DETAILED PROJECT REPORT

Flour Mill

By

2023

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1. OVERVIEW OF THE JLG MEMBERS

Name of the JLG:

Number of the members.

Name of Gram Panchayat/Taluk:

Name of the District:

Account details of JLG:

Details of JLG members with Hierarchy;

1.
2.
3.
4.
5.
6.

KYC:

Aadhar/PAN/Photo:

2. OBJECTIVES OF SVSY

Under Yuva Niti 2022, the new Swami Vivekananda Yuva Shakti Yojana is proposed on the following grounds to achieve holistic development of 2.1 crore youth of the state and to bring about constructive social change by the youth in keeping with the India@2047 vision of the Hon'ble Prime Minister.

The current scenario of the state on various parameters is as follows:

i. **Political Representation:** Out of total 1,01,308 members in rural local bodies, 12,411 (12.25 per cent) youths and 360 youths (5.36 per cent) out of 6713 municipal councillors are political representatives.

ii. **Education:** Out of a total of 2.1 crore youth, 21.55 lakh (10.37 per cent) students are in high school, 11.75 lakh (5.65 per cent), 6.45 lakh (3.10 per cent) in general degree colleges, 1.51 lakh (2.72 per cent), 1.11 lakh in polytechnics. (0.53 per cent), 0.74 lakh (0.36 per cent) The total number of students studying in medical courses is 43.12 lakh, which is per cent of the total youth. 21 percent will be. Remaining 157.88 lakh youth have below 10th standard education.

iii. **Employment:** According to the National Skill Development Corporation report, out of the total 2.1 crore youth in the state, 82 lakh (41 per cent) youth are in the labour force. As the remaining 119 lakh youth (59 per cent) are not in the professional labour force, they need to be given skill training to make them self-reliant.

iv. **Skill Development:** Out of the total 82 lakh youth in the workforce, 16 lakh youth (20 per cent) have received skill vocational training. The remaining 66 lakh (80 percent) youth need to be given skill development training. Out of this, only one lakh youth are being trained by the NLRM department every year. Therefore 65 lakh untrained rural youth need skill training. To achieve this every school needs to provide vocational education from class 6 onwards.

v. **Internship:** According to the 6th Economic Census, there are a total of 28.80 lakh enterprises in the state, out of which 78,022 enterprises employ more than 8 people. About 30 lakh youths can be trained in skills by undertaking the internship program for a period of three months in local industries related to agriculture and agri-based/MSME/self-employment/service sector.

vi. **Migration Control:** Rural people have migrated from various districts to urban areas for job opportunities, of which 40 lakh (20 percent) youth are in Bangalore city. Therefore, there is a need to provide more employment opportunities at the village level.

vii. **Consolidation of programs for rural employment:** In total there are 27,395 revenue villages in the state and it is proposed to form Swami Vivekananda Self Help Groups, one in each village, on the model of Women's Self-Help Groups to provide self-employment to the unorganized workers in these. There are about 15 to 20 youth in each group, and 5.50 lakh youth in 27,395 self-help groups have received Rs. 1.5 lakh to provide margin money estimated at Rs. 410 crores will be required.

viii. **Bank Linked Schemes:** Coordination and inclusion of Yuva Shakti schemes with schemes linked to 25 banks. There are 35000 shelves of projects under the Mudra

loan scheme, and steps will be taken to select the financial activities of the self-help societies based on these models.

ix. **Training:** Skill development training will be imparted to the youth under the National Entrepreneurship Mission under the 18 programs being implemented by various departments under this scheme. Training for agriculture and other activities will be provided through the Rural Development Self Employment Training Institute (RUDSETI).

x. **Formation of State Level Committee:** It is proposed to constitute a committee under the chairmanship of the Minister of Youth Empowerment and Sports at the State level for implementation and monitoring of the programme. RDPR, Commerce and Industry, Labour, Skill Development and Bank representatives will be members of this committee.

xi. **District Level Committee:** It is proposed to constitute a District Level Committee under the Chairmanship of the Chief Executive Officer of the Zilla Panchayat for the implementation and supervision of the program at the district level. The members of this committee are the officers of Rural Development and Panchayat Raj, Commerce and Industry, Labour, Skill Development Departments and District Lead Bank Managers.

xii. **Village level stewardship:** The village level stewardship of this program will be handled by Rural Development and Panchayat Raj Departments and Youth Empowerment and Sports Departments.

