

# PROJECT REPORT

Of

# KUKURE SNACKS

## PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding Kukure snacks 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.]



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## PROJECT AT GLANCE

<b>1 Name of Proprietor/Director</b>	XXXXXXXXXX
<b>2 Firm Name</b>	XXXXXXXXXX
<b>3 Registered Address</b>	XXXXXXXXXX
<b>4 Nature of Activity</b>	XXXXXXXXXX
<b>5 Category of Applicant</b>	XXXXXXXXXX
<b>6 Location of Unit</b>	XXXXXXXXXX
<b>7 Cost of Project</b>	24.87 Rs. In Lakhs
<b>8 Means of Finance</b>	
<b>i) Own Contribution</b>	2.49 Rs. In Lakhs
<b>ii) Term Loan</b>	16.38 Rs. In Lakhs
<b>iii) Working Capital</b>	6.00 Rs. In Lakhs
<b>9 Debt Service Coverage Ratio</b>	2.31
<b>10 Break Even Point</b>	36%
<b>11 Power Requirement</b>	22 KW
<b>12 Employment</b>	10 Persons
<b>13 Major Raw Materials</b>	Cornflour, rice flour, besan, salt, vegetable oil, chilli, turmeric, onion powder, ginger powder and pepper.

### 14 Details of Cost of Project & Means of Finance

Cost of Project	Amount in Lacs
<b>Particulars</b>	<b>Amount</b>
Land and building	Owned/Leased
Plant & Machinery	17.70
Furniture & Fixture	0.25
Other Misc Assets	0.25
Working Capital Requirement	6.67
<b>Total</b>	<b>24.87</b>

Means of Finance	
<b>Particulars</b>	<b>Amount</b>
Own Contribution	2.49
Term Loan	16.38
Working capital Loan	6.00
<b>Total</b>	<b>24.87</b>

# KURKURE SNACKS

## 1. INTRODUCTION



Extruded snacks are a type of snack prepared through the extrusion process, in which raw materials such as starch-rich materials such as corn, maize, wheat, rice, potato flour, and so on are ground to the correct particle size, usually the consistency of coarse flour, and then transformed into hot melt fluids or dry mixes. This mixture is passed through a preconditioner, where other ingredients, such as liquid sugar, fats, dyes, meats, or water, are added, depending on the target product. To begin the cooking process, steam is pumped, and the preconditioned mix (extrude) is then passed through an extruder, where it is expanded or puffed. Extrusion cooking is the most recent and advanced technology to produce ready-to-eat snacks. Extrusion cooking necessitates a higher temperature and a shorter cooking time. Extrusion cooking is a common processing method in the food industry because it is a cost-effective manufacturing method. Extrusion cooking produces products with low density, high expansion, and a distinctive texture by combining high temperature, high pressure, and high force. Extrusion allows you to change the functional and rheological properties of food ingredients in addition to the normal advantages of heat production.

## **2 PRODUCT DESCRIPTION**

### **2.1 PRODUCT USES**

Snacks give energy during the day or when you exercise. A balanced snack in between meals can help to feel fuller and avoid overeating at mealtime.

Snacks are small portions of food consumed between meals. RTE Snacks are available in a number of formats, extruded food, including canned snack foods and other processed foods, as well as items prepared at home with fresh ingredients.

Snack foods are usually made to be compact, simple, and filling. As a form of convenience food, processed snack foods are built to be less perishable, more durable, and more compact than prepared foods.

### **2.2 MANUFACTURING PROCESS**

#### **Raw materials**

Degermed Cornmeal is used either alone or along with carriers like Rice flour, Besan, spices, vegetable oils, etc. are procured from the market or local vendors and stored properly for further processing.

#### **Blending**

All of the ingredients (corn flour, rice flour, salt, etc.) are blended in a fixed proportion and then moistened with water. Water should be uniformly distributed for optimal results. On a wet basis, enough water is applied to raise the moisture content to 14-16 percent. All the ingredients are blended in a Ribbon blender.

#### **Extrusion:**

After proper blending and mixing with water, the raw materials become less viscous or sticky as they pass through the Kneading zone, which is heated by external heaters. This zone may include mixing devices such as pins, slots, and other features that require the product to follow a circuitous route within the extruder to thoroughly mix the ingredients. The superheated water in the material stays liquid due to the high pressure within the extruder. Because of a sudden drop in pressure, dough mass passes through an external Restrictor plate, and shaping dies, and the product expands directly after exiting from dying due to superheated water passing out of the product as steam.

