

PROJECT REPORT

OF

BESAN SEV & BHUJIA PRODUCTION UNIT

PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding Besav Sev & Bhujia Production 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.]



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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	18.22 Rs. In Lakhs
8 Means of Finance	
i) Own Contribution	1.82 Rs. In Lakhs
ii) Term Loan	9.90 Rs. In Lakhs
iii) Working Capital	6.50 Rs. In Lakhs
9 Debt Service Coverage Ratio	3.41
10 Break Even Point	0.23
11 Power Requirement	15 KW
12 Employment	9 Persons
13 Major Raw Materials	Besan, rice-flour, Indian spices such as Chat Masala, Red chilli, Ajwain seed, Oil, Peanuts, Cashew

14 Details of Cost of Project & Means of Finance

Cost of Project

Particulars	Amount in Lacs
Land	Owned/Leased
Building & Civil Work	Owned/Leased
Plant & Machinery	9.00
Furniture & Fixture	0.50
Other Misc Assets	1.50
Working Capital Requirement	7.22
Total	18.22

Means of Finance

Particulars	Amount
Own Contribution	1.82
Term Loan	9.90
Working capital Loan	6.50
Total	18.22

1. INTRODUCTION

Namkeen is the Hindi word used to describe a savory flavor. The word namkeen is derived from the word namak (meaning salt). It is also used as a generic term to describe savory snack foods. Namkeen is pronounced "num-keen," and can also be referred to as numkeen, namkin, and numkin depending on where you travel throughout India and who you speak to.



Typical namkeen snacks in Indian cuisine include khaara, farsan, chivda, sav, chips, fried dals, grains and bhujia. Namkeen of Indore and ratlam are two snacks that are very well known for their tastes. There are a few other Indian snacks that incorporate salt and have a namkeen flavor, some of which are made from basic grains and can be flavored in a multitude of ways.

These kinds are therefore similar to each other but have different names. Many of the namkeen snacks include sev, a versatile crunchy snack that can be flavored with all sorts of spices. Sev looks similar to the Chinese hard noodles served in American Chinese food.



Sev is a popular Indian snack food consisting of small pieces of crunchy noodles made from chickpea flour paste, which are seasoned with turmeric, cayenne, and ajwain before being deep-fried in oil. These noodles vary in thickness. Ready-to-eat varieties of sev, including flavoured sev, are available in Indian stores.

Sev is eaten as a standalone snack as well as a topping on dishes like bhelpuri and sevpuri.[citation needed] Sev can be made at home and stored for weeks in airtight containers.

The snack is popular in Madhya Pradesh, especially in the cities of Indore, Ujjain and Ratlam, where many snack foods consist of sev as a main ingredient. In Madhya Pradesh, sev is used as a side ingredient in almost every chaat snack food, especially ratlami sev, which is made from cloves and chickpea flour. Many varieties of sev are sold commercially, such as long (clove) sev, tomato sev, palak sev, plain sev, and bhujia.

In the UK, popular varieties of sev mixed with nuts, lentils and pulses are commonly sold as 'Bombay mix'.

2. PRODUCT DESCRIPTION

2.1 PRODUCT TYPES

1. Lahsun Sev:

Characterized by an intensive fragrance and warm flavor, this chatpata and hot snack will make you ask for more and more and more. This is a hot favorite among north Indians. It's an ideal companion for dinner and when you want to eat something hot. Adding some onions and chopped veggies, will bring new flavors.

2. Ratlami Sev:

Sev is a popular fried and crisp snack made with gram flour, clove, pepper and other spices. This is a specialty of the city. The addition of the special spice blend, makes this spicy and gives a unique taste. The spice blend and the thickness is different from bikaneri sev.

3. Laung Sev:

Laung Sev or Clove Sev is Sev made with laung powder in it. A good amount to laung powder is added to the gram flour to create this extremely flavorful and slightly spicy Sev. For those who love to try something new, this is a perfect snack to try.