3. ABOUT VKF

VKF is a Think Tank of Community Change Champions who are from various walks of Social Spaces with diverse backgrounds and specialists from their domains.

VKF is a platform that enables as a think tank to evolve an aggregation of the social impact service providers and entrepreneurs for bringing about a transformational movement of social Change that is measurable on the lines of the Strategic Sustainable Development Goals (SSDG) of United Nation (UN).

VKF's strong focus is on enhancing the rural mass entrepreneurship development clubbed with rural livelihood options. In this direction, VKF team is working with the rural livelihood SHGs members and handholding them to elevate themselves to newer socio-economic status and uplifting the whole geography of the cluster by setting up of Common Facility Centres.

VKF's experience spans across conceptualizing cluster mapping, conducting baseline surveys, awareness creation, trust building activities, capacity building, design thinking activities etc., to enhance capabilities of the artisans and livelihood SHGs in the clusters.

VKF also indulges in working with MSME, ESTC, IDEMI, Tribes India, NRLM and WCD to support rural masses in terms upgrading their livelihood opportunities. It also facilitates in preparation of DPR, Govt. liaising, market linkage activities, brand awareness, branding initiatives, value addition of the products produced by clusters etc.

4. NAME OF PRODUCT AND TECHNOLOGY

Flour Mill -

A flour mill is a machine used to grind grains into flour. The process involves feeding grains, such as wheat, corn, rice, or oats, into the mill where they are ground into flour. The flour mill can be powered by various sources, such as electricity, wind, or water, depending on the type and location of the mill.

There are different types of flour mills available, including stone mills, impact mills, and roller mills. Stone mills use stones to grind the grains, while impact mills use plates or blades to break down the grains. Roller mills, on the other hand, use rollers to crush the grains and create flour.

Flour mills are essential in the production of flour and are used by both commercial and home bakers. Flour produced by the mill is used to make various food products, such as bread, cakes, pasta, and biscuits. Flour mills have played a crucial role in the development of agriculture and food production throughout history, and continue to be an important part of modern food production**.**

5. DELIVERABLES AND MARKET OF THE PRODUCT

Flour mills are facilities that grind wheat into flour. They play an essential role in the food processing industry and are necessary for producing a variety of food products, such as bread, pasta, and baked goods.

- **High-quality flour**: Flour mills produce high-quality flour that meets industry standards and is suitable for use in various food products. They use advanced machinery and technologies to ensure that the flour is finely ground and free of impurities.
- **Customized flour blends**: Some flour mills offer customized flour blends that are tailored to the specific requirements of their clients. This allows them to create unique products that are not available elsewhere in the market.
- **Baked goods industry**: Flour mills are an essential component of the baked goods industry, which includes bread, cakes, cookies, and pastries. This industry has experienced steady growth in recent years, and this trend is expected to continue, creating a significant demand for flour.
- **Home baking**: With the growing interest in home baking, there has been an increased demand for high-quality flour that is suitable for use in homemade bread, cakes, and pastries. Flour mills can cater to this market by producing flour in smaller quantities and packaging them in consumer-friendly sizes.

Project Assumptions:

This model DPR for Flour Mill is basically on certain assumptions that may vary with capacity, location, raw materials availability etc. An entrepreneur can use this model DPR format and modify as per requirement and suitability. The assumptions made in preparation of this particular DPR are given in Table below. Therefore, land and civil infrastructures are assumed as already available with the entrepreneur.

Table: Detailed Project Assumptions		
Parameter	Value	
Average Output Capacity of the Flour Mill	300kgs	
Utilization of capacity:	Year 1	60%
	Year 2	65%
	Year 3	70%
	Year 4	80%
	Year 5	85%
Working days per year:	300 days	
Working hours per day:	8-10 hours	
Average price of raw material :	Rs. 10	

Details of Machinery

Flour Mill Machinery
Power: 3 HP
Supplier: Rising Industries
Location: Sukantapally, Kolkata, West Bengal

Machinery is also available in Bengaluru and Coimbatore

Market Output:

VKF will hand hold them to facilitating better packing and market linkage.

