling. When used in dough nuts, soya flour absorbs less oil, which is a relatively expensive ingredient thus saving the cost. Bakery is an age old industry. Bread and biscuits in different varieties manufactured either large multinationals or at village level in small setup form the bakery products.

The products are popular both at rural as well as urban level only the product and price differs. While the rural population prefers the cheap homemade variety the urban elite go in for costly varieties in different taste and assortments. There is market for both the varieties. The biscuits in general sense mean a product with lot of calories and which is generally consumed as a snack at tea time or children consume it in between meals. There are variations in the taste and for those who wish to retain energy. Soya flour is an important ingredient of biscuit industry. Soya flour is added to biscuit dough to increase the protein content and provide extra energy. Biscuits are consumed by all irrespective of age or income groups.

Manufacturing Process & Know How

The process of manufacturing is simple and standardized, it is known as immersion cooking process. Soya beans are washed and thoroughly cleaned to remove dirt and other extraneous matter. These cleaned beans are then packed in clean cloth sacks. These sacks are then soaked in water for around 8-10 hours. Due to soaking the beans swell to nearly double their original size and gain weight by around 2.5 times. The soaked beans are then immersed in boiling water for rapid cooking. The cooked beans are then strained and then spread on trays in a current of mild circulation of air till the moisture content comes down to 10%. The dried soya beans are then cracked in a mill and hulls are separated. The de-hulled beans are ground to desired mesh size and packed. The process loss is approximately 5%.

Know how is available with Central Government research Laboratories. The machinery is all indigenously available.

The production capacity envisaged is 1 tonnes per day on two shift basis for 250 days per year. The seasonal capacity is 238 tonnes per year.

Plant and Machinery

The main plant and machinery required comprise

Description	Qty	Estimated Cost
Destoner.	1	2.00
Magnetic Separator	1	0.95
Cookers	3	1.80
Tray driers	1	0.20
Dehuller	1	2.05
Pulveriser.	1	3.00
Mini Boiler		0.20
Sealing machines, Weighing scales.	LS	0.50
Syrup machine with motors		0.50
		11.20

The total cost of machinery is estimated to be Rs.11.20 lakhs.

The unit will also require miscellaneous assets such as furniture, fixtures, storage facilities etc.

The total requirement of power shall be 40 HP, the unit will need 10000 lits of water daily.

Raw material and Packing Material

The basic raw material for the unit is good quality Soya beans. Annual requirement at 100% capacity will be 300 tonnes. The packing may be of two types for retail sale and for bulk sale. For retail printed polythene bags are suitable, while for bulk polylined gunny bags. Packing material like boxes, polythene sheets, box strapping etc shall also be required.

Land and Building

For smooth operation of the unit, it will require 500 sq. mts of open land and a built up area of 200 sq. mts. For present proposal, the land and building is presumed to be own.

Sales Revenue: (100% capacity)

Selling price varies depending on the product quality. An average price of Rs 50,000/- per tonne has been taken the annual income at installed capacity of 238 tonnes is Rs 119.00 lakhs.

PROJECT AT A GLANCE

1	Name of the Entreprenuer		XXXXXXX		
2	Constitution (legal Status)		XXXXXXX		
3	Father's/Spouce's Name		XXXXXXXX		
4	Unit Address	:	XXXXXXXX		
			Taluk/Block:		
			District :	XXXXX	
			Pin:	XXXXX	State:
			E-Mail :	XXXXX	
			Mobile	XXXXX	
5	Product and By Product	:	**Soya Floor**		
6	Name of the project / business activity propose		**Soya Floor**		
7	Cost of Project	:	Rs23.00lac		
8	Means of Finance				
	Term Loan		Rs.13.9 Lacs		
	KVIC Margin Money	-	As per Project Eligibility		
	Own Capital		Rs.2.3 Lacs		
	Working Capital		Rs.6.8 Lacs		
9	Debt Service Coverage Ratio	:	1.95		
10	Pay Back Period	:	5	Years	
11	Project Implementation Period	:	6	Months	
12	Break Even Point	:	44%		
13	Employment	:	7	Persons	
14	Power Requirement	:	40.00	HP	
15	Major Raw materials	:	**Soyabean**		
16	Estimated Annual Sales Turnover	:	67.69	Lacs	

