

PROJECT PROFILE

ON

PAPADS

Month & Year
Aug 2010

**PREPARED BY
TANSTIA-FNF SERVICE CENTRE
B-22, INDUSTRIAL ESTATE
CHENNAI-600032**

Supported by

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STIFTUNG **FÜR DIE FREIHEIT**

PAPADS

1. Introduction

Papads are commonly consumed commodity in every household. It forms a tasty side dish and can be used in any combination. It is popular with people of all ages and is consumed at meal times, tea times, as a pastime snack, or with alcoholic beverages. It can be toasted over a flame or fried before consumption.

2. Market

The major market outlets are the “ A” and “B” class stores. The product also finds placement in self service counters and departmental stores.

3. Packaging

Papads are packed in weights of 100 grams and multiples thereof, or in numbers of 50, 100 and 200 normally.

4. Production capacity

- The plant will be in operation for two shifts a day.
- The production capacity is estimated at 500 kilograms per day.
- The yield of papads will be 12.5 tonnes per month and that per annum would be 150 metric tonnes.
- The time period required for achieving full capacity utilization is one year.

5. Sales revenue

- With an ex-factory selling price at Rs. 200 per kilogram, the total sales realisation will be Rs. 300 lakhs.

6. Production process outline.

Black gram dhal (udad dhal) is first cleaned by passing through the destoner to remove stones. It is then ground fine in the hammer mill and then passed through a sieve to remove fibre and coarse material. The material passing through the sieve is collected, weighed and the desired quantities are taken to the kneading machine. Salt and spices and sodium-bicarbonate are added to the desired quantity and the ingredients mixed thoroughly. Water is added slowly and the dough formed. Vigorous kneading is necessary. The dough is rolled into lengths and cut into uniform pieces to be placed in the flattening machine. On

pressing the foot operated pedal, the dough is flattened to the desired thickness, shape and size. The excess dough is removed and recycled once again. The papads are dried in a current of cold air to a moisture content of 12%. Excessive drying is avoided to prevent brittleness and cracking. The papads are then packed by weight or numbers.

7. Quality specifications

- The product should appear yellowish brown in colour and not discoloured due to fungal growth.
- Mold and fungal growth should be absent.
- The product should be prepared under hygienic conditions and should be free from coliforms, salmonella, and streptococci species of bacteria.
- The maximum moisture content should be 13% in the product to prevent fungal growth.

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 area required is 2000 square feet as described below:

SI	Description	Sq. feet
1	Processing area	1000
2	Raw material store	300
3	Packing material store	100
4	Finished goods store	100
5	Laboratory	100
6	Machinery spares room	100
7	Office room	100
8	Toilet space	100
9	Miscellaneous space	100
10	Total	2000

Lease rentals – Rs. 8.00 per square foot

Total rent per month – Rs. 16000

Lease advance – Rs. 75000

11. Costing of machinery and equipment

SI	Description	Rs. lakhs
1	Destoner for cleaning pulses	0.600
2	Hammer mill with accessories – 100 kgs/hr	2.000
3	Sieve to remove excess fibre	0.350
4	Dough kneader SS – 25 kgs capacity – 2 nos	0.700
5	Rope former	1.500
6	Cutter and sizer	0.450
7	Total	5.600
8	Laboratory equipment	1.000
9	Grand total machinery and equipment	6.600

12. Project cost

SI	Description	Rs. lakhs
1	Land	On lease
2	Civil works	On lease
3	Plant machinery	5.600
4	Laboratory equipment	1.000
5	Transport vehicle (Tata Ace)	3.760
6	Pollution control equipment	0.000
7	Energy conservation equipment	0.000
8	Cost of power connection	0.350
9	Cost of electrification	0.650
10	Erection and commissioning	0.450
11	Cost of machinery spares	0.200
12	Cost of office equipment	1.000
13	Deposits if any	0.400
14	Company formation expenses	0.100
15	Gestation period expenses	0.500
16	Sales tax registration expenses	0.100
17	Initial advertisement and publicity	10.000
18	Contingencies	0.250
19	Working capital margin money	8.688
20	Total	33.048

