

PROJECT REPORT

Of

GROUNDNUT

PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding Groundnut 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 : **GROUNDNUT**
- 6 Name of the project / business activity proposed : **GROUNDNUT PROCESSING UNIT**
- 7 Cost of Project : Rs.19.47 Lakhs
- 8 Means of Finance
- Term Loan Rs.10.53 Lakhs
- Own Capital Rs.1.95 Lakhs
- Working Capital Rs.6.99 Lakhs
- 9 Debt Service Coverage Ratio : 3.20
- 10 Pay Back Period : 5 Years
- 11 Project Implementation Period : 5-6 Months
- 12 Break Even Point : 31%
- 13 Employment : 11 Persons
- 14 Power Requirement : 20.00 HP
- 15 Major Raw materials : Harvested groundnut pod and packing material
- 16 Estimated Annual Sales Turnover (Max Capacity) : 148.78 Lakhs
- 17 Detailed Cost of Project & Means of Finance

COST OF PROJECT

(Rs. In Lakhs)

Particulars	Amount
Land	Own/Rented
Plant & Machinery	10.70
Furniture & Fixtures	1.00
Working Capital	7.77
Total	19.47

MEANS OF FINANCE

Particulars	Amount
Own Contribution	1.95
Working Capital(Finance)	6.99
Term Loan	10.53
Total	19.47

GROUNDNUT PROCESSING UNIT

Introduction:

Groundnut is an oilseed that comes from the groundnut fruit. It is referred to as a nut in general, but it is not a nut exactly in actual terms; rather, it is a seed that goes by the name of peanut. The groundnut plant is an annual herb plant that belongs to the Fabaceae family. The plant has feathery leaves, yellow flowers, and a legume-shaped fruit with two to three seeds that grow within the ground. Oil is also obtained from groundnut seeds, which are high in vitamin E, fatty acids, and carbohydrates and are widely used as a cooking medium, lighting fuel, and food ingredient. Groundnut is considered one of the world's most valuable oilseed crops. It is developed in over 100 countries around the world and is extremely important to the global economy. The seeds are a good source of the groundnut oil cake's edible oil and proteins. The oil and protein percentages derived from the seed are approximately 55 and 28 percent, respectively. After the oil is extracted, the oil cake meal is used as animal feed and fertilizer. The key components of the groundnut seed are edible oil (45%) and protein (26 percent). It's also high in thiamine, riboflavin, nicotinic acid, vitamin E, and all of the B vitamins, except B12.



Uses & Market Potential:

Groundnut seeds are eaten raw (uncooked), boiled, and roasted, and their flour is used to make confections and baked goods. Groundnut shells are used to make particle boards, as well as being used as a fuel or filler in the fertilizer and feed industries. Groundnut haulms are a good source of protein for livestock.

Earthnuts, goober peas, monkey nuts, pygmy nuts, and pig nuts are some of the other local names for Groundnuts. The peanut, despite its name and shape, is a legume, not a nut. India is the world's second- largest producer of groundnuts. There are three types of Indian groundnuts: Bold or Runner, Java or Spanish, and Red Natal. They have a rich nutty flavour, a sweet taste, a crunchy texture, and a longer shelf life than most nuts. Some growing regions have ideal soil conditions for dry, clean, and spotless Groundnuts in Shell. Indian groundnut shellers and processors are becoming increasingly aware of and concerned about efficiency. Multiple grading and sorting are quickly becoming the standard. Indian factories are capable of processing and producing edible peanuts that meet the highest quality requirements. Indian groundnut shellers and processors are becoming increasingly aware of and concerned about efficiency. Multiple grading and sorting are quickly becoming the standard. Indian factories are capable of processing and producing edible peanuts that meet the highest quality requirements. During the forecast period, 2021-2026, the peanuts market is expected to develop at a CAGR of 4.5 percent.

Product:

Groundnut

Raw Material:

Raw material that are used are Harvested Groundnut pod and packing material.