16 Detailed Cost of Project & Means of Finance

COST OF PROJECT

(Rs. In Lacs)

Particulars	Amount
Land	Rented/Owned
Building & Civil Work (2000 Sq Ft)	3.00
Plant & Machinery	11.20
Furniture & Fixtures	0.74
Pre-operative Expenses	0.50
Working Capital Requirement	7.56
Total	**23.00**

MEANS OF FINANCE

Particulars	Amount
Own Contribution @10%	2.30
Term Loan	13.90
Workign Capital Finance	6.80
Total	**23.00**

	General	**Special**
Beneficiary's Margin Money (% of Project Cost)	10%	5%

PLANT & MACHINERY

PARTICULARS	QTY.	RATE	AMOUNT IN RS.
Destoner.	1.00	200000.00	200000.00
Magnetic Separator	1.00	95000.00	95000.00
Cookers	3.00	60000.00	180000.00
Tray driers	1.00	20,000.00	20,000.00
Dehuller	**1.00**	**205,000.00**	**205,000.00**
Pulveriser.	1.00	300,000.00	300,000.00
Mini Boiler	1.00	20,000.00	20,000.00
Sealing machines, Weighing scales.	LS	50,000.00	50,000.00
Syrup machine with motors		50,000.00	50,000.00
Total			1,120,000.00

PROJECTED CASH FLOW STATEMENT

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
SOURCES OF FUND					
Share Capital	2.30	-			
Reserve & Surplus	2.79	4.03	6.10	8.06	9.92
Depriciation & Exp. W/off	2.02	1.77	1.52	1.31	1.13
Increase in Cash Credit	6.80	-	-	-	-
Increase In Term Loan	13.90	-	-	-	-
Increase in Creditors	1.16	0.19	0.19	0.19	0.19
Increase in Provisions	0.36	0.04	0.04	0.04	0.05
TOTAL :	**29.32**	**6.03**	**7.85**	**9.61**	**11.29**
APPLICATION OF FUND					
Increase in Fixed Assets	14.94	-	-	-	-
Increase in Stock	5.34	- 0.66	0.67	0.67	0.67
Increase in Debtors	3.38	0.74	0.59	0.59	0.59
Increase in Deposits & Adv	2.50	0.25	0.28	0.30	0.33
Repayment of Term Loan	-	3.47	3.47	3.47	2.84
Taxation	-	0.40	1.22	1.61	1.98
TOTAL :	**26.16**	**4.21**	**6.23**	**6.65**	**6.42**
Opening Cash & Bank Balance	-	3.16	4.98	6.60	9.55
Add : Surplus	3.16	1.82	1.62	2.96	4.87
Closing Cash & Bank Balance	**3.16**	**4.98**	**6.60**	**9.55**	**14.43**

PROJECTED BALANCE SHEET

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
SOURCES OF FUND					
Capital Account	2.30	2.30	2.30	2.30	2.30
Retained Profit	2.79	6.41	11.29	17.74	25.68
Term Loan	13.90	10.42	6.95	3.47	0.64
Cash Credit	6.80	6.80	6.80	6.80	6.80
Sundry Creditors	1.16	1.35	1.55	1.74	1.93
Provisions & Other Liab	0.36	0.40	0.44	0.48	0.53
TOTAL :	**27.31**	**27.69**	**29.33**	**32.54**	**37.88**
APPLICATION OF FUND					
Fixed Assets (Gross)	14.94	14.94	14.94	14.94	14.94
Gross Dep.	2.02	3.79	5.31	6.61	7.74
Net Fixed Assets	12.92	11.15	9.63	8.33	7.20
Current Assets					
Sundry Debtors	3.38	4.13	4.72	5.31	5.91
Stock in Hand	5.34	4.68	5.35	6.02	6.68
Cash and Bank	3.16	4.98	6.60	9.55	14.43
Deposits & Advances	2.50	2.75	3.03	3.33	3.66
TOTAL :	**27.31**	**27.69**	**29.33**	**32.54**	**37.88**
	-	-	-	-	-

