



MODEL PROJECT REPORT



PROJECT REPORT ON CASHEW PROCESSING

SWAVALAMBI BHARAT ABHIYAN

SUMMARY OF PROPOSAL

NAME OF COMPANY : XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX

CONSTITUTION : XXXXXXXXXXXXXXXX

REGISTERED OFFICE : XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX

NAME OF Promoter : XXXXXXXXXXXXXXXXXXXXXXXX

TYPE OF PROJECT : Cashew Processing

NATURE OF PRODUCTS : Cashews

LOCATION OF PROJECT : XXXXXXXXXXXXXXXXXXXXXXXX

CONTACT INFO : XXXXXXXXXXXXXXXX
E-mail :vxxxxxxxxxxxxx

FINANCIAL ASSISTANCE : Term Loan 20.18 Lacs

REQUIRED Working Capital Loan 14.80 Lacs

SECURITY OFFERED : Primary Security

Hypothecation of Plant & Machinery

Hypothecation of Stock & Book debts of Company

Average DSCR 4.60

Average Breakeven Point 25%

COST OF PROJECT

(in Lacs)			
Particulars	Amount	Margin	Finance
Land & Building	Rented	10%	90%
Civil Work	1.50	0.15	1.35
Plant & Machinery	20.42	2.04	18.38
Office Equipments	0.50	0.05	0.45
Working Capital Requirement	16.44	1.64	14.80
Total	38.86	3.89	34.97

MEANS OF FINANCE

(in Lacs)			
Particulars	Amount		
Own Capital			3.89
Working Capital			14.80
Term Loan			20.18
Total			38.86

CASHEW PROCESSING

PRODUCT INTRODUCTION:

In India, cashew was first introduced in Goa, from where it spread to other parts of the country. Cashew is a crop with high economic value and attained the status of an export-oriented commodity, earning considerable foreign exchange for the country. Cashew are commonly known dry-fruit in India and is used in a food processing industry and are rich in taste and have several health benefits. Cashew is a tree. Its nut, also known as cashew, is commonly eaten as food. People also use the nut to make medicine.



USES & MARKET POTENTIAL:

Cashew are dry-fruits which are rich in protein and helps in boosting the immune system. Cashew can also be used to make a rich cashew vegan cream and which can be added to variety of sweet dishes. Cashew nut can also be taken in snacks and this product is commonly used in all types of desserts also.

India processed cashew market is projected to register a CAGR of 9.33% during the forecast period (2020-2025). The cashew market has witnessed a rapid shift in the consumption pattern across India in recent years, primarily due to flavoured assorted cashew products occupying an increased share in the retail market space. The Indian cashew industry is almost export-oriented.

MANUFACTURING PROCESS:

The Raw Cashew Nuts are procured from vendor and stored in in raw material warehouse as per production requirement. The proposed cashew processing unit is a fully automatic plant thus requires minimum manual handling.

The Cashew Nuts are fed to Steam Cooker which utilizes steam generated by its steam generator utilizing the furnace of the cooking system. Cooking aids shell removal of cashew.

The cooked cashews are not directly further processed, rather they are allowed to remain undisturbed for some time to aid shell removal further, followed by which the cashew is fed to shell cutting machine, which essentially cuts open the shell and extracts the cashew.

The output of cashew cutting machine is fed to vibrator separator which separates cashew from husk, followed by which cashew are then taken to a sorting area on conveyor where workers sort and manually remove any remnant of shell using knives.

These Cashews are then fed to oven to reduce the moisture content of cashews and to ultimately dry them to required level, followed by which they are again allowed some holding time in a humidity-controlled chamber to further assist skin removal.

The Peeling of cashews is executed by cashew peeling machine which utilizes compressed air for the same. The peeled cashews are fed to a kernel separator which separates out whole, half and broken kernel.

These cashews are further graded based on size, separated, passed through metal detector, packaged and sent for sale.

APPROVALS & REGISTRATION REQUIREMENT:

Basic registration required in this project:

- GST Registration.
- Udyog Aadhar Registration.
- Choice of a Brand Name of the product and secure the name with Trademark if required.
- FSSAI Registration
- NOC from State Pollution Control Board.