Manufacturing Process:

- Raw material procurement
- Drying
- Stripping
- Cleaning
- Storage
- Shelling or decorticating
- Cleaning
- Grading

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 1200-1800Sqft.

Cost of Machines:

S.N.	Particulars	Amount
1	Groundnut decorticator	1,50,000
2	Vibro separator	3,00,000
3	Color sorting machine	1,50,000
4	Metal detector	70,000
5	Packaging and filling machine	2,50,000
6	Electrical motor and board	1,00,000
7	Other Equipment's	50,000
	Sub-total Amount	10,70,000

Power Requirement- The estimated Power requirement is taken at 20 HP.

Manpower Requirement— Following manpower is required:

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

FINANCIALS

PROJECTED PROFITABILITY STATEMENT

PARTICULARS	I	II	III	IV	V
<u>A) SALES</u>					
Gross Sale	85.50	103.37	117.91	133.04	148.78
Total (A)	85.50	103.37	117.91	133.04	148.78
<u>B) COST OF SALES</u>					
Raw Material Consumed	57.60	66.10	74.91	84.05	93.53
Electricity Expenses	1.79	2.01	2.24	2.46	2.69
Repair & Maintenance	2.14	2.58	2.95	3.33	3.72
Labour & Wages	12.35	14.82	17.04	19.09	21.38
Depreciation	1.71	1.45	1.24	1.06	0.90
Cost of Production	75.58	86.97	98.38	109.98	122.21
Add: Opening Stock /WIP	-	3.78	4.35	4.92	5.50
Less: Closing Stock /WIP	3.78	4.35	4.92	5.50	6.11
Cost of Sales (B)	71.80	86.40	97.81	109.40	121.60
C) GROSS PROFIT (A-B)	13.70	16.98	20.10	23.64	27.18
	16.02%	16.42%	17.05%	17.77%	18.27%
D) Bank Interest i) (Term Loan)	1.14	0.93	0.68	0.42	0.16
ii) Interest On Working Capital	0.77	0.77	0.77	0.77	0.77
E) Salary to Staff	5.67	6.61	7.60	8.74	10.13
F) Selling & Adm Expenses Exp.	1.54	2.58	3.54	4.66	5.21
G) TOTAL (D+E+F)	9.12	10.89	12.58	14.58	16.27
H) NET PROFIT	4.58	6.08	7.52	9.06	10.91
	5.4%	5.9%	6.4%	6.8%	7.3%
I) Taxation	-	0.36	0.65	0.97	1.45
J) PROFIT (After Tax)	4.58	5.73	6.87	8.09	9.45

PROJECTED CASH FLOW STATEMENT

PARTICULARS	I	II	III	IV	V
<u>SOURCES OF FUND</u>					
Own Contribution	1.95	-	-	-	-
Reserve & Surplus	4.58	6.08	7.52	9.06	10.91
Depreciation & Exp. W/off	1.71	1.45	1.24	1.06	0.90
Increase In Cash Credit	6.99	-	-	-	-
Increase In Term Loan	10.53	-	-	-	-
Increase in Creditors	2.88	0.42	0.44	0.46	0.47
TOTAL :	28.63	7.96	9.20	10.58	12.28
<u>APPLICATION OF FUND</u>					
Increase in Fixed Assets	11.70	-	-	-	-
Increase in Stock	6.66	0.99	1.01	1.04	1.09
Increase in Debtors	3.99	0.83	0.68	0.71	0.73
Repayment of Term Loan	1.17	2.34	2.34	2.34	2.34
Taxation	-	0.36	0.65	0.97	1.45
Drawings	3.80	4.30	4.80	5.50	6.00
TOTAL :	27.32	8.82	9.48	10.56	11.61
Opening Cash & Bank Balance	-	1.31	0.45	0.17	0.19
Add : Surplus	1.31	- 0.86	- 0.28	0.02	0.67
Closing Cash & Bank Balance	1.31	0.45	0.17	0.19	0.86

