

# POHA or RICE FLAKES



## **INTRODUCTION:**

India is the world's largest producer across a range of commodities due to its favourable agro-climatic conditions and rich natural resource base. Poha or Rice Flakes is a food item prepared from paddy. It is often eaten for breakfast or brunch and is quite light and nutritious. It is mainly used in the Western region i.e. in Maharashtra and Gujarat and some parts of the Eastern & Northern Region. Most people take it after frying whereas some takes it with milk; the dish is easy to cook & nutritious and contains carbohydrates & proteins.

When garnished with coconut, fresh tomatoes and cilantro, the vibrant red, green and white against the brilliant yellow of the turmeric infused poha never fails to water your taste buds.

The flakes are very easy to cook and can make a meal in minutes. In order to make a snack using beaten rice, wash the beaten rice in water and then soak for 10 minutes. Strain using a strainer and use as required. It may be used in either savoury or sweet snacks.

Rice flakes are most commonly used to make especially creamy puddings but can also be used to make savoury bakes.

## **OBJECTIVE:**

The primary objective of the model report is to facilitate the entrepreneurs in understanding the importance of setting up unit of Rice Flakes plant. This model report will serve as guidance to the entrepreneurs on starting up such a new project and basic technical knowledge for setting up such a facility.

## **RAW MATERIAL AVAILABILITY:**

The only Raw Material is the Particular Variety of Paddy and easily available in across India.

## **SUITABLE LOCATION:**

Rice Flakes can be manufactured at any location.

## **MARKET OPPORTUNITIES:**

It is an important Agro based industry. It will help not only the growers to get the remunerative price but also to generate employment. Since the Rice Flakes is easy to cook and contains carbohydrates & proteins. It is consumed by all sections of the society irrespective of their ages. There are good possibilities to introduce based nutritive products as mid-day food to the children in Government Schools.

## **PROJECT DESCRIPTION:**

### **CAPACITY OF THE PROJECT:**

- The capacity of the project is 72 MT of Poha or Rice Flakes per year.

**PRODUCTION TARGET:**

- Qty.: 50.40 MT per Annum or 4.20 MT per Month.
- The scheme is worked out per shift (8 Hour) basis and 300 working days per annum.

**MANUFACTURING PROCESS:**

Graded, sorted paddy is soaked in hot water for 24-26 Hours. The paddy is removed from water a couple of hours before the commencement of work. Every time about 5 Kg of paddy is roasted with fine sand till two or three grain burst and then fed into the flaking machine after removing the sand. The rollers of the flakes machine are adjusted according to the fitness of the flakes and bran is powdered and drops down automatically through sieve. By pressing scrappers against the rim flakes are collected near the centre of the drum and are moved by hand. At last, the sorted and graded flakes are to be packed.

**PROJECT COMPONENT AND COST:****FINANCIAL ASPECTS:-****APPLICATION OF FUNDS**

Particular	Amount
Land & Building	200 sq. meter covered area on rent
Plant & Machinery	308,000.00
Office Equipment & Furniture	50,000.00
Working Capital	456,484.18
Pre-Operative Expenses	25,000.00
<b>Total</b>	<b>839,484.18</b>

**SOURCE OF FUND**

Particular	Amount
Own Capital	410,793.05
Loan from Banks	268,500.00
Loan for Working Capital	160,191.14
<b>Total</b>	<b>839,484.18</b>

**FIXED ASSETS**

<b>(1) Land And Building:</b>				<b>Value (Rs.)</b>
	Land & Building 200 sq. meter covered area on rent			Rs. 96,000 per annum
<b>(2) Machinery And Equipment:</b>				
<b>S. N.</b>	<b>Description (Name of machine with specification)</b>	<b>Qty.</b>	<b>Rate</b>	<b>Value (Rs.)</b>
<b>Production Unit</b>				
<b>i</b>	Rice Flaking Mill	1	125,000.00	125,000.00
<b>ii</b>	Soaking Vessel	2	25,000.00	50,000.00
<b>iii</b>	Frying Equipment	2	10,000.00	20,000.00
<b>iv</b>	Furnace	2	15,000.00	30,000.00
<b>v</b>	Weighing Balance Machine	1	15,000.00	15,000.00
<b>vi</b>	Sieving Machine	1	10,000.00	10,000.00
<b>vii</b>	Miscellaneous Equipments / Items	-	-	30,000.00