PROJECTED PROFITABILITY STATEMENT

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
A) SALES					
Gross Sale	67.69	82.53	94.41	106.28	118.16
Total (A)	**67.69**	**82.53**	**94.41**	**106.28**	**118.16**
B) COST OF SALES					
Raw Mateiral Consumed	49.75	58.04	66.33	74.63	82.92
Elecricity Expenses	5.59	6.52	7.45	8.39	9.32
Repair & Maintenance	-	0.83	0.94	1.06	1.18
Labour & Wages	4.75	5.23	5.75	6.32	6.96
Depriciation	2.02	1.77	1.52	1.31	1.13
Consumables and Other Expense	1.35	1.65	1.89	2.13	2.36
Cost of Production	63.46	74.04	83.89	93.83	103.86
Add: Opening Stock /WIP	-	2.85	3.33	3.80	4.28
Less: Closing Stock /WIP	2.85	3.33	3.80	4.28	4.75
Cost of Sales (B)	60.61	73.56	83.41	93.36	103.39
C) GROSS PROFIT (A-B)	7.07	8.97	10.99	12.92	14.77
	10%	**11%**	**12%**	**12%**	**13%**
D) Bank Interest (Term Loan)	1.20	1.45	1.05	0.65	0.26
Bank Interest (C.C. Limit)	0.68	0.68	0.68	0.68	0.68
E) Salary to Staff	1.06	1.16	1.28	1.41	1.55
F) Selling & Adm Expenses Exp.	1.35	1.65	1.89	2.13	2.36
TOTAL (D+E)	**4.29**	**4.94**	**4.90**	**4.86**	**4.85**
H) NET PROFIT	2.79	4.03	6.10	8.06	9.92
I) Taxation	-	0.40	1.22	1.61	1.98
J) PROFIT (After Tax)	2.79	3.63	4.88	6.45	7.94

COMPUTATION OF MANUFACTURING OF SOYA FLOOR

Items to be Manufactured **SOYA FLOOR**

Manufacturing Capacity per day	-	1.00	MT
	-		
No. of Working Hour		8	
No of Working Days per month		25	
No. of Working Day per annum		250	
Total Production per Annum		250.00	MT
Year		Capacity	MT
		Utilisation	
			Less wastage 5%
IST YEAR	150	60%	143
IIND YEAR	175	70%	166
IIIRD YEAR	200	80%	190
IVTH YEAR	225	90%	214
VTH YEAR	250	100%	238

COMPUTATION OF RAW MATERIAL

Item Name		Quantity of	Recovery	Unit Rate of	Total Cost
		Raw Material		/MT	Per Annum (100%)
		MT			
Soya bean	100%	237.50	95%	35,000.00	82.92
			Total (Rounded off in lacs)		82.92

Annual Consumption cost (In Lacs) 82.92

Raw Material Consumed	Capacity Utilisation	Amount (Rs.)
IST YEAR	60%	49.75
IIND YEAR	70%	58.04
IIIRD YEAR	80%	66.33
IVTH YEAR	90%	74.63
VTH YEAR	100%	82.92

COMPUTATION OF CLOSING STOCK & WORKING CAPITAL

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
Finished Goods					
(15 Days requirement)	2.85	3.33	3.80	4.28	4.75
Raw Material					
(15 Days requirement)	2.49	1.35	1.55	1.74	1.93
Closing Stock	**5.34**	**4.68**	**5.35**	**6.02**	**6.68**

COMPUTATION OF WORKING CAPITAL REQUIREMENT

Particulars			Total
			Amount
Stock in Hand			5.34
Sundry Debtors			3.38
		Total	8.72
Sundry Creditors			1.16
Working Capital Requirement			**7.56**
Margin			0.76
Working Capital Finance			**6.80**

BREAK UP OF LABOUR

Particulars		Wages Per Month	No of Employees	Total Salary
Skilled Worker		8,000.00	2	16,000.00
Semi skilled Worker		5,000.00	4	20,000.00
				36,000.00
Add: 10% Fringe Benefit				3,600.00
Total Labour Cost Per Month				39,600.00
Total Labour Cost for the year (In Rs. Lakhs)			6	4.75