FINANCIAL ASPECTS

PROJECTED BALANCE SHEET

PARTICULARS	2021	2022	2023	2024	2025	2026
<u>SOURCES OF FUND</u>						
Capital Account	-	6.73	9.33	12.12	15.29	19.93
Add: Addition	3.89	-	-	-	-	-
Add : Net Profit	2.85	14.59	18.79	23.17	27.64	31.97
	6.73	21.33	28.12	35.29	42.93	51.90
Less : Drawings	-	12.00	16.00	20.00	23.00	26.00
	6.73	9.33	12.12	15.29	19.93	25.90
Term Loan	20.18	16.14	12.11	8.07	4.04	-
Cash Credit	14.80	14.80	14.80	14.80	14.80	14.80
Sundry Creditors	2.00	2.25	2.50	2.75	3.00	3.25
TOTAL :	43.71	42.51	41.52	40.91	41.76	43.94
<u>APPLICATION OF FUND</u>						
Fixed Assets (Gross)	22.42	22.42	22.42	22.42	22.42	22.42
Gross Dep.	0.82	3.99	6.69	8.99	10.95	12.62
Net Fixed Assets	21.60	18.43	15.73	13.43	11.47	9.80
Current Assets						
Sundry Debtors	4.06	5.06	5.67	6.29	6.92	7.55
Stock in Hand	14.62	17.27	19.17	21.07	22.98	24.89
Cash and Bank	3.43	1.75	0.95	0.12	0.40	1.70
TOTAL :	43.71	42.51	41.52	40.91	41.76	43.94
	-	-	-	-	-	-

PROJECTED PROFITABILITY STATEMENT

PARTICULARS	2020-21(Three Months Working)	2022	2023	2024	2025	2026
Capacity Utilisation %	40%	45%	50%	55%	60%	65%
A) SALES						
Production Sale	43.52	217.02	243.17	269.60	296.41	323.59
Total (A)	43.52	217.02	243.17	269.60	296.41	323.59
B) COST OF SALES						
Raw Mateiral Consumed	30.00	135.00	150.00	165.00	180.00	195.00
Electricity Expenses	0.40	1.78	1.98	2.18	2.37	2.57
Labour & Wages	5.45	21.78	23.96	26.35	28.99	31.89
Depreciation	0.82	3.17	2.70	2.30	1.96	1.67
Cost of Production	36.66	161.73	178.63	195.83	213.32	231.13
Add: Opening Stock	-	3.42	3.77	4.17	4.57	4.98
Less: Closing Stock	3.42	3.77	4.17	4.57	4.98	5.39
Cost of Sales (B)	33.24	161.37	178.24	195.43	212.92	230.72
C) GROSS PROFIT (A-B)	10.28	55.64	64.93	74.17	83.49	92.88
	23.62%	25.64%	26.70%	27.51%	28.17%	28.70%
D) Bank Interest (Term Loan)	1.11	2.05	1.61	1.17	0.72	0.28
Bank Interest (C.C. Limit)	0.81	1.63	1.63	1.63	1.63	1.63
E)Salary to Staff	1.16	4.62	5.08	5.59	6.15	6.76
F) Selling & Adm Expenses Exp.	4.35	30.38	33.56	36.40	39.13	42.07
TOTAL (D+E)	7.43	38.68	41.88	44.78	47.62	50.74
H) NET PROFIT	2.85	16.96	23.05	29.39	35.87	42.14
I) TAXATION	-	2.37	4.26	6.22	8.23	10.17
J) PROFIT AFTER TAX	2.85	14.59	18.79	23.17	27.64	31.97
	6.55%	6.72%	7.73%	8.59%	9.32%	9.88%

PROJECTED CASH FLOW STATEMENT

PARTICULARS	2021	2022	2023	2024	2025	2026
<u>SOURCES OF FUND</u>						
Own Contribution	3.89	-	-	-	-	-
Net Profit	2.85	16.96	23.05	29.39	35.87	42.14
Depreciation & Exp. W/off	0.82	3.17	2.70	2.30	1.96	1.67
Increase in Cash Credit	14.80	-	-	-	-	-
Increase In Term Loan (New)	20.18	-	-	-	-	-
Increase in Creditors	2.00	0.25	0.25	0.25	0.25	0.25
TOTAL :	44.53	20.38	26.00	31.94	38.08	44.06
<u>APPLICATION OF FUND</u>						
Increase in Fixed Assets	22.42	-	-	-	-	-
Increase in Stock	14.62	2.65	1.89	1.90	1.91	1.92
Increase in Debtors	4.06	1.00	0.61	0.62	0.63	0.63
Repayment of Term Loan (New)	-	4.04	4.04	4.04	4.04	4.04
Taxation	-	2.37	4.26	6.22	8.23	10.17
Drawings	-	12.00	16.00	20.00	23.00	26.00
TOTAL :	41.10	22.06	26.80	32.78	37.80	42.76
Opening Cash & Bank Balance	-	3.43	1.75	0.95	0.12	0.40
Add : Surplus	3.43	(1.68)	(0.80)	(0.83)	0.28	1.30
Closing Cash & Bank Balance	3.43	1.75	0.95	0.12	0.40	1.70

