

PROJECT REPORT

Of

CHIRONJI

PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding Chironji Processing 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 A GLANCE

- 1 Name of the Entrepreneur : xxxxxxxxxxxx
- 2 Constitution (legal Status) : xxxxxxxxxxxx
- 3 Father / Spouse Name : xxxxxxxxxxxxxx
- 4 Unit Address : xxxxxxxxxxxxxxxxxxxxxxxxx
- District : xxxxxxxx
- Pin: xxxxxxxx State: xxxxx
- Mobile xxxxxxxx
- 5 Product and By Product : **CHIRONJI**
- 6 Name of the project / business activity proposed : **CHIRONJI PROCESSING UNIT**
- 7 Cost of Project : Rs.16.63 Lakhs
- 8 Means of Finance
- Term Loan Rs.9.27 Lakhs
- Own Capital Rs.1.66 Lakhs
- Working Capital Rs.5.69 Lakhs
- 9 Debt Service Coverage Ratio : 3.11
- 10 Pay Back Period : 5 Years
- 11 Project Implementation Period : 5-6 Months
- 12 Break Even Point : 36%
- 13 Employment : 12 Persons
- 14 Power Requirement : 12.00 HP
- 15 Major Raw materials : Chironji Nut
- 16 Estimated Annual Sales Turnover (Max Capacity) : 161.55 Lakhs
- 17 Detailed Cost of Project & Means of Finance

COST OF PROJECT

(Rs. In Lakhs)

Particulars	Amount
Land	Own/Rented
Plant & Machinery	9.50
Furniture & Fixtures	0.80
Working Capital	6.33
Total	16.63

MEANS OF FINANCE

Particulars	Amount
Own Contribution	1.66
Working Capital(Finance)	5.69
Term Loan	9.27
Total	16.63

CHIRONJI PROCESSING UNIT

Introduction:

Buchanania lanzan (chironji) is a commercially important tree species from the Anacardiaceae family. It can be found in India, Myanmar, and Nepal. The plant thrives in dry forests in Jharkhand, Madhya Pradesh, Chattisgarh, Varanasi, and Mirzapur districts of Uttar Pradesh, where it grows on yellow sandy-loam soil. Chironji is a medium-sized, almost evergreen tree with a straight, cylindrical trunk and tormentors branches that grows up to 10-15 m tall. The bark is rough, dark grey or black on the outside and reddish on the inside, fissured into prominent squares and 1.25-1.75 cm thick. The local people have been processing chironji in the traditional way for centuries. Chironji fruits mature in 4 to 5 months and are manually harvested in the months of May and June. During storage, the green-colored skins of harvested chironji fruits turn black and they must be removed before shelling. Fruits are normally soaked overnight in plain water and rubbed between palms or with a jute sack to remove the skin. To obtain cleaned nuts, the water containing fine skin is decanted and washed with fresh water. After cleaning, the nuts are dried in the sun and stored for further processing, such as shelling. The chironji nut is in high demand in international markets and has thus emerged as a significant crop. As a result, the government and private agencies have shown a keen interest in developing this sector, both in terms of output and processing capability, in order to earn foreign exchange. This report explains how to process chironji in a more modern way to enhance the capacity and quality of chironji.



Uses & Market Potential:

Nuts are nutrient-dense fruit that has been eaten for centuries all over the world. Cashews, walnuts, Marcona almonds, peanuts, and hazelnuts, Chironji are the most widely eaten nuts as well as major parts of many cuisines. Nuts are consumed by many people all over the world because of their excellent nutritional profile, which includes polyunsaturated and monounsaturated fats, all of which reduce blood cholesterol. Nuts are also high in fiber, protein, vitamins, and minerals, such as Folate, vitamin E, potassium, and magnesium. Fresh fruit is eaten raw having a pleasant, sweetish, sub-acid flavour and consumed by local people, and also sold in the village market. Chironji is best known for its expensive, high-priced kernels. These almond-like kernels are eaten raw or fried and are used as a cooking spice and dry fruit in Indian sweets, kheer, and meaty korma. Chironji seeds are nutrient-dense and medicinal. Chironji contains phenolics, natural antioxidants, fatty acids, and minerals in abundance. Its seed oil is used to treat skin conditions, such as acne and blemishes, and to remove spots and blemishes from the face. Chironji is a source of income for tribal people of Chhattisgarh and other states it is the backbone of their economy. At a compound annual growth rate (CAGR) of 3.5 percent, the global fruit and nut farming market is projected to rise from \$822.52 billion in 2020 to \$851.66 billion in 2021.

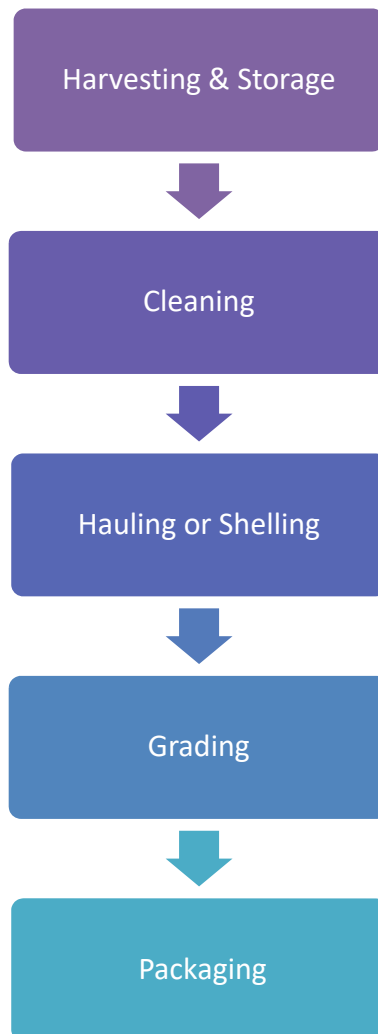
Product:

Chironji

Raw Material:

Chironji nut: 4-5-month-old harvested nut are required as raw material, the green skins of Chironji fruits harvested become dark during storage and this layer must be removed before being processed.

Manufacturing Process:



Area:

The industrial setup requires space for Inventory, workshop or manufacturing area, space for power supply utilities and polishing area. Also, some of the area of building is required for office staff facilities, office furniture, etc. Thus, the approximate total area required for complete industrial setup is 1200-1500Sqft.

Cost of Machines:

Machine	Unit	Rate	Price
Vibro Separator Machine	1	150000	150000
Seed Decorticator and sieving machine	1	120000	120000
Metal detector	1	150000	150000
Filling and packaging machine	1	280000	280000
Material handling and other equipment's	-	250000	250000
Total Amount			950000

Power Requirement- The estimated Power requirement is taken at 12 HP

Manpower Requirement- Following manpower is required:

- Machine operator-2
- Skilled/unskilled worker-3
- Helper-4
- Manager cum Accountant-1
- Sales Personnel-2

FINANCIALS

<u>PROJECTED BALANCE SHEET</u>					
PARTICULARS	I	II	III	IV	V
<u>SOURCES OF FUND</u>					
<u>Capital Account</u>					
Opening Balance	-	2.11	3.33	5.46	7.96
Add: Additions	1.66	-	-	-	-
Add: Net Profit	3.45	4.72	5.93	7.01	8.31
Less: Drawings	3.00	3.50	3.80	4.50	6.00
Closing Balance	2.11	3.33	5.46	7.96	10.27
CC Limit	5.69	5.69	5.69	5.69	5.69
Term Loan	8.24	6.18	4.12	2.06	-
Sundry Creditors	3.00	3.44	3.90	4.37	4.86
TOTAL :	19.05	18.65	19.17	20.09	20.83
<u>APPLICATION OF FUND</u>					
Fixed Assets (Gross)	10.30	10.30	10.30	10.30	10.30
Gross Dep.	1.51	2.79	3.88	4.82	5.61
Net Fixed Assets	8.80	7.51	6.42	5.48	4.69
Current Assets					
Sundry Debtors	4.64	5.51	6.28	7.16	8.08
Stock in Hand	4.69	5.37	6.09	6.86	7.65
Cash and Bank	0.93	0.25	0.39	0.59	0.42
TOTAL :	19.05	18.65	19.17	20.09	20.83
	-	-	-	-	-

