

# UP MSME 1-Connect

## PROJECT REPORT

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PROJECT:

Namkeen Manufacturing Unit

# **PROJECT REPORT**

## **Of**

# **NAMKEEN MANUFACTURING UNIT**

### **PURPOSE OF THE DOCUMENT**

This particular pre-feasibility is regarding **Namkeen Manufacturing 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.]

## **NAMKEEN MANUFACTURING UNIT**

### **Introduction**

Namkeen is the Hindi word used to describe a savory flavor. The word namkeen is derived from the word Namak (meaning salt). Namkeen is also used as a generic term to describe savory snack foods. Both black and regular white salt are used in Indian cooking, which gives it the salty flavor many people like. Other namkeen snacks common in Indian cuisine include khaara, farsan, chivda, sav, chips and bhujia. Namkeen of Indore and Ratlam are two snacks that are very well known for their tastes.

Namkeen is a small service of food and generally eaten between meals. Snacks come in a variety of forms including packaged snack foods and other processed foods, as well as items made from fresh ingredients at home.

Traditionally, Namkeen are prepared from ingredients commonly available at home without a great deal of preparation. Often cold cuts, fruits, leftovers, nuts, sandwiches, and sweets are used as snacks.

Namkeen foods are typically designed to be portable, quick, and satisfying. Processed snack foods, as one form of convenience food, are designed to be less perishable, more durable, and more portable than prepared foods. They often contain substantial amounts of sweeteners, preservatives, and appealing ingredients such as chocolate, peanuts, and specially-designed flavors (such as flavoured potato chips).

Beverages, such as coffee, are not generally considered snacks although they may be consumed along with or in lieu of snack foods.

## **Namkeen Market Analysis**

Namkeen is the dominant segment, followed by the Extruded Snacks. The market is also segmented into organized and unorganized sector of which unorganized is the dominant market.

The India Snacks Market will be more than INR 1 Billion by the end of 2024.

The future of India Snacks Market can be judged from the fact that this industry is expected to grow with double digit CAGR for the time frame of 2018 to 2024. India snacks market is divided between organized players and unorganized market. At present Unorganized market is dominating the India snacks market. But this scenario is expected to change during the forecast period of 2018-2024. India Snacks Market is growing due to following factors Lifestyle Changes, Rising Urbanization, Growing Middle Class Population, Local Availability and Availability of Snacks in Small Package Size, Low Price and Company's Strategies to focus on regional taste..

<b>PROJECTED PROFITABILITY STATEMENT</b>					
<b>PARTICULARS</b>	<b>1st year</b>	<b>2nd year</b>	<b>3rd year</b>	<b>4th year</b>	<b>5th year</b>
Capacity Utilisation %	<b>50%</b>	<b>55%</b>	<b>60%</b>	<b>65%</b>	<b>70%</b>
<b><u>SALES</u></b>					
<b>Gross Sale</b>					
Namkeen	88.00	106.90	117.83	128.96	140.28
<b>Total</b>	<b>88.00</b>	<b>106.90</b>	<b>117.83</b>	<b>128.96</b>	<b>140.28</b>
<b><u>COST OF SALES</u></b>					
Raw Mateiral Consumed	60.63	68.92	77.61	85.39	93.37
Electricity Expenses	2.52	2.77	3.05	3.35	3.69
Depriciation	2.00	1.71	1.46	1.24	1.06
Consumables	3.83	4.65	5.13	5.61	6.10
Repair & maintenace	2.82	3.42	3.77	4.13	4.49
other direct expenses	2.64	3.21	3.53	3.87	4.21
Packaging Charges	3.17	3.85	4.24	4.64	5.05
<b>Cost of Production</b>	<b>77.61</b>	<b>88.52</b>	<b>98.79</b>	<b>108.23</b>	<b>117.97</b>
<b>Add: Opening Stock /WIP</b>	<b>-</b>	<b>6.47</b>	<b>7.38</b>	<b>8.23</b>	<b>9.02</b>
<b>Less: Closing Stock /WIP</b>	<b>6.47</b>	<b>7.38</b>	<b>8.23</b>	<b>9.02</b>	<b>9.83</b>
Cost of Sales	71.14	87.61	97.93	107.45	117.16
<b>GROSS PROFIT</b>	<b>16.86</b>	<b>19.28</b>	<b>19.90</b>	<b>21.51</b>	<b>23.12</b>
salary to staff	2.64	2.90	3.19	3.51	3.87
Interest on Term Loan	1.22	1.14	0.92	0.69	0.08
Interest on working Capital	0.99	0.99	0.99	0.99	0.99
Rent	3.60	3.96	4.36	4.79	5.27
Selling & adm Exp	3.96	4.81	5.30	5.80	6.31
<b>TOTAL</b>	<b>12.41</b>	<b>13.80</b>	<b>14.76</b>	<b>15.79</b>	<b>16.51</b>
NET PROFIT	4.45	5.48	5.14	5.72	6.61
Taxation	-	0.10	0.03	0.15	0.33
PROFIT (After Tax)	4.45	5.38	5.11	5.57	6.27

