

1. INTRODUCTION



Peanuts and other nuts are widely used across India as well as in various countries for using in various food preparations and also consumed directly with simple processing as they contain huge amount of nutrition. Nuts are processed and roasted and sometimes flavoring process can be done for other uses.

2. MARKET POTENTIAL:

Flavored and roasted nuts are heavily used in daily routine and across various industries like peanut butter, nut-based chocolates, sweets, and as intermediate to many other food products. There is a growing demand of pure/unadulterated roasted and flavored nuts from the customers who are increasingly informed these days. With various food standards such as FSSAI, FSMS, ISI and ISO standards implementation, there can be huge market growth for manufacturer.

3. PRODUCT DESCRIPTION

3.1 PRODUCT & ITS APPLICATION

Roasted and flavored nuts are heavily used in single varieties. Cashew, peanuts and almonds are also used in mixes as are pecans, brazil nuts, filberts or hazelnuts and macadamia nuts. Many nutritionists believe nuts are healthy. Nuts have no

cholesterol, they contain mono-unsaturated and/or polyunsaturated fats, are rich in fibre, and contain vitamin E. Eating nuts, therefore, may help prevent heart disease. Other benefits of nut consumption include boost of immune system, reduce high blood pressure, fight osteoporosis, and keep nerves and muscles healthy and also beneficial to the nervous system and skin.

3.2 RAW MATERIAL

Various nuts in raw form are basic raw material for this manufacturing setup. For roasting and flavoring, oil, salt, masala, pepper and other flavors are needed. Food grade packaging of paper and HDPE with inner liner is required. Cardboard boxes for packing of seasoning in bunch are required.

3.3 MANUFACTURING PROCESS

Raw nuts are first cleaned before feeding into main process. Cleaned nuts are then roasted, cooled and blanched. Then after, inspection of quality of roasting is done and nuts are sorted which go into feed tank, the feed here can be controlled by operator. They are after roasted with oil and coating has been done. After these, process flow is cooling, glazing, salting, seasoning for flavors. Flavored and roasted nuts are then packed in food grade packaging.

4. PROJECT COMPONENTS

4.1 Land & Building

The approximate total area required for complete small-scale factory setup is 1000-1200 Sq. ft. approximately smooth production

4.2 Plant & Machinery

<p>Cutting Machine</p>	<p>Cutting machine is designed to chop roasted peanut into different size pieces.</p>	
<p>Roasting/Flavouring Machine</p>	<p>Nuts Roasting Machine uses the state of art technology. It blows hot air into the nuts to be roasted. This method keeps the aroma fresh and the discoloring due to heat is avoided. Air roasted will tastes better than flame roasted.</p>	
<p>Conveyor Belt</p>	<p>The conveyor belt moves forward with nuts. The heating device and the thermal circulation device make the circulating hot air in the oven even, penetrate the material upward from the lower part of the mesh belt, and effectively guarantee the ideal roasting.</p>	
<p>Separator and Peeling Machine</p>	<p>This machine is specially designed for removing the red skin coat of the peanuts and making the peanuts taste much savorier. It keeps the peanuts kernels as integral as possible.</p>	

<p>Packing, Filling and Sealing Machine</p>	<p>This Machine is used for packaging the roasted peanuts in the desired quantity .</p>	
<p>Material Handling Equipment</p>	<p>These are the various types of equipments used in the manufacturing process of Roasted Peanuts business.</p>	
<p>Weighing balance</p>	<p>It is used to measure the quantity weight of the product and raw material composition.</p>	

Note: Approx. Total Machinery cost shall be Rs 10.53 lakhs excluding GST and Transportation Cost.

4.3 Power Requirement

The borrower shall require power load of 5 KW which shall be applied with Power Corporation. However, for standby power arrangement the borrower shall purchase DG Set.