PROJECTED PROFITABILITY STATEMENT

PARTICULARS	I	II	III	IV	V
<u>A) SALES</u>					
Gross Sale	92.80	110.29	125.58	143.12	161.55
Total (A)	92.80	110.29	125.58	143.12	161.55
<u>B) COST OF SALES</u>					
Raw Material Consumed	60.00	68.85	78.00	87.45	97.20
Electricity Expenses	1.07	1.21	1.34	1.48	1.61
Repair & Maintenance	2.78	2.76	3.14	3.58	4.04
Labour & Wages	15.25	18.30	21.04	24.83	28.55
Depreciation	1.51	1.28	1.09	0.93	0.80
Cost of Production	80.61	92.39	104.62	118.26	132.20
Add: Opening Stock /WIP	-	2.69	3.08	3.49	3.94
Less: Closing Stock /WIP	2.69	3.08	3.49	3.94	4.41
Cost of Sales (B)	77.92	92.00	104.21	117.81	131.73
C) GROSS PROFIT (A-B)	14.88	18.29	21.37	25.30	29.82
	16.03%	16.58%	17.02%	17.68%	18.46%
D) Bank Interest i) (Term Loan)	1.01	0.82	0.59	0.37	0.14
ii) Interest On Working Capital	0.63	0.63	0.63	0.63	0.63
E) Salary to Staff	7.94	9.37	10.68	11.75	12.92
F) Selling & Adm Expenses Exp.	1.86	2.76	3.14	4.87	6.79
G) TOTAL (D+E+F)	11.43	13.57	15.04	17.61	20.47
H) NET PROFIT	3.45	4.72	6.33	7.70	9.34
	3.7%	4.3%	5.0%	5.4%	5.8%
I) Taxation	-	-	0.41	0.69	1.03
J) PROFIT (After Tax)	3.45	4.72	5.93	7.01	8.31

PROJECTED CASH FLOW STATEMENT

PARTICULARS	I	II	III	IV	V
<u>SOURCES OF FUND</u>					
Own Contribution	1.66	-	-	-	-
Reserve & Surplus	3.45	4.72	6.33	7.70	9.34
Depreciation & Exp. W/off	1.51	1.28	1.09	0.93	0.80
Increase In Cash Credit	5.69	-	-	-	-
Increase In Term Loan	9.27	-	-	-	-
Increase in Creditors	3.00	0.44	0.46	0.47	0.49
TOTAL :	24.58	6.44	7.88	9.10	10.63
<u>APPLICATION OF FUND</u>					
Increase in Fixed Assets	10.30	-	-	-	-
Increase in Stock	4.69	0.69	0.71	0.77	0.79
Increase in Debtors	4.64	0.87	0.76	0.88	0.92
Repayment of Term Loan	1.03	2.06	2.06	2.06	2.06
Taxation	-	-	0.41	0.69	1.03
Drawings	3.00	3.50	3.80	4.50	6.00
TOTAL :	23.66	7.12	7.74	8.90	10.80
Opening Cash & Bank Balance	-	0.93	0.25	0.39	0.59
Add : Surplus	0.93	- 0.68	0.14	0.21	- 0.18
Closing Cash & Bank Balance	0.93	0.25	0.39	0.59	0.42

