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PROJECT REPORT

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PROJECT:

Urad Dal Papad _Making Unit (Small scale)

**PROJECT REPORT
OF
URAD DAL PAPAD MAKING UNIT
(SMALL SCALE)**

PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding Urad Dal Papad 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.]

1-CONNECT
UTTAR PRADESH MSME

COST OF PROJECT	
(in Lacs)	
PARTICULARS	Amount
Land & Building	Owned/Rented
Plant & Machinery	6.25
Furniture & Fixture	0.50
Miscellaneous Assets	2.00
Working capital Required	3.33
Total	12.08

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PROJECT AT GLANCE

- 1 **Name of Proprietor/Director** XXXXXXXX
- 2 **Firm Name** XXXXXXXX
- 3 **Registered Address** XXXXXXXX
- 4 **Nature of Activity** XXXXXXXX
- 5 **Category of Applicant** XXXXXXXX
- 6 **Location of Unit** XXXXXXXX
- 7 **Cost of Project** 12.08 Rs. In Lakhs
- 8 **Means of Finance**
 - i) **Own Contribution** 1.21 Rs. In Lakhs
 - ii) **Term Loan** 7.88 Rs. In Lakhs
 - iii) **Working Capital** 3.00 Rs. In Lakhs
- 9 **Debt Service Coverage Ratio** 3.18
- 10 **Break Even Point** 36%
- 11 **Power Requirement** 25 KW
- 12 **Employment** 8 Persons
- 13 **Details of Cost of Project & Means of Finance**

INTRODUCTION

URAD DAL PAPAD MAKING UNIT (SMALL SCALE)



A papadum is a seasoned dough made from peeled black gramme flour (urad flour) that is either fried or baked over an open flame with dry fire. Other flours, such as lentils, chickpeas, barley, tapioca, millet, and potato, may also be used. In India, Pakistan, Bangladesh, Nepal, and Sri Lanka, papadums are commonly eaten as a side dish or as an appetiser, often with a topping or dip such as chopped onions or carrots, chutneys, or other condiments. These are made of rice and are usually eaten as a snack or meal accompaniment in Pakistan. They have been a part of Indian subcontinent cuisine for centuries and are an important part of regular meals. Papad is a small Indian wafer that can also be referred to as a cracker or flat bread. Papad is made mainly from dried pulses and can be fried or roasted. There are a number of papad flavours available on the market, each customised to match the needs of the customer. For optimising both organoleptic and nutritional characteristics, the papad's basic composition differs from a variety of ingredients such as wheat flour, pulse flour, soya flour, spice mixes, chemical mixes, and various vegetable juices. It is necessary to prepare the dough for every papad before proceeding. To make the unique regional papad, the dough contains salt, peanut oil, and some flavours. One of the most important ingredients in making healthy papad is baking soda. After shaping the dough into a small, round flat loaf, it is dried (traditionally in the sun). Deep-frying, roasting over an open flame, toasting, and microwaving are all choices for cooking papad.

Papad is an important part of a meal in India. It is commonly served as a snack, chaat, or in combination with main course recipes. Papad is an indication of Indian cuisine's brilliance. North Indian papad and South Indian papad are the two forms of papad that occur today. Mini papads, big papads, roasted papads, khakra, and a variety of other sizes and textures are available.

In the food industry, the papad producing sector is very lucrative due to the low start-up capital investment. Papad is commonly served as an appetiser and is popular in most Asian countries, especially India. It's a wafer-like substance with a thin profile. The variety and proportion of pulses and spices varies from region to region, depending on local tastes, although some varieties are more widely consumed. Papad is a thin wafer-like snack food that is especially popular in countries in South and Southeast Asia.

