

UP MSME 1-Connect

PROJECT REPORT

PROJECT: KURKURE MAKING

PROJECT REPORT

Of

KURKURE MAKING

PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding **Kurkure Making 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.

KURKURE MAKING



INTRODUCTION

Kurkure is a brand of corn puffs, the product launched in 1999 and since then transformed the way of Indian snacks. Named after the Hindi word for “crunchy”. The snack comes in many flavours. This snack was developed entirely in India.

This imperfect shaped snack gives the perfect taste to the consumers.

Ingredients

Kurkure is made from corn meal, rice meal, edible vegetable oil (palm oil), gram meal, spices, condiments, salt, sugar, tartaric, milk solids.

Also, it contains flavour (natural and nature identical flavouring substances).

Flavours

In India Kurkure is available in the following flavours

- Masala Munch
- Green Chutney
- Chilli Chatka
- Malabar Masala Style
- Masala Twists (Solid Masti)
- Desi Beats

- Naughty Tomato
- Puffcorn (Yummy Cheese)
- Monster Paws
- Hyderabad Hungama
- Lemon pickle
- Zig Zag
- Puff Corn
- Corn Cups
- Solid Masti
- Butter Masti
- Kurkure triangles
- Multigrain

Besides these flavours Kurkure is also made in other varieties of flavours in various occasions like in Puja, Diwali etc.

Description of Kurkure Making Machine

Kurkure Making Machines are used to produce Kurkure from the corn flour. With the help of this machine the work of Mixing, Grinding, heating and packaging completes in a very short span. An extra remote for handling the device is attached in the machine, so that one can control its speed while operating the machine.

Feature of Kurkure making machine:

- Continues cooking food extruder.
- The main structure is made by mild steel tube frame with feeding screw.
- Screw and barrels are made of alloy steel.
- All standard fitting

Kurkure Current Market Analysis

Kurkure price starts from Rs 5 per packet- which is the lowest entry price point-accounts for a majority of sales for its wider accessibility among consumers and retailers specially in urban market due to increased spending by the consumer on snacks.

In today's competitive market Kurkure are sold by many participants which are Haldiram Foods, Balaji wafers, ITC, Parle etc. Domestic market of Kurkure is also increasing rapidly.

Kurkure Making Manufacturing Process

The extrusion process is the base for Kurkure production process. The fully automatic production process begins with the procurement of raw material: Cornmeal, spice mix masala seasonings. The procurement of raw material depends on the quality parameters set by the producer.

Production begins by blending meal i.e. corn with an addition of water.

Machinery & Equipment's required:

Cost of Kurkure Making Machine – 3,50,000 + GST

Input of machine 25-28 Kg/perHour depends upon material & filter.

Land & Building required:

Land required 250-300 Square Feet (approx.)

Approximate rent for the same is 5000-6000 per Month.

Labour Requirement:

3-4 Manpower are required for the Kurkure Making process.

Includes:

1-2 skilled Labour

2 Unskilled Labour

Break Even Point:

Break-even point of the machine = 2,28,317 Packets

Company should operate at minimum 13% of Production capacity to cover its costs (variable + Fixed)

Raw Material Requirement of Kurkure Making Machine

Corn is required as raw material for the production of Kurkure.

Corn(cost per KG) =Rs.60-70

Kurkure Business license & registration

For proprietor

- Obtain the GST registration.
- Fire/ Pollution Registration as required.
- Choice of a Brand Name of the product and secure the name with Trademark if required.

