

FLOUR MILL UNIT

1. INTRODUCTION

Flour Mills are among the most traditional units. Taking into consideration the local needs and market requirement, flour mills can be established at different levels - domestic flour mills, commercial flour mills, bakery/mini flour mills and roller flour mill. The most useful out of these flour mills is the flour mill on commercial levels because not only can these be established at a lower cost but is versatile as well - since flour can be obtained from it for commercial purposes and it can also take up job work.

2. MARKET

There is scope for establishing flour mills in all important centres in the tribal areas. It is found that tribals have to go to long way to get flour produce on job work basis in many places.

3. MANUFACTURING PROCESS

Obtaining flour from flour mill is a process that is traditional as well as an old one. Usually the consumers bring with them wheat or maize after grinding, the owner charges at a definite rate either in terms of money or a part of grinded wheat (the rate is usually decided on per kg basis). Most of flour mills are involved in such practices only.

4. PRODUCTION CAPACITY PER ANNUM

Capacity 48000 Kgs
 Jobwork Price Rs. 4 Kgs

5. PROJECT COST/CAPITAL INVESTMENT

S.No	Description	Amount Rs.
1	Preliminary & Preoperative Expns	5000
2	Fixed Capital	35000
3	Working Capital for 1 month(s)	13500
	Total Project Cost	53500

6. MEANS OF FINANCE

S.No	Description	%age	Amount Rs.
1	Promoter Contribution	15%	8025
2	Subsidy	20%	10700
3	Term Loan	65%	34775
	Total		53500

7. FINANCIAL ASPECTS

A. FIXED CAPITAL

i. Land and Buildings

Rented

1500 per month

ii. Machinery and Equipment

S.No	Description	Qty.	Rate	Amount Rs.
1	18" mill, 10 HP Motor, starter	1	25000	25000
2	Beam Scale Balance - 100 Kg Cap	1	4000	4000
3	Set of weights along with balance	1	3000	3000
4	Installation Expenses	1	3000	3000
5				0
				0
				0
				0
				0
	Total			35000

B. WORKING CAPITAL

i. Salaries & Wages (per month)

S.No	Description	Nos.	Sal/mon.	Amount Rs.
1	Supervisor/Entrepreneur	1	3000	3000
2	Unskilled Workers	1	2000	2000
3		1	0	0
4		0		0
5		0	0	0
	Total			5000

ii. Raw Material (per month)

S.No	Description	Unit	Qty.	Rate	Amount Rs.
1	Jobwork-cum-Production	Kgs	0		1000
2	Packing material etc.				500
3	Strings, thread, other consumables		0	0	500
4			0	0	0
5			0	0	0
6			0	0	0
7			0	0	0
	Total				2000

iii. Utilities (per month)

S.No	Description	Unit	Amount Rs.
1	Power	LS	3000
2	Water	LS	500
	Total		3500

iv. Other Expenses (per month)

S.No	Description	Amount Rs.
1	Postage & Stationery Expenses	0
2	Transportation Expenses	500
3	Advertisement Expenses	0
4	Consumable Stores	500
5	Miscellaneous Expenses	500
	Total	1500

v. Total Working Capital (per month)

S.No	Description	Amount Rs.
1	Rent	1500
2	Salaries and Wages	5000
3	Raw Material	2000
4	Utilities	3500
5	Other Expenses	1500
	Total	13500

8. COST OF PRODUCTION (PER ANNUM)

S.No	Description	Amount Rs.
1	Total Working Capital	162000
2	Depreciation @ 15%	5250
3	Interest @ 12%	4173
	Total	171423

9. TURNOVER (PER YEAR)

S.No	Description	Unit	Qty.	Rate Rs.	Amount Rs.
1	Flour Mill Unit		48000	4	192000
	Total				192000

10. FIXED COST (PER YEAR)

S.No	Description	Amount Rs.
1	Depreciation	5250
2	Interest	4173
3	Rent	18000
4	Salaries & Wages @ 40%	24000
5	Other Expenses incl. Utilities @ 40%	24000
	Total	75423

11. PROFIT ANALYSIS & RATIOS

1	Net Profit	Rs.	20577
2	Percentage of Profit on Sales		11%
3	Return on Investment		38%
4	Break Even Analysis		79%