The continuously emerging product is cut into small lengths by rotating knives against the die surface. The speed of rotation of cutting knives will determine the length of the product.

### **Frying**

For texture and stability, the extruded material is fried to reduce the moisture level from 8-10 percent to 1.5-2 percent.

### **Seasoning**

This Kurkure seasoning with spices and flavor is a very important process for enhancing the taste of extruded food. Many spicy and pungent ingredients, such as cumin, chilli, and other spices, are used in this seasoning. This seasoning is especially good for Kurkure sticks.

### **Metal detection**

Metallic contamination of food products during the manufacturing process cannot be completely avoided, even with extreme caution. Consumers can be seriously injured by metal particles that penetrate the product during the manufacturing process or are already present in the raw material. Food metal detectors provide effective protection against both ferrous and non-ferrous metals (aluminium, stainless steel, etc.). They can be used in any phase of the manufacturing process and for a wide range of applications.

### **Packaging**

The ready Kurkure type snacks are packed in appropriate packages and sealed using filling and packaging machine.

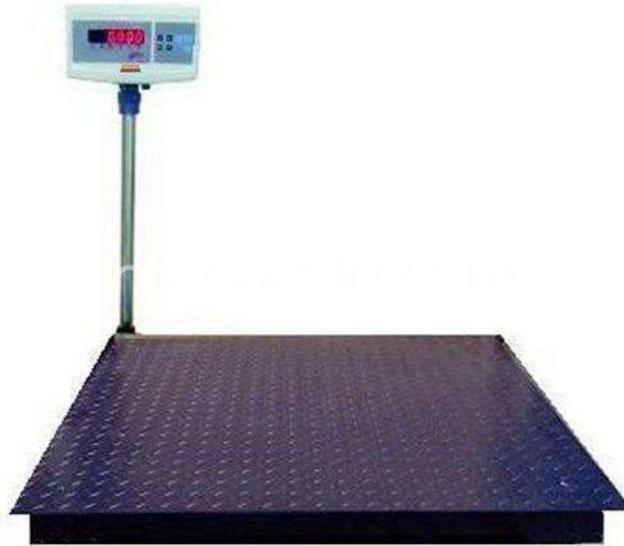
## **3 PROJECT COMPONENTS**

### **3.1 Land /Civil Work**

The land require for this manufacturing unit will be approx. around 1000-1200 square feet.

### **3.2 Plant & Machinery**

**Weighing machine:** The weighing machine is used to measure the raw material in order to mix them in a certain ratio.



**Ribbon Blender:** Ribbon Blender is a light-duty blender mainly used for easy-to-mix powder components which are pre-processed.



**Extruder Machine:**

An extruder machine is used to make Kurkure type snacks in a wide range of snack industries.



**Electric Batch Fryer:** Batch fryers are used exclusively for hard bite, slow-cooked Kurkure type snacks due to their unique temperature profile.



**Seasoning tumbler:** A machine that plays a vital role in salting and seasoning large quantities of Kurkure type snacks and other snacks with a gentle, effective tumbling action. Variable speed control and adjustable tilt produce a uniformly covered product with minimal breakage and wastage.



**Metal detector:** A metal detector is a device that detects the presence of metal in the food item before packaging.



**Packaging machine:** A packing machine is also a type of Flow Wrap Machine that packs the Kurkure type snacks inside the pouch and seal the packages automatically.



## EQUIPMENT AND TOOLS-

- **Silos:** This Equipment is class of storage Equipment which is specifically designed for dry raw material of granule composition. Usually used to store grains but can also be used to store cement & aggregate.



- **Bucket Elevator:** A bucket lift is also a grain leg and is a device for vertical transport, often grain materials.



**Belt conveyor:** Belt conveyors are one of the most basic instruments in the food processing industry, and they're most widely used to transport bulk materials.