Implementation Schedule

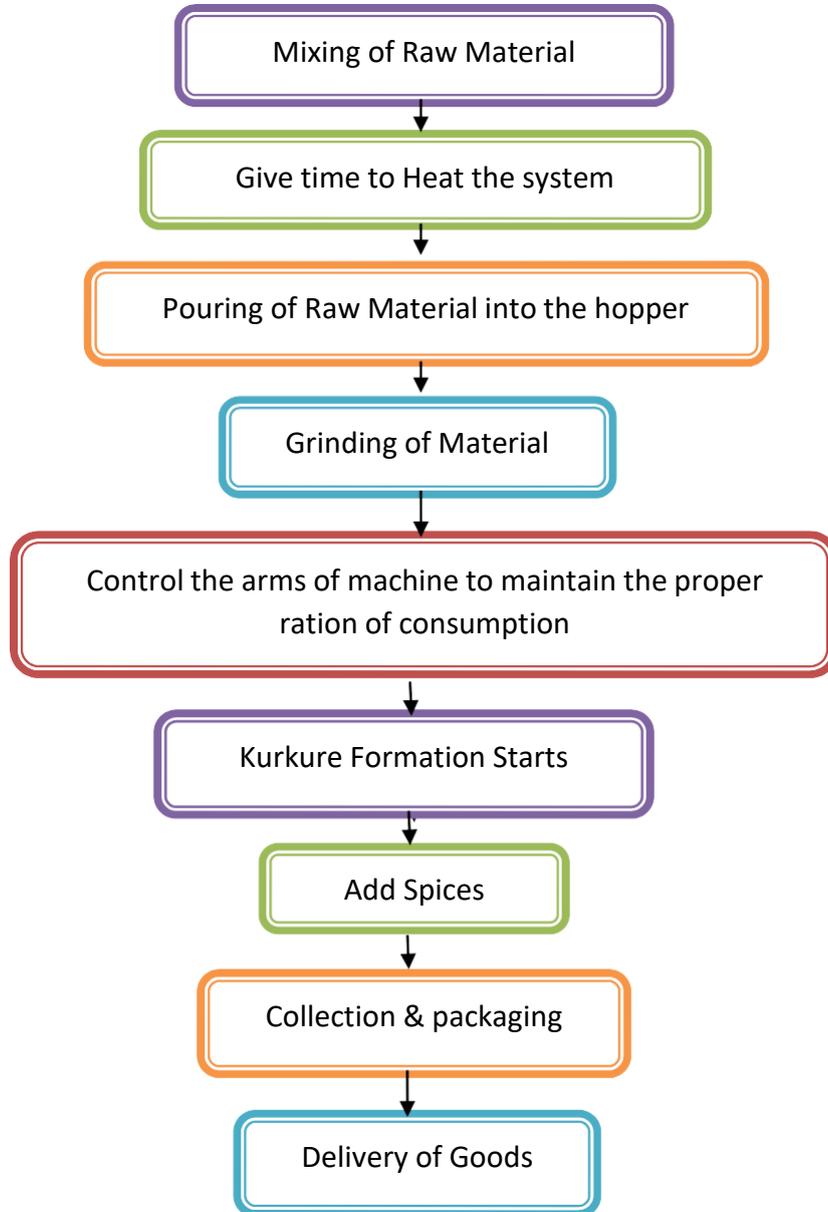
S.N.	Activity	Time Required (in Months)
1	Acquisition Of premises	1
2	Construction (if Applicable)	1- 2 Months
3	Procurement & installation of Plant & Machinery	1
4	Arrangement of Finance	1
5	Requirement of required Manpower	1
	Total time Required (some activities shall run concurrently)	3 - 4 Months

Conclusion:

After completion of manufacturing process, product is ready to sell in the market. Kurkure & puffs are lite in weight & tastes good for the snacks. This machine can be installed with low investment & one can earn a good Margin of profit by doing this business.

Technical Process Flow Chart

Kurkure Making Machine Process



PROJECT AT GLANCE

Term Loan of Rs. 3.56 Lacs and Working Capital limit of Rs. 2.00 Lacs

<u>COST OF PROJECT</u>	PARTICULARS	AMOUNT	AMOUNT	AMOUNT
	Land			
	Building Civil Work			
	Plant & Machinery	4.25	1.06	3.19
	Furniture & Fixtures and Other Assets	0.50	0.13	0.38
	Margin for Working Capital	2.67	0.67	2.00
	Total	7.42	1.86	5.56

<u>MEANS OF FINANCE</u>	PARTICULARS	AMOUNT
	Own Contribution	1.86
	Bank Loan	3.56
	Working capital limit	2.00
	Total	7.42

