

PROJECT REPORT

Of

SATTU MANUFACTURING

PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding **Sattu Manufacturing**.

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.]



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PROJECT AT A GLANCE

- 1 Name of the Entrepreneur : xxxxxxxxxx
- 2 Constitution (legal Status) : xxxxxxxxxx
- 3 Father / Spouse Name : xxxxxxxxxxxxxx
- 4 Unit Address : xxxxxxxxxxxxxxxxxxxxxxxxxx
- District : xxxxxxxx
Pin: xxxxxxxx State: xxxxxxxxxx
Mobile xxxxxxxx
- 5 Product and By Product : **Sattu**
- 6 Name of the project / business activity proposed : **Sattu Manufacturing Unit**
- 7 Cost of Project : Rs.24.55 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 : 2.46
- 10 Pay Back Period : 5 Years
- 11 Project Implementation Period : 5-6 Months
- 12 Break Even Point : 39%
- 13 Employment : 13 Persons
- 14 Power Requirement : 40 HP
- 15 Major Raw materials : Gram dal
- 16 Estimated Annual Sales Turnover (Max Utilized Capacity) : 115.09 Lakhs
- 17 Detailed Cost of Project & Means of Finance

COST OF PROJECT

(Rs. In Lakhs)

Particulars	Amount
Land	Own/Rented
Building /Shed 1500 Sq ft	Own/Rented
Plant & Machinery	18.00
Furniture & Fixtures	1.00
Working Capital	5.55
Total	24.55

MEANS OF FINANCE

Particulars	Amount
Own Contribution	2.46
Term Loan	17.10
Working Capital	5.00
Total	24.55

SATTU UDYOG



INTRODUCTION

Sattu is made by processing gram. Gram is a commonly used pulse and dal or curry is made out of it which is very popular item in majority of the Indian households. De-husked grams are cleaned, roasted and pulverized to convert them in powder or flour form and this is known as Sattu. It is used in many vegetarian food and snack preparations. Bhojpur or Hazaribagh districts could be an ideal location as there are many dal mills in the region. Reportedly, there are very few sattu making plants This is very popular item of Bihar and Obviously Bihar or Jharkhand are the preferred locations. Sattu is regularly used in many households and restaurants & eateries. It is used in many food and snack preparations especially during summer and is an item of mass consumption. Since it is made from gram, it has certain nutritional values as well.

PROCESS OF MANUFACTURE:

Gram dal is cleaned with the help of pulse- cleaning machine and then roasted in an electrically operated roaster. It is then ground to obtain finer mesh size. Finally, it is passed through sieves to remove any foreign material or coarse powder and then packed. The process loss is 25 %.

DEMAND & SUPPLY

Gram is an integral part of the diet of Indians and apart from use in making curry or dal, its powder is used in preparing many vegetarian preparations. It is used in making roti's and a popular snack item known as "Litti". The market for this product is scattered covering urban, semi-urban and rural areas.

SATTU HEALTH BENEFITS

- ✚ Increases Appetite
- ✚ Improves bowel Movement
- ✚ Flushes out Toxins
- ✚ Helps in Weight loss
- ✚ Increases Energy
- ✚ Acts as a coolant
- ✚ Good for people with diabetes and high BP.

PROJECTED BALANCE SHEET

PARTICULARS	I	II	III	IV	V
<u>SOURCES OF FUND</u>					
<u>Capital Account</u>					
Opening Balance	-	2.88	4.17	7.86	10.81
Add: Additions	2.46	-	-	-	-
Add: Net Profit	2.42	4.29	7.70	10.95	14.15
Less: Drawings	2.00	3.00	4.00	8.00	10.00
Closing Balance	2.88	4.17	7.86	10.81	14.96
CC Limit	5.00	5.00	5.00	5.00	5.00
Term Loan	15.20	11.40	7.60	3.80	-
Sundry Creditors	0.55	0.64	0.73	0.83	0.93
TOTAL :	23.62	21.20	21.19	20.44	20.89
<u>APPLICATION OF FUND</u>					
Fixed Assets (Gross)	19.00	19.00	19.00	19.00	19.00
Gross Dep.	2.80	5.19	7.22	8.95	10.42
Net Fixed Assets	16.20	13.82	11.78	10.05	8.58
<u>Current Assets</u>					
Sundry Debtors	2.14	2.60	2.99	3.40	3.84
Stock in Hand	4.15	4.59	5.19	5.84	6.54
Cash and Bank	1.13	0.19	1.23	1.14	1.94
TOTAL :	23.62	21.20	21.19	20.44	20.89
	-	-	-	-	-