4. Ujjaini Sev:

Ujjain ki sev is a thin crispy sev of traditional ujjaini specialty. It is used mainly with dahi puri, rava upma, poha, sandwich and toppings over most of bhel and other chat items.

5. Hing Sev:

Hing sev is a crispy munch famous from the land of namkeens; Indore. This strong flavored namkeen will add the “Zing” to your evening tea....This sev has a unique flavor, quite different from the regular ones.

2.2 RAW MATERIAL REQUIREMENT

Ingredients	Percentage
Besan	54
Rice Flour	14
Turmeric Powder	0.4
Red Chilli	0.5
Asafetida	0.1
Ajwain Seed	0.1
Salt	0.8
Oil	3.8
Massor Dal	14
Peanut	5.7
Cashew	6.8
Chat Masala	0.3

Consumables:

1. Diesel
2. Cooking Oil
3. Packaging Material

2.3 MANUFACTURING PROCESS

The dough kneading machines are used for kneading various types of flours for various types of shevs and bhujiyas. Each has its own unique composition and taste. A vast variety of kneader class machine are available to suit various capacity and kneading requirements.

The next task is namkeen extrusion for which namkeen extruders are used, Namkeen Extruder machine is useful for extruding gram flour, spices dough (besan) into various shapes. However in this case it's used to extrude dough in shape of shev. The machine is fitted over fryer or namkeen frying machine. The extruded product lands into the frying tank and then is simply fried. The shapes of the products can be altered by using dies of different sizes and shapes.

After frying these shevs or bhujiyas are passed through de-oiling machine which simply removes all excess oil from the namkeen. Thus various shevs and bhujiyas are ready after this step for seasoning. These de-oiled shevs or bhujiyas are fed to seasoning machine which

utilizes its tumbler arrangement to uniformly season these shevs or bhujiyas with salt and spices as per end product.

Finally the namkeen is then weighed, filled in packets and sealed in order to make it ready for sale and dispatch though automatic filling and packaging machines are utilized by large scale manufacturers to maintain high production rate with automation.

Note: In fully automatic plant sev is transferred in between non-aligned machines using food grade conveyor while in semi-automatic plants its done manually.

3. PROJECT COMPONENTS

3.1 Land /Civil Work

The industrial setup requires space for Inventory, workshop or processing area, space for power supply utilities, packaging area. Also, some of the area of building is required for office staff facilities, documentation, office furniture, etc. Thus, the approximate total area required for complete small-scale factory setup is 1500-2000 Sq. ft. approximately. Micro, small and medium enterprises are engaged in this work accounting for the total Processing units.

We have not considered the cost of Land purchase & Building Civil work in the project. It is assumed that land & building will be on rent & approx. rental of the same will be Rs.20,000-30,000 per month.

3.2 Plant & Machinery

The process involved are Sifting, Kneading, Extrusion, Frying, De-Oiling, Seasoning & Nitrogen Flush Packaging, thus machines required are as follows:

1. Flour Sifter:



It's a sifter class machine which is used to perform sifting process and remove any larger particulate impurities from flour.

2. Metal Detector:



It's a simple machine that utilizes electromagnetic induction to detect any metal present in given bulk material.

3. Dough Kneader:



This machine simplify kneads the raw material ingredients i.e. flour with other raw materials to produce the required dough.

4. De-Oiling Machine:



It's a simple machine designed to dry the given product within specified range, by removing extra oil by utilizing appropriate mechanisms; the simplest class of this machine utilize a perforated drum and motor arrangement, to simply centrifuge the excess oil, while continuous line utilize vibrating tray or air dryer type arrangements.

5. Namkeen Fryer Machine:



It's a fryer class machine used to fry various namkeens like shev, bhujia or namkeen constituents.

6. Namkeen Extruder:



It's a extruder class machine used to extrude the dough into various namkeen components using appropriate dies.

