

UP MSME 1-Connect

PROJECT REPORT

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PROJECT:

Soyabean Powder Making Unit

**PROJECT REPORT
OF
SOYABEAN POWDER
MAKING UNIT
PURPOSE OF THE DOCUMENT**

This particular pre-feasibility is regarding Soyabean Powder 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.

[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.]

PROJECT AT GLANCE

| | | | |
|------|---|------------|--------------|
| 1 | Name of Proprietor/Director | XXXXXXXXXX | |
| 2 | Firm Name | XXXXXXXXXX | |
| 3 | Registered Address | XXXXXXXXXX | |
| 4 | Nature of Activity | XXXXXXXXXX | |
| 5 | Category of Applicant | XXXXXXXXXX | |
| 6 | Location of Unit | XXXXXXXXXX | |
| 7 | Cost of Project | 32.36 | Rs. In Lakhs |
| 8 | Means of Finance | | |
| i) | Own Contribution | 3.24 | Rs. In Lakhs |
| ii) | Term Loan | 24.12 | Rs. In Lakhs |
| iii) | Working Capital | 5.00 | Rs. In Lakhs |
| 9 | Debt Service Coverage Ratio | 2.15 | |
| 10 | Break Even Point | 0.34 | |
| 11 | Power Requirement | 50 | KW |
| 12 | Employment | 12 | Persons |
| 13 | Details of Cost of Project & Means of Finance | | |

| COST OF PROJECT | |
|----------------------|--------------|
| | (in Lacs) |
| PARTICULARS | AMOUNT |
| Land & Building | Owned/rented |
| Plant & Machinery | 24.80 |
| Miscellaneous Assets | 1.50 |
| Furniture | 0.50 |
| Working capital | 5.56 |
| Total | 32.36 |

| MEANS OF FINANCE | |
|--------------------------------|--------------|
| PARTICULARS | AMOUNT |
| Own Contribution @ 10% | 3.24 |
| Term Loan @ 90% | 24.12 |
| Working Capital (Bank Finance) | 5.00 |
| Total | 32.36 |

SOYABEAN POWDER MAKING UNIT

1. INTRODUCTION



Soy is a plant-based protein that is often used by vegans, vegetarians, and other nonmeat eaters to fill in the gap of their daily requirement of protein. Eating plant proteins have been found to have positive cardiovascular events like lowering blood pressure. Soy products are low in cholesterol and saturated fat, which has been linked to an increased risk of developing cardiovascular disease. Eating fiber-rich soy products, such as edamame, soy nuts, and *tempeh* may help to promote a healthy gastrointestinal system because they are rich in fiber. Soy is also a great source of B vitamins, iron, zinc, calcium, and vitamin D, important nutrients that help keep our bodies chugging along. Soy powder can be used coarsely powdered as a thickening agent in gravies and sauces, or it can be added, finely powdered, to baked goods. It is used extensively to make fudge and other candies, pies, doughnuts, cakes and rolls, pasta, pancake mixes, and frozen desserts.

2. MARKET POTENTIAL:

Soybean Powder Market size was valued at USD 3.09 Billion in 2020 and is projected to reach USD 4.03 Billion by 2028, growing at a CAGR of 3.5% from 2021 to 2028. A surge in awareness and an increase in disposable income drive the growth of the global soy powder market. Soybean powder is obtained by grinding soybeans. It is a rich source of proteins and is widely used in the food industry for preparing bakery products, confectionaries, baby foods, cereals, and pet food as an additive. Soy powder helps in improving the taste as well as the texture of the food. Soybean powder is available in supermarkets/ hypermarkets, health food stores, food cooperatives, etc. in bulk and packaged form. Soy powder is a source of protein, dietary fiber, iron, vitamins, and potassium which makes it one of the healthy food. Soybean powder is a gluten-free product that is preferred by health-conscious consumers as well as by fitness trainers as breakfast cereals. Thus, market demand from the food and beverages industry is higher for soy powder. Soybean powder is used in many food products to enhance the nutritional value of the product as it is a high source of vegan protein, and healthy oils, which is a major factor driving market demand from food manufacturers. As a result of increasing urbanization and the growing population of working professionals demand for ready-to-eat products is increasing which is one of the key drivers for increasing demand for soy powder in the global market. The gluten-free trend is trending in the global food industry and soybean powder is a gluten-free product and has many other health benefits such as it reduces the risk of heart disease, reducing menopausal symptoms, lowering blood cholesterol, etc. these factors are fueling market demand for soy powder. Soy powder provides bases for soymilk and textured vegetables which are trending worldwide in turn increasing market demand for soy powder. The majority of urban cities' lifestyles are rapidly changing. The urban populace is health-conscious and follows good eating habits. There is a lot of emphasis on avoiding junk food and eating foods that are high in protein. Soy is a high-protein meal that can be found in a variety of dishes. Soya beans are grown in most states, with Madhya Pradesh leading the way. Soya bean has a good market in Maharashtra, Andhra Pradesh, and UP, especially value-added forms. The majority of the output is used for oil extraction. Soya beans are extraordinary in protein, short in fat, and easy-going to digest. Hence other products like soya milk, powder, curd, paneer, and so on are popular.