COMPUTATION OF PRODUCTION OF KURKURE

Items to be Manufactured

Packet weight 20gm

Manufacturing Capacity (INPUT)	25	kg Per hour
wastage	40%	of input
Output	15	kg per hour
ouput per day	120	
output per annum	36,000	
total raw material required per annum	60,000	kg
packets per kg	30	
total packets per annum	1,800,000	packets

Year	Capacity Utilisation	Qty
1st year	30%	18,000
2nd year	35%	21,000
3rd year	40%	24,000
4th year	45%	27,000
5th year	48%	28,800
6th year	50%	30,000

CALULATION OF CONSUMPTION OF RAW MATERIAL

Item Name	At Capacity	Quantity of Raw Material
Raw Material	100%	60,000

Raw Material Consumed	Capacity Utilisation	Rate per Kg	Amount (Rs. in lacs)
1st year	30%	65.00	11.70
2nd year	35%	66.95	14.06
3rd year	40%	68.96	16.55
4th year	45%	71.03	19.18
5th year	48%	73.16	21.07
6th year	50%	75.35	22.61

COMPUTATION OF SALE

Particulars	1st year	2nd year	3rd year	4th year	5th year	6th year
packets per annum	540,000	630,000	720,000	810,000	864,000	900,000
Op Stock	-	27,000	25,200	28,800	32,400	34,560
Production	540,000	630,000	720,000	810,000	864,000	900,000
Less : Closing Stock	27,000	25,200	28,800	32,400	34,560	36,000
Net Sale	513,000	631,800	716,400	806,400	861,840	898,560
Sale Price Per packet	5.00	5.15	5.30	5.46	5.63	5.80
Sale (in Lacs)	25.65	32.54	38.00	44.06	48.50	52.08

BREAK UP OF LABOUR CHARGES

Particulars	Wages Per Month	No of Employees	Total Salary
<u>skilled</u>	18,000.00	1	18,000.00
unskilled	12,000.00	2	24,000.00
Total Salary Per Month			42,000.00
Total Annual Labour Charges	(in Lacs)		5.04

BREAK UP OF SALARY

Particulars	Salary Per Month	No of Employees	Total Salary
Accountant	12,000.00	1	12,000.00
Other helper	7,000.00	1	7,000.00
Total Salary Per Month			19,000.00
Total Annual Salary	(in Lacs)		2.28

PROJECTED PROFITABILITY STATEMENT

PARTICULARS	1st year	2nd year	3rd year	4th year	5th year	6th year
Capacity Utilisation %	30%	35%	40%	45%	48%	50%
<u>SALES</u>						
Gross Sale	25.65	32.54	38.00	44.06	48.50	52.08
Total	25.65	32.54	38.00	44.06	48.50	52.08
COST OF SALES						
Raw Mateiral Consumed	11.70	14.06	16.55	19.18	21.07	22.61
Elecricity Expenses	0.50	0.55	0.61	0.67	0.74	0.81
Repair & Maintenance	0.72	0.76	0.79	0.83	0.88	0.92
Labour & Wages	5.04	5.54	6.10	7.01	7.71	7.71
Depriciation	0.69	0.59	0.50	0.43	0.37	0.31
Consumables & others	1.80	2.28	2.66	3.08	3.40	3.65
Cost of Production	20.45	23.78	27.21	31.21	34.16	36.01
Add: Opening Stock /WIP	-	1.02	0.95	1.09	1.25	1.37
Less: Closing Stock /WIP	1.02	0.95	1.09	1.25	1.37	1.44
Cost of Sales	19.42	23.85	27.08	31.05	34.04	35.94
GROSS PROFIT	6.23	8.69	10.93	13.01	14.46	16.15
Gross Profit %	24%	27%	29%	30%	30%	31%
Salary to Staff	2.28	2.51	2.76	3.03	3.34	3.67
Interest on Term Loan	0.35	0.27	0.13	0.02	-	-
Interest on working Capital	0.22	0.22	0.22	0.22	0.22	0.22
Rent	0.60	0.66	0.73	0.80	0.88	0.97
Selling & Adm Expenses Exp.	1.28	2.51	3.80	5.29	5.92	6.67
TOTAL	4.73	6.16	7.64	9.36	10.35	11.53
NET PROFIT	1.50	2.53	3.29	3.65	4.11	4.62
Taxation	-	-	-	-	-	-
PROFIT (After Tax)	1.50	2.53	3.29	3.65	4.11	4.62

