

PROJECT PROFILE

ON

CASHEW SNACKS (TINY SCALE FOR WOMEN SHG)

Month & Year
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**PREPARED BY
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1. Introduction

Cashew kernels find a variety of uses in the daily cuisine of every Indian household. However, the processed kernels are consumed as snacks, offered at parties, and served on flights by airlines. They are also consumed in large quantities during journeys, in theaters, and at home while watching the television. The salted and peppered varieties offer a tasty combination with almost any beverage.

2. Market

Cashew snacks have a good domestic and export market potential. Roasted and salted cashews; paprika dusted cashews; pepper dusted cashews and honey coated cashews are the most sought after both in the domestic and export markets.

3. Packaging

The processed cashew is packed in metallized polyester-poly pouches in the presence of an inert gas viz: nitrogen. The quantity packed per pouch is 50 grams. The pouches are placed in paperboard cartons and strapped prior to dispatch.

4. Production capacity

- The plant will be in operation for one shift a day.
- Estimated production per day - 250 kilograms.
- The total production per month will be 6.250 M.T while the annual production is estimated at 75 M.T
- The time period required for achieving full capacity utilization is one year.

5. Sales revenue

- The ex-factory selling price will be Rs. 25 per pouch of 50 grams or Rs. 500 per kilogram inclusive of taxes. The estimated annual sales revenue will be Rs. 375 lakhs.

6. Production process outline.

Cashew kernels are graded and roasted in a thermostat frier using vegetable oil as the frying medium. They are then dusted with spices, salt etc and packed automatically with the pouch flushed with nitrogen.

7. Quality specifications

- Moisture content of roasted cashews - 2% maximum.
- Acidity of extracted fat - 1% maximum.
- Free fatty acids as oleic acid of oil used - 0.1% maximum.
- Mold and fungal growth should be absent. It should also test negative for coliforms, salmonella and streptococci.
- Total plate count - 30,000 per gram - maximum.

8. Pollution control measures

Not necessary as there are no pollutants or effluents.

9. Energy conservation measures

Common measures will do.

10. Land and construction cost for the proposed unit

The proposed unit is to be set up in a leased area. The total leased area is 3000 square feet vide details given below.

SI	Description	Sq. feet
1	Processing area	1500
2	Raw material store	400
3	Other ingredients storage room	100
4	Finished goods storage room	200
5	Packaging material storage room	200
6	Laboratory	100
7	Office space	100
8	Machinery spares room	100
9	Toilet space	200
10	Miscellaneous space	100
11	Total	3000

Lease rent – Rs. 8.00 per square foot ; Total rent per month – Rs. 24000

Lease advance – Rs. 100000

11. Costing of machinery and equipment

SI	Description	Rs. lakhs
1	Tray drier and accessories	1.600
2	Frying pans – 2 nos	0.560
3	Coating pan – Stainless steel	1.200
4	Form fill weighing and sealing machine	3.000
5	Weighing scales – bulk and fine	0.300
6	Total	6.660
7	Laboratory equipment	0.500
8	Grand total machinery and equipment	7.160

12. Project cost

SI	Description	Rs. lakhs
1	Land	On lease
2	Civil works	On lease
3	Plant machinery	6.660
4	Laboratory equipment	0.500
5	Transport vehicle (Tata Ace)	3.600
6	Pollution control equipment	0.000
7	Energy conservation equipment	0.000
8	Cost of power connection	0.200
9	Cost of electrification	0.500
10	Erection and commissioning	0.700
11	Cost of machinery spares	0.100
12	Cost of office equipment	1.000
13	Deposits if any	0.600
14	Company formation expenses	0.100
15	Gestation period expenses	1.000
16	Sales tax registration expenses	0.100
17	Initial advertisement and publicity	10.000
18	Contingencies	1.000
19	Working capital margin money	9.606
20	Total	35.666

13. Working capital requirements per month

a. Salaries and wages

SI	Description	No of persons	Total salary / month (Rs. lakhs)
1	Production Supervisor	1	0.150
2	Chemist	1	0.100
3	Skilled workers	2	0.120
4	Unskilled workers	4	0.160
5	Packing workers	2	0.080
6	Administrative staff	1	0.100
7	Sales coordinator	1	0.100
8	Van driver	1	0.060
9	Total	13	0.870

b. Raw material requirement per month

SI	Description	Qty (kgs)	Rate / kg (Rs)	Value (Rs. lakhs)
1	Cashew kernels 320 grade	6250	300.00	18.750
2	Vegetable oils	125	80	0.100
3	Salt and spices	150	30.00	0.045
4	Total raw material	6525		18.895

c. Packaging material requirement per month

SI	Description	Qty	Rate / unit (Rs)	Value (Rs. lakhs)
1	Primary packaging material – metallized polyester – poly film	417 kgs	250	1.043
2	Cartons and straps	625 nos	50	0.313
3	Total			1.356

Total raw + packaging material = Rs. 20.251 lakhs

d. Utilities per month

SI	Description	Rs. lakhs
1	Power 5000 kwh @ Rs. 5.50 per unit	0.275
2	Water	0.050
3	Boiler fuel	0.000
4	Total utilities	0.325

e. Contingent expenses per month

SI	Description	Rs. lakhs
1	Rent for processing shed	0.240
2	Postage and stationery	0.010
3	Telephones, fax etc.	0.050
4	Consumable stores	0.010
5	Repairs and maintenance	0.093
6	Local transports, loading and unloading	0.100
7	Advertisement and publicity @15% of sales	4.663
8	Insurance	0.018
9	Sales expenses @ 1% of sales	0.310
10	Miscellaneous expenses @ 1% of sales	0.310
11	Trade incentives @ 2% of sales	0.620
12	Taxes @ 4%	1.240
13	Total contingent expenses	7.664

f. Total working capital requirement per month

SI	Description	Rs. lakhs
1	Salaries and wages	0.870
2	Raw material and packaging material	20.251
3	Utilities	0.325
4	Contingent expenses	7.664
5	Total	29.110

14. Means of finance

SI	Description	Rs. lakhs
1	Total Project Cost	35.666
2	Equity	14.266
3	Debt	21.410
4	Working capital margin money	9.606

15. Financial analysis

SI	Description	Rs. lakhs
1	Total recurring cost per year	349.320
2	Depreciation on land and building	0.000
3	Depreciation on machinery and vehicle	1.200
4	Depreciation on furnaces	0.000
5	Depreciation on moulds and fixtures	0.010
6	Depreciation on office equipment	0.100
7	Interest on long term loan @ 13.5%	2.890
8	Interest on short term borrowings@ 13.5%	2.633
9	Total cost of production	356.153

16. Turnover per year

SI	Item	Qty	Rate/unit (Rs)	Total Rs. lakhs
1	Cashew snacks	75000 kgs	500.00	375.00

17. Viability analysis

SI	Description	Value
1	Net profit before income tax (Rs. lakhs)	18.847
2	Net profit ratio	5.0%
3	Internal rate of return	33.0%
4	Break even percentage	41%
5	Debt service coverage ratio	2.012

List of machinery suppliers for processing of Cashew snacks (roasted salted cashews)

The machinery has to be fabricated locally in stainless steel as per drawings.