Gujarat has joined the growing of soya beans, but Madhya Pradesh remains the leading producer. Both the husband and wife are working, thus eating and cooking habits are changing. Couples who don't have time to cook fresh vegetables turn to precooked or high protein soya nuggets, which don't require much cooking time and are high in nutritional value. Soybean powder is used to make these soy products. Soya powder is a nutrient- dense food ingredient that has been around for a long time. The use of soy powder boosts the protein level while also providing energy and nourishment. The shelf life and economics of wheat powder are unaffected by this value addition. Soya powder is largely used for its functional benefits rather than its nutritional benefits. School feeding programs, social welfare feeding programs, confectionary sector baking industries for nuggets and chunks manufacture, and as a substitute for wheat powder are all possible markets for soya powder.

3. PRODUCT DESCRIPTION

3.1 PRODUCT USES

Soy powder can be used coarsely powdered as a thickening agent in gravies and sauces, or it can be added, finely powdered, to baked goods. It is used extensively to make fudge and other candies, pies, doughnuts, cakes and rolls, pasta, pancake mixes, and frozen desserts.

3.2 PRODUCT RAW MATERIAL

- **Soya beans:** The unit's primary raw material is high-quality soya beans.



- **Other:** Packing materials. There are two types of packaging that can be procured, for retail and bulk sales. Retail printed polythene bags are appropriate, while bulk polylined gunny bags are appropriate. Boxes, polythene sheets, box strapping, and other packing materials will be required.

3.3 MANUFACTURING PROCESS

This process can be broken down into the following steps-

- **Raw material procurement**
- **Powder Making Process**
- **Testing**

Raw Material Procurement

The raw materials are checked strictly as per established quality standards and requirements. Individual supplier assessment and supplier rating are done depending upon the rejection levels at the incoming quality control stage. Sorting of raw material will be done as per material type or specifications. The material will be stored in; a dust-free, moisture-free, neat, and clean environment.

Powder Making Process

1. Cleaning Beans
2. Soaking
3. Drying
4. Grinding
5. Sieving
6. Packaging

Testing

Quality control

5. PROJECT COMPONENTS

Plant & Machinery

This is a semi-automatic type of plant and the production capacity is set to be 1000 Kg of Soyabean Powder per day.

Machines-

| Sr No. | Plant & Machinery |
|---------------|------------------------------|
| 1 | Soyabean cleaning machine |
| 2 | Grinder |
| 3 | Powder sieving machine |
| 4 | Dryer |
| 5 | Packing machine |

| PROJECTED BALANCE SHEET | | | | | |
|---------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| PARTICULARS | 1st year | 2nd year | 3rd year | 4th year | 5th year |
| <u>Liabilities</u> | | | | | |
| Capital | | | | | |
| Opening Balance | | 4.74 | 7.68 | 11.73 | 16.60 |
| Add:- Own Capital | 3.24 | | | | |
| Add:- Retained Profit | 3.01 | 5.44 | 8.55 | 11.87 | 15.34 |
| Less:- Drawings | 1.50 | 2.50 | 4.50 | 7.00 | 10.00 |
| Closing Balance | 4.74 | 7.68 | 11.73 | 16.60 | 21.95 |
| Term Loan | 21.44 | 16.08 | 10.72 | 5.36 | 0.00 |
| Working Capital Limit | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 |
| Sundry Creditors | 2.16 | 3.11 | 3.29 | 3.96 | 4.41 |
| Provisions & Other Liabilities | 1.00 | 2.00 | 2.40 | 2.40 | 2.40 |
| TOTAL : | 34.34 | 33.86 | 33.14 | 33.32 | 33.76 |
| <u>Assets</u> | | | | | |
| Fixed Assets (Gross) | 26.80 | 26.80 | 26.80 | 26.80 | 26.80 |
| Gross Depreciation | 4.00 | 7.39 | 10.28 | 12.74 | 14.84 |
| Net Fixed Assets | 22.81 | 19.41 | 16.52 | 14.06 | 11.96 |
| Current Assets | | | | | |
| Sundry Debtors | 2.13 | 2.58 | 2.96 | 3.37 | 3.81 |
| Stock in Hand | 6.55 | 7.48 | 8.45 | 9.47 | 10.54 |
| Cash and Bank | 0.36 | 1.39 | 1.71 | 2.42 | 2.94 |
| Loans & Advances/Other Current Assets | 2.00 | 2.50 | 3.00 | 3.50 | 4.00 |
| TOTAL : | 33.84 | 33.36 | 32.64 | 32.82 | 33.26 |