4.4 Manpower Requirement

7 Manpower are required for the Roasted Peanuts Process.

Includes:

1 Plant Operator

4 Skilled Labour

6 Unskilled Labour

4 Administrative Staffs

1 Accountant

5. FINANCIALS

5.1 Cost of Project

FINANCIAL ASSISTANCE REQUIRED				
Term Loan of Rs. 8.5 lakh and Working Capital limit of Rs.6 Lacs				
(in Lacs)				
<u>COST OF PROJECT</u>	PARTICULARS	AMOUNT	Own Contribution	Bank Finance
	Land & Building		25.00% Owned /rented	75.00%
	Plant & Machinery	10.53	2.63	7.90
	Furniture & Fixtures and Other Assets	0.80	0.20	0.60
	Working capital	8.00	2.00	6.00
	Total	19.33	4.83	14.50

5.2 Means of Finance

<u>MEANS OF FINANCE</u>	PARTICULARS	AMOUNT
	Own Contribution	4.83
	Bank Loan	8.50
	Working capital Limit	6.00
	Total	19.33

5.3 Projected Balance Sheet

(in Lacs)					
PROJECTED BALANCE SHEET					
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
<u>Liabilities</u>					
Capital					
opening balance		6.20	7.89	10.23	12.16
<i>Add:- Own Capital</i>	4.83				
Add:- Retained Profit	2.36	3.70	5.33	6.93	8.60
Less:- Drawings	1.00	2.00	3.00	5.00	6.00
Closing Balance	6.20	7.89	10.23	12.16	14.76
Term Loan	7.55	5.67	3.78	1.89	-
Working Capital Limit	6.00	6.00	6.00	6.00	6.00
Sundry Creditors	1.89	2.15	2.43	2.73	3.06
Provisions & Other Liab	0.35	0.42	0.50	0.60	0.73
TOTAL :	21.99	22.13	22.94	23.39	24.55
<u>Assets</u>					
Fixed Assets (Gross)	11.33	11.33	11.33	11.33	11.33
Gross Dep.	1.66	3.07	4.28	5.31	6.19
Net Fixed Assets	9.67	8.26	7.05	6.02	5.14
Current Assets					
Sundry Debtors	5.00	5.87	6.64	7.47	8.37
Stock in Hand	5.75	6.54	7.37	8.28	9.25
Cash and Bank	1.57	1.46	1.87	1.62	1.78
TOTAL :	21.99	22.13	22.94	23.39	24.55

5.4 Projected Cash Flow

(in Lacs)					
PROJECTED CASH FLOW STATEMENT					
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
<u>SOURCES OF FUND</u>					
Own Margin	4.83				
Net Profit	2.36	3.70	5.33	7.04	8.79
Depreciation & Exp. W/off	1.66	1.41	1.21	1.03	0.88
Increase in Cash Credit	6.00	-	-	-	-
Increase In Term Loan	8.50	-	-	-	-
Increase in Creditors	1.89	0.26	0.28	0.30	0.33
Increase in Provisions & Oth lib	0.35	0.07	0.08	0.10	0.12
TOTAL :	25.59	5.44	6.90	8.47	10.11
<u>APPLICATION OF FUND</u>					
Increase in Fixed Assets	11.33				
Increase in Stock	5.75	0.79	0.83	0.90	0.98
Increase in Debtors	5.00	0.87	0.77	0.83	0.90
Repayment of Term Loan	0.94	1.89	1.89	1.89	1.89
Drawings	1.00	2.00	3.00	5.00	6.00
Taxation	-	-	-	0.10	0.19
TOTAL :	24.03	5.55	6.49	8.73	9.95
Opening Cash & Bank Balance	-	1.57	1.46	1.87	1.62
Add : Surplus	1.57	(0.11)	0.41	(0.26)	0.16
Closing Cash & Bank Balance	1.57	1.46	1.87	1.62	1.78