7. Seasoning Machine:



It's a simple rotating tumbler device used to apply seasoning and salt on given product, in this case namkeens.

8. Nitrogen Flush Packaging Machine:



The functioning of machine is simple, it forms an open pouch by two step sealing, followed by filling of chips, nitrogen flushing and final sealing to obtain the namkeen filled packet.

9. Other Machine:



A range of small machines are required to perform various small tasks and to support the main machines.

Equipment:

1. Food Grade Conveyor:



These are conveyors with food grade belt to maintain food safety standards set by monitoring authorities.

Storage Tank:



It's a simple tank designed to hold required product.

2. SS Storage Vessel:



They are used to store various liquid solution at required conditions. In this case they are used to hold oil for frying.

3. Kitchen Tools:



They are general tools used for manually performing the required operation like different knives, ladle, tongs etc, which are used by workers in these type of plants to various operations.

4. Other Material Handling Equipments:



They are simply used to hold and transfer given material efficiently.

5. Power Distribution Equipments:



They are used to safely receive and distribute electrical power.

6. Other equipment:



A range of equipment are required to keep plant functioning and maintain it in working condition like, control panels, trays etc.

4. LICENSE & APPROVALS

Basic License & Approvals required in this project:

- GST Registration
- Udyam Registration (Optional)
- FSSAI Licesne
- Choice of a Brand Name of the product and secure the name with Trademark if require.

PROJECTED BALANCE SHEET		(in Lacs)				
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year	
<u>Liabilities</u>						
Capital						
Opening Balance		3.47	5.66	8.27	10.95	
Add:- Own Capital	1.82					
Add:- Retained Profit	3.90	5.19	6.62	8.17	10.23	
Less:- Drawings	2.25	3.00	4.00	5.50	7.00	
Closing Balance	3.47	5.66	8.27	10.95	14.18	
Term Loan	8.80	6.60	4.40	2.20	-	
Working Capital Limit	6.50	6.50	6.50	6.50	6.50	
Sundry Creditors	2.70	3.48	3.92	4.38	4.86	
Provisions & Other Liabilities	0.35	0.75	0.90	1.08	1.30	
TOTAL :	21.82	22.99	23.99	25.10	26.83	
<u>Assets</u>						
Fixed Assets (Gross)	11.00	11.00	11.00	11.00	11.00	
Gross Depreciation	1.63	3.01	4.19	5.19	6.05	
Net Fixed Assets	9.38	7.99	6.81	5.81	4.95	
Current Assets						
Sundry Debtors	3.42	5.08	5.70	6.35	7.03	
Stock in Hand	6.98	8.14	9.16	10.21	11.31	
Cash and Bank	1.05	1.28	1.57	1.23	1.53	
Loans and advances/other current assets	1.00	0.50	0.75	1.50	2.00	
TOTAL :	21.82	22.99	23.99	25.10	26.83	

PROJECTED PROFITABILITY STATEMENT					(in Lacs)
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
Capacity Utilisation %	50%	55%	60%	65%	70%
<u>SALES</u>					
Besan Sev & Bhujia	85.50	101.51	114.00	127.04	140.62
Total	85.50	101.51	114.00	127.04	140.62
<u>COST OF SALES</u>					
Raw material cost	54.00	61.38	69.12	77.22	85.68
Electricity Expenses	1.44	1.90	2.07	2.25	2.42
Depreciation	1.63	1.38	1.18	1.00	0.85
Wages & labour	7.20	8.28	9.52	10.95	12.59
Repair & maintenance	1.71	2.03	2.28	2.54	2.81
Consumables	6.84	7.11	7.98	8.89	9.84
Packaging cost	4.28	4.06	3.42	2.54	1.41
Cost of Production	77.09	86.14	95.57	105.39	115.61
Add: Opening Stock	-	4.28	5.08	5.70	6.35
Less: Closing Stock	4.28	5.08	5.70	6.35	7.03
Cost of Sales	72.82	85.34	94.95	104.74	114.93
GROSS PROFIT	12.69	16.17	19.05	22.30	25.69
GROSS PROFIT RATIO	14.84%	15.93%	16.71%	17.55%	18.27%
Salary to Staff	3.12	3.74	4.49	5.39	6.47
Interest on Term Loan	0.97	0.86	0.62	0.37	0.13
Interest on working Capital	0.72	0.72	0.72	0.72	0.72
Rent	3.12	3.43	3.78	4.15	4.57
Selling & Administration Expenses	0.86	2.03	2.28	2.54	2.11
TOTAL	8.78	10.78	11.88	13.17	13.99
NET PROFIT	3.90	5.39	7.18	9.12	11.69
Taxation	-	0.20	0.56	0.95	1.46
PROFIT (After Tax)	3.90	5.19	6.62	8.17	10.23
NET PROFIT RATIO	4.56%	5.11%	5.80%	6.43%	7.27%