PROJECTED PROFITABILITY STATEMENT

PARTICULARS	I	II	III	IV	V
<u>A) SALES</u>					
Gross Sale	64.13	78.02	89.63	101.98	115.09
Total (A)	64.13	78.02	89.63	101.98	115.09
<u>B) COST OF SALES</u>					
Raw Mateiral Consumed	33.00	38.12	43.65	49.63	56.07
Electricity Expenses	3.13	3.45	3.76	4.07	4.39
Repair & Maintenance	0.32	0.39	0.45	0.51	0.58
Labour & Wages	10.76	11.83	13.02	14.32	15.75
Depreciation	2.80	2.39	2.03	1.73	1.48
Cost of Production	50.01	56.17	62.91	70.26	78.26
Add: Opening Stock /WIP	-	2.50	2.69	3.01	3.36
Less: Closing Stock /WIP	2.50	2.69	3.01	3.36	3.74
Cost of Sales (B)	47.51	55.99	62.59	69.91	77.88
C) GROSS PROFIT (A-B)	16.61	22.03	27.04	32.07	37.21
	25.91%	28.24%	30.17%	31.45%	32.33%
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	8.58	9.44	10.38	11.42	12.56
F) Selling & Adm Expenses Exp.	3.21	6.24	7.17	8.16	9.21
TOTAL (D+E)	14.19	17.74	19.20	20.81	22.58
H) NET PROFIT	2.42	4.29	7.84	11.26	14.63
	3.8%	5.5%	8.7%	11.0%	12.7%
I) Taxation	-	-	0.14	0.31	0.48
J) PROFIT (After Tax)	2.42	4.29	7.70	10.95	14.15

PROJECTED CASH FLOW STATEMENT

PARTICULARS	I	II	III	IV	V
<u>SOURCES OF FUND</u>					
Own Contribution	2.46	-			
Net Profit	2.42	4.29	7.84	11.26	14.63
Depreciation & Exp. W/off	2.80	2.39	2.03	1.73	1.48
Increase In Cash Credit	5.00				
Increase In Term Loan	17.10	-	-	-	-
Increase in Creditors	0.55	0.09	0.09	0.10	0.11
TOTAL :	30.32	6.76	9.96	13.09	16.21
<u>APPLICATION OF FUND</u>					
Increase in Fixed Assets	19.00	-	-	-	-
Increase in Stock	4.15	0.44	0.60	0.65	0.70
Increase in Debtors	2.14	0.46	0.39	0.41	0.44
Repayment of Term Loan	1.90	3.80	3.80	3.80	3.80
Taxation	-	-	0.14	0.31	0.48
Drawings	2.00	3.00	4.00	8.00	10.00
TOTAL :	29.19	7.70	8.93	13.17	15.42
Opening Cash & Bank Balance	-	1.13	0.19	1.23	1.14
Add : Surplus	1.13	- 0.95	1.04	- 0.08	0.79
Closing Cash & Bank Balance	1.13	0.19	1.23	1.14	1.94

COMPUTATION OF SATTU MANUFACTURING UNIT**Items to be Manufactured Sattu**

Manufacturing Capacity per Day		500.00	kgs
No. of Working Hour		8	
No of Working Days per month		25	
No. of Working Day per annum		300	
Total Production per Annum		150,000	kgs
Year		Capacity	Sattu
		Utilisation	
I		50%	75,000
II		55%	82,500
III		60%	90,000
IV		65%	97,500
V		70%	105,000

COMPUTATION OF RAW MATERIAL

Item Name	Quantity of Raw Material	Unit	Unit Rate of	Total CostPer Annum (100%)
Gram Chana	150,000.00	kgs	44.00	6,600,000.00
Total	150,000.00			6,600,000.00

Total Raw material in Rs lacs at 100% Capacity 66.00
 Cost per kgs (In Rs) **44.00**

Raw Material Consumed	Capacity Utilisation	Rate	Amount (Rs.)
I	50%	44.00	33.00
II	55%	46.20	38.12
III	60%	48.50	43.65
IV	65%	50.90	49.63
V	70%	53.40	56.07

COMPUTATION OF SALE

Particulars	I	II	III	IV	V
Op Stock	-	3,750.00	4,125.00	4,500.00	4,875.00
Production	75,000.00	82,500.00	90,000.00	97,500.00	105,000.00
	75,000.00	86,250.00	94,125.00	102,000.00	109,875.00
Less : Closing Stock(15 Days)	3,750.00	4,125.00	4,500.00	4,875.00	5,250.00
Net Sale	71,250.00	82,125.00	89,625.00	97,125.00	104,625.00
Sale Price per kg	90.00	95.00	100.00	105.00	110.00
Sale (in Lacs)	64.13	78.02	89.63	101.98	115.09

