

PROJECT PROFILE

ON

**MIXED NUT SNACKS
(WOMEN SHG ONLY)**

Month & Year
Aug 2010

**PREPARED BY
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MIXED NUT SNACKS (WOMEN SHG ONLY)

1. Introduction

Mixed nuts comprise cashews, peanuts and dried peas, salted or spiced, packed and ready to consume. They offer a very good alternative to various snack foods. They can be served at tea time or with alcoholic beverages.

Although a pastime snack, they are very nutritive and provide high levels of protein and energy. They are consumed in large quantities during journeys, in theaters and at home while watching the television. The salted and peppered variety offer a tasty combination with almost any beverage.

2. Market

The major market outlets are the self service departmental stores, and “A” class retail outlets. Moreover airlines, railway canteens and theaters are the bulk consumers of the product apart from the retail market outlets.

3. Packaging

The processed nuts are packed in metallized polyester-poly pouches in the presence of an inert gas viz: nitrogen. The quantity packed per pouch is 50 grams. The pouches are placed in paperboard cartons and strapped prior to dispatch.

4. Production capacity

- The plant will be in operation for one shift a day.
- Estimated production per day - 250 kilograms.
- The total production per month will be 6.250 M.T while the annual production is estimated at 75 M.T
- The time period required for achieving full capacity utilization is one year.

5. Sales revenue

- The ex-factory selling price will be Rs. 5 per pouch of 20 grams or Rs. 250 per kilogram inclusive of taxes. The estimated annual sales revenue will be Rs. 187.50 lakhs.

6. Production process outline.

Dried green peas are soaked in a solution of sodium bicarbonate overnight for a minimum period of 8 hours. Peanut kernels are roasted dry in the tray drier at 120 degrees centigrade for one and a half to two hours till they become slightly brown and easy to peel. Cashew nuts are graded. Green peas is drained completely of water and fried at 180 degrees centigrade till effervescence cease. Cashews are roasted at the same temperature till a golden brown colour is obtained. Peanuts are removed from the tray drier after roasting. The skin is peeled. The three ingredients are then mixed in definite proportions in the coating pan and dusted with salt and spices before being packed.

7. Quality specifications

- Moisture content of roasted nuts - 2% maximum.
- Acidity of extracted fat - 1% maximum.
- Free fatty acids as oleic acid of oil used - 0.1% maximum.
- Mold and fungal growth should be absent. It should also test negative for coliforms, salmonella and streptococci.
- Total plate count - 30,000 per gram - maximum.

8. Pollution control measures

Not necessary as there are no pollutants or effluents.

9. Energy conservation measures

Common measures will do.

10. Land and construction cost for the proposed unit

The proposed unit is to be set up in a leased area. The total leased area is 2000 square feet vide details given below.

SI	Description	Sq. feet
1	Processing area	800
2	Raw material store	200
3	Other ingredients storage room	100
4	Finished goods storage room	200
5	Packaging materials storage room	100
6	Laboratory	100
7	Office space	100
8	Machinery spares room	100
9	Toilet space	200
10	Miscellaneous space	100
11	Total	2000

Lease rent – Rs. 8.00 per square foot

Total rent per month – Rs. 16000

Lease advance – Rs. 75000

SI	Description	Rs. lakhs
1	Tray drier and accessories	1.600
2	Frying pan – 2 nos	0.560
3	Coating pan stainless steel	1.200
4	Form fill weighing and sealing machine	3.000
5	Weighing scales bulk and fine	0.300
6	Total	6.660
7	Laboratory equipment	0.500
8	Grand total machinery and equipment	7.160