| PROJECTED CASH FLOW STATEMENT | | | | | |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| PARTICULARS | 1st year | 2nd year | 3rd year | 4th year | 5th year |
| <u>SOURCES OF FUND</u> | | | | | |
| Own Margin | 3.24 | | | | |
| Net Profit | 3.03 | 5.62 | 9.17 | 13.16 | 18.17 |
| Depriciation & Exp. W/off | 4.00 | 3.40 | 2.89 | 2.46 | 2.09 |
| Increase in Cash Credit | 5.00 | - | - | - | - |
| Increase In Term Loan | 24.12 | - | - | - | - |
| Increase in Creditors | 2.16 | 0.95 | 0.19 | 0.67 | 0.45 |
| Increase in Provisions & Other liabilities | 1.00 | 1.00 | 0.40 | - | - |
| TOTAL : | 42.54 | 10.97 | 12.65 | 16.29 | 20.71 |
| <u>APPLICATION OF FUND</u> | | | | | |
| Increase in Fixed Assets | 26.80 | | | | |
| Increase in Stock | 6.55 | 0.94 | 0.97 | 1.02 | 1.07 |
| Increase in Debtors | 2.13 | 0.45 | 0.38 | 0.41 | 0.43 |
| Repayment of Term Loan | 2.68 | 5.36 | 5.36 | 5.36 | 5.36 |
| Loans & Advances/Other Current Assets | 2.00 | 0.50 | 0.50 | 0.50 | 0.50 |
| Drawings | 2.00 | 2.50 | 4.50 | 7.00 | 10.00 |
| Taxation | 0.03 | 0.19 | 0.63 | 1.29 | 2.83 |
| TOTAL : | 42.18 | 9.94 | 12.34 | 15.58 | 20.19 |
| Opening Cash & Bank Balance | - | 0.36 | 1.39 | 1.71 | 2.42 |
| Add : Surplus | 0.36 | 1.03 | 0.31 | 0.71 | 0.52 |
| Closing Cash & Bank Balance | 0.36 | 1.39 | 1.71 | 2.42 | 2.94 |

| PROJECTED PROFITABILITY STATEMENT | | | | | |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| PARTICULARS | 1st year | 2nd year | 3rd year | 4th year | 5th year |
| Capacity Utilisation % | 40% | 45% | 50% | 55% | 60% |
| SALES | | | | | |
| Gross Sale | | | | | |
| Sutli | 91.20 | 110.62 | 126.86 | 144.54 | 163.12 |
| Total | 91.20 | 110.62 | 126.86 | 144.54 | 163.12 |
| COST OF SALES | | | | | |
| Raw Material Consumed | 54.00 | 62.10 | 70.50 | 79.20 | 88.20 |
| Electricity Expenses | 3.84 | 4.32 | 4.80 | 5.28 | 5.76 |
| Depreciation | 4.00 | 3.40 | 2.89 | 2.46 | 2.09 |
| Wages & labour | 8.70 | 10.01 | 11.51 | 13.23 | 15.22 |
| Repair & maintenance | 0.91 | 1.11 | 1.27 | 1.45 | 1.63 |
| Consumables | 1.82 | 2.21 | 2.54 | 2.89 | 3.26 |
| Packaging cost | 3.65 | 4.42 | 5.07 | 5.78 | 6.52 |
| Cost of Production | 76.92 | 87.57 | 98.58 | 110.29 | 122.69 |
| Add: Opening Stock | - | 3.85 | 4.38 | 4.93 | 5.51 |
| Less: Closing Stock | 3.85 | 4.38 | 4.93 | 5.51 | 6.13 |
| Cost of Sales | 73.07 | 87.03 | 98.03 | 109.70 | 122.07 |
| GROSS PROFIT | 18.13 | 23.59 | 28.84 | 34.84 | 41.05 |
| Salary to Staff | 6.84 | 7.87 | 9.05 | 10.40 | 11.96 |
| Interest on Term Loan | 2.37 | 2.09 | 1.50 | 0.91 | 0.32 |
| Interest on working Capital | 0.55 | 0.55 | 0.55 | 0.55 | 0.55 |
| Rent | 3.60 | 4.14 | 4.76 | 5.48 | 6.30 |
| Selling & Administration Expenses | 1.73 | 3.32 | 3.81 | 4.34 | 3.75 |
| TOTAL | 15.09 | 17.96 | 19.66 | 21.67 | 22.88 |
| NET PROFIT | 3.03 | 5.62 | 9.17 | 13.16 | 18.17 |
| Taxation | 0.03 | 0.19 | 0.63 | 1.29 | 2.83 |
| PROFIT (After Tax) | 3.01 | 5.44 | 8.55 | 11.87 | 15.34 |
| GROSS PROFIT RATIO | 19.88% | 21.32% | 22.73% | 24.10% | 25.17% |
| NET PROFIT RATIO | 3.33% | 5.08% | 7.23% | 9.11% | 11.14% |