5.5 Projected Profitability

(in Lacs)					
PROJECTED PROFITABILITY STATEMENT					
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
Capacity Utilisation %	60%	65%	70%	75%	80%
<u>SALES</u>					
Gross Sale					
Roasted Peanuts	100.05	117.43	132.81	149.44	167.39
Total	100.05	117.43	132.81	149.44	167.39
COST OF SALES					
Raw Material Consumed	81.00	92.14	104.19	117.21	131.27
Electricity Expenses	0.72	0.79	0.87	0.96	1.05
Depreciation	1.66	1.41	1.21	1.03	0.88
Wages & labour	6.12	6.73	7.41	8.15	8.96
Repair & maintenance	2.00	2.94	3.32	3.74	4.18
Cost of Production	91.50	104.01	116.99	131.08	146.35
Add: Opening Stock /WIP	-	3.05	3.47	3.90	4.37
Less: Closing Stock /WIP	3.05	3.47	3.90	4.37	4.88
Cost of Sales	88.45	103.59	116.56	130.61	145.84
GROSS PROFIT	11.60	13.83	16.25	18.83	21.55
	11.59%	11.78%	12.24%	12.60%	12.87%
Salary to Staff	2.40	2.64	2.90	3.19	3.51
Interest on Term Loan	0.84	0.74	0.53	0.32	0.11
Interest on working Capital	0.60	0.60	0.60	0.60	0.60

Rent	2.40	2.64	2.90	3.19	3.51
selling & adm exp	3.00	3.52	3.98	4.48	5.02
TOTAL	9.24	10.14	10.92	11.79	12.76
NET PROFIT	2.36	3.70	5.33	7.04	8.79
	2.36%	3.15%	4.02%	4.71%	5.25%
Taxation			-	0.10	0.19
PROFIT (After Tax)	2.36	3.70	5.33	6.93	8.60

5.6 Production and Yield

COMPUTATION OF PRODUCTION OF ROASTED PEANUTS		
Items to be Manufactured		
Roasted Peanuts		
Machine Production capacity per Hour	0.06	MT
Working hours in a day	8	
Production Per Day	0.50	MT
No of Working Days in Month	25	
No of Working Days in a Year	300	
Machine capacity per annum	150	MT
Production per annum	150	MT

Production of Roasted Peanuts		
Production	Capacity	KG
1st year	60%	90.00
2nd year	65%	97.50
3rd year	70%	105.00
4th year	75%	112.50
5th year	80%	120.00

Raw Material Cost			
Year	Capacity Utilisation	Rate (per MT)	Amount (Rs. in lacs)
1st year	60%	90,000.00	81.00
2nd year	65%	94,500.00	92.14
3rd year	70%	99,225.00	104.19
4th year	75%	104,186.00	117.21
5th year	80%	109,395.00	131.27

5.7 Sales Revenue

<u>COMPUTATION OF SALE</u>					
Particulars	1st year	2nd year	3rd year	4th year	5th year
Op Stock	-	3.00	3.25	3.50	3.75
Production	90.00	97.50	105.00	112.50	120.00
Less : Closing Stock	3.00	3.25	3.50	3.75	4.00
Net Sale	87.00	97.25	104.75	112.25	119.75
Avg sale price per MT	115,000	120,750	126,788	133,127	139,783
Sales (in Lacs)	100.05	117.43	132.81	149.44	167.39

5.8 Working Capital Assessment

(in Lacs)					
COMPUTATION OF CLOSING STOCK & WORKING CAPITAL					
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
<u>Finished Goods</u>					
	3.05	3.47	3.90	4.37	4.88
<u>Raw Material</u>					
	2.70	3.07	3.47	3.91	4.38
Closing Stock	5.75	6.54	7.37	8.28	9.25

COMPUTATION OF WORKING CAPITAL REQUIREMENT						
TRADITIONAL METHOD						
(in Lacs)						
Particulars	Amount	Own Margin		Bank Finance		
Finished Goods & Raw Material	5.75					
Less : Creditors	1.89					
Paid stock	3.86	25%	0.97	75%	2.90	
Sundry Debtors	5.00	25%	1.25	75%	3.75	
	8.86		2.22		6.65	
WORKING CAPITAL LIMIT DEMAND (from Bank)						
				6.00		

5.9 Power, Salary & Wages Calculation

Utility Charges (per month)		
Particulars	value	Description
Power connection required	5	KWH
consumption per day	40	units
Consumption per month	1,000	units
Rate per Unit	10	Rs.
power Bill per month	10,000	Rs.