Market Linkage ❖ **SuperMarkets/Hyper Markets** ❖ **Convenience Stores**	❖ **E-commerce** ❖ **Departmental Store**

6. ROLE OF EACH OF THE JLG MEMBERS

How JLG will participate:

2 persons will be used to procurement

2 persons for production

2 persons for the logistics & sales

2 persons for value addition

1 person for waste management like selling the waste to end users

7. SOFT INTERVENTION

The following are the soft interventions to be arranged:

- Awareness on financial inclusion will help in getting the assistance from Government and other sources.
- Export promotional orientation for the JLG members.
- Awareness/ training programme on product quality, handling practices.
- Capacity Building activity

- Trust Building activities
- Programmes on technical skill enhancement to unit owners.
- Programmes on Business and entrepreneurship skill enhancement to unit owners
- Mass entrepreneurship development program in the JLG eco system.

8. BREAK UP COST AND MARGIN OF THE PROJECT AND THE IMPLEMENTATION SCHEDULE

The proposed cost of the project is as follows:

Sl. No.	Details	Cost in Rs.	Percentage
1.	Bank Loan	2,50,000	90%
2.	JLG contribution	25,000	10%
3.	**Total**	**2,75,000**	**100%**

Sl. No.	Details	Cost in Rs
1.	Machine cost	1,25,000
2.	Furniture	40,000
3.	Working capital (Shed deposit, electric connection deposit, Miscellaneous and preoperative expenses)	1,10,000
	Total	**2,75,000**

The proposed project implementation schedule is as follows:

Sl. No.	Project Component	Schedule
1	Shed for the project on rental basis	Identified
2	Electricity and Water facility Installation	Present
3	Arrival of Machinery	Within 1 months of Order
4	Erection of Machinery	Within 5 days of arrival
5	Commissioning	Within 2-4 days of erection
6	Commercial Usage	Within 2 months from approval

9. LAND/SHED STATUS:

The JLG has already identified the shed required for the project within the project area.

10. SWOT ANALYSIS OF THE PROJECT

I. *Strength*

- Flour is a staple food in India, and the demand for it is always high, providing a stable market for the flour mill project.
- Karnataka is a state with a large agricultural sector, providing a steady supply of wheat and other grains required for flour production.
- Flour milling technology is well-developed, and there are many experts available to consult and collaborate with on the project.
- The flour mill can potentially create job opportunities for the local community, improving the economic conditions of the region.

II. *Weakness*

- The JLG members lack insufficient place for working/processing in their units. All the process was being carried at one small area.
- There may be a high initial investment required to set up the flour mill project.
- The JLG members are unable to purchase modern machineries due to financial limitations.
- The JLG members have poor access to national and international markets. This will affect initially the profitability of the JLG members.
- There may be a high initial investment required to set up the flour mill projects.

III. *Opportunities*

- JLG members are still very young if they start performing well in business and in future modern process machinery with better productivity and quality as well as special features for the final products also can be done within JLG members.
- There may be a high initial investment required to set up the flour mill project.
- The increasing demand for healthy and nutritious food can be capitalized on by offering products like whole wheat flour and multigrain flour.
- The flour mill can potentially collaborate with farmers in the region to ensure a steady supply of high-quality grains and wheat.

IV. *Threats*

- Due to poor market access the profitability of the JLG members may fall bit low level. This may discourage initially to JLG members.
- Changes in government policies related to agriculture or food production can impact the project's profitability.
- Natural calamities such as floods, droughts, or pests can damage crops and disrupt the supply chain.
- Major player in the industry will sell it for lower price at the beginning and JLG members need to work hard.