<b>Total Cost of Machinery &amp; Equipments</b>		<b>280,000.00</b>
Electrification & Installation Charges @ 10%		28,000.00
<b>Total Cost of Production Unit</b>		<b>308,000.00</b>
Furniture & Fixtures		- 50,000.00
<b>3</b>	<b>Pre-Operative Expenses:</b>	- 25,000.00
<b>Total Fixed Capital ( 2+3)</b>		<b>- 333,000.00</b>

### SALES TURNOVER PER MONTH

Description	Qty. (Kg.)	Rate (Rs./Kg.)	Value (Rs.)
Poha or Rice Flakes	4200	50	210000
Husk	1120	4	4480
<b>Total</b>			<b>214,480.00</b>

### RAW MATERIAL REQUIREMENT & STOCK

#### Raw Material (per month):

Description with specification	Qty. (Kg.)	Rate (Rs./Kg.)	Value (Rs.)
Paddy	5,600.00	12.00	67,200.00
			<b>67,200.00</b>

### ANNUAL CONSUMPTION

Paddy	Rs	806,400.00
<b>Total</b>	Rs	<b>806,400.00</b>
Stock of Raw Material	30 days	66,279.45
Stock of WIP	02 day	4,418.63
Purchase Cost of Raw Material	Rs	877,098.08

## WORKING CAPITAL REQUIREMENT

Particulars	Days	Year' 1
Raw Material	30	66,279.45
Work in Process	2	4,418.63
Finished Goods	10	44,397.61
Receivables	30	214,480.00
Advance/Security		
<b>Total</b>		<b>529,575.69</b>
Less: Creditors	30	73,091.51
<b>Net Current Assets</b>		<b>456,484.18</b>
Paid Stock		42,004.18
75% of Paid Stock		31,503.14
60% of Book Debts		128,688.00
Bank Limits		160,191.14
Margin for Working Capital		296,293.05

### SELLING & ADMINISTRATION EXPENSES

S. N.	Particular	Year I
i	Postage	18,000.00
ii	Commission on sales	60,000.00
iii	Office Expenses	29,000.00
iv	Tour & Travel	18,000.00
v	Printing & Stationary	20,000.00
vi	Advertisement	60,000.00
vii	Telephone	20,000.00
viii	Repair & Maintenance	22,000.00
ix	Conveyance	27,000.00
x	Sales expenses	36,000.00
xi	Insurance	20,000.00
xii	Misc. Expenses	30,000.00
<b>Total</b>		<b>360000.00</b>

### STAFF AND LABOUR EXPENSES

S. N.	Description	No.	Salary PM	Total Salaries-Year I
<b>(a) Administrative &amp; Supervisory</b>				
i	Production Incharge cum accountant	1	15,000.00	180,000.00
<b>Total Salaries</b>				<b>180,000.00</b>
<b>(b) Skilled &amp; Unskilled-Wages</b>				
i	Skilled Worker	1	10,000.00	120,000.00
ii	Semi Skilled Worker	1	8,000.00	96,000.00
iii	Helper	2	5,000.00	120,000.00
<b>Total</b>				<b>336,000.00</b>
<b>Grand Total</b>				<b>516,000.00</b>