<u>BREAK UP OF LABOUR CHARGES</u>			
Particulars	Wages	No of	Total
	Rs. per Month	Employees	Salary
Skilled (in thousand rupees)	12,000	2	24,000
Unskilled (in thousand rupees)	9,000	3	27,000
Total salary per month			51,000
Total annual labour charges	(in lacs)		6.12

<u>BREAK UP OF Staff Salary CHARGES</u>			
Particulars	Salary	No of	Total
	Rs. per Month	Employees	Salary
Accountant	12,500	1	12,500
Administrative Staffs	7,500	1	7,500
Total salary per month			20,000
Total annual Staff charges	(in lacs)		2.40

5.10 Depreciation

(in Lacs)			
COMPUTATION OF DEPRECIATION			
Description	Plant & Machinery	Furniture	TOTAL
Rate of Depreciation	15.00%	10.00%	
Opening Balance	-	-	-
Addition	10.53	0.80	11.33
Total	10.53	0.80	11.33
Less : Depreciation	1.58	0.08	1.66
WDV at end of Year	8.95	0.72	9.67
Additions During The Year	-	-	-
Total	8.95	0.72	9.67
Less : Depreciation	1.34	0.07	1.41
WDV at end of Year	7.61	0.65	8.26
Additions During The Year	-	-	-
Total	7.61	0.65	8.26
Less : Depreciation	1.14	0.06	1.21
WDV at end of Year	6.47	0.58	7.05
Additions During The Year	-	-	-
Total	6.47	0.58	7.05
Less : Depreciation	0.97	0.06	1.03
WDV at end of Year	5.50	0.52	6.02
Additions During The Year	-	-	-
Total	5.50	0.52	6.02
Less : Depreciation	0.82	0.05	0.88
WDV at end of Year	4.67	0.47	5.14

5.11 Repayment schedule

REPAYMENT SCHEDULE OF TERM LOAN							
						Interest	11.00%
Year	Particulars	Amount	Addition	Total	Interest	Repayment	Closing Balance
1st	Opening Balance						
	1st month	-	8.50	8.50	-	-	8.50
	2nd month	8.50	-	8.50	0.08	-	8.50
	3rd month	8.50	-	8.50	0.08	-	8.50
	4th month	8.50	-	8.50	0.08		8.50
	5th month	8.50	-	8.50	0.08		8.50
	6th month	8.50	-	8.50	0.08		8.50
	7th month	8.50	-	8.50	0.08	0.16	8.34
	8th month	8.34	-	8.34	0.08	0.16	8.18
	9th month	8.18	-	8.18	0.08	0.16	8.03
	10th month	8.03	-	8.03	0.07	0.16	7.87
	11th month	7.87	-	7.87	0.07	0.16	7.71
	12th month	7.71	-	7.71	0.07	0.16	7.55
					0.84	0.94	
2nd	Opening Balance						
	1st month	7.55	-	7.55	0.07	0.16	7.40
	2nd month	7.40	-	7.40	0.07	0.16	7.24
	3rd month	7.24	-	7.24	0.07	0.16	7.08
	4th month	7.08	-	7.08	0.06	0.16	6.92
	5th month	6.92	-	6.92	0.06	0.16	6.77
	6th month	6.77	-	6.77	0.06	0.16	6.61
	7th month	6.61	-	6.61	0.06	0.16	6.45
	8th month	6.45	-	6.45	0.06	0.16	6.29
	9th month	6.29	-	6.29	0.06	0.16	6.14
	10th month	6.14	-	6.14	0.06	0.16	5.98
	11th month	5.98	-	5.98	0.05	0.16	5.82
	12th month	5.82	-	5.82	0.05	0.16	5.67
					0.74	1.89	
3rd	Opening Balance						
	1st month	5.67	-	5.67	0.05	0.16	5.51
	2nd month	5.51	-	5.51	0.05	0.16	5.35
	3rd month	5.35	-	5.35	0.05	0.16	5.19
	4th month	5.19	-	5.19	0.05	0.16	5.04
	5th month	5.04	-	5.04	0.05	0.16	4.88