CALCULATION OF PRODUCTION**Cashews**

Particulars/Year	2020-21(Three Months Working)	2021-22	2022-23	2023-24	2024-25	2025-26
Manufacturing Qty per Hour	25.00 kg	25.00 kg	25.00 kg	25.00 kg	25.00 kg	25.00 kg
No. of Working Hour per day	10	10	10	10	10	10
No. of Day	75	300	300	300	300	300
Capacity Utilisation	40%	45%	50%	55%	60%	65%
Total Production	7,500 kg	33,750 kg	37,500 kg	41,250 kg	45,000 kg	48,750 kg

COMPUTATION OF SALE (CASHEWS)

Particulars	2020-21(Three Months Working)	2021-22	2022-23	2023-24	2024-25	2025-26
Op Stock	-	700	804	894	983	1,073
Production	7,500	33,750	37,500	41,250	45,000	48,750
Less : Closing Stock(7 DAYS)	7,500	34,450	38,304	42,144	45,983	49,823
	700	804	894	983	1,073	1,163
Net Sale	6,800	33,646	37,410	41,160	44,910	48,660
Average Sale Price per kg	640.00	645.00	650.00	655.00	660.00	665.00
Sale (in Lacs)	43.52	217.02	243.17	269.60	296.41	323.59

Cashews

Particulars/Year	2020-21(Three Months Working)	2021-22	2022-23	2023-24	2024-25	2025-26
Production Quantity	7,500 kg	33,750 kg	37,500 kg	41,250 kg	45,000 kg	48,750 kg
Total Qty incl Wastage 75%	30,000 kg	135,000 kg	150,000 kg	165,000 kg	180,000 kg	195,000 kg
Raw Material Cost @100/- kg	30.00	135.00	150.00	165.00	180.00	195.00
Total Cost of Raw Material	30.00	135.00	150.00	165.00	180.00	195.00

COMPUTATION OF CLOSING STOCK & WORKING CAPITAL

PARTICULARS	2020-21(Three Months Working)	2022	2023	2024	2025	2026
<u>Finished Goods</u>						
(7 Days requirement)	3.42	3.77	4.17	4.57	4.98	5.39
<u>Raw Material</u>						
(28-30 Days requirement)	11.20	13.50	15.00	16.50	18.00	19.50
Closing Stock	14.62	17.27	19.17	21.07	22.98	24.89

COMPUTATION OF WORKING CAPITAL REQUIREMENT

Particulars	Total Amount	Own Margin	Bank Finance
Stock in Hand	14.62	10%	1.46
Sundry Debtors	4.06	10%	0.41
	18.68		1.87
Sundry Creditors	2.00	-	
	16.68	1.87	14.82
AVERAGE WORKING CAPITAL		14.80	

CALCULATION OF POWER

Connected Load	15	KW
No of Working Days	300	
No of Hour per Day	10	
Total Consumption	45,000	KWH
(i) Power Supply from Electricity Board	85%	38250
(ii) Power Supply from DG Set	15%	6750

COST OF POWER

(I) Cost of power from Electricity Board (@8/- per Unit)	3.06
(II) Cost of power from DG Set (@10/- per Unit)	0.68
Add : Fixed Cost	0.15
Add : Lubricants	0.07
Total Annual Power Expense	3.96

Year	Capacity	Amount (in Lacs)
2021	40%	0.40
2022	45%	1.78
2023	50%	1.98
2024	55%	2.18
2025	60%	2.37
2026	65%	2.57

BREAK UP OF WAGES

Particulars	Salary	No of	Total
	Per Month	Employees	Salary
Skilled Worker	15,000.00	6	90,000.00
Unskilled Labour	7,500.00	10	75,000.00
Total Wages Per Month			165,000.00
Add: 10% Fringe Benefit			16,500.00
			<u>181,500.00</u>
			21.78

BREAK UP OF SALARY

Particulars	Salary	No of	Total
	Per Month	Employees	Salary
Manager	15,000.00	1	15,000.00
Administrative Staff	10,000.00	2	20,000.00
Total Salary Per Month			35,000.00
Add: 10% Fringe Benefit			3,500.00
			<u>38,500.00</u>
			4.62