COMPUTATION OF CLOSING STOCK & WORKING CAPITAL

PARTICULARS	I	II	III	IV	V
<u>Finished Goods</u>					
(10 Days requirement)	2.69	3.08	3.49	3.94	4.41
<u>Raw Material</u>					
(10 Days requirement)	2.00	2.30	2.60	2.92	3.24
Closing Stock	4.69	5.37	6.09	6.86	7.65

COMPUTATION OF WORKING CAPITAL REQUIREMENT

Particulars	Amount	Margin(10%)	Net Amount
Stock in Hand	4.69		
Less:			
Sundry Creditors	3.00		
Paid Stock	1.69	0.17	1.52
Sundry Debtors	4.64	0.46	4.18
Working Capital Requirement			5.69
Margin			0.63
MPBF			5.69
Working Capital Demand			5.69

REPAYMENT SCHEDULE OF TERM LOAN

11.0%

Year	Particulars	Amount	Addition	Total	Interest	Repayment	CI Balance
I	Opening Balance						
	Ist Quarter	-	9.27	9.27	0.25	-	9.27
	IInd Quarter	9.27	-	9.27	0.25	-	9.27
	IIIRD Quarter	9.27	-	9.27	0.25	0.52	8.76
	Ivth Quarter	8.76	-	8.76	0.24	0.52	8.24
					1.01	1.03	
II	Opening Balance						
	Ist Quarter	8.24	-	8.24	0.23	0.52	7.73
	IInd Quarter	7.73	-	7.73	0.21	0.52	7.21
	IIIRD Quarter	7.21	-	7.21	0.20	0.52	6.70
	Ivth Quarter	6.70		6.70	0.18	0.52	6.18
					0.82	2.06	
III	Opening Balance						
	Ist Quarter	6.18	-	6.18	0.17	0.52	5.67
	IInd Quarter	5.67	-	5.67	0.16	0.52	5.15
	IIIRD Quarter	5.15	-	5.15	0.14	0.52	4.64
	Ivth Quarter	4.64		4.64	0.13	0.52	4.12
					0.59	2.06	
IV	Opening Balance						
	Ist Quarter	4.12	-	4.12	0.11	0.52	3.61
	IInd Quarter	3.61	-	3.61	0.10	0.52	3.09
	IIIRD Quarter	3.09	-	3.09	0.08	0.52	2.58
	Ivth Quarter	2.58		2.58	0.07	0.52	2.06
					0.37	2.06	
V	Opening Balance						
	Ist Quarter	2.06	-	2.06	0.06	0.52	1.55
	IInd Quarter	1.55	-	1.55	0.04	0.52	1.03
	IIIRD Quarter	1.03	-	1.03	0.03	0.52	0.51
	Ivth Quarter	0.51		0.51	0.01	0.52	0.00
					0.14	2.06	

Door to Door Period 60 Months
Moratorium Period 6 Months
Repayment Period 54 Months

CALCULATION OF D.S.C.R

PARTICULARS	I	II	III	IV	V
<u>CASH ACCRUALS</u>	4.96	6.00	7.02	7.94	9.11
Interest on Term Loan	1.01	0.82	0.59	0.37	0.14
Total	5.96	6.82	7.61	8.31	9.25
<u>REPAYMENT</u>					
Repayment of Term Loan	1.03	2.06	2.06	2.06	2.06
Interest on Term Loan	1.01	0.82	0.59	0.37	0.14
Total	2.04	2.88	2.65	2.43	2.20
DEBT SERVICE COVERAGE RATIO	2.93	2.37	2.87	3.42	4.20
AVERAGE D.S.C.R.			3.11		

Assumptions:

1. Production Capacity of Chironji Processing unit is taken at 1000 Packets per day. First year, Capacity has been taken @ 40%. One packet weight is 100 gm.
2. Working shift of 10 hours per day has been considered.
3. Raw Material stock 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 15 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 12 HP.
10. Selling Prices & Raw material costing has been increased by 3% & 2% respectively in the subsequent years.

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