BREAK UP OF SALARY

Particulars		Salary Per Month	No of Employees	Total Salary
Accountant		8,000.00	1	8,000.00
Total Salary Per Month				8,000.00
Add: 10% Fringe Benefit				800.00
Total Salary for the month				8,800.00
Total Salary for the year (In Rs. Lakhs)			1	1.06

COMPUTATION OF DEPRECIATION

Description	Land	Building/shed	Plant & Machinery	Furniture	**TOTAL**
Rate of Depreciation		**10.00%**	**15.00%**	**10.00%**	
Opening Balance	Leased	-	-	-	-
Addition	-	3.00	11.20	0.74	14.94
	-	3.00	11.20	0.74	14.94
Less : Depreciation	-	0.30	1.68	0.04	2.02
WDV at end of Ist year	-	2.70	9.52	0.70	12.92
Additions During The Year	-	-	-	-	-
	-	2.70	9.52	0.70	12.92
Less : Depreciation	-	0.27	1.43	0.07	1.77
WDV at end of IInd Year	-	2.43	8.09	0.63	11.15
Additions During The Year	-	-	-	-	-
	-	2.43	8.09	0.63	11.15
Less : Depreciation	-	0.24	1.21	0.06	1.52
WDV at end of IIIrd year	-	2.19	6.88	0.57	9.63
Additions During The Year	-	-	-	-	-
	-	2.19	6.88	0.57	9.63
Less : Depreciation	-	0.22	1.03	0.06	1.31
WDV at end of IV year	-	1.97	5.85	0.51	8.33
Additions During The Year	-	-	-	-	-
	-	1.97	5.85	0.51	8.33
Less : Depreciation	-	0.20	0.88	0.05	1.13
WDV at end of Vth year	-	1.77	4.97	0.46	7.20

REPAYMENT SCHEDULE OF TERM LOAN 11.5%

Year	Particulars	Amount	Addition	Total	Interest	Repayment	Cl Balance
IST YEAR	Opening Balance						
	Ist Quarter	-	13.90	13.90	-	-	13.90
	Iind Quarter	13.90	-	13.90	0.40	-	13.90
	IIIrd Quarter	13.90	-	13.90	0.40	-	13.90
	Ivth Quarter	13.90	-	13.90	0.40	-	13.90
					1.20	-	
IIND YEAR	Opening Balance						
	Ist Quarter	13.90	-	13.90	0.40	0.87	13.03
	Iind Quarter	13.03	-	13.03	0.37	0.87	12.16
	IIIrd Quarter	12.16	-	12.16	0.35	0.87	11.29
	Ivth Quarter	11.29		11.29	0.32	0.87	10.42
					1.45	3.47	
IIIRD YEAR	Opening Balance						
	Ist Quarter	10.42	-	10.42	0.30	0.87	9.55
	Iind Quarter	9.55	-	9.55	0.27	0.87	8.69
	IIIrd Quarter	8.69	-	8.69	0.25	0.87	7.82
	Ivth Quarter	7.82		7.82	0.22	0.87	6.95
					1.05	3.47	
IVTH YEAR	Opening Balance						
	Ist Quarter	6.95	-	6.95	0.20	0.87	6.08
	Iind Quarter	6.08	-	6.08	0.17	0.87	5.21
	IIIrd Quarter	5.21	-	5.21	0.15	0.87	4.34
	Ivth Quarter	4.34		4.34	0.12	0.87	3.47
					0.65	3.47	
VTH YEAR	Opening Balance						
	Ist Quarter	3.47	-	3.47	0.10	0.87	2.61
	Iind Quarter	2.61	-	2.61	0.07	0.87	1.74
	IIIrd Quarter	1.74	-	1.74	0.05	0.55	1.19
	Ivth Quarter	1.19		1.19	0.03	0.55	0.64
					0.26	2.84	