**MANUFACTURING AND PROFIT & LOSS ACCOUNT**

<b>Particulars</b>	<b>Year' 1</b>
Sales Value of Poha or Rice Flakes & Bran	<b>2,573,760.00</b>
<b>Cost of Production:</b>	
Raw Material Consumed:	
Opening Stock	-
Add: Purchases	877,098.08
	<u>877,098.08</u>
Less: Closing Stock	66,279.45
Raw Material Consumption	<u>810,818.63</u>
Add: Op Stock of WIP	-
	<u>810,818.63</u>
Less: Cl Stock of WIP	<u>4,418.63</u>
	806,400.00
Power & Fuel	200,000.00
Manufacturing Wages	336,000.00
Bonus & Incentives	23,520.00
Packaging Materials	70,000.00
Rent	96,000.00
Raw material storage & ins. Cost	4,800.00
Carriage inward	7,893.88
Depreciation	53,700.00
<b>Total Cost of Production</b>	<b>1,598,313.88</b>
Add: Op. Stock of Finish. Goods	-
	<u>1,598,313.88</u>
Less: Cls. Stock of F. Goods	44,397.61
<b>Cost of Sales</b>	<b>1,553,916.27</b>
<b>Gross Profit</b>	<b>1,019,843.73</b>
	0.40
Selling & Admin Cost:	
Expenses	360,000.00
Salary	180,000.00
Financial Expenses:	
Interest on Term Loan	36,583.13
Interest on W. Capital	20,023.89
Pre. Expenses	5,000.00
<b>Profit Before Taxation</b>	<b>418,236.71</b>
Taxation	125,471.01
<b>Net Profit After Taxation</b>	<b>292,765.70</b>
Cash withdrawal	117,106.28
Transfer to Reserves	175,659.42
Cumulative Reserves	175,659.42
% of PBT on Sales	16.25

**BALANCE SHEET**

<b>Particulars</b>	<b>Year' 1</b>
<b>Liabilities:</b>	
Capital	410,793.05
Reserve & Surplus	175,659.42
Secured Loan:	
Term Loan	214,800.00
Unsecured loan:	
Current Liabilities:	
Bank Borrowings	160,191.14
Sundry Creditors	73,091.51
	<u>1,034,535.11</u>
<b>Assets:</b>	
Fixed Assets:	
Gross Block:	358,000.00
Less: Depreciation	53,700.00
	<u>304,300.00</u>
Current Assets:	
Inventories	115,095.69
Receivables	214,480.00
Advance/Security	200,000.00
Cash & Bank	180,659.42
Balance	
Preliminary Expenses	20,000.00
	<u>1,034,535.11</u>
Difference	0.00

## RATIO ANALYSIS

Particulars	Year' 1
<b>NET PROFIT RATIO</b>	
NP*100/Total sales	<b>11.38</b>
<b>RATE OF RETURN</b>	
NP*100/Total Investment	<b>34.87</b>

## BREAK EVEN ANALYSIS

Fixed Cost	
Rent	96,000.00
Interest on Borrowing	36,583.13
40% of Salaries	72,000.00
40% of Utilities	80,000.00
25% of Admin Exp	90,000.00
Depreciation	53,700.00
<b>Total</b>	<b>428,283.13</b>
<b>BREAK EVEN POINT</b>	$\frac{\text{Fixed Cost} * 100}{\text{Fixed Cost} + \text{Profit}}$
	<b>59.39</b>

### **ADDRESS OF MACHINERY & EQUIPMENT SUPPLIERS:**

- M/s Bajaj Processpack Maschinen Pvt. Ltd., 7/27, Jai Lakshmi Industrial Estate, Sahibabad Industrial Area, Sahibabad, Dist. Ghaziabad (U.P.) - 201301.
- M/s Mechtech Designers & Engineers Pvt. Ltd., 19 D, Dr. A. K. Paul Road, Kolkata - 700 034 : West Bengal, India.
- M/s Sarkar machinery, P. K. Guha Road, Near Kumarpara Party Office, Kolkata, West Bengal, 700028.
- M/s A.M. I. Engineering, Station Road, Opp. Veena Cinema, Patna – 800 001.
- M/s Jayems Engineering Works, Strand Road, Kolkata – 700 001