PROJECTED CASH FLOW STATEMENT						(in Lacs)
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year	
<u>SOURCES OF FUND</u>						
Own Margin	1.82					
Net Profit	3.90	5.39	7.18	9.12	11.69	
Depriciation & Exp. W/off	1.63	1.38	1.18	1.00	0.85	
Increase in Cash Credit	6.50	-	-	-	-	
Increase In Term Loan	9.90	-	-	-	-	
Increase in Creditors	2.70	0.78	0.44	0.46	0.48	
Increase in Provisions & Other liabilities	0.35	0.40	0.15	0.18	0.22	
TOTAL :	26.80	7.95	8.94	10.77	13.24	
<u>APPLICATION OF FUND</u>						
Increase in Fixed Assets	11.00					
Increase in Stock	6.98	1.17	1.01	1.06	1.10	
Increase in Debtors	3.42	1.66	0.62	0.65	0.68	
Increase in loans and advances	1.00	0.50	0.25	0.75	0.50	
Repayment of Term Loan	1.10	2.20	2.20	2.20	2.20	
Drawings	2.25	3.00	4.00	5.50	7.00	
Taxation	-	0.20	0.56	0.95	1.46	
TOTAL :	25.75	7.73	8.65	11.11	12.94	
Opening Cash & Bank Balance	-	1.05	1.28	1.57	1.23	
Add : Surplus	1.05	0.22	0.30	-0.34	0.30	
Closing Cash & Bank Balance	1.05	1.28	1.57	1.23	1.53	

CALCULATION OF D.S.C.R					
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
CASH ACCRUALS	5.53	6.57	7.79	9.18	11.08
Interest on Term Loan	0.97	0.86	0.62	0.37	0.13
Total	6.50	7.43	8.41	9.55	11.22
REPAYMENT					
Instalment of Term Loan	1.10	2.20	2.20	2.20	2.20
Interest on Term Loan	0.97	0.86	0.62	0.37	0.13
Total	2.07	3.06	2.82	2.57	2.33
DEBT SERVICE COVERAGE RATIO	3.14	2.43	2.99	3.71	4.81
AVERAGE D.S.C.R.	3.41				