<b>PROJECTED BALANCE SHEET</b>					
<b>PARTICULARS</b>	<b>1st year</b>	<b>2nd year</b>	<b>3rd year</b>	<b>4th year</b>	<b>5th year</b>
<b><u>Liabilities</u></b>					
Capital					
opening balance		5.07	8.45	10.91	13.79
<i>Add:- Own Capital</i>	2.37				
Add:- Retained Profit	4.45	5.38	5.11	5.57	6.27
Less:- Drawings	1.75	2.00	2.65	2.70	3.00
Closing Blance	5.07	8.45	10.91	13.79	17.06
Subsidy Reserve	3.42	3.42	3.42	-	-
Term Loan	11.30	9.26	7.22	1.76	-
Working Capital Limit	9.00	9.00	9.00	9.00	9.00
Sundry Creditors	3.03	3.22	3.88	4.55	5.29
Provisions & Other Liab	0.30	0.40	0.55	0.66	0.83
<b>TOTAL :</b>	<b>32.12</b>	<b>33.74</b>	<b>34.98</b>	<b>29.76</b>	<b>32.18</b>
<b><u>Assets</u></b>					
<b>Fixed Assets ( Gross)</b>	13.69	13.69	13.69	13.69	13.69
Gross Dep.	2.00	3.71	5.17	6.41	7.47
<b>Net Fixed Assets</b>	<b>11.68</b>	<b>9.97</b>	<b>8.52</b>	<b>7.28</b>	<b>6.22</b>
FD of Subsidy	3.42	3.42	3.42		
<b>Current Assets</b>					
Sundry Debtors	2.57	5.34	6.38	6.45	7.60
Stock in Hand	11.52	13.12	14.70	14.71	16.83
Cash and Bank	2.93	1.88	1.96	1.32	1.52
<b>TOTAL :</b>	<b>32.12</b>	<b>33.74</b>	<b>34.98</b>	<b>29.76</b>	<b>32.18</b>

**PROJECTED CASH FLOW STATEMENT**

<b>PARTICULARS</b>	<b>1st year</b>	<b>2nd year</b>	<b>3rd year</b>	<b>4th year</b>	<b>5th year</b>
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**SOURCES OF FUND**

Own Margin	2.37				
Net Profit	4.45	5.48	5.14	5.72	6.61
Depreciation & Exp. W/off	2.00	1.71	1.46	1.24	1.06
Increase in Cash Credit	9.00	-	-	-	-
Increase In Term Loan	12.32	-	-	-	-
Increase in Creditors	3.03	0.18	0.66	0.67	0.74
Increase in Provisions & Oth lib	0.30	0.10	0.15	0.11	0.17
increase in subsidy	3.42				
<b>TOTAL :</b>	<b>36.89</b>	<b>7.47</b>	<b>7.41</b>	<b>7.75</b>	<b>8.57</b>

**APPLICATION OF FUND**

Increase in Fixed Assets	13.69				
Increase in Stock	11.52	1.60	1.58	0.01	2.12
Increase in Debtors	2.57	2.78	1.04	0.07	1.15
Repayment of Term Loan	1.02	2.04	2.04	5.46	1.76
Increase in FD	3.42	-	-		
Drawings	1.75	2.00	2.65	2.70	3.00
Taxation	-	0.10	0.03	0.15	0.33
<b>TOTAL :</b>	<b>33.96</b>	<b>8.52</b>	<b>7.34</b>	<b>8.39</b>	<b>8.36</b>

Opening Cash & Bank Balance	-	2.93	1.88	1.96	1.32
Add : Surplus	2.93 -	1.05	0.08 -	0.64	0.20
Closing Cash & Bank Balance	<b>2.93</b>	<b>1.88</b>	<b>1.96</b>	<b>1.32</b>	<b>1.52</b>

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