



MODEL PROJECT REPORT



PROJECT REPORT ON CHIKKI

SWAVALAMBI BHARAT ABHIYAN

PROJECT AT A GLANCE

- 1 Name of the Entrepreneur : xxxxxxxx
- 2 Constitution (legal Status) : xxxxxxxx
- 3 Father / Spouse Name : xxxxxxxx
- 4 Unit Address : xxxxxxxxxxxxxxxxxxxxxxxx
- 5 Product and By Product : CHIKKI
- 6 Name of the project / business activity proposed : CHIKKI MAKING UNIT
- 7 Cost of Project : Rs.24.56 Lakhs
- 8 Means of Finance :
 - Term Loan Rs.17.1 Lakhs
 - Own Capital Rs.2.46 Lakhs
 - Working Capital Rs.5 Lakhs
- 9 Debt Service Coverage Ratio : 2.68
- 10 Pay Back Period : 5 Years
- 11 Project Implementation Period : 5-6 Months
- 12 Break Even Point : 24%
- 13 Employment : 10 Persons
- 14 Power Requirement : 30.00 HP
- 15 Major Raw materials : Sugar,Roasred blanched peanuts, Jaggery,Liquid Glucose, Packing material
- 16 Estimated Annual Sales Turnover (Max Capacity) : 161.78 Lakhs
- 17 Detailed Cost of Project & Means of Finance

COST OF PROJECT

(Rs. In Lakhs)	
Particulars	Amount
Land	Own/Rented
Building /Shed 500 Sq ft	3.00
Plant & Machinery	14.50
Furniture & Fixtures	1.50
Working Capital	5.56
Total	24.56

MEANS OF FINANCE

Particulars	Amount
Own Contribution	2.46
Working Capital(Finance)	5.00
Term Loan	17.10
Total	24.56

CHIKKI MAKING

Introduction: Chikki is a sweet product prepared by mixing various types of nuts and other ingredients either with jaggery or sugar. These ingredients are mixed with thick syrup made of jaggery or sugar. The mixture is cooled and then smaller pieces are made and packed. There are many ingredients which are used like groundnut or cashew nut kernels, sesame seeds, pieces of dried coconut, dry-fruits and so on. Chikki is popular all over the country amongst all age groups but school going children and rural areas are the main targets. This product can be manufactured anywhere in the country.



Product & it's application: Chikki made from quality ingredients like edible nuts, oilseeds, roasted or puffed cereals, pulses or legumes; incorporated with good quality jaggery, sugar and liquid glucose as binding agent. Chikki having lot of health benefits as being rich source of proteins, mono- unsaturated fatty acids, antioxidants, minerals and vitamins. It is a good source of calories, beneficial in coronary, nervous and skin diseases; as well help in overall growth and development of human body. Chikki are consumed directly.

Market Potential: Peanut chikki, also called as peanut brittle in western countries is a ready to eat traditional sweet snack, which is popular throughout the country and consumed by all the sections of the population. Generally, the market is catered to by the local manufacturers and there are very few dominant brands. But on the whole, the market is controlled by the unorganised sector and retailers play a critical role. Products made from edible oil seeds and sugar is considered as healthy, nutritious and energetic. Chikki is one of them and demand for this product is increasing day by day due to ready to eat and easy availability in good packing with hygienic conditions.

Raw Material: Basic raw material requirement are:

1. Sugar
2. Roasted blanched peanuts
3. Jaggery
4. Liquid Glucose
5. Packing material

Manufacturing Process: All ingredients are weighed accurately. The syrup is prepared by melting jaggery, adding some water and then dissolving required quantity of sugar. Thus prepared syrup is cook properly and then mixed with split roasted blanched peanuts. The prepared mass is rolled and sheeted to required thickness and width to cut the chikki pieces of required dimensions for 10g and 25g chikki. Thus prepared bars are cooled and packed in flow-wrap packing machine, followed by put chikki bars in PET jars and corrugated carton for further distribution.