| CALCULATION OF D.S.C.R | | | | | |
|------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| PARTICULARS | 1st year | 2nd year | 3rd year | 4th year | 5th year |
| CASH ACCRUALS | 7.00 | 8.84 | 11.44 | 14.33 | 17.44 |
| Interest on Term Loan | 2.37 | 2.09 | 1.50 | 0.91 | 0.32 |
| Total | 9.37 | 10.92 | 12.94 | 15.24 | 17.76 |
| REPAYMENT | | | | | |
| Instalment of Term Loan | 2.68 | 5.36 | 5.36 | 5.36 | 5.36 |
| Interest on Term Loan | 2.37 | 2.09 | 1.50 | 0.91 | 0.32 |
| Total | 5.05 | 7.45 | 6.86 | 6.27 | 5.68 |
| DEBT SERVICE COVERAGE RATIO | 1.86 | 1.47 | 1.89 | 2.43 | 3.13 |
| AVERAGE D.S.C.R. | 2.15 | | | | |

REPAYMENT SCHEDULE OF TERM LOAN

| | | | | | | | Interest | 11.00% |
|------------|-----------------|--------|----------|-------|----------|-----------|-----------------|--------|
| Year | Particulars | Amount | Addition | Total | Interest | Repayment | Closing Balance | |
| 1st | Opening Balance | - | | | | | | |
| | 1st month | | 24.12 | 24.12 | - | - | 24.12 | |
| | 2nd month | 24.12 | - | 24.12 | 0.22 | - | 24.12 | |
| | 3rd month | 24.12 | - | 24.12 | 0.22 | - | 24.12 | |
| | 4th month | 24.12 | - | 24.12 | 0.22 | - | 24.12 | |
| | 5th month | 24.12 | - | 24.12 | 0.22 | - | 24.12 | |
| | 6th month | 24.12 | - | 24.12 | 0.22 | - | 24.12 | |
| | 7th month | 24.12 | - | 24.12 | 0.22 | 0.45 | 23.67 | |
| | 8th month | 23.67 | - | 23.67 | 0.22 | 0.45 | 23.23 | |
| | 9th month | 23.23 | - | 23.23 | 0.21 | 0.45 | 22.78 | |
| | 10th month | 22.78 | - | 22.78 | 0.21 | 0.45 | 22.33 | |
| | 11th month | 22.33 | - | 22.33 | 0.20 | 0.45 | 21.89 | |
| | | 21.89 | - | 21.89 | 0.20 | 0.45 | 21.44 | |
| | | | | | 2.37 | 2.68 | | |
| 2nd | Opening Balance | | | | | | | |
| | 1st month | 21.44 | - | 21.44 | 0.20 | 0.45 | 20.99 | |
| | 2nd month | 20.99 | - | 20.99 | 0.19 | 0.45 | 20.55 | |
| | 3rd month | 20.55 | - | 20.55 | 0.19 | 0.45 | 20.10 | |
| | 4th month | 20.10 | - | 20.10 | 0.18 | 0.45 | 19.65 | |
| | 5th month | 19.65 | - | 19.65 | 0.18 | 0.45 | 19.21 | |
| | 6th month | 19.21 | - | 19.21 | 0.18 | 0.45 | 18.76 | |
| | 7th month | 18.76 | - | 18.76 | 0.17 | 0.45 | 18.31 | |
| | 8th month | 18.31 | - | 18.31 | 0.17 | 0.45 | 17.87 | |
| | 9th month | 17.87 | - | 17.87 | 0.16 | 0.45 | 17.42 | |
| | 10th month | 17.42 | - | 17.42 | 0.16 | 0.45 | 16.97 | |
| | 11th month | 16.97 | - | 16.97 | 0.16 | 0.45 | 16.53 | |
| | 12th month | 16.53 | - | 16.53 | 0.15 | 0.45 | 16.08 | |
| | | | | | 2.09 | 5.36 | | |
| 3rd | Opening Balance | | | | | | | |
| | 1st month | 16.08 | - | 16.08 | 0.15 | 0.45 | 15.63 | |
| | 2nd month | 15.63 | - | 15.63 | 0.14 | 0.45 | 15.19 | |
| | 3rd month | 15.19 | - | 15.19 | 0.14 | 0.45 | 14.74 | |
| | 4th month | 14.74 | - | 14.74 | 0.14 | 0.45 | 14.29 | |
| | 5th month | 14.29 | - | 14.29 | 0.13 | 0.45 | 13.85 | |
| | 6th month | 13.85 | - | 13.85 | 0.13 | 0.45 | 13.40 | |
| | 7th month | 13.40 | - | 13.40 | 0.12 | 0.45 | 12.95 | |
| | 8th month | 12.95 | - | 12.95 | 0.12 | 0.45 | 12.51 | |
| | 9th month | 12.51 | - | 12.51 | 0.11 | 0.45 | 12.06 | |
| | 10th month | 12.06 | - | 12.06 | 0.11 | 0.45 | 11.61 | |
| | 11th month | 11.61 | - | 11.61 | 0.11 | 0.45 | 11.17 | |
| | 12th month | 11.17 | - | 11.17 | 0.10 | 0.45 | 10.72 | |
| | | | | | 1.50 | 5.36 | | |

