

# **PROJECT PROFILE**

ON

SWEET SAUNF

Month & Year  
Aug 2010

**PREPARED BY  
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## SWEET SAUNF

### **1. Introduction**

Sweet saunf is fennel enrobed with sugar and flavours. The prominent flavours used are extracts of cardamom and mint. In North India, fennel is also enrobed with paan masala. The product has gained wide acceptance among households. It is also served during functions such as marriage, grihapravesha etc., after food.

### **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**

Sweet saunf is packed in laminated polyester-polythene pouches in packaging of 200 grams,

### **4. Production capacity**

- The plant will be in operation for one shift a day.
- The production capacity is estimated at 600 kilograms per day.
- The yield of Sweet Saunf will be 15 tonnes per month and that per annum would be 180 metric tonnes.
- The time period required for achieving full capacity utilisation is one year.

### **5. Sales revenue**

- With an ex-factory selling price at Rs. 10.00 per pack of 100 grams, or Rs. 100.00 per kilogram, the annual sales revenue on full capacity utilisation would yield Rs. 180.00 lakhs.

### **6. Production process outline.**

Saunf or fennel is cleaned to remove dust, chaff and other contaminant material. It is then coated with sugar syrup at 75 degrees brix containing the appropriate flavours. The fennel is dried in a tray drier and packed.

**7. Quality specifications**

- Only sugar, dextrose, invert sugar, liquid glucose, either singly or in combination can be used as sweetening agents.
- The product should be free from mold and fungal growth.
- It should be free from any fermented odour, coliforms, salmonella and streptococci bacteria.
- It shall not contain artificial flavours , colours and preservatives.

**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	800
2	Raw material store	200
3	Packing material store	200
4	Finished goods store	200
5	Laboratory	100
6	Machinery spares area	100
7	Office	100
8	Toilets	100
9	Miscellaneous space	200
<b>10</b>	<b>Total</b>	<b>2000</b>

Lease rent – Rs. 8.00 per square foot

Total rent per month – Rs. 16000

Lease advance – Rs. 100000

### 11. Costing of machinery and equipment

SI	Description	Rs. lakhs
1	Grading machine for cleaning saunf	0.500
2	Coating pan	1.500
3	Tray drier with 48 trays and 2 trolleys	2.500
4	Stainless steel vessels	0.250
5	Packing machine with volumetric doser	1.250
6	Working tools	0.100
7	Weighing scales	0.240
<b>8</b>	<b>Total</b>	<b>6.340</b>
9	Laboratory equipment	0.500
<b>10</b>	<b>Grand total machinery and equipment</b>	<b>6.840</b>

### 12. Project cost

SI	Description	Rs. lakhs
1	Land	On lease
2	Civil works	On lease
3	Plant machinery	6.340
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	0.250
9	Cost of electrification	0.350
10	Erection and commissioning	0.600
11	Cost of machinery spares	0.200
12	Cost of office equipment	1.000
13	Deposits if any	0.500
14	Company formation expenses	0.100
15	Gestation period expenses	0.500
16	Sales tax registration expenses	0.100
17	Initial advertisement and publicity	5.000
18	Contingencies	0.250
19	Working capital margin money	5.170
<b>20</b>	<b>Total</b>	<b>24.620</b>

**13. Working capital requirements per month**

**a. Salaries and wages**

SI	Description	No of persons	Total salary / month (Rs. lakhs)
1	Production Manager (female)	1	0.150
2	Production supervisor cum chemist	1	0.100
3	Skilled workers	1	0.060
4	Unskilled workers	3	0.120
5	Packing workers	2	0.080
6	Administrative staff	1	0.100
7	Driver	1	0.070
<b>8</b>	<b>Total</b>	<b>10</b>	<b>0.680</b>

**b. Raw material requirement per month**

SI	Description	Qty (kgs)	Rate / kg (Rs)	Value (Rs. lakhs)
1	Saunf	5050	80.00	4.040
2	Sugar	10100	24.00	2.424
3	Condiment extracts	100	2000	2.000
4	<b>Total raw material</b>	<b>15250</b>		<b>8.464</b>

**c. Packaging material requirement per month**

SI	Description	Qty	Rate / unit (Rs)	Value (Rs. lakhs)
1	Primary packaging material – laminated polyester – poly film	375 kgs	140	0.525
2	Cartons and straps	1500 nos	40	0.600
3	<b>Total</b>			<b>1.125</b>

**Total raw + packaging material = Rs. 9.589 lakhs**

**d. Utilities per month**

SI	Description	Rs. lakhs
1	Power 2400 kwh @ Rs. 5.50 per unit	0.132
2	Water	0.050
3	Boiler fuel	0.000

4	<b>Total utilities</b>	<b>0.182</b>
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**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	0.029
6	Local transports, loading and unloading	0.250
7	Advertisement and publicity @ 5% of sales	0.750
8	Insurance	0.005
9	Sales expenses @ 1% of sales	0.150
10	Miscellaneous expenses @ 1% of sales	0.150
11	Trade incentives @ 2% of sales	0.300
12	Taxes @ 4%	0.600
<b>13</b>	<b>Total contingent expenses</b>	<b>2.474</b>

**f. Total working capital requirement per month**

SI	Description	Rs. lakhs
1	Salaries and wages	0.680
2	Raw material and packaging material	9.589
3	Utilities	0.182
4	Contingent expenses	2.474
<b>5</b>	<b>Total</b>	<b>12.925</b>

**14. Means of finance**

SI	Description	Rs. lakhs
1	Total Project Cost	24.620
2	Equity	8.125
3	Debt	16.495
4	Working capital margin money	5.170

**15. Financial analysis**

SI	Description	Rs. lakhs
1	Total recurring cost per year	155.100
2	Depreciation on land and building	0.000
3	Depreciation on machinery	0.644
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%	2.227
8	Interest on short term borrowings@ 13.5%	1.047
<b>9</b>	<b>Total cost of production</b>	<b>159.138</b>

**16. Turnover per year**

SI	Item	Qty	Rate/unit (Rs)	Total Rs. lakhs
1	Sweet Saunf	180000 kgs	100	180

**17. Viability analysis**

SI	Description	Value
1	Net profit before income tax (Rs. lakhs)	20.862
2	Net profit ratio	11.6%
3	Internal rate of return	23.6%
4	Break even percentage	48%
5	Debt service coverage ratio	2.012

*List of machinery suppliers for sweet saunf*

No standard machinery is available. Machinery has to be fabricated to customers specifications locally.