

UP MSME 1-Connect

PROJECT REPORT

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PROJECT:

DAL/PULSE MILL

PROJECT REPORT

Of

DAL/PULSE MILL

PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding **Dal/Pulse 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.

[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.]

1-CONNECT
UTTAR PRADESH MSME

DALL/PULSE MILL



INTRODUCTION

The various pulses are part of the normal diet of all vegetarians and are also used frequently by non vegetarians too. They are the main sources of protein. The important dals in the country are Channa Moong, Urad, Moth, Turdal and Masoor, Matar etc. The pulses are used for preparing hot dishes, sweet dishes and other varieties. There are over 1000 units at present engaged in processing of various pulses in different parts of the country, but most of these mills are based on obsolete type technology resulting invariably in higher production losses. The pulse milling industry is predominantly a small scale industry and has been reserved for exclusive development in small scale sector.

The inter-dependence of agriculture and industry is related both to the management of inputs and the processing of the produce. The highest priority therefore, must be given to industrial investment which are agro-based so that growth in both the sectors can be accelerated on a mutually supportive basis.

Pulses being the most common diet part of Indian families, need to be given the due importance in the form of production of pulse grains in the farms is also likely to see a break through. A pulse grain is made of two parts covered under a continuous encloser called husk or peels. Cleanly removing the peels and splitting the pulse grains in intact two pieces is the most desired form of dal to be cooked for the families. Pulse mills can satisfy the tastes of consumers by providing unbroken natural full parts of the pulse grains with no husk part left behind on the pulse being supplied to the consumer. Further, besan of very fine and clean type can be easily offered to the consumers by using the up to date technology of pulse mills. Losses can be minimized and pulse prices can be contained within the reach of general mass by technological improvements and largescale production in our dal mills without an extra expense on the part of pulses millers.

MARKET SURVEY

The important part pulses play as a source of dietary protein, energy, minerals and vitamins for the predominantly vegetarian population of India, needs no reiteration and nutritionists regard pulses as an essential means to correct malnutrition. Even in the developed countries, the trend has been in favour of substituting animal protein by vegetable protein in view of the indications about the positive correlation of arterio-sclerosis with diets rich in saturated fatty acids, on the one hand, and decrease in blood cholesterol level with the inclusion of pulses, on the other. Pulses not only have nutritional value for human beings, but also contribute to soil fertility, besides providing nutritious green fodder and feed for livestock .

Viewed in this context, the production and per capita availability of pulses in India cannot be regarded as satisfactory. The requirements cannot be met fully from indigenous production and recourse to imports has had to be made. With the rising trend in population, the situation is bound to worsen if steps are not taken to bring about a revolution in pulses as in the case of wheat. The breakthrough in 1988-89 provides a ray of hope.

The area under pulses has been around 20 to 24 million hectares, the production around 10 to 13 million tonnes and the productivity around 475 to 544 kg per hectare. Over a dozen pulses crops are grown and gram (chickpea) and arhar (pigeonpea) account for 45 per cent of the total pulses output. The other important pulses crops are : moong, urad, cowpea, mothbean, lentil, horsegram and lathyrus (kesari dal). The major pulses - growing States are Madhya Pradesh, Rajasthan, Uttar Pradesh, Maharashtra, Orissa, Bihar, Andhra Pradesh, Haryana, Tamil Nadu, West Bengal, Punjab and Gujarat. The other States have only a limited area under pulses.

Recent trends indicate that the area under gram progressively declined from 10.3 million hectares in 1959-60 to 6.6 million hectares in 1980-81. This is attributed to the introduction of irrigation networks in some of the predominantly gram growing regions and the impact of the green revolution which has made wheat more attractive than gram to the farmer. After 1980-81 there has been a marginal increase in the area under gram possibly owing to its introduction in the command areas. Despite the shrinkage in area, gram production has remained constant mainly owing to the increase in productivity contributed by improved varieties and production technology.

PLANT ECONOMICS

| | | |
|---------------------|---|----------------|
| PROJECT NAME | = | DALL MILL |
| Basis | | |
| No. of working days | = | 25 days/month |
| | = | 300 days/annum |
| No. of shifts | = | 1 per day |
| One shift | = | 8 hours |

Currency - Rs.