Machines: Basic machinery requirement are:

1. Syrup Making Vessels
2. Chikki cooking cum mixing pans
3. Chikki Rolling, Sheeting and cutting line
4. Flow wrap packing machine
5. Gas station and pipeline
6. RO Plant (2500 Ltr./hr.)
7. Other machineries & equipments

Cost of Machines:

S No.	Machine	Unit	Per unit price	Price
1.	Syrup making vessel	2	50000	100000
2.	Chikki cooking cum mixing pans ²	2	200000	400000
3.	Chikki rolling, sheeting and cutting line	1	345000	345000
4.	Flow wrap packing machine	1	245000	245000
5.	Gas station & pipelines	1	75000	75000
6.	RO Plant	1	230000	230000
7.	Other machineries & equipments			55000

Area:

The industrial setup requires space for Inventory, workshop or manufacturing area, space for power supply utilities and auxiliary like Generator setup. Also some of the area of building is required for office staff facilities, documentation, office furniture, etc. Thus, the approximate total area required for complete industrial setup is 1000 to 1200Sqft. Civil work will cost around 3 Lac (approx.)

Power Requirement –The power consumption required to run all the machinery could be approximated as 30 hp.

Manpower Requirement– There are requirement of skilled machine operators to run the machine set. Experience quality engineers are required for desired quality control. Some helpers are also required to transfer the material from one work station to other. Office staffs are required to maintain the documentation. The approximate manpower required is 10 including 1 Supervisor, 2 Plant operator, 1 unskilled worker, 2 Helper and 1 security Guard. 3 Skilled worker including Accountant, Manager and sales personal each.

Approvals & Registration Requirement:

Basic registration required in this project:

- GST Registration
- Udyog Aadhar Registration (Optional)
- Choice of a Brand Name of the product and secure the name with Trademark if require
- FSSAI Licence

Bank Term Loan: Rate of Interest is assumed to be at 11%

Depreciation: Depreciation has been calculated as per the Provisions of Income Tax Act, 1961

Implementation Schedule:

S No.	Activity	Time required
1.	Acquisition of premises	1-2 Months
2.	Procurement & installation of Plant & Machinery	1-2 Months
3.	Arrangement of Finance	1.5-2 Months
4.	Requirement of required Manpower	1 Month
5.	Commercial Trial Runs	1 Month
	Total time Required (some activities shall run concurrently)	5-6 Months

FINANCIALS

PROJECTED CASH FLOW STATEMENT					
PARTICULARS	I	II	III	IV	V
SOURCES OF FUND					
Own Contribution	2.46	-			
Reserve & Surplus	5.34	6.60	9.05	12.53	18.74
Depriciation & Exp. W/off	2.63	2.25	1.94	1.66	1.43
Increase In Cash Credit	5.00				
Increase In Term Loan	17.10	-	-	-	-
Increase in Creditors	2.34	0.42	0.31	0.31	0.31
TOTAL :	34.86	9.28	11.29	14.51	20.48
APPLICATION OF FUND					
Increase in Fixed Assets	19.00	-	-	-	-
Increase in Stock	2.53	0.43	0.38	0.39	0.40
Increase in Debtors	6.29	1.12	1.07	1.12	1.17
Repayment of Term Loan	1.90	3.80	3.80	3.80	3.80
Taxation	-	0.66	0.90	1.88	3.75
Drawings	1.50	2.00	4.00	5.00	8.00
TOTAL :	31.23	8.01	10.16	12.20	17.13
Opening Cash & Bank Balance	-	3.64	4.91	6.04	8.34
Add : Surplus	3.64	1.27	1.13	2.31	3.35
Closing Cash & Bank Balance	3.64	4.91	6.04	8.34	11.70