	6th month	4.88	-	4.88	0.04	0.16	4.72
	7th month	4.72	-	4.72	0.04	0.16	4.56
	8th month	4.56	-	4.56	0.04	0.16	4.41
	9th month	4.41	-	4.41	0.04	0.16	4.25
	10th month	4.25	-	4.25	0.04	0.16	4.09
	11th month	4.09	-	4.09	0.04	0.16	3.93
	12th month	3.93	-	3.93	0.04	0.16	3.78
					0.53	1.89	
4th	Opening Balance						
	1st month	3.78	-	3.78	0.03	0.16	3.62
	2nd month	3.62	-	3.62	0.03	0.16	3.46
	3rd month	3.46	-	3.46	0.03	0.16	3.30
	4th month	3.30	-	3.30	0.03	0.16	3.15
	5th month	3.15	-	3.15	0.03	0.16	2.99
	6th month	2.99	-	2.99	0.03	0.16	2.83
	7th month	2.83	-	2.83	0.03	0.16	2.68
	8th month	2.68	-	2.68	0.02	0.16	2.52
	9th month	2.52	-	2.52	0.02	0.16	2.36
	10th month	2.36	-	2.36	0.02	0.16	2.20
	11th month	2.20	-	2.20	0.02	0.16	2.05
	12th month	2.05	-	2.05	0.02	0.16	1.89
					0.32	1.89	
5th	Opening Balance						
	1st month	1.89	-	1.89	0.02	0.16	1.73
	2nd month	1.73	-	1.73	0.02	0.16	1.57
	3rd month	1.57	-	1.57	0.01	0.16	1.42
	4th month	1.42	-	1.42	0.01	0.16	1.26
	5th month	1.26	-	1.26	0.01	0.16	1.10
	6th month	1.10	-	1.10	0.01	0.16	0.94
	7th month	0.94	-	0.94	0.01	0.16	0.79
	8th month	0.79	-	0.79	0.01	0.16	0.63
	9th month	0.63	-	0.63	0.01	0.16	0.47
	10th month	0.47	-	0.47	0.00	0.16	0.31
	11th month	0.31	-	0.31	0.00	0.16	0.16
	12th month	0.16	-	0.16	0.00	0.16	-
					0.11	1.89	
	DOOR TO DOOR	60	MONTHS				
	MORATORIUM PERIOD	6	MONTHS				
	REPAYMENT PERIOD	54	MONTHS				

5.12 Financial Ratio Analysis

FINANCIAL INDICATORS					
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
TURNOVER	100.05	117.43	132.81	149.44	167.39
GROSS PROFIT	11.60	13.83	16.25	18.83	21.55
G.P. RATIO	11.59%	11.78%	12.24%	12.60%	12.87%
NET PROFIT	2.36	3.70	5.33	7.04	8.79
N.P. RATIO	2.36%	3.15%	4.02%	4.71%	5.25%
CURRENT ASSETS	12.32	13.87	15.89	17.36	19.40
CURRENT LIABILITIES	8.24	8.57	8.94	9.34	9.79
CURRENT RATIO	1.49	1.62	1.78	1.86	1.98
TERM LOAN	7.55	5.67	3.78	1.89	-
TOTAL NET WORTH	6.20	7.89	10.23	12.16	14.76
DEBT/EQUITY	1.22	0.72	0.37	0.16	-
TOTAL NET WORTH	6.20	7.89	10.23	12.16	14.76
TOTAL OUTSIDE LIABILITIES	15.79	14.23	12.71	11.23	9.79
TOL/TNW	2.55	1.80	1.24	0.92	0.66
PBDIT	5.46	6.45	7.67	8.98	10.38
INTEREST	1.44	1.34	1.13	0.92	0.71
INTEREST COVERAGE RATIO	3.80	4.83	6.80	9.76	14.56
WDV	9.67	8.26	7.05	6.02	5.14
TERM LOAN	7.55	5.67	3.78	1.89	-
FACR	1.28	1.46	1.87	3.19	-