COMPUTATION OF DEPRECIATION

Description	Land	Building	Plant and Machinery	TOTAL
Civil Work				
Rate of Depreciation		10.00%	15.00%	
Opening Balance	-	-	-	-
Additions During The Year	Rented	1.50	20.92	22.42
	-	1.50	20.92	22.42
Less : Depreciation	-	0.04	0.78	0.82
WDV at end of 2020-21	-	1.46	20.14	21.60
Additions During The Year	-	-	-	-
	-	1.46	20.14	21.60
Less : Depreciation	-	0.15	3.02	3.17
WDV at end of 2021-22	-	1.32	17.12	18.43
Additions During The Year	-	-	-	-
	-	1.32	17.12	18.43
Less : Depreciation	-	0.13	2.57	2.70
WDV at end of 2022-23	-	1.18	14.55	15.73
Additions During The Year	-	-	-	-
	-	1.18	14.55	15.73
Less : Depreciation	-	0.12	2.18	2.30
WDV at end of 2023-24	-	1.07	12.37	13.43
Additions During The Year	-	-	-	-
	-	1.07	12.37	13.43
Less : Depreciation	-	0.11	1.85	1.96
WDV at end of 2024-25	-	0.96	10.51	11.47
Additions During The Year	-	-	-	-
	-	0.96	10.51	11.47
Less : Depreciation	-	0.10	1.58	1.67
WDV at end of 2025-26	-	0.86	8.93	9.80
Less : Depreciation	-	0.09	1.34	1.43
WDV at end of 2026-27	-	0.78	7.59	8.37

REPAYMENT SCHEDULE OF TERM LOAN							11.0%
Year	Particulars	Amount	Addition	Total	Interest	Repayment	CI Balance
2020-21	Opening Balance						
	Ist Quarter	-	-	-	-	-	-
	IInd Quarter	-	-	-	-	-	-
	IIIrd Quarter	-	20.18	20.18	0.55	-	20.18
	Ivth Quarter	20.18	-	20.18	0.55	-	20.18
					1.11	-	
2021-22	Opening Balance						
	Ist Quarter	20.18	-	20.18	0.55	1.01	19.17
	IInd Quarter	19.17	-	19.17	0.53	1.01	18.16
	IIIrd Quarter	18.16	-	18.16	0.50	1.01	17.15
	Ivth Quarter	17.15		17.15	0.47	1.01	16.14
					2.05	4.04	
2022-23	Opening Balance						
	Ist Quarter	16.14	-	16.14	0.44	1.01	15.13
	IInd Quarter	15.13	-	15.13	0.42	1.01	14.12
	IIIrd Quarter	14.12	-	14.12	0.39	1.01	13.12
	Ivth Quarter	13.12		13.12	0.36	1.01	12.11
					1.61	4.04	
2023-24	Opening Balance						
	Ist Quarter	12.11	-	12.11	0.33	1.01	11.10
	IInd Quarter	11.10	-	11.10	0.31	1.01	10.09
	IIIrd Quarter	10.09	-	10.09	0.28	1.01	9.08
	Ivth Quarter	9.08		9.08	0.25	1.01	8.07
					1.17	4.04	
2024-25	Opening Balance						
	Ist Quarter	8.07	-	8.07	0.22	1.01	7.06
	IInd Quarter	7.06	-	7.06	0.19	1.01	6.05
	IInd Quarter	6.05	-	6.05	0.17	1.01	5.04
	Ivth Quarter	5.04	-	5.04	0.14	1.01	4.04
					0.72	4.04	
2025-26	Opening Balance						
	Ist Quarter	4.04	-	4.04	0.11	1.01	3.03
	IInd Quarter	3.03	-	3.03	0.08	1.01	2.02
	IIIrd Quarter	2.02	-	2.02	0.06	1.01	1.01
	Ivth Quarter	1.01	-	1.01	0.03	1.01	(0.00)
					0.28	4.04	
Subsidy Adjusted after 36 Months							
Door To Door Period		66 Months					
Moratorium Period		6 Months					
Repayment Period		60 Months					

CALCULATION OF D.S.C.R

PARTICULARS	2020-21(Three Months Working)	2022	2023	2024	2025	2026
<u>CASH ACCRUALS</u>	3.67	17.76	21.49	25.47	29.60	33.64
Interest on Term Loan	1.11	2.05	1.61	1.17	0.72	0.28
Total	4.78	19.81	23.10	26.64	30.32	33.92
<u>REPAYMENT</u>						
Instalment of Term Loan	-	4.04	4.04	4.04	4.04	4.04
Interest on Term Loan	1.11	2.05	1.61	1.17	0.72	0.28
Total	1.11	6.09	5.64	5.20	4.76	4.31
DEBT SERVICE COVERAGE RATIO	4.31	3.25	4.09	5.12	6.37	7.86
AVERAGE D.S.C.R.				4.60		