LAND & BUILDING

| | |
|-------------------------------------|------------------|
| 1. Land 2000 sq.mt @ Rs. 600/-sq.mt | Rs. 12,00,000.00 |
|-------------------------------------|------------------|

| | |
|---|------------------|
| 2. Production shed 400 sq.mt @ Rs. 3000/-sq.mt | Rs. 12,00,000.00 |
|---|------------------|

| | |
|---|-----------------|
| 3. Administrative Office Bldg. 100 Sq.mt @ Rs. 3500/-sq.mt | Rs. 3,50,000.00 |
|---|-----------------|

| | |
|--|------------------|
| 4. Raw material storage godown 400 sq.mt @ Rs.3000/-sq.mt | Rs. 12,00,000.00 |
|--|------------------|

TOTAL

Rs. 39,50,000.00

PLANT & MACHINERY

| | | |
|---|-------|-----------------|
| 1. Dall mill complete with automatic feed Hopper with accessories | | Rs. 6,00,000.00 |
| 2. Belt conveyer system with drive | | Rs. 2,20,000.00 |
| 3. Tray Driers, Handling Cap. 0.75 Mt/hr 2 Nos. | | Rs. 1,80,000.00 |
| 4. Sheller with 10 HP motor 1 Nos. | 1 No. | Rs. 40,000.00 |
| 5. Polisher, Husk seperator with sieve with two 5 HP motor | | Rs. 50,000.00 |
| 6. Cleaning sieves (complete set of screens) with accessories | | Rs. 20,000.00 |
| 7. Suction Fan with 5 HP motor | | Rs. 20,000.00 |
| 8. Elavators with acceesories with 5 HP motor | | Rs. 1,30,000.00 |
| 9. Self oil drum with piping & Instrumentation | | Rs. 15,000.00 |
| 10. Maintenance Tools, Jigs, trolleys. | | Rs. 45,000.00 |
| 11. Moistening Tanks 10 m3 Cap: 2 Nos. | 2 No. | Rs. 46,000.00 |
| 12. Weighing machine upto 100 kg and up to 1000 kg 2 Nos. with pump & accessories | | Rs. 20,000.00 |

13. 5 H.P. Motor with starter 2 Nos.

2 No.

Rs. 30,000.00

TOTAL

Rs. 14,16,000.00

OTHER FIXED ASSETS

1. Telephone, Water, power connections

Rs. 30,000.00

2. Site fabrication work

Rs. 45,000.00

3. Errection and Commissioning

Rs. 45,000.00

4. Preliminary and preoperative ex|

Rs. 50,000.00

TOTAL

Rs. 1,70,000.00

FIXED CAPITAL

1. LAND & BUILDING

Rs. 39,50,000.00

2. PLANT & MACHINERY

Rs. 14,16,000.00

3. OTHER FIXED ASSETS

Rs. 1,70,000.00

TOTAL

Rs. 55,36,000.00

SALARY & WAGES / MONTH

| | | | |
|----|-----------------------------------|-------|---------------|
| 1. | Works Manager | 1 No. | Rs. 8,500.00 |
| 2. | Accountant | 1 No. | Rs. 5,000.00 |
| 3. | Typist/Clerk | 1 No. | Rs. 3,800.00 |
| 4. | Sales cum store keeper | 1 No. | Rs. 4,000.00 |
| 5. | Production Engineer/Food tech sts | 2 No. | Rs. 10,400.00 |
| 6. | Foreman | 4 No. | Rs. 18,000.00 |
| 7. | Skilled workers | 6 No. | Rs. 22,800.00 |
| 8. | Semi-skilled workers | 8 No. | Rs. 28,000.00 |

| | | | |
|-----|-------------------|--------|-----------------|
| 9. | Unskilled workers | 10 No. | Rs. 32,000.00 |
| 10. | Peon/Chowkidars | 4 No. | Rs. 12,800.00 |
| | | | ----- |
| | TOTAL | | Rs. 1,45,300.00 |
| | | | ----- |

Plus perks @ 33% p.a.

| | | |
|--|-------|-----------------|
| | | Rs. 47,949.00 |
| | | ----- |
| | TOTAL | Rs. 1,93,249.00 |
| | | ----- |

UTILITIES AND OVERHEADS

| | | |
|----|--|---------------|
| 1. | Power Consumption of 10000 Kwatt hrs @ Rs. 4.50 per Kwatt hr. | Rs. 45,000.00 |
| 2. | Water Consumption of 100 KLs @ Rs. 3.00 per KL | Rs. 300.00 |
| 3. | Postage & Stationary | Rs. 10,000.00 |
| 4. | Telephone | Rs. 5,000.00 |

| | | |
|----|--|-----------------|
| 5. | Gunny bags 12,500 Nos @ Rs.10/- per bag | Rs. 1,25,000.00 |
| 6. | Conveyance & Transportation etc. | Rs. 25,000.00 |
| 7. | Publicity & Sales promotion | Rs. 25,000.00 |
| 8. | Repairs & maintenance | Rs. 20,000.00 |
| | | ----- |
| | TOTAL | Rs. 2,55,300.00 |
| | | ----- |