PROJECTED BALANCE SHEET					
PARTICULARS	I	II	III	IV	V
SOURCES OF FUND					
Capital Account					
Opening Balance	-	6.29	10.23	14.38	20.03
Add: Additions	2.46	-	-	-	-
Add: Net Profit	5.34	5.94	8.14	10.65	14.99
Less: Drawings	1.50	2.00	4.00	5.00	8.00
Closing Balance	6.29	10.23	14.38	20.03	27.02
CC Limit	5.00	5.00	5.00	5.00	5.00
Term Loan	15.20	11.40	7.60	3.80	-
Sundry Creditors	2.34	2.77	3.08	3.39	3.69
TOTAL :	28.84	29.40	30.05	32.21	35.71
APPLICATION OF FUND					
Fixed Assets (Gross)	19.00	19.00	19.00	19.00	19.00
Gross Dep.	2.63	4.88	6.81	8.48	9.91
Net Fixed Assets	16.38	14.12	12.19	10.52	9.09
Current Assets					
Sundry Debtors	6.29	7.41	8.49	9.61	10.79
Stock in Hand	2.53	2.96	3.34	3.74	4.14
Cash and Bank	3.64	4.91	6.04	8.34	11.70
TOTAL :	28.84	29.40	30.05	32.21	35.71

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PROJECTED PROFITABILITY STATEMENT					
PARTICULARS	I	II	III	IV	V
A) SALES					
Gross Sale	94.40	111.17	127.29	144.16	161.78
Total (A)	94.40	111.17	127.29	144.16	161.78
B) COST OF SALES					
Raw Material Consumed	70.34	83.09	92.32	101.55	110.79
Electricity Expenses	1.83	2.05	2.28	2.51	2.74
Repair & Maintenance	0.94	1.11	3.82	4.32	4.85
Labour & Wages	7.94	8.41	9.17	10.09	11.00
Depreciation	2.63	2.25	1.94	1.66	1.43
Cost of Production	83.67	96.92	109.53	120.14	130.81
Add: Opening Stock /WIP	-	1.36	1.58	1.81	2.05
Less: Closing Stock /WIP	1.36	1.58	1.81	2.05	2.30
Cost of Sales (B)	82.31	96.71	109.30	119.90	130.56
C) GROSS PROFIT (A-B)	12.09	14.46	17.99	24.25	31.22
	12.80%	13.01%	14.13%	16.82%	19.30%
D) Bank Interest (Term Loan)	1.85	1.52	1.10	0.68	0.26
ii) Interest On Working Capital	0.55	0.55	0.55	0.55	0.55
E) Salary to Staff	3.40	3.57	4.11	4.72	5.20
F) Selling & Adm Expenses Exp.	0.94	2.22	3.18	5.77	6.47
TOTAL (D+E)	6.75	7.86	8.94	11.72	12.48
H) NET PROFIT	5.34	6.60	9.05	12.53	18.74
	5.7%	5.9%	7.1%	8.7%	11.6%
I) Taxation		0.66	0.90	1.88	3.75
J) PROFIT (After Tax)	5.34	5.94	8.14	10.65	14.99
Raw Material Consumed	Capacity		Amount (Rs.)		
	Utilisation				
I	40%		70.34		
II	45%		83.09	5% Increase in Cost	
III	50%		92.32	5% Increase in Cost	
IV	55%		101.55	5% Increase in Cost	
V	60%		110.79	5% Increase in Cost	

COMPUTATION OF SALE

Particulars	I	II	III	IV	V
Op Stock	-	1,000.00	1,125.00	1,250.00	1,375.00
Production	60,000.00	67,500.00	75,000.00	82,500.00	90,000.00
	60,000.00	68,500.00	76,125.00	83,750.00	91,375.00
Less : Closing Stock(5 Days)	1,000.00	1,125.00	1,250.00	1,375.00	1,500.00
Net Sale	59,000.00	67,375.00	74,875.00	82,375.00	89,875.00
Sale Price per Kg	160.00	165.00	170.00	175.00	180.00
Sale (in Lacs)	94.40	111.17	127.29	144.16	161.78