2. MARKET POTENTIAL

The market potential for papad is very

high. Because in almost all the families, especially in Kerala, people use papad as side dish. Papad is a one of the important side dishes in the food culture of Kerala. And in South India also including religious rituals of Hindu and all other people consuming papad. Papad is a popular Indian side dish served with meals. Few people still drink it with tea. Papads are made from urad dal, potatoes, sugar, and other ingredients. Not only are papad bariyans consumed in homes, but they are also consumed in notches, pubs, and Dhabas, as well as by people who are going on picnics or eating meals. Breakfast is reported to be worth Rs 2.5 billion in India, and the demand contains cornflakes, muesli, biscuits, oatmeal, and porridge. The demand is expected to expand at a rate of up to 30% each year, and with modern retail offering new recipes for contemporary Indian and Western goods, a large wave of growth is expected. The snack food industry is expected to be worth between Rs 45 and Rs 50 billion. According to reports, the demand is rising at a rate of 7 to 8% each year. Traditional snacks (bhujia, chanachur, and the like), Western snacks (potato chips, cheese balls, and the like), and freshly developed finger snacks make up the arranged snacks group. According to projections, the demand for packaged snacks expanded at a compound annual growth rate of 14% in 2012, reaching a size of Rs 35 billion.

PRODUCT DESCRIPTION

3.1. PRODUCT USES

- Papad have been a part of Indian subcontinent cuisine for centuries and are an important part of regular meals. It is an important part of a meal in India.
- It is commonly served as a snack, chaat, or in combination with main course recipes.
- Papad is a one of the important side dishes in the food culture of Kerala. Almost all the families in Kerala use papad as a side dish.

3.2. RAW MATERIAL REQUIREMENT

Major raw materials are mentioned below:

- Urad Dal Flour
- Salt
- Edible oil
- Mix Spices (Chili, Cumin, Garlic, Black pepper)
- Baking Soda

3.3. MANUFACTURING PROCESS

- **Raw Material Procurement:** Raw materials should be received & stored in hygienic condition. The quality of the raw material should be checked carefully.
 - Papad can be manufactured from different varieties of pulses flours or there could be a combination of pulses flours as well.
 - Adequate quantity of water is added in flour of Urad dal, common salt, spices and sodium bicarbonate and homogenous mixing is done to obtain dough.
 - After about 30 minutes, small balls weighing around 7-8 grams of dough are made. These balls are then placed in papad making machine or papad press wherein these balls are pressed and circular papads are made as per the size of mould.
 - These papads are then sun-dried but in this note drier with trolley is recommended as sun-drying may not be always feasible for industries.
 - Packaging in polythene bags.
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Procurement of Raw Material



Grinding & Mixing



Kneading



Papad Making



Drying



Packaging

PROJECT COMPONENTS

S.No.	Description
1	Pulverizer

2	Dough Kneading Machine
3	Papad Making Machine
4	Tray Drier
5	Packaging Machine
6	Material handling and other equipment's (Bins, trolley, weighing machine, etc.)

4.1 Plant & Machinery

4.2 MISCELLANEOUS FIXED ASSETS

- Water Supply Arrangements
 - Furniture & Fixtures
 - Computers & Printers
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<u>PROJECTED PROFITABILITY STATEMENT</u>						(in Lacs)
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year	
Capacity Utilisation %	45%	50%	55%	60%	65%	
<u>SALES</u>						
Gross Sale						
Urad Dal Papad	51.30	62.69	72.60	83.17	94.79	
Total	51.30	62.69	72.60	83.17	94.79	
<u>COST OF SALES</u>						
Raw Material Consumed	31.05	36.23	41.84	47.93	54.52	
Electricity Expenses	2.16	2.64	2.90	3.17	3.43	
Depreciation	1.29	1.10	0.93	0.80	0.68	
Wages & labour	7.68	8.45	9.29	10.22	11.24	
Repair & maintenance	1.03	1.57	1.81	2.08	2.37	
Consumables	0.77	0.94	1.09	1.25	1.42	
Packaging	0.51	0.63	0.73	0.83	0.95	
Cost of Production	44.49	51.54	58.60	66.27	74.61	
Add: Opening Stock	-	2.22	2.58	2.93	3.31	
Less: Closing Stock	2.22	2.58	2.93	3.31	3.73	
Cost of Sales	42.26	51.19	58.25	65.89	74.19	
GROSS PROFIT	9.04	11.49	14.35	17.28	20.60	
Gross Profit Ratio	17.62%	18.34%	19.77%	20.78%	21.73%	
Salary to Staff	3.12	3.59	4.13	4.95	5.69	
Interest on Term Loan	0.77	0.68	0.49	0.30	0.10	
Interest on working Capital	0.33	0.33	0.33	0.33	0.33	
Rent	2.40	2.64	2.90	3.19	3.51	
Selling & Administrative Exp.	0.26	0.94	1.45	1.66	1.90	
TOTAL	6.88	8.18	9.30	10.44	11.54	
NET PROFIT	2.16	3.31	5.05	6.85	9.06	
Taxation	-	0.04	0.13	0.31	0.61	
PROFIT (After Tax)	2.16	3.27	4.92	6.54	8.45	
Net Profit Ratio	4.21%	5.22%	6.78%	7.86%	8.92%	

