

PROJECT PROFILE

ON

SUGAR COATED NUTS

Month & Year
Aug 2010

**PREPARED BY
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SUGAR COATED NUTS

1. Introduction

Sugar coated nuts are a delicacy and are consumed by all people on all festive occasions and as a tea time fun snack. The nuts include cashew, peanuts, walnuts and almond.

2. Market

The major market outlets are the “ A” and “B” class outlets. The product also finds placement in self service counters and departmental stores. Some sweet meat outlets also stock the product.

3. Packaging

The processed product is packed in laminated polyester-poly or laminated BOPP film pouches.

4. Production capacity

- The plant will be in operation for three shifts a day with each shift of 8 hours duration.
- The plant operates to a production capacity of 250 kilograms per shift.
- The estimated production per day is 750 kilograms.
- The total production per month will be 18.75 M.T while the annual production is estimated at 225 M.T
- The time period required for achieving full capacity utilization is one year.
- It is proposed to utilise 50% of the capacity for cashews and 50% of the capacity for peanuts. The production of individual nuts would be 112.5 M.T each.

5. Sales revenue

- The total sales revenue is anticipated at Rs. 472.50 lakhs on full capacity utilization as follows:
- Cashew - 112500 kilograms @ Rs. 300 per kg. - Rs. 337.50 lakhs
- Peanuts - 112500 kilograms @ Rs. 120 per kilogram - Rs. 135.00 lakhs

6. Production process outline.

The nuts are first shelled to remove the outer skin and then heated in the tray drier at 150 degrees centigrade for forty minutes till the nuts turn golden brown. Sugar syrup is prepared separately to a consistency of 75 brix. The nuts are transferred to the coating pans where they are coated with sugar syrup. Hot air is blown and the product dries in the pan itself. The dried product is then packed.

7. Quality specifications

- Moisture content - Maximum 3%
- Ash - Maximum 1.0%
- Acid insoluble ash - Maximum 0.2%
- Mold and fungal growth - Absent
- Artificial sweeteners - Prohibited from being added
- Total plate count - Maximum 10,000 per gram
- Coliforms - Absent
- Salmonella - Absent
- Streptococci - Absent

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 premises. The leased area is 3000 square feet as detailed below:

SI	Description	Sq. feet
1	Processing area	1500
2	Raw material (sugar) store	100
3	Nuts store room	200
4	Other raw materials store room	200
5	Finished goods store room	200
6	Packing materials store room	100
7	Quality control laboratory	200
8	Office space	200
9	Machinery spares room	100
10	Toilets	100
11	Miscellaneous space	100
12	Total	3000

Lease rent – Rs. 8.00 per month

Total rent per month – Rs. 24000

Lease advance – Rs. 100000

11. Costing of machinery and equipment

SI	Description	Rs. lakhs
1	Tray drier with two trolleys and 36 trays per trolley	1.650
2	Syrup kettle	0.750
3	Coating and polishing pan	4.500
4	Packing machine	2.500
5	Total	9.400
6	Laboratory equipment	0.500
7	Grand total machinery and equipment	9.900

12. Project cost

SI	Description	Rs. lakhs
1	Land	On lease
2	Civil works	On lease
3	Plant machinery	9.400
4	Laboratory equipment	0.500
5	Transport vehicle (Tata Ace)	3.760
6	Pollution control equipment	0.000
7	Energy conservation equipment	0.000
8	Cost of power connection	0.250
9	Cost of electrification	0.500
10	Erection and commissioning	0.940
11	Cost of machinery spares	0.300
12	Cost of office equipment	1.000
13	Deposits if any	0.600
14	Company formation expenses	0.100
15	Gestation period expenses	1.500
16	Sales tax registration expenses	0.100
17	Initial advertisement and publicity	10.000
18	Contingencies	1.000
19	Working capital margin money	13.864
20	Total	43.814

13. Working capital requirements per month

a. Salaries and wages

SI	Description	No of persons	Total salary / month (Rs. lakhs)
1	Production Manager	1	0.400
2	Production supervisor cum chemist	3	0.750
3	Skilled workers	3	0.180
4	Unskilled workers	6	0.240
5	Packing workers	6	0.240
6	Administrative staff	1	0.250
7	Sales staff	2	0.300
8	Driver	1	0.070
7	Total	23	2.430

b. Raw material requirement per month

SI	Description	Qty (kgs)	Rate / kg (Rs)	Value (Rs. lakhs)
1	Cashews	6200	300	18.600
2	Peanuts	6200	50	3.100
3	Sugar	6400	24	1.536
4	Total raw material	18800		23.236

c. Packaging material requirement per month

SI	Description	Qty	Rate / unit (Rs)	Value (Rs. lakhs)
1	Primary packaging material – metallized polyester – poly film	900 kgs	250	2.250
2	Cartons and straps	1875	40	0.750
3	Total			3.000

Total raw + packaging material = Rs. 26.236 lakhs

d. Utilities per month

SI	Description	Rs. lakhs
1	Power 20000 kwh @ Rs. 6.00 per unit	1.200
2	Water	0.050
3	Boiler fuel	0.000
4	Total utilities	1.250

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	0.020
5	Repairs and maintenance	0.113
6	Local transports, loading and unloading	0.100
7	Advertisement and publicity @ 2.5% of sales	1.000
8	Insurance	0.010
9	Sales expenses @ 1% of sales	0.400
10	Miscellaneous expenses @ 1% of sales	0.400
11	Trade incentives @ 2% of sales	0.800
12	Taxes @ 4%	1.600
13	Total contingent expenses	4.743

f. Total working capital requirement per month

SI	Description	Rs. lakhs
1	Salaries and wages	2.430
2	Raw material and packaging material	26.236
3	Utilities	1.250
4	Contingent expenses	4.743
5	Total	34.659

14. Means of finance

SI	Description	Rs. lakhs
1	Total Project Cost	43.814
2	Equity	14.459
3	Debt	29.355
4	Working capital margin money	13.864

15. Financial analysis

SI	Description	Rs. lakhs
1	Total recurring cost per year	415.908
2	Depreciation on land and building	0.000
3	Depreciation on machinery	1.076
4	Depreciation on furnaces	0.000
5	Depreciation on moulds and fixtures	0.020
6	Depreciation on office equipment	0.100
7	Interest on long term loan @ 13.5%	3.960
8	Interest on short term borrowings@ 13.5%	2.807
9	Total cost of production	423.871

16. Turnover per year

SI	Item	Qty	Rate/unit (Rs)	Total Rs. lakhs
1	Sugar coated nuts	112500	300	337.50
2	Sugar coated peanuts	112500	120	135.00
3	Total	225000		472.50

17. Viability analysis

SI	Description	Value
1	Net profit before income tax (Rs. lakhs)	48.629
2	Net profit ratio	10.3%
3	Internal rate of return	20.6%
4	Break even percentage	43%
5	Debt service coverage ratio	2.002

List of machinery suppliers for sugar coated nuts

The machinery has to be fabricated locally to customers specification and capacity.