13. Working capital requirements per month

a. Salaries and wages

SI	Description	No of persons	Total salary / month (Rs. lakhs)
1	Production Manager	1	0.400
2	Production supervisor cum chemist	1	0.250
3	Skilled workers	2	0.160
4	Unskilled workers	10	0.400
5	Packing workers	6	0.240
6	Administrative staff	2	0.500
7	Driver	1	0.075
8	Total	23	2.025

b. Raw material requirement per month

SI	Description	Qty (kgs)	Rate / kg (Rs)	Value (Rs. lakhs)
1	Black gram	12750	84.00	10.710
2	Salt	130	10.00	0.013
3	Jeera and pepper	130	240	0.312
4	Sodium bi carbonate	60	20.00	0.012
5	Total raw material	13070		11.047

c. Packaging material requirement per month

SI	Description	Qty	Rate / unit (Rs)	Value (Rs. lakhs)
1	Primary packaging material – poly propylene pouches	1,30,000 nos	0.50	0.650
2	Cartons and straps	1300 nos	40.00	0.520
3	Total			1.170

Total raw + packaging material = Rs. 12.217 lakhs

d. Utilities per month

SI	Description	Rs. lakhs
1	Power 750 kwh @ Rs. 5.50 per unit	0.041
2	Water	0.050
3	Boiler fuel	0.000
4	Total utilities	0.091

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.	0.050
4	Consumable stores	0.020
5	Repairs and maintenance	0.036
6	Local transports, loading and unloading	0.100
7	Advertisement and publicity @ 20% of sales	5.000
8	Insurance	0.010
9	Sales expenses @ 1% of sales	0.250
10	Miscellaneous expenses @ 1% of sales	0.250
11	Trade incentives @ 2% of sales	0.500
12	Taxes @ 4%	1.000
13	Total contingent expenses	7.386

f. Total working capital requirement per month

SI	Description	Rs. lakhs
1	Salaries and wages	2.025
2	Raw material and packaging material	12.217
3	Utilities	0.091
4	Contingent expenses	7.386
5	Total	21.719

14. Means of finance

SI	Description	Rs. lakhs
1	Total Project Cost	33.048
2	Equity	10.906
3	Debt	22.142

4	Working capital margin money	8.688
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15. Financial analysis

SI	Description	Rs. lakhs
1	Total recurring cost per year	260.628
2	Depreciation on land and building	0.000
3	Depreciation on machinery and vehicle	1.076
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%	2.989
8	Interest on short term borrowings@ 13.5%	1.759
9	Total cost of production	266.472

16. Turnover per year

SI	Item	Qty	Rate/unit (Rs)	Total Rs. lakhs
1	Papads	150,000 kgs	200	300

17. Viability analysis

SI	Description	Value
1	Net profit before income tax (Rs. lakhs)	33.528
2	Net profit ratio	11.2%
3	Internal rate of return	28.2%
4	Break even percentage	48%
5	Debt service coverage ratio	2.006

Papads

1. Raj Products and Equipment Private Limited, Mehta House, 397, S.V. Road, Vile Parle West, Mumbai. 400056.; Tel: 022 - 28162250; Fax: 022 -2 8162750
2. Om Engineering Works, 222, Sector 6, Panchkula, Haryana 134109; Tel: 0172 - 2578525; Fax: 0172 - 2585850.
3. Parbhat Manufacturing Company, B-23/4, Wazirpur Industrial Area, Delhi. 110052.; Tel: 011 - 27117041
4. Reliance Engineering Works, 4065 Sector 46-D, Chandigarh 160047.; Tel: 0172 - 605682; Fax: 0172 -2652781

5. Verma Brothers Engineering Industries, Near ESI Hospital, Industrial Area,
Rajpura 140401, Punjab.; Tel: 01762 -229308