COMPUTATION OF CLOSING STOCK & WORKING CAPITAL

PARTICULARS	I	II	III	IV	V
Finished Goods					
(15 Days requirement)	3.78	4.35	4.92	5.50	6.11
Raw Material					
(15 Days requirement)	2.88	3.30	3.75	4.20	4.68
Closing Stock	6.66	7.65	8.66	9.70	10.79

COMPUTATION OF WORKING CAPITAL REQUIREMENT

Particulars	Amount	Margin(10%)	Net Amount
Stock in Hand	6.66		
Less:			
Sundry Creditors	2.88		
Paid Stock	3.78	0.38	3.40
Sundry Debtors	3.99	0.40	3.59
Working Capital Requirement			6.99
Margin			0.78
MPBF			6.99
Working Capital Demand			6.99

REPAYMENT SCHEDULE OF TERM LOAN

11.0%

Year	Particulars	Amount	Addition	Total	Interest	Repayment	CI Balance
I	Opening Balance						
	Ist Quarter	-	10.53	10.53	0.29	-	10.53
	Iind Quarter	10.53	-	10.53	0.29	-	10.53
	IIIrd Quarter	10.53	-	10.53	0.29	0.59	9.95
	Ivth Quarter	9.95	-	9.95	0.27	0.59	9.36
					1.14	1.17	
II	Opening Balance						
	Ist Quarter	9.36	-	9.36	0.26	0.59	8.78
	Iind Quarter	8.78	-	8.78	0.24	0.59	8.19
	IIIrd Quarter	8.19	-	8.19	0.23	0.59	7.61
	Ivth Quarter	7.61		7.61	0.21	0.59	7.02
					0.93	2.34	
III	Opening Balance						
	Ist Quarter	7.02	-	7.02	0.19	0.59	6.44
	Iind Quarter	6.44	-	6.44	0.18	0.59	5.85
	IIIrd Quarter	5.85	-	5.85	0.16	0.59	5.27
	Ivth Quarter	5.27		5.27	0.14	0.59	4.68
					0.68	2.34	
IV	Opening Balance						
	Ist Quarter	4.68	-	4.68	0.13	0.59	4.10
	Iind Quarter	4.10	-	4.10	0.11	0.59	3.51
	IIIrd Quarter	3.51	-	3.51	0.10	0.59	2.93
	Ivth Quarter	2.93		2.93	0.08	0.59	2.34
					0.42	2.34	
V	Opening Balance						
	Ist Quarter	2.34	-	2.34	0.06	0.59	1.76
	Iind Quarter	1.76	-	1.76	0.05	0.59	1.17
	IIIrd Quarter	1.17	-	1.17	0.03	0.59	0.58
	Ivth Quarter	0.58		0.58	0.02	0.59	- 0.00
					0.16	2.34	

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>	6.28	7.18	8.11	9.14	10.36
Interest on Term Loan	1.14	0.93	0.68	0.42	0.16
Total	7.43	8.12	8.78	9.56	10.52
<u>REPAYMENT</u>					
Repayment of Term Loan	1.17	2.34	2.34	2.34	2.34
Interest on Term Loan	1.14	0.93	0.68	0.42	0.16
Total	2.31	3.27	3.02	2.76	2.50
DEBT SERVICE COVERAGE RATIO	3.21	2.48	2.91	3.47	4.21
AVERAGE D.S.C.R.			3.20		

Assumptions:

1. Production Capacity of Groundnut Processing unit is taken at 1000 KG per day. First year, Capacity has been taken @ 40%.
2. Working shift of 10 hours per day has been considered.
3. Raw Material stock and Finished goods closing stock has been taken for 15 days.
4. Credit period to Sundry Debtors has been given for 14 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 20 HP.
10. Selling Prices & Raw material costing has been increased by 3% & 2% respectively in the subsequent years.

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