PROJECTED BALANCE SHEET

PARTICULARS	1st year	2nd year	3rd year	4th year	5th year	6th year
<u>Liabilities</u>						
capital						
opening balance		2.36	3.39	4.93	6.58	6.69
<i>Add:-Addition</i>	1.86					
Add:-Retained Profit	1.50	2.53	3.29	3.65	4.11	4.62
Less:- Drawings	1.00	1.50	1.75	2.00	4.00	5.00
Closing Balnace	2.36	3.39	4.93	6.58	6.69	6.31
Term Loan	2.96	1.76	0.56	-	-	-
Working Capital	2.00	2.00	2.00	2.00	2.00	2.00
Sundry Creditors	0.20	0.23	0.28	0.32	0.35	0.38
Provisions & Other Liab	0.50	0.80	1.15	1.27	1.39	1.53
TOTAL :	8.01	8.18	8.91	10.16	10.43	10.22
<u>Assets</u>						
Fixed Assets (Gross)						
Gross Dep.	0.69	1.27	1.77	2.20	2.57	2.88
Net Fixed Assets	4.06	3.47	2.97	2.55	2.18	1.87
Current Assets						
Sundry Debtors	1.28	1.52	1.90	2.20	2.43	2.60
Stock in Hand	1.61	1.65	1.92	2.21	2.42	2.57
Cash and Bank	1.06	1.54	2.12	3.21	3.41	3.18
TOTAL :	8.01	8.18	8.91	10.17	10.43	10.22

PROJECTED CASH FLOW STATEMENT

PARTICULARS	1st year	2nd year	3rd year	4th year	5th year	6th year
<u>SOURCES OF FUND</u>						
Own Margin	1.86	-	-	-	-	-
Net Profit	1.50	2.53	3.29	3.65	4.11	4.62
Depriciation & Exp. W/off	0.69	0.59	0.50	0.43	0.37	0.31
Increase in Cash Credit	2.00	-	-	-	-	-
Increase In Term Loan	3.56	-	-	-	-	-
Increase in Creditors	0.20	0.04	0.04	0.04	0.03	0.03
Increase in Provisions & Oth lib	0.50	0.30	0.35	0.12	0.13	0.14
TOTAL :	10.30	3.46	4.18	4.24	4.63	5.10
<u>APPLICATION OF FUND</u>						
Increase in Fixed Assets	4.75					
Increase in Stock	1.61	0.05	0.26	0.29	0.21	0.15
Increase in Debtors	1.28	0.24	0.38	0.30	0.22	0.18
Repayment of Term Loan	0.60	1.20	1.20	0.56	-	-
Drawings	1.00	1.50	1.75	2.00	4.00	5.00
Taxation	-	-	-	-	-	-
TOTAL :	9.24	2.98	3.59	3.15	4.43	5.33
Opening Cash & Bank Balance	-	1.06	1.54	2.12	3.21	3.41
Add : Surplus	1.06	0.47	0.59	1.09	0.20	0.23
Closing Cash & Bank Balance	1.06	1.54	2.12	3.21	3.41	3.18

2nd Method		
PARTICULARS	1st year	2nd year
Total Current Assets	3.95	4.71
Other Current Liabilities	0.70	1.03
Working Capital Gap	3.26	3.68
Min Working Capital		
25% of WCG	0.81	0.92
Actual NWC	1.26	1.68
item III - IV	2.44	2.76
item III - V	2.00	2.00
MPBF (Lower of VI & VII)	2.00	2.00