11. YOUTH EMPOWERMENT IMPACT OF THE PROJECT ON ECOSYSTEM

We have surplus youths in the state, graduate, undergraduate etc. supporting them to create self-employment will motivate to become entrepreneurs, they will live independent life**.**

Entrepreneurship will greatly impact the lifestyle of the youths, if businesses work along with their involvement of all the members towards creating awareness and promoting positive impacts on others.

Ecosystem Support from Project-

- Sustainable sourcing: Flour mills can support sustainable sourcing of wheat and other grains by working with farmers who use environmentally friendly

and socially responsible practices. This can help preserve soil health and biodiversity, reduce greenhouse gas emissions, and ensure that the land remains productive for future generations.

- Waste reduction: Flour mills can reduce waste by finding innovative uses for byproducts such as bran and germ, which can be used for animal feed, biofuels, or even in food products like pasta and bread.
- Water conservation: Flour mills can support water conservation by using water-efficient technologies and reducing water usage during the milling process. This can help ensure that freshwater resources are conserved and available for other uses.
- Energy efficiency: Flour mills can reduce their environmental footprint by improving energy efficiency and using renewable energy sources like solar, wind, and hydropower.
- Community support: Flour mills can support local communities by creating jobs and supporting local economies. They can also provide food and other resources to people in need, especially during times of crisis.