<u>PROJECTED BALANCE SHEET</u>						(in Lacs)
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year	
<u>Liabilities</u>						
Capital					7.35	
Opening balance						
<i>Add: - Own Capital</i>		2.62	3.89	5.31		
<i>Add: - Retained Profit</i>	1.21				8.45	
	2.16	3.27	4.92	6.54		
	0.75	2.00	3.50	4.50	6.50	

Less: - Drawings	2.62	3.89	5.31	7.35	
					9.30
Closing Balance	7.00	5.25	3.50	1.75	-
Term Loan	3.00	3.00	3.00	3.00	
Working Capital Limit	1.04	1.21	1.39	1.60	3.00
Sundry Creditors	0.40	0.48	0.58	0.69	
Provisions & Other Liability					1.82
					0.83
TOTAL:	14.05	13.83	13.78	14.39	14.95
<u>Assets</u>					
Fixed Assets (Gross)					8.75
Gross Dep.					
Net Fixed Assets	8.75	8.75	8.75	8.75	4.79
	1.29	2.38	3.32	4.12	
Current Assets	7.46	6.37	5.43	4.63	3.96
Sundry Debtors					
Stock in Hand	1.71	2.09	2.42	2.77	
Cash and Bank	2.95	3.42	3.91	4.43	3.16
	1.93	1.95	2.02	2.55	5.00
					2.83
TOTAL:	14.05	13.83	13.78	14.39	14.95

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<u>PROJECTED CASH FLOW STATEMENT</u>						(in Lacs)
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year	
<u>SOURCES OF FUND</u>						
Own Margin	1.21					
Net Profit	2.16					
Depreciation & Exp. W/off	1.29	3.31	5.05	6.85	9.06	
Increase in Cash Credit	3.00	1.10	0.93	0.80	0.68	
Increase In Term Loan	7.88	-	-	-	-	
Increase in Creditors	1.04	-	-	-	-	
Increase in Provisions & Oth liabilities	0.40	0.17	0.19	0.20	0.22	
	-	0.08	0.10	0.12	0.14	
TOTAL:	16.96	4.66	6.27	7.96	1	0.10

<u>APPLICATION OF FUND</u>					
Increase in Fixed Assets	8.75				
Increase in Stock	2.95	0.47	0.48	0.53	0.57
Increase in Debtors	1.71	0.38	0.33	0.35	0.39
Repayment of Term Loan	0.88	1.75	1.75	1.75	1.75
Drawings	0.75	2.00	3.50	4.50	6.50
Taxation	-	0.04	0.13	0.31	0.61
TOTAL:	15.03	4.64	6.19	7.44	9.82
Opening Cash & Bank Balance	-	1.93	1	.95	2.55
Add : Surplus	1.93	0.02	0.07	0.53	0.28
Closing Cash & Bank Balance	1.93	1.95	2	.02	2.83

<u>CALCULATION OF D.S.C.R.</u>					
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
CASH ACCRUALS	3.45	4.37	5.85	7.34	9.13
Interest on Term Loan	0.77	0.68	0.49	0.30	0.10
Total	4.22	5.05	6.34	7.63	9.24
<u>REPAYMENT</u>					
Instalment of Term Loan	0.88	1.75	1.75	1.75	1.75
Interest on Term Loan	0.77	0.68	0.49	0.30	0.10
Total	1.65	2.43	2.24	2.05	1.85
DEBT SERVICE COVERAGE RATIO	2.56	2.08	2.83	3.73	4.98
AVERAGE D.S.C.R.	3.18				