<u>COMPUTATION OF MAKING OF CHIKKI</u>			
Item to be Manufactured Chikki			
Manufacturing Capacity per day		500	kg
No. of Working Hour		8	
No of Working Days per month		25	
No. of Working Day per annum		300	
Total Production per Annum		1,50,000	kg
Total Production per Annum		1,50,000	kg
Year		Capacity	CHIKKI
		Utilisation	
I		40%	60,000.00
II		45%	67,500.00
III		50%	75,000.00
IV		55%	82,500.00
V		60%	90,000.00

<u>COMPUTATION OF RAW MATERIAL</u>					
Item Name		Quantity of Raw Material	Unit	Unit Rate of	Total CostPer Annum (100%)
Roasted Blanched Peanuts		120.00	MT	110000	1,32,00,000.00
Sugar		45.00	MT	40000	18,00,000.00
Jaggery		45.00	MT	45000	20,25,000.00
Liquid Glucose		20.00	MT	28000	5,60,000.00
					-
Total					1,75,85,000.00
Total Raw material in Rs lacs					175.85

COMPUTATION OF CLOSING STOCK & WORKING CAPITAL					
PARTICULARS	I	II	III	IV	V
Finished Goods					
(5 Days requirement)	1.36	1.58	1.81	2.05	2.30
Raw Material					
(5 Days requirement)	1.17	1.38	1.54	1.69	1.85
Closing Stock	2.53	2.96	3.34	3.74	4.14

COMPUTATION OF WORKING CAPITAL REQUIREMENT			
Particulars	Amount	Margin(10%)	Net
			Amount
Stock in Hand	2.53		
Less:			
Sundry Creditors	2.34		
Paid Stock	0.19	0.02	0.17
Sundry Debtors	6.29	0.63	5.66
Working Capital Requirement			5.83
Margin			0.65
MPBF			5.83
Working Capital Demand			5.00

<u>BREAK UP OF LABOUR</u>				
Particulars		Wages	No of	Total
		Per Month	Employees	Salary
Supervisor		15,000.00	1	15,000.00
Plant Operator		12,000.00	2	24,000.00
Unskilled Worker		8,000.00	1	8,000.00
Helper		5,000.00	2	10,000.00
Security Guard		6,000.00	1	6,000.00
				63,000.00
Add: 5% Fringe Benefit				3,150.00
Total Labour Cost Per Month				66,150.00
Total Labour Cost for the year (In Rs. Lakhs)			7	7.94

<u>BREAK UP OF SALARY</u>				
Particulars		Salary	No of	Total
		Per Month	Employees	Salary
Manager		10,000.00	1	12,000.00
Accountant cum store keeper		8,000.00	1	8,000.00
Sales		7,000.00	1	7,000.00
Total Salary Per Month				27,000.00
Add: 5% Fringe Benefit				1,350.00
Total Salary for the month				28,350.00
Total Salary for the year (In Rs. Lakhs)			3	3.40

COMPUTATION OF DEPRECIATION					
Description	Land	Building/shed	Plant & Machinery	Furniture	TOTAL
Rate of Depreciation		10.00%	15.00%	10.00%	
Opening Balance	Leased		-	-	-
Addition	-	3.00	14.50	1.50	19.00
	-	3.00	14.50	1.50	19.00
		-	-	-	
TOTAL		3.00	14.50	1.50	19.00
Less : Depreciation	-	0.30	2.18	0.15	2.63
WDV at end of Ist year	-	2.70	12.33	1.35	16.38
Additions During The Year	-	-	-	-	-
	-	2.70	12.33	1.35	16.38
Less : Depreciation	-	0.27	1.85	0.14	2.25
WDV at end of IInd Year	-	2.43	10.48	1.22	14.12
Additions During The Year	-	-	-	-	-
	-	2.43	10.48	1.22	14.12
Less : Depreciation	-	0.24	1.57	0.12	1.94
WDV at end of IIIrd year	-	2.19	8.90	1.09	12.19
Additions During The Year	-	-	-	-	-
	-	2.19	8.90	1.09	12.19
Less : Depreciation	-	0.22	1.34	0.11	1.66
WDV at end of IV year	-	1.97	7.57	0.98	10.52
Additions During The Year	-	-	-	-	-
	-	1.97	7.57	0.98	10.52
Less : Depreciation	-	0.20	1.14	0.10	1.43
WDV at end of Vth year	-	1.77	6.43	0.89	9.09