CALCULATION OF D.S.C.R

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
CASH ACCRUALS	4.80	5.40	6.40	7.76	9.06
Interest on Term Loan	1.20	1.45	1.05	0.65	0.26
Total	6.00	6.84	7.45	8.41	9.32
REPAYMENT					
Instalment of Term Loan	3.47	3.47	3.47	2.84	2.84
Interest on Term Loan	1.20	1.45	1.05	0.65	0.26
Total	4.67	4.92	4.52	3.49	3.10
DEBT SERVICE COVERAGE R	**1.28**	**1.39**	**1.65**	**2.41**	**3.01**
AVERAGE D.S.C.R.			**1.95**		

COMPUTATION OF SALE

Particulars	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
Op Stock	-	7	8	10	11
Production	143	166	190	214	238
	143	173	198	223	248
Less : Closing Stock	7	8	10	11	12
Net Sale	135	165	189	213	236
Sale Price per MT	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00
Sale (in Lacs)	**67.69**	**82.53**	**94.41**	**106.28**	**118.16**

COMPUTATION OF ELECTRICITY

(A) POWER CONNECTION				
Total Working Hour per day		Hours	8	
Electric Load Required		HP	40	
Load Factor			0.7460	
Electricity Charges		per unit	8.00	
Total Working Days			300	
Electricity Charges (8 Hrs Per day)				572,928.00
Add : Minimim Charges (@ 10%)				
(B) D.G. SET				
No. of Working Days			300	days
No of Working Hours			2	Hour per day
Total no of Hour			600	
Diesel Consumption per Hour			8	
Total Consumption of Diesel			4,800	
Cost of Diesel			65.00	Rs. /Ltr
Total cost of Diesel			3.12	
Add : Lube Cost @15%			0.47	
Total			**3.59**	
Total cost of Power & Fuel at 100%				9.32
Year		**Capacity**		**Amount**
				(in Lacs)
IST YEAR		60%		5.59
IIND YEAR		70%		6.52
IIIRD YEAR		80%		7.45
IVTH YEAR		90%		8.39
VTH YEAR		100%		9.32

BREAK EVEN POINT ANALYSIS

Year	I	II	III	IV	V
Net Sales & Other Income	67.69	82.53	94.41	106.28	118.16
Less : Op. WIP Goods	-	2.85	3.33	3.80	4.28
Add : Cl. WIP Goods	2.85	3.33	3.80	4.28	4.75
Total Sales	**70.54**	**83.01**	**94.88**	**106.76**	**118.63**
Variable & Semi Variable Exp.					
Raw Material & Tax	49.75	58.04	66.33	74.63	82.92
Electricity Exp/Coal Consumption at 85%	4.75	5.54	6.34	7.13	7.92
Manufacturing Expenses 80%	1.08	1.98	2.27	2.55	2.84
Wages & Salary at 60%	3.48	3.83	4.22	4.64	5.10
Selling & adminstrative Expenses 80%	1.08	1.32	1.51	1.70	1.89
Intt. On Working Capital Loan	0.68	0.68	0.68	0.68	0.68
Total Variable & Semi Variable Exp	**60.83**	**71.40**	**81.34**	**91.32**	**101.35**
Contribution	**9.70**	**11.61**	**13.54**	**15.43**	**17.29**
Fixed & Semi Fixed Expenses					
Manufacturing Expenses 20%	0.27	0.50	0.57	0.64	0.71
Electricity Exp/Coal Consumption at 15%	0.84	0.98	1.12	1.26	1.40
Wages & Salary at 40%	2.32	2.56	2.81	3.09	3.40
Interest on Term Loan	1.20	1.45	1.05	0.65	0.26
Depreciation	2.02	1.77	1.52	1.31	1.13
Selling & adminstrative Expenses 20%	0.27	0.33	0.38	0.43	0.47
Total Fixed Expenses	**6.92**	**7.58**	**7.44**	**7.37**	**7.36**
Capacity Utilization	**60%**	**70%**	**80%**	**90%**	**100%**
OPERATING PROFIT	**2.79**	**4.03**	**6.10**	**8.06**	**9.92**
BREAK EVEN POINT	**43%**	**46%**	**44%**	**43%**	**43%**
BREAK EVEN SALES	**50.29**	**54.18**	**52.16**	**50.98**	**50.54**

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