REPAYMENT SCHEDULE OF TERM LOAN

Interest 11.00%

Year	Particulars	Amount	Addition	Total	Interest	Repayment	Closing Balance
1st	Opening Balance						
	1st month	-	7.88	7.88	-	-	7.88
	2nd month	7.88	-	7.88	0.07	-	7.88
	3rd month	7.88	-	7.88	0.07	-	7.88
	4th month	7.88	-	7.88	0.07		7.88
	5th month	7.88	-	7.88	0.07		7.88
	6th month	7.88	-	7.88	0.07		7.88
	7th month	7.88	-	7.88	0.07	0.15	7.73
	8th month	7.73	-	7.73	0.07	0.15	7.58
	9th month	7.58	-	7.58	0.07	0.15	7.44
	10th month	7.44	-	7.44	0.07	0.15	7.29
	11th month	7.29	-	7.29	0.07	0.15	7.15
	12th month	7.15	-	7.15	0.07	0.15	7.00
					0.77	0.88	
2nd	Opening Balance						
	1st month	7.00	-	7.00	0.06	0.15	6.85
	2nd month	6.85	-	6.85	0.06	0.15	6.71
	3rd month	6.71	-	6.71	0.06	0.15	6.56
	4th month	6.56	-	6.56	0.06	0.15	6.42
	5th month	6.42	-	6.42	0.06	0.15	6.27
	6th month	6.27	-	6.27	0.06	0.15	6.13
	7th month	6.13	-	6.13	0.06	0.15	5.98
	8th month	5.98	-	5.98	0.05	0.15	5.83

9th month	5.83	-	5.83	0.05	0.15	5.69
10th month	5.69	-	5.69	0.05	0.15	5.54
11th month	5.54	-	5.54	0.05	0.15	5.40
12th month	5.40	-	5.40	0.05	0.15	5.25
				0.68	1.75	
3rd Opening Balance						
1st month	5.25	-	5.25	0.05	0.15	5.10
2nd month	5.10	-	5.10	0.05	0.15	4.96
3rd month	4.96	-	4.96	0.05	0.15	4.81
4th month	4.81	-	4.81	0.04	0.15	4.67
5th month	4.67	-	4.67	0.04	0.15	4.52
6th month	4.52	-	4.52	0.04	0.15	4.38
7th month	4.38	-	4.38	0.04	0.15	4.23
8th month	4.23	-	4.23	0.04	0.15	4.08
9th month	4.08	-	4.08	0.04	0.15	3.94
10th month	3.94	-	3.94	0.04	0.15	3.79
11th month	3.79	-	3.79	0.03	0.15	3.65
12th month	3.65	-	3.65	0.03	0.15	3.50
				0.49	1.75	
4th Opening Balance						
1st month	3.50	-	3.50	0.03	0.15	3.35
2nd month	3.35	-	3.35	0.03	0.15	3.21
3rd month	3.21	-	3.21	0.03	0.15	3.06
4th month	3.06	-	3.06	0.03	0.15	2.92
5th month	2.92	-	2.92	0.03	0.15	2.77

6th month	2.77	-	2.77	0.03	0.15	2.63
7th month	2.63	-	2.63	0.02	0.15	2.48
8th month	2.48	-	2.48	0.02	0.15	2.33
9th month	2.33	-	2.33	0.02	0.15	2.19
10th month	2.19	-	2.19	0.02	0.15	2.04
11th month	2.04	-	2.04	0.02	0.15	1.90
12th month	1.90	-	1.90	0.02	0.15	1.75
				0.30	1.75	
5th Opening Balance						
1st month	1.75	-	1.75	0.02	0.15	1.60
2nd month	1.60	-	1.60	0.01	0.15	1.46
3rd month	1.46	-	1.46	0.01	0.15	1.31
4th month	1.31	-	1.31	0.01	0.15	1.17
5th month	1.17	-	1.17	0.01	0.15	1.02
6th month	1.02	-	1.02	0.01	0.15	0.88
7th month	0.88	-	0.88	0.01	0.15	0.73
8th month	0.73	-	0.73	0.01	0.15	0.58
9th month	0.58	-	0.58	0.01	0.15	0.44
10th month	0.44	-	0.44	0.00	0.15	0.29
11th month	0.29	-	0.29	0.00	0.15	0.15
12th month	0.15	-	0.15	0.00	0.15	-

			0.10	1.75
DOOR TO DOOR	60	MONTHS		
MORATORIUM PERIOD	6	MONTHS		
REPAYMENT PERIOD	54	MONTHS		

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