REPAYMENT SCHEDULE OF TERM LOAN								
							Interest	11.00%
Year	Particulars	Amount	Addition	Total	Interest	Repayment	Closing Balance	
1st	Opening Balance	-						
	1st month		9.90	9.90	-	-	9.90	
	2nd month	9.90	-	9.90	0.09	-	9.90	
	3rd month	9.90	-	9.90	0.09	-	9.90	
	4th month	9.90	-	9.90	0.09	-	9.90	
	5th month	9.90	-	9.90	0.09	-	9.90	
	6th month	9.90	-	9.90	0.09	-	9.90	
	7th month	9.90	-	9.90	0.09	0.18	9.72	
	8th month	9.72	-	9.72	0.09	0.18	9.53	
	9th month	9.53	-	9.53	0.09	0.18	9.35	
Own	10th month	9.35	-	9.35	0.09	0.18	9.17	
Term	11th month	9.17	-	9.17	0.08	0.18	8.98	
	12th month	8.98	-	8.98	0.08	0.18	8.80	
					0.97	1.10		
2nd	Opening Balance							
	1st month	8.80	-	8.80	0.08	0.18	8.62	
	2nd month	8.62	-	8.62	0.08	0.18	8.43	
	3rd month	8.43	-	8.43	0.08	0.18	8.25	
	4th month	8.25	-	8.25	0.08	0.18	8.07	
	5th month	8.07	-	8.07	0.07	0.18	7.88	
	6th month	7.88	-	7.88	0.07	0.18	7.70	
	7th month	7.70	-	7.70	0.07	0.18	7.52	
	8th month	7.52	-	7.52	0.07	0.18	7.33	
	9th month	7.33	-	7.33	0.07	0.18	7.15	
	10th month	7.15	-	7.15	0.07	0.18	6.97	
	11th month	6.97	-	6.97	0.06	0.18	6.78	
	12th month	6.78	-	6.78	0.06	0.18	6.60	
					0.86	2.20		
3rd	Opening Balance							
	1st month	6.60	-	6.60	0.06	0.18	6.42	
	2nd month	6.42	-	6.42	0.06	0.18	6.23	
	3rd month	6.23	-	6.23	0.06	0.18	6.05	
	4th month	6.05	-	6.05	0.06	0.18	5.87	
	5th month	5.87	-	5.87	0.05	0.18	5.68	
	6th month	5.68	-	5.68	0.05	0.18	5.50	
	7th month	5.50	-	5.50	0.05	0.18	5.32	
	8th month	5.32	-	5.32	0.05	0.18	5.13	
	9th month	5.13	-	5.13	0.05	0.18	4.95	
	10th month	4.95	-	4.95	0.05	0.18	4.77	
	11th month	4.77	-	4.77	0.04	0.18	4.58	
	12th month	4.58	-	4.58	0.04	0.18	4.40	
					0.62	2.20		

4th	Opening Balance					
1st month	4.40	-	4.40	0.04	0.18	4.22
2nd month	4.22	-	4.22	0.04	0.18	4.03
3rd month	4.03	-	4.03	0.04	0.18	3.85
4th month	3.85	-	3.85	0.04	0.18	3.67
5th month	3.67	-	3.67	0.03	0.18	3.48
6th month	3.48	-	3.48	0.03	0.18	3.30
7th month	3.30	-	3.30	0.03	0.18	3.12
8th month	3.12	-	3.12	0.03	0.18	2.93
9th month	2.93	-	2.93	0.03	0.18	2.75
10th month	2.75	-	2.75	0.03	0.18	2.57
11th month	2.57	-	2.57	0.02	0.18	2.38
12th month	2.38	-	2.38	0.02	0.18	2.20
				0.37	2.20	
5th	Opening Balance					
1st month	2.20	-	2.20	0.02	0.18	2.02
2nd month	2.02	-	2.02	0.02	0.18	1.83
3rd month	1.83	-	1.83	0.02	0.18	1.65
4th month	1.65	-	1.65	0.02	0.18	1.47
5th month	1.47	-	1.47	0.01	0.18	1.28
6th month	1.28	-	1.28	0.01	0.18	1.10
7th month	1.10	-	1.10	0.01	0.18	0.92
8th month	0.92	-	0.92	0.01	0.18	0.73
9th month	0.73	-	0.73	0.01	0.18	0.55
10th month	0.55	-	0.55	0.01	0.18	0.37
11th month	0.37	-	0.37	0.00	0.18	0.18
12th month	0.18	-	0.18	0.00	0.18	-
				0.13	2.20	
DOOR TO DOOR	60	MONTHS				
MORATORIUM PERIOD	6	MONTHS				
REPAYMENT PERIOD	54	MONTHS				

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