3rd Method		
PARTICULARS	1st year	2nd year
Total Current Assets	3.95	4.71
Other Current Liabilities	0.70	1.03
Working Capital Gap	3.26	3.68
Min Working Capital		
25% of Current Assets	0.99	1.18
Actual NWC	1.26	1.68
item III - IV	2.27	2.50
item III - V	2.00	2.00
MPBF (Lower of VI & VII)	2.00	2.00

COMPUTATION OF DEPRECIATION

Description	Plant & Machinery	Furniture	TOTAL
Rate of Depreciation	15.00%	10.00%	
Opening Balance	-	-	-
Addition	4.25	0.50	4.75
Total	4.25	0.50	4.75
Less : Depreciation	0.64	0.05	0.69
WDV at end of Year	3.61	0.45	4.06
Additions During The Year	-	-	-
Total	3.61	0.45	4.06
Less : Depreciation	0.54	0.05	0.59
WDV at end of Year	3.07	0.41	3.47
Additions During The Year	-	-	-
Total	3.07	0.41	3.47
Less : Depreciation	0.46	0.04	0.50
WDV at end of Year	2.61	0.36	2.97
Additions During The Year	-	-	-
Total	2.61	0.36	2.97
Less : Depreciation	0.39	0.04	0.43
WDV at end of Year	2.22	0.33	2.55
Additions During The Year	-	-	-
Total	2.22	0.33	2.55
Less : Depreciation	0.33	0.03	0.37
WDV at end of Year	1.88	0.30	2.18
Additions During The Year	-	-	-
Total	1.88	0.30	2.18
Less : Depreciation	0.28	0.03	0.31
WDV at end of Year	1.60	0.27	1.87
Less : Depreciation	0.24	0.03	0.27
WDV at end of Year	1.36	0.24	1.60
Less : Depreciation	0.20	0.02	0.23
WDV at end of Year	1.16	0.22	1.37

REPAYMENT SCHEDULE OF TERM LOAN

Intt. 11.00%

Year	Particulars	Amount	Addition	Total	Interest	Repayment	CI Balance
1st	Opening Balance						
	Apr-19	-	3.56	3.56	-	-	3.56
	May-19	3.56	-	3.56	0.03	-	3.56
	Jun-19	3.56	-	3.56	0.03	-	3.56
	Jul-19	3.56	-	3.56	0.03	-	3.56
	Aug-19	3.56	-	3.56	0.03	-	3.56
	Sep-19	3.56	-	3.56	0.03	-	3.56
	Oct-19	3.56	-	3.56	0.03	0.10	3.46
	Nov-19	3.46	-	3.46	0.03	0.10	3.36
	Dec-19	3.36	-	3.36	0.03	0.10	3.26
	Jan-20	3.26	-	3.26	0.03	0.10	3.16
	Feb-20	3.16	-	3.16	0.03	0.10	3.06
	Mar-20	3.06	-	3.06	0.03	0.10	2.96
					0.35	0.60	
2nd	Opening Balance						
	Apr-20	2.96	-	2.96	0.03	0.10	2.86
	May-20	2.86	-	2.86	0.03	0.10	2.76
	Jun-20	2.76	-	2.76	0.03	0.10	2.66
	Jul-20	2.66	-	2.66	0.02	0.10	2.56
	Aug-20	2.56	-	2.56	0.02	0.10	2.46
	Sep-20	2.46	-	2.46	0.02	0.10	2.36
	Oct-20	2.36	-	2.36	0.02	0.10	2.26
	Nov-20	2.26	-	2.26	0.02	0.10	2.16
	Dec-20	2.16	-	2.16	0.02	0.10	2.06
	Jan-21	2.06	-	2.06	0.02	0.10	1.96
	Feb-21	1.96	-	1.96	0.02	0.10	1.86
	Mar-21	1.86	-	1.86	0.02	0.10	1.76
					0.27	1.20	
3rd	Opening Balance						
	Apr-21	1.76	-	1.76	0.02	0.10	1.66
	May-21	1.66	-	1.66	0.02	0.10	1.56
	Jun-21	1.56	-	1.56	0.01	0.10	1.46
	Jul-21	1.46	-	1.46	0.01	0.10	1.36
	Aug-21	1.36	-	1.36	0.01	0.10	1.26
	Sep-21	1.26	-	1.26	0.01	0.10	1.16
	Oct-21	1.16	-	1.16	0.01	0.10	1.06
	Nov-21	1.06	-	1.06	0.01	0.10	0.96
	Dec-21	0.96	-	0.96	0.01	0.10	0.86
	Jan-22	0.86	-	0.86	0.01	0.10	0.76
	Feb-22	0.76	-	0.76	0.01	0.10	0.66
	Mar-22	0.66	-	0.66	0.01	0.10	0.56
					0.13	1.20	
4th	Opening Balance						