12. Project cost

SI	Description	Rs. lakhs
1	Land	On lease
2	Civil works	On lease
3	Plant machinery	6.660
4	Laboratory equipment	0.500
5	Transport vehicle (Tata Ace)	3.760
6	Pollution control equipment	0.000
7	Energy conservation equipment	0.000
8	Cost of power connection	0.300
9	Cost of electrification	0.400
10	Erection and commissioning	0.660
11	Cost of machinery spares	0.100
12	Cost of office equipment	1.000
13	Deposits if any	0.400
14	Company formation expenses	0.100
15	Gestation period expenses	1.000
16	Sales tax registration expenses	0.100
17	Initial advertisement and publicity	10.000
18	Contingencies	1.000
19	Working capital margin money	5.262
20	Total	31.242

13. Working capital requirements per month

a. Salaries and wages

SI	Description	No of persons	Total salary / month (Rs. lakhs)
1	Production Manager	1	0.200
2	Production supervisor cum chemist	2	0.300
3	Skilled workers	2	0.120
4	Unskilled workers	4	0.160
5	Sales coordinator	1	0.150
6	Administrative staff	1	0.150
7	Van driver	1	0.070
8	Total	12	1.150

b. Raw material requirement per month

SI	Description	Qty (kgs)	Rate / kg (Rs)	Value (Rs. lakhs)
1	Cashew kernels	625	300.00	1.875
2	Peanut kernels	1875	50.00	0.938
3	Green peas dried	3750	50.00	1.875
4	Vegetable oil	1625	80.00	1.300
5	Salt and spices	150	60.00	0.090
6	Total raw material	8025		6.078

c. Packaging material requirement per month

SI	Description	Qty	Rate / unit (Rs)	Value (Rs. lakhs)
1	Primary packaging material – metallized polyester – poly film	417 kgs	250	1.043
2	Cartons and straps	625 nos	40	0.250
3	Total			1.293

Total raw + packaging material = Rs. 7.371 lakhs

d. Utilities per month

SI	Description	Rs. lakhs
1	Power 5000 kwh @ Rs. 5.50 per unit	0.275
2	Water	0.025
3	Boiler fuel	0.000
4	Total utilities	0.300

e. Contingent expenses per month

SI	Description	Rs. lakhs
1	Rent for processing shed	0.160
2	Postage and stationery	0.010
3	Telephones, fax etc.	0.025
4	Consumable stores	0.030
5	Repairs and maintenance	0.093
6	Local transports, loading and unloading	0.100
7	Advertisement and publicity @ 15% of sales	2.343
8	Insurance	0.008
9	Sales expenses @ 2% of sales	0.313
10	Miscellaneous expenses @ 2% of sales	0.313
11	Trade incentives @ 2% of sales	0.313
12	Taxes @ 4%	0.626
13	Total contingent expenses	4.334

f. Total working capital requirement per month

SI	Description	Rs. lakhs
1	Salaries and wages	1.150
2	Raw material and packaging material	7.371
3	Utilities	0.300
4	Contingent expenses	4.334
5	Total	13.155

14. Means of finance

SI	Description	Rs. lakhs
1	Total Project Cost	31.242
2	Equity	10.310
3	Debt	20.932
4	Working capital margin money	5.262

15. Financial analysis

SI	Description	Rs. lakhs
1	Total recurring cost per year	157.860
2	Depreciation on land and building	0.000
3	Depreciation on machinery and vehicle	1.080
4	Depreciation on furnaces	0.000
5	Depreciation on moulds and fixtures	0.020
6	Depreciation on office equipment	0.100
7	Interest on long term loan @ 13.5%	2.826
8	Interest on short term borrowings@ 13.5%	1.066
9	Total cost of production	162.952

16. Turnover per year

SI	Item	Qty	Rate/unit (Rs)	Total Rs. lakhs
1	Mixed Nut snacks	75000 kgs	250	187.50

17. Viability analysis

SI	Description	Value
1	Net profit before income tax (Rs. lakhs)	24.548
2	Net profit ratio	13.1%
3	Internal rate of return	24.6%
4	Break even percentage	48%
5	Debt service coverage ratio	1.988

List of machinery suppliers for mixed nut snacks

Machinery has to be fabricated locally as per specific requirements.