**Material handling equipment:** These equipment are used for material handling during processing.



S.N.	Particulars	Quantity/Amount
1	Raw material Mixer	1
2	Kurkure type extrusion machine	1
3	Rectangular Batch Tilting Fryer with Heat Exchanger	1
4	Flavoring Coating Pan	1
5	Automatic Packing Machine (PLC Based VFFS)	1
6	Coding	1
	<b>Sub-total Amount</b>	<b>15,00,000</b>
	<b>GST @ 18%</b>	<b>2,70,000</b>
	<b>Total</b>	<b>17,70,000</b>

#### **4 LICENSE & APPROVALS**

FSSAI registration certificate.

MSME Udyam online registration.

GST Registration

NOC from fire safety board

Trademark (optional)

<b>PROJECTED BALANCE SHEET</b>		<b>(in Lacs)</b>				
<b>PARTICULARS</b>	<b>1st year</b>	<b>2nd year</b>	<b>3rd year</b>	<b>4th year</b>	<b>5th year</b>	
<b><u>Liabilities</u></b>						
Capital						
Opening Balance		3.24	5.70	8.28	11.07	
Add:- Own Capital	2.49					
Add:- Retained Profit	2.75	4.96	6.59	8.78	10.36	
Less:- Drawings	2.00	2.50	4.00	6.00	6.50	
Closing Balance	<u>3.24</u>	<u>5.70</u>	<u>8.28</u>	<u>11.07</u>	<u>14.93</u>	
Term Loan	14.56	10.92	7.28	3.64	-	
Working Capital Limit	6.00	6.00	6.00	6.00	6.00	
Sundry Creditors	2.79	3.45	4.26	4.87	5.51	
Provisions & Other Liabilities	0.50	0.75	0.90	1.08	1.30	
<b>TOTAL :</b>	<b>27.08</b>	<b>26.82</b>	<b>26.73</b>	<b>26.65</b>	<b>27.73</b>	
<b><u>Assets</u></b>						
<b>Fixed Assets ( Gross)</b>	18.20	18.20	18.20	18.20	18.20	
Gross Depreciation	2.72	5.03	6.99	8.67	10.09	
<b>Net Fixed Assets</b>	<b>15.48</b>	<b>13.17</b>	<b>11.21</b>	<b>9.53</b>	<b>8.11</b>	
<b>Current Assets</b>						
Sundry Debtors	4.50	4.98	5.69	6.49	7.33	
Stock in Hand	5.36	6.30	7.22	8.23	9.31	
Cash and Bank	0.73	0.87	0.85	0.90	0.98	
Loans and advances/other current assets	1.00	1.50	1.75	1.50	2.00	
<b>TOTAL :</b>	<b>27.08</b>	<b>26.82</b>	<b>26.73</b>	<b>26.65</b>	<b>27.73</b>	

<b>PROJECTED CASH FLOW STATEMENT</b>						<b>(in Lacs)</b>
<b>PARTICULARS</b>	<b>1st year</b>	<b>2nd year</b>	<b>3rd year</b>	<b>4th year</b>	<b>5th year</b>	
<b><u>SOURCES OF FUND</u></b>						
Own Margin	2.49					
Net Profit	2.75	4.96	6.76	9.42	11.59	
Depriciation & Exp. W/off	2.72	2.31	1.97	1.67	1.42	
Increase in Cash Credit	6.00	-	-	-	-	
Increase In Term Loan	16.38	-	-	-	-	
Increase in Creditors	2.79	0.66	0.81	0.60	0.64	
Increase in Provisions & Other liabilities	0.50	0.25	0.15	0.18	0.22	
<b>TOTAL :</b>	<b>33.62</b>	<b>8.18</b>	<b>9.69</b>	<b>11.87</b>	<b>13.87</b>	
<b><u>APPLICATION OF FUND</u></b>						
Increase in Fixed Assets	18.20					
Increase in Stock	5.36	0.94	0.93	1.01	1.08	
Increase in Debtors	4.50	0.48	0.71	0.79	0.84	
Increase in loans and advances	1.00	0.50	0.25	0.25	0.50	
Repayment of Term Loan	1.82	3.64	3.64	3.64	3.64	
Drawings	2.00	2.50	4.00	6.00	6.50	
Taxation	-	-	0.18	0.63	1.23	
<b>TOTAL :</b>	<b>32.88</b>	<b>8.05</b>	<b>9.71</b>	<b>11.83</b>	<b>13.78</b>	
Opening Cash & Bank Balance	-	0.73	0.87	0.85	0.90	
Add : Surplus	0.73	0.13	-0.01	0.05	0.09	
Closing Cash & Bank Balance	<b>0.73</b>	<b>0.87</b>	<b>0.85</b>	<b>0.90</b>	<b>0.98</b>	