| | | | | | | | |
|------------|-------------------|-------|--------|-------|-------------|-------------|-------|
| 4th | 1st month | 10.72 | - | 10.72 | 0.10 | 0.45 | 10.27 |
| | 2nd month | 10.27 | - | 10.27 | 0.09 | 0.45 | 9.83 |
| | 3rd month | 9.83 | - | 9.83 | 0.09 | 0.45 | 9.38 |
| | 4th month | 9.38 | - | 9.38 | 0.09 | 0.45 | 8.93 |
| | 5th month | 8.93 | - | 8.93 | 0.08 | 0.45 | 8.49 |
| | 6th month | 8.49 | - | 8.49 | 0.08 | 0.45 | 8.04 |
| | 7th month | 8.04 | - | 8.04 | 0.07 | 0.45 | 7.59 |
| | 8th month | 7.59 | - | 7.59 | 0.07 | 0.45 | 7.15 |
| | 9th month | 7.15 | - | 7.15 | 0.07 | 0.45 | 6.70 |
| | 10th month | 6.70 | - | 6.70 | 0.06 | 0.45 | 6.25 |
| | 11th month | 6.25 | - | 6.25 | 0.06 | 0.45 | 5.81 |
| | 12th month | 5.81 | - | 5.81 | 0.05 | 0.45 | 5.36 |
| | | | | | 0.91 | 5.36 | |
| 5th | Opening Balance | | | | | | |
| | 1st month | 5.36 | - | 5.36 | 0.05 | 0.45 | 4.91 |
| | 2nd month | 4.91 | - | 4.91 | 0.05 | 0.45 | 4.47 |
| | 3rd month | 4.47 | - | 4.47 | 0.04 | 0.45 | 4.02 |
| | 4th month | 4.02 | - | 4.02 | 0.04 | 0.45 | 3.57 |
| | 5th month | 3.57 | - | 3.57 | 0.03 | 0.45 | 3.13 |
| | 6th month | 3.13 | - | 3.13 | 0.03 | 0.45 | 2.68 |
| | 7th month | 2.68 | - | 2.68 | 0.02 | 0.45 | 2.23 |
| | 8th month | 2.23 | - | 2.23 | 0.02 | 0.45 | 1.79 |
| | 9th month | 1.79 | - | 1.79 | 0.02 | 0.45 | 1.34 |
| | 10th month | 1.34 | - | 1.34 | 0.01 | 0.45 | 0.89 |
| | 11th month | 0.89 | - | 0.89 | 0.01 | 0.45 | 0.45 |
| | 12th month | 0.45 | - | 0.45 | 0.00 | 0.45 | 0.00 |
| | | | | | 0.32 | 5.36 | |
| | DOOR TO DOOR | 60 | MONTHS | | | | |
| | MORATORIUM PERIOD | 6 | MONTHS | | | | |
| | REPAYMENT PERIOD | 54 | MONTHS | | | | |

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