Apr-22	0.56	-	0.56	0.01	0.10	0.46
May-22	0.46	-	0.46	0.00	0.10	0.36
Jun-22	0.36	-	0.36	0.00	0.10	0.26
Jul-22	0.26	-	0.26	0.00	0.10	0.16
Aug-22	0.16	-	0.16	0.00	0.10	0.06
Sep-22	0.06	-	0.06	0.00	0.06	0.00
				0.02	0.56	
DOOR TO DOOR MORATORIUM PERIOD	42	MONTHS				
REPAYMENT PERIOD	6	MONTHS				
	36	MONTHS				

CALCULATION OF D.S.C.R

PARTICULARS	1st year	2nd year	3rd year	4th year
CASH ACCRUALS	2.19	3.12	3.79	4.08
Interest on Term Loan	0.35	0.27	0.13	0.02
Total	2.53	3.38	3.92	4.10
REPAYMENT				
Instalment of Term Loan	0.60	1.20	1.20	0.56
Interest on Term Loan	0.35	0.27	0.13	0.02
Total	0.95	1.47	1.33	0.58
DEBT SERVICE COVERAGE RATIO	2.68	2.31	2.94	7.10
AVERAGE D.S.C.R.			3.76	

BREAK EVEN POINT ANALYSIS

Year	I	II	III	IV	V	VI
Net Sales & Other Income	25.65	32.54	38.00	44.06	48.50	52.08
Less : Opening Stock	0.00	1.02	0.95	1.09	1.25	1.37
Add : Closing Stock	1.02	0.95	1.09	1.25	1.37	1.44
Total Sales	26.67	32.47	38.14	44.22	48.62	52.15
Variable & Semi Variable Exp.						
Raw Material Consumed	11.70	14.06	16.55	19.18	21.07	22.61
Electricity Exp/Coal Consumption at 85%	0.43	0.47	0.52	0.57	0.63	0.69
Repair & Maintenance	0.72	0.76	0.79	0.83	0.88	0.92
Wages	5.04	5.54	6.10	7.01	7.71	7.71
Consumables	1.80	2.28	2.66	3.08	3.40	3.65
Interest on Working Capital	0.22	0.22	0.22	0.22	0.22	0.22
Selling & administrative Expenses 80%	1.02	2.01	3.04	4.23	4.74	5.34
Total Variable & Semi Variable Exp	20.93	25.34	29.88	35.12	38.65	41.13
Contribution	5.74	7.13	8.26	9.10	9.98	11.02
Fixed & Semi Fixed Expenses						
Rent	0.6	0.66	0.73	0.8	0.88	0.97
Electricity Exp/Coal Consumption at 15%	0.08	0.08	0.09	0.10	0.11	0.12
Salary	2.28	2.51	2.76	3.03	3.34	3.67
Depreciation	0.69	0.59	0.50	0.43	0.37	0.31
Interest on Term Loan	0.35	0.27	0.13	0.02	0.00	0.00
Selling & administrative Expenses 20%	0.27	0.50	0.76	1.06	1.18	1.33
Total Fixed Expenses	4.26	4.61	4.97	5.44	5.89	6.41
Capacity Utilization	30%	35%	40%	45%	48%	50%
OPERATING PROFIT	1.48	2.52	3.29	3.66	4.09	4.61
BREAK EVEN POINT	22%	23%	24%	27%	28%	29%
BREAK EVEN SALES	19.79	21.00	22.95	26.43	28.68	30.33

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