REPAYMENT SCHEDULE OF TERM LOAN						11.0%	
Year	Particulars	Amount	Addition	Total	Interest	Repayment	CI Balance
I	Opening Balance						
	Ist Quarter	17.10	-	17.10	0.47	-	17.10
	IInd Quarter	17.10	-	17.10	0.47	-	17.10
	IIIRD Quarter	17.10	-	17.10	0.47	0.95	16.15
	Ivth Quarter	16.15	-	16.15	0.44	0.95	15.20
					1.85	1.90	
II	Opening Balance						
	Ist Quarter	15.20	-	15.20	0.42	0.95	14.25
	IInd Quarter	14.25	-	14.25	0.39	0.95	13.30
	IIIRD Quarter	13.30	-	13.30	0.37	0.95	12.35
	Ivth Quarter	12.35		12.35	0.34	0.95	11.40
					1.52	3.80	
III	Opening Balance						
	Ist Quarter	11.40	-	11.40	0.31	0.95	10.45
	IInd Quarter	10.45	-	10.45	0.29	0.95	9.50
	IIIRD Quarter	9.50	-	9.50	0.26	0.95	8.55
	Ivth Quarter	8.55		8.55	0.24	0.95	7.60
					1.10	3.80	
IV	Opening Balance						
	Ist Quarter	7.60	-	7.60	0.21	0.95	6.65
	IInd Quarter	6.65	-	6.65	0.18	0.95	5.70
	IIIRD Quarter	5.70	-	5.70	0.16	0.95	4.75
	Ivth Quarter	4.75		4.75	0.13	0.95	3.80
					0.68	3.80	
V	Opening Balance						
	Ist Quarter	3.80	-	3.80	0.10	0.95	2.85
	IInd Quarter	2.85	-	2.85	0.08	0.95	1.90
	IIIRD Quarter	1.90	-	1.90	0.05	0.95	0.95
	Ivth Quarter	0.95		0.95	0.03	0.95	0.00
					0.26	3.80	

Door to Door Period	60 Months
Moratorium Period	6 Months
Repayment Period	54 Months

<u>CALCULATION OF D.S.C.R</u>					
PARTICULARS	I	II	III	IV	V
<u>CASH ACCRUALS</u>	7.96	8.20	10.08	12.32	16.42
Interest on Term Loan	1.85	1.52	1.10	0.68	0.26
Total	9.82	9.71	11.18	13.00	16.68
<u>REPAYMENT</u>					
Repayment of Term Loan	1.90	3.80	3.80	3.80	3.80
Interest on Term Loan	1.85	1.52	1.10	0.68	0.26
Total	3.75	5.32	4.90	4.48	4.06
<u>DEBT SERVICE COVERAGE RATIO</u>	2.61	1.83	2.28	2.90	4.11
<u>AVERAGE D.S.C.R.</u>			2.68		

COMPUTATION OF ELECTRICITY				
(A) POWER CONNECTION				
Total Working Hour per day		Hours	8	
Electric Load Required		HP	30	
Load Factor			0.7460	
Electricity Charges		per unit	7.50	
Total Working Days			300	
Electricity Charges				4,02,840.00
Add : Minimim Charges (@ 10%)				
(B) DG set				
No. of Working Days			300	days
No of Working Hours			0.3	Hour per day
Total no of Hour			90	
Diesel Consumption per Hour			8	
Total Consumption of Diesel			720	
Cost of Diesel			65.00	Rs. / Ltr
Total cost of Diesel			0.47	
Add : Lube Cost @15%			0.07	
Total			0.54	
Total cost of Power & Fuel at 100%				4.57
Year		Capacity		Amount
				(in Lacs)
I		40%		1.83
II		45%		2.05
III		50%		2.28
IV		55%		2.51
V		60%		2.74