<b>PROJECTED PROFITABILITY STATEMENT</b>						(in Lacs)
<b>PARTICULARS</b>	<b>1st year</b>	<b>2nd year</b>	<b>3rd year</b>	<b>4th year</b>	<b>5th year</b>	
Capacity Utilisation %	<b>50%</b>	<b>55%</b>	<b>60%</b>	<b>65%</b>	<b>70%</b>	
<b>SALES</b>						
KURKURE	96.51	114.97	131.42	149.69	169.07	
<b>Total</b>	<b>96.51</b>	<b>114.97</b>	<b>131.42</b>	<b>149.69</b>	<b>169.07</b>	
<b>COST OF SALES</b>						
Raw material cost	64.32	73.92	85.25	97.34	110.21	
Electricity Expenses	3.70	4.44	5.32	6.39	7.66	
Depreciation	2.72	2.31	1.97	1.67	1.42	
Wages & labour	7.92	8.71	9.58	10.54	11.60	
Repair & maintenance	0.48	1.72	1.58	1.50	1.69	
Consumables	1.21	1.44	1.64	1.87	2.11	
Packaging cost	2.65	2.30	2.63	2.99	3.38	
<b>Cost of Production</b>	<b>83.00</b>	<b>94.84</b>	<b>107.97</b>	<b>122.31</b>	<b>138.08</b>	
<b>Add: Opening Stock</b>	-	3.22	3.83	4.38	4.99	
<b>Less: Closing Stock</b>	3.22	3.83	4.38	4.99	5.64	
Cost of Sales	79.78	94.22	107.42	121.70	137.43	
<b>GROSS PROFIT</b>	<b>16.73</b>	<b>20.74</b>	<b>24.00</b>	<b>27.99</b>	<b>31.65</b>	
Salary to Staff	6.06	6.67	7.33	8.07	8.87	
Interest on Term Loan	1.61	1.42	1.02	0.62	0.22	
Interest on working Capital	0.66	0.66	0.66	0.66	0.66	
Rent	3.00	3.30	3.63	3.99	4.39	
Selling & Administration Expenses	2.65	3.74	4.60	5.24	5.92	
<b>TOTAL</b>	<b>13.98</b>	<b>15.78</b>	<b>17.24</b>	<b>18.58</b>	<b>20.06</b>	
NET PROFIT	2.75	4.96	6.76	9.42	11.59	
Taxation			0.18	0.63	1.23	
PROFIT (After Tax)	2.75	4.96	6.59	8.78	10.36	

**CALCULATION OF D.S.C.R**

<b>PARTICULARS</b>	<b>1st year</b>	<b>2nd year</b>	<b>3rd year</b>	<b>4th year</b>	<b>5th year</b>
CASH ACCRUALS	5.47	7.27	8.55	10.45	11.78
Interest on Term Loan	1.61	1.42	1.02	0.62	0.22
<b>Total</b>	<b>7.08</b>	<b>8.69</b>	<b>9.57</b>	<b>11.07</b>	<b>12.00</b>
<b>REPAYMENT</b>					
Instalment of Term Loan	1.82	3.64	3.64	3.64	3.64
Interest on Term Loan	1.61	1.42	1.02	0.62	0.22
<b>Total</b>	<b>3.43</b>	<b>5.06</b>	<b>4.66</b>	<b>4.26</b>	<b>3.86</b>
<b>DEBT SERVICE COVERAGE RATIO</b>	<b>2.06</b>	<b>1.72</b>	<b>2.05</b>	<b>2.60</b>	<b>3.11</b>
<b>AVERAGE D.S.C.R.</b>					<b>2.31</b>