5.13 DSCR

<u>CALCULATION OF D.S.C.R</u>					
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
CASH ACCRUALS	4.02	5.11	6.54	7.96	9.47
Interest on Term Loan	0.84	0.74	0.53	0.32	0.11
Total	4.86	5.85	7.07	8.28	9.59
<u>REPAYMENT</u>					
Instalment of Term Loan	0.94	1.89	1.89	1.89	1.89
Interest on Term Loan	0.84	0.74	0.53	0.32	0.11
Total	1.78	2.62	2.42	2.21	2.00
DEBT SERVICE COVERAGE RATIO	2.73	2.23	2.93	3.75	4.79
AVERAGE D.S.C.R.	3.23				

5.14 Break Even Point Analysis

<u>BREAK EVEN POINT ANALYSIS</u>					
Year	I	II	III	IV	V
Net Sales & Other Income	100.05	117.43	132.81	149.44	167.39
Less : Op. WIP Goods	-	3.05	3.47	3.90	4.37

Add : Cl. WIP Goods	3.05	3.47	3.90	4.37	4.88
Total Sales	103.10	117.85	133.24	149.90	167.90
Variable & Semi Variable Exp.					
Raw Material Consumed	81.00	92.14	104.19	117.21	131.27
Electricity Exp/Coal Consumption at 85%	0.61	0.67	0.74	0.81	0.90
Wages & Salary at 60%	5.11	5.62	6.19	6.80	7.48
Selling & administrative Expenses 80%	2.40	2.82	3.19	3.59	4.02
Interest on working Capital	0.6	0.6	0.6	0.6	0.6
Repair & maintenance	2.00	2.94	3.32	3.74	4.18
Total Variable & Semi Variable Exp	91.73	104.79	118.22	132.75	148.46
Contribution	11.37	13.06	15.02	17.15	19.44
Fixed & Semi Fixed Expenses					
Electricity Exp/Coal Consumption at 15%	0.11	0.12	0.13	0.14	0.16
Wages & Salary at 40%	3.41	3.75	4.12	4.54	4.99
Interest on Term Loan	0.84	0.74	0.53	0.32	0.11
Depreciation	1.66	1.41	1.21	1.03	0.88
Selling & administrative Expenses 20%	0.60	0.70	0.80	0.90	1.00
Rent	2.40	2.64	2.90	3.19	3.51
Total Fixed Expenses	9.01	9.36	9.69	10.12	10.66
Capacity Utilization	60%	65%	70%	75%	80%
OPERATING PROFIT	2.36	3.70	5.33	7.04	8.79
BREAK EVEN POINT	48%	47%	45%	44%	44%
BREAK EVEN SALES	81.68	84.49	85.94	88.43	92.02

6. LICENSE & APPROVALS

- Obtain the GST registration.
- Additionally, obtain the Udyog Aadhar registration Number.
- Fire/pollution license as required.
- FSSAI License
- Factory License
- Choice of a Brand Name of the product and secure the name with Trademark if required.

7. ASSUMPTIONS

1. Production Capacity of Roasted Peanuts is 500 kg per day. First year, Capacity has been taken @ 60%.
2. Working shift of 8 hours per day has been considered.
3. Raw Material stock is for 10 days and Finished goods Closing Stock has been taken for 10 days.
4. Credit period to Sundry Debtors has been given for 15 days.
5. Credit period by the Sundry Creditors has been provided for 7 days.
6. Depreciation and Income tax has been taken as per the Income tax Act, 1961.
7. Interest on working Capital Loan and Term loan has been taken at 11%.
8. Salary and wages rates are taken as per the Current Market Scenario.
9. Power Consumption has been taken at 5 KW.
10. Increase in sales and raw material costing has been taken @ 5% on a yearly basis.