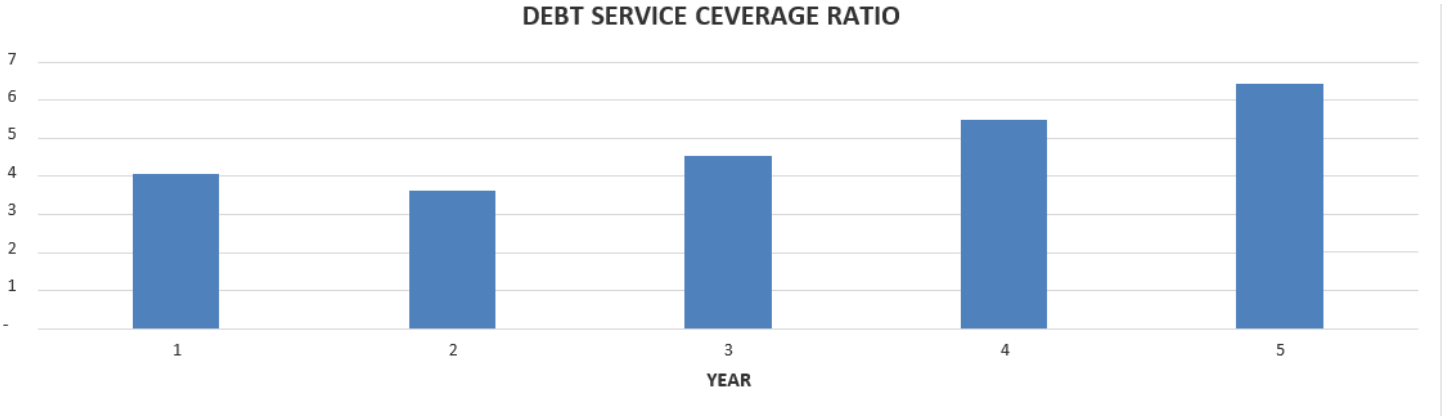
12. THE END PRODUCTS PRODUCED WITH THE MACHINE

13. FINANCIALS
CASH FLOW STATEMENT

Particulars / Year	Year 1	Year 2	Year 3	Year 4	Year 5
REVENUE FROM SALE OF SANITARY NAPKINS					
No. of working days in a Year	300	300	300	300	300
Less : Days for off Season	-	-	-	-	-
No. of Machine Running days in a Year	300	300	300	300	300
Capacity of the machine in Piece per day	1,000	1,000	1,000	1,000	1,000
Production in Piece	100%	100%	100%	100%	100%
Utilisation of the Capacity (%)	60%	65%	70%	75%	80%
Production during the year (in Pieces)	1,80,000	1,95,000	2,10,000	2,25,000	2,40,000
Rate per Piece	15	17	18	20	22
Gross Revenue earned per annum - A	**27,00,000**	**32,17,500**	**38,11,500**	**44,92,125**	**52,70,760**
COST OF RAW MATERIALS					
Consumption of Raw Materials	1,80,000	1,95,000	2,10,000	2,25,000	2,40,000
Rate per Piece	5	6	6	7	7
Total Cost of Raw Material per annum - B	**9,00,000**	**10,72,500**	**12,70,500**	**14,97,375**	**17,56,920**
EXPENDITURE					
Salaries and Wages	10,08,000	11,59,200	13,33,080	15,33,042	17,62,998
Electricity Charges	1,56,000	1,71,600	1,88,760	2,07,636	2,28,400
Rent	1,68,000	1,84,800	2,03,280	2,23,608	2,45,969
Transportation and Travelling	60,000	66,000	72,600	79,860	87,846
Packaging and Promotion Expenses	48,000	52,800	58,080	63,888	70,277
Miscellaneous Expense	25,000	27,500	30,250	33,275	36,603
Total Expenditure - C	**14,65,000**	**16,61,900**	**18,86,050**	**21,41,309**	**24,32,092**
Net Profit before Interest /Cash Flow (A-B-C)	**3,35,000**	**4,83,100**	**6,54,950**	**8,53,441**	**10,81,748**

DSCR STATEMENT

	Year 1	Year 2	Year 3	Year 4	Year 5
	Projected	Projected	Projected	Projected	Projected
Profit available to service the debt	**1,69,000**	**2,23,400**	**2,80,090**	**3,38,129**	**3,96,441**
Loan Repayment	20,536	44,105	48,482	53,294	58,583
Interest on Term Loan	20,972	17,536	13,159	8,347	3,058
Debt to be Served	**41,508**	**61,641**	**61,641**	**61,641**	**61,641**
Debt Service Coverage Ratio	4	4	5	5	6
AVERAGE DSCR	**5**				



BREAKEVEN ANALYSIS
Investment Value Including Margin Rs. 250000

Year ended	Year 1 Projected	Year 2 Projected	Year 3 Projected	Year 4 Projected	Year 5 Projected
Cash Flow as per Statement of Income	1,69,000	2,23,400	2,80,090	3,38,129	3,96,441
Less : Interest on Loan	20,972	17,536	13,159	8,347	3,058
Less : Estimated Drawings/Personal Expenses	84,500	1,11,700	1,40,045	1,69,065	1,98,221
Net Cash Flow	**63,528**	**94,164**	**1,26,886**	**1,60,717**	**1,95,163**
Cumulative Cash Flow	**63,528**	**1,57,691**	**2,84,577**	**4,45,294**	**6,40,457**
Break Even Investment (in years)	**2 Year and 8.7 Months**				

DETAIL REPAYMENT SCHEDULE

Year	Quarter	Loan Installment	Principal Payment	Loan Outstanding	Interest at 9.5%	Cumulative Interest
1	1	5,344	-	2,25,000	5,344	
	2	5,344	-	2,25,000	5,344	
	3	15,410	10,146	2,14,854	5,264	
	4	15,410	10,389	2,04,464	5,021	20,972
2	1	15,410	10,638	1,93,826	4,772	
	2	15,410	10,893	1,82,933	4,518	
	3	15,410	11,154	1,71,780	4,257	
	4	15,410	11,421	1,60,359	3,990	17,536
3	1	15,410	11,694	1,48,665	3,716	
	2	15,410	11,974	1,36,692	3,437	
	3	15,410	12,260	1,24,431	3,150	
	4	15,410	12,554	1,11,877	2,856	13,159
4	1	15,410	12,854	99,023	2,556	
	2	15,410	13,162	85,860	2,248	
	3	15,410	13,477	72,383	1,933	
	4	15,410	13,800	58,583	1,610	8,347
5	1	15,410	14,130	44,453	1,280	
	2	15,410	14,469	29,984	942	
	3	15,410	14,815	15,170	595	
	4	15,410	15,170	0	241	3,058
Total		**2,88,074**	**2,25,000**		**63,074**	**63,074**

Designated Contact Details for this project

Email ID : contact@vkfoundations.org
Mobile : 9845938269 / 9986024478 / 9902256304
Website: vkfoundations.org