REPAYMENT SCHEDULE OF TERM LOAN							
						Interest	11.00%
Year	Particulars	Amount	Addition	Total	Interest	Repayment	Closing Balance
<b>1st</b>	Opening Balance	-					
	1st month		16.38	16.38	-	-	16.38
	2nd month	16.38	-	16.38	0.15	-	16.38
	3rd month	16.38	-	16.38	0.15	-	16.38
	4th month	16.38	-	16.38	0.15	-	16.38
	5th month	16.38	-	16.38	0.15	-	16.38
	6th month	16.38	-	16.38	0.15	-	16.38
	7th month	16.38	-	16.38	0.15	0.30	16.08
	8th month	16.08	-	16.08	0.15	0.30	15.77
	9th month	15.77	-	15.77	0.14	0.30	15.47
	10th month	15.47	-	15.47	0.14	0.30	15.17
	11th month	15.17	-	15.17	0.14	0.30	14.86
	12th month	14.86	-	14.86	0.14	0.30	14.56
					1.61	1.82	
<b>2nd</b>	Opening Balance						
	1st month	14.56	-	14.56	0.13	0.30	14.26
	2nd month	14.26	-	14.26	0.13	0.30	13.95
	3rd month	13.95	-	13.95	0.13	0.30	13.65
	4th month	13.65	-	13.65	0.13	0.30	13.35
	5th month	13.35	-	13.35	0.12	0.30	13.04
	6th month	13.04	-	13.04	0.12	0.30	12.74
	7th month	12.74	-	12.74	0.12	0.30	12.44
	8th month	12.44	-	12.44	0.11	0.30	12.13
	9th month	12.13	-	12.13	0.11	0.30	11.83
	10th month	11.83	-	11.83	0.11	0.30	11.53
	11th month	11.53	-	11.53	0.11	0.30	11.22
	12th month	11.22	-	11.22	0.10	0.30	10.92
					1.42	3.64	
<b>3rd</b>	Opening Balance						
	1st month	10.92	-	10.92	0.10	0.30	10.62
	2nd month	10.62	-	10.62	0.10	0.30	10.31
	3rd month	10.31	-	10.31	0.09	0.30	10.01
	4th month	10.01	-	10.01	0.09	0.30	9.71
	5th month	9.71	-	9.71	0.09	0.30	9.40
	6th month	9.40	-	9.40	0.09	0.30	9.10
	7th month	9.10	-	9.10	0.08	0.30	8.80
	8th month	8.80	-	8.80	0.08	0.30	8.49
	9th month	8.49	-	8.49	0.08	0.30	8.19
	10th month	8.19	-	8.19	0.08	0.30	7.89
	11th month	7.89	-	7.89	0.07	0.30	7.58

12th month	7.58	-	7.58	0.07	0.30	7.28
				<b>1.02</b>	<b>3.64</b>	
<b>4th</b> Opening Balance						
1st month	7.28	-	7.28	0.07	0.30	6.98
2nd month	6.98	-	6.98	0.06	0.30	6.67
3rd month	6.67	-	6.67	0.06	0.30	6.37
4th month	6.37	-	6.37	0.06	0.30	6.07
5th month	6.07	-	6.07	0.06	0.30	5.76
6th month	5.76	-	5.76	0.05	0.30	5.46
7th month	5.46	-	5.46	0.05	0.30	5.16
8th month	5.16	-	5.16	0.05	0.30	4.85
9th month	4.85	-	4.85	0.04	0.30	4.55
10th month	4.55	-	4.55	0.04	0.30	4.25
11th month	4.25	-	4.25	0.04	0.30	3.94
12th month	3.94	-	3.94	0.04	0.30	3.64
				<b>0.62</b>	<b>3.64</b>	
<b>5th</b> Opening Balance						
1st month	3.64	-	3.64	0.03	0.30	3.34
2nd month	3.34	-	3.34	0.03	0.30	3.03
3rd month	3.03	-	3.03	0.03	0.30	2.73
4th month	2.73	-	2.73	0.03	0.30	2.43
5th month	2.43	-	2.43	0.02	0.30	2.12
6th month	2.12	-	2.12	0.02	0.30	1.82
7th month	1.82	-	1.82	0.02	0.30	1.52
8th month	1.52	-	1.52	0.01	0.30	1.21
9th month	1.21	-	1.21	0.01	0.30	0.91
10th month	0.91	-	0.91	0.01	0.30	0.61
11th month	0.61	-	0.61	0.01	0.30	0.30
12th month	0.30	-	0.30	0.00	0.30	-
				<b>0.22</b>	<b>3.64</b>	
DOOR TO DOOR	60	MONTHS				
MORATORIUM PERIOD	6	MONTHS				
REPAYMENT PERIOD	54	MONTHS				

## **DISCLAIMER**

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