Total load is 55 Kwatts

TOTAL WORKING CAPITAL/MONTH

| | | |
|----|--------------|--------------------|
| 1. | RAW MATERIAL | Rs. 2,77,50,000.00 |
|----|--------------|--------------------|

| | | |
|----|-----------------------|--------------------|
| 2. | SALARY & WAGES | Rs. 1,93,249.00 |
| 3. | UTILITIES & OVERHEADS | Rs. 2,55,300.00 |
| | | ----- |
| | TOTAL | Rs. 2,81,98,549.00 |
| | | ----- |

| | | |
|----|------------------------------|--------------------|
| 1. | WORKING CAPITAL FOR 1 MONTHS | Rs. 2,81,98,549.00 |
| 2. | MARGIN MONEY FOR W/C LOAN | Rs. 70,49,637.25 |

COST OF PROJECT

| | |
|---------------------|--------------------|
| TOTAL FIXED CAPITAL | Rs. 55,36,000.00 |
| MARGIN MONEY | Rs. 70,49,637.25 |
| | ----- |
| TOTAL | Rs. 1,25,85,637.25 |
| | ----- |

COST OF PRODUCTION/ANNUM

| | | |
|----|--|--------------------|
| 1. | Working Capital for 1 year | Rs.33,83,82,588.00 |
| 2. | Interest @ 13.50% on T.C.I | Rs. 45,54,164.12 |
| 3. | Depreciation @ 10.00% on buildings | Rs. 2,75,000.00 |
| 4. | Depreciation @ 20.00% on Plant and Machinery | Rs. 2,83,200.00 |
| | | ----- |
| | <u>TOTAL</u> | Rs.34,34,94,952.12 |
| | | ----- |

TURN OVER/ANNUUM

- | | | |
|----|---|--------------------|
| 1. | By sale of Channa Dal 10x0.89x300 tons @ Rs.22000/-per ton | Rs. 5,87,40,000.00 |
| 2. | Moong wash 2670 tons @Rs.39000/ton. | Rs.10,41,30,000.00 |
| 3. | Urad wash 2670 tons @ Rs.32000/-per ton. | Rs. 8,54,40,000.00 |
| 4. | Toor 2670 tons @ Rs.25500/- per to N | Rs. 6,80,85,000.00 |
| 5. | Yellow pea split 2670 tonnes @ Rs. 24000 per ton | Rs. 6,40,80,000.00 |
| 6. | Husk 1500 tons @ Rs. 2500/- per ton | Rs. 37,50,000.00 |

TOTAL Rs.38,42,25,000.00

$$\text{PROFIT} = \text{RECEIPTS} - \text{COST OF PRODUCTION}$$

$$= 38,42,25,000.00 - 34,34,94,952.12$$

$$= 4,07,30,047.88$$

$$\text{PROFIT SALES RATIO} = \text{Profit} / \text{Sales} \times 100$$

$$= \frac{4,07,30,047.88}{38,42,25,000.00} \times 100$$

$$= 10.60 \%$$

$$\text{RATE OF RETURN} = \frac{\text{Operating profit}}{4,07,30,047.88} \times \text{T.C.I} \times 100$$

$$= \frac{\text{---}}{3,37,34,549.00} \times 100$$

$$= 120.74 \%$$

BREAK EVEN POINT (B.E.P)

Fixed Costs of the plant are as under -

1. Interests Rs. 45,54,164.12
2. Depreciation Rs. 5,58,200.00
3. 40.00% of salaries Rs. 9,27,595.20
4. 40.00% of overheads Rs. 12,25,440.00

TOTAL Rs. 72,65,399.32

$$\begin{aligned} \text{B.E.P.} &= \frac{\text{FIXED COSTS}}{\text{FIXED COSTS} + \text{PROFIT}} \times 100 \\ &= \frac{72,65,399.32}{72,65,399.32 + 4,07,30,047.88} \times 100 \end{aligned}$$

$$= 15.14 \%$$

LAND MAN RATIO = $\frac{\text{Total land}}{\text{Manpower 2000}}$
 : 38 :: 53 : 1

RESOURCES FOR FINANCE

Term loans from Financial institutions
 (80.00 % of fixed capital) at @13.50%
 p.a rate of interest

Rs. 44,28,800.00

Bank loans for 3 months (75.00 % of
 working capital) at @ 13.50% p.a rate of
 interest

Rs. 2,11,48,911.75

Rs. 81,56,837.25

$$\text{LAND MAN RATIO} = \frac{53}{38} = 1.39 \text{ (Total land / Manpower 2000)}$$

| | |
|-------|--------------------|
| TOTAL | Rs. 3,37,34,549.00 |
|-------|--------------------|

DISCLAIMER

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