COMPUTATION OF CLOSING STOCK & WORKING CAPITAL

PARTICULARS	I	II	III	IV	V
<u>Finished Goods</u>					
(15 Days requirement)	2.50	2.69	3.01	3.36	3.74
<u>Raw Material</u>					
(15 Days requirement)	1.65	1.91	2.18	2.48	2.80
Closing Stock	4.15	4.59	5.19	5.84	6.54

COMPUTATION OF WORKING CAPITAL REQUIREMENT

Particulars	Amount	Margin(10%)	Net Amount
Stock in Hand	4.15		
Less:			
Sundry Creditors	0.55		
Paid Stock	3.60	0.36	3.24
Sundry Debtors	2.14	0.21	1.92
Working Capital Requirement			5.16
Margin			0.57
MPBF			5.16
Working Capital Demand			5.00

BREAK UP OF LABOUR

Particulars	Wages	No of	Total
	Per Month	Employees	Salary
Supervisor	20,000.00	1	20,000.00
Plant Operator	15,000.00	1	15,000.00
Unskilled Worker	8,500.00	4	34,000.00
Helper	5,000.00	1	5,000.00
Security Guard	7,500.00	1	7,500.00
			81,500.00
Add: 10% Fringe Benefit			8,150.00
Total Labour Cost Per Month			89,650.00
Total Labour Cost for the year (In Rs. Lakhs)		8	10.76

BREAK UP OF SALARY

Particulars	Salary	No of	Total
	Per Month	Employees	Salary
Accountant cum store keeper	15,000.00	1	15,000.00
Administrative Staffs	12,500.00	4	50,000.00
Total Salary Per Month			65,000.00
Add: 10% Fringe Benefit			6,500.00
Total Salary for the month			71,500.00
Total Salary for the year (In Rs. Lakhs)		5	8.58

COMPUTATION OF DEPRECIATION

Description	Land	Building/shed	Plant & Machinery	Furniture	TOTAL
Rate of Depreciation			15.00%	10.00%	
Opening Balance	Own/Rented		-	-	-
Addition	-		18.00	1.00	19.00
	-		18.00	1.00	19.00
TOTAL		-	18.00	1.00	19.00
Less : Depreciation	-	-	2.70	0.10	2.80
WDV at end of Ist year	-	-	15.30	0.90	16.20
Additions During The Year	-	-	-	-	-
	-	-	15.30	0.90	16.20
Less : Depreciation	-	-	2.30	0.09	2.39
WDV at end of IIInd Year	-	-	13.01	0.81	13.82
Additions During The Year	-	-	-	-	-
	-	-	13.01	0.81	13.82
Less : Depreciation	-	-	1.95	0.08	2.03
WDV at end of IIIrd year	-	-	11.05	0.73	11.78
Additions During The Year	-	-	-	-	-
	-	-	11.05	0.73	11.78
Less : Depreciation	-	-	1.66	0.07	1.73
WDV at end of IV year	-	-	9.40	0.66	10.05
Additions During The Year	-	-	-	-	-
	-	-	9.40	0.66	10.05
Less : Depreciation	-	-	1.41	0.07	1.48
WDV at end of Vth year	-	-	7.99	0.59	8.58

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

CALCULATION OF D.S.C.R

PARTICULARS	I	II	III	IV	V
<u>CASH ACCRUALS</u>	5.22	6.67	9.73	12.68	15.62
Interest on Term Loan	1.85	1.52	1.10	0.68	0.26
Total	7.08	8.19	10.83	13.36	15.88
<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
DEBT SERVICE COVERAGE RATIO	1.88	1.54	2.21	2.98	3.91
AVERAGE D.S.C.R.			2.46		

COMPUTATION OF ELECTRICITY**(A) POWER CONNECTION**

Total Working Hour per day	Hours	8	
Electric Load Required	HP	40	
Load Factor		0.7460	
Electricity Charges	per unit	7.50	
Total Working Days		300	
Electricity Charges			5.37

Add : Minimim Charges (@ 10%)

(B) DG set

No. of Working Days		300	days
No of Working Hours		0.5	Hour per day
Total no of Hour		150	
Diesel Consumption per Hour		8	
Total Consumption of Diesel		1,200	
Cost of Diesel		65.00	Rs. /Ltr
Total cost of Diesel		0.78	
Add : Lube Cost @15%		0.12	
Total		0.90	

Total cost of Power & Fuel at 100% 6.27

Year	Capacity	Amount (in Lacs)
I	50%	3.13
II	55%	3.45
III	60%	3.76
IV	65%	4.07
V	70%	4.39

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