

PROJECT REPORT OF COCONUT HONEY MANUFACTURING UNIT PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding Coconut Honey Manufacturing 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.]

Lucknow Office: Sidhivinayak
Building , 27/1/B, Gokhley Marg, Lucknow-226001
Delhi Office: Multi-Disciplinary Training
Centre, Gandhi Darshan Rajghat, New Delhi 110002

Email: info@udyami.org.in
Contact: +91 7526000333, 444, 555

PROJECT AT GLANCE

1 Name of Proprietor/Director	XXXXXXXXXX
2 Firm Name	XXXXXXXXXX
3 Registered Address	XXXXXXXXXX
4 Nature of Activity	XXXXXXXXXX
5 Category of Applicant	XXXXXXXXXX
6 Location of Unit	XXXXXXXXXX
7 Cost of Project	22.44 Rs. In Lakhs
8 Means of Finance	
i) Own Contribution	2.24 Rs. In Lakhs
ii) Term Loan	16.20 Rs. In Lakhs
iii) Working Capital	4.00 Rs. In Lakhs
9 Debt Service Coverage Ratio	3.37
10 Break Even Point	0.20
11 Power Requirement	20 KW
12 Employment	8 Persons
13 Major Raw Materials	Sap of coconut tree along with some solvents, Grated wet coconut kernel good quality oil, carbohydrate & Protien

14 Details of Cost of Project & Means of Finance

Cost of Project

Particulars	Amount in Lacs
Land	Owned/Leased
Building & Civil Work	Owned/Leased
Plant & Machinery	17.00
Furniture & Fixture	-
Other Misc Assets	1.00
Working Capital Requirement	4.44
Total	22.44

Means of Finance

Particulars	Amount in Lacs
Own Contribution	2.24
Term Loan	16.20
Working capital Loan	4.00
Total	22.44

1. INTRODUCTION



Coconut is the fruit of the coconut palm (*Cocos nucifera*). Coconuts have been grown in tropical regions for more than 4,500 years but recently increased in popularity for their flavor, culinary uses, and potential health benefits. The Coconut Tree is called the "Tree of Life" because all the parts of the entire tree—from top to bottom—are used to sustain human life. The composition and chemical properties of coconut honey is suitable for long-term storage, and is easily assimilated even after long preservation. Coconut honey immersed in honey have been preserved for centuries. The key to preservation is limiting access to humidity. The coconut tree provides food, fuel, cosmetics, folk medicine and building materials, among many other uses. The inner flesh of the mature seed, as well as the coconut milk extracted from it, form a regular part of the diets of many people in the tropics and subtropics. Coconuts are distinct from other fruits because their endosperm contains a large quantity of clear liquid, called coconut water or coconut juice. Mature, ripe coconuts can be used as edible seeds, or processed for oil and plant milk from the flesh, charcoal from the hard shell, and coir from the fibrous husk.

2. PRODUCT DESCRIPTION

2.1 PRODUCT USES

- Coconut honey prevent ailments related to digestion such as stomach pain, gastritis, bloating, acidity.
- Coconut honey contain antioxidant that dissolve the stone gradually in the kidney.
- Coconut honey has the ability to strengthen the muscles of the heart and lower blood pressure.
- Coconut honey contain large amount of potassium is a healthier option to improve energy level.
- Coconut honey has the ability to slow down cell degeneration and prevent premature Ageing.

2.2 PRODUCT RAW MATERIAL

The raw material for coconut honey requires sap of coco nut tree along with some solvents are used during the manufacturing of honey. Grated wet coconut kernel good quality oil as well as protein and carbohydrate can be extracted to prepare coconut honey. Undesirable flavor changes in desiccated coconut are due to oxidative rancidity of the oil

2.3 MANUFACTURING PROCESS

This process can be broken down into the following steps-

- Raw material procurement
- Production Process

Raw Material Procurement: Procurement is the connection process of purchasing and arranging in bound movement of all items, supplies, materials, parts, finished inventory and general support services from the suppliers into manufacturing process or assembly plants or warehouses.

- **Production Process**

Steps involved in the manufacturing of Coconut honey Manufacturing unit

- **Collection of Coconut Sap:** The coconut sap is collected from the cutting portion of stem which ultimately eaten by bees too.
- **Boiling of Coconut Sap:** Boiling of the coconut sap to evaporate the water under moderate heat condition (115 °C) with occasional stirring until it got thick.
- **Heating mixture:** Mixture can be done continually until the coconut sap is converted into granular form.
- **Air drawn to Mixture:** The granular form of coconut sap is transferred from the large ovens to reduce moisture content.
- **Packaging of Honey:** Coconut honey is proceeded for filtration and bottling, according to the market demand.

3. PROJECT COMPONENTS

3.1 Land & Building

The land required for this manufacturing unit will be approx. around 3000 square feet. Land Purchase and Building Civil Work Cost have not been considered as part of the cost of project. It is expected that the premises will be on rental and approximate rentals assumed of the same will be Rs.30,000 to Rs. 40000 per month.

Land and building requirement may vary depending on the size of project.

3.2 Plant & Machinery

This is a semi-automatic type of plant and the production capacity is set to be 80 Kg of Coconut Honey per day.

Machines-

- ✓ **Coconut Honey dehydrator machine:** The coconut honey dehydrator machine is used to remove moisture to the coconut sap by boiling this at 80 °C.



- ✓ **Honey Mixing Machine:** The dehydrated honey channelized into the mixing chamber where solvent is mixed to upgrade its quality.



- ✓ **Honey filtering machine:** The dissolved impurities can be removed by filtering machine before proceed in to filling and packaging machine.



- ✓ **Coconut honey filling and packaging machine:** The required quantity of honey is to be filled and packaged to preserve its quality.



4 LICENSE & APPROVALS

Basic registration required in this project:

- Company registration
- GST registration
- Trade license
- Factory license.
- MSME Udyam registration
- BIS certification
- NOC from the Pollution Department

PROJECTED BALANCE SHEET					(in Lacs)
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
<u>Liabilities</u>					
Capital					
Opening balance		4.61	6.88	9.55	12.35
<i>Add:- Own Capital</i>	2.24				
Add:- Retained Profit	6.12	8.27	10.66	13.81	17.26
Less:- Drawings	3.75	6.00	8.00	11.00	14.00
Closing Balance	4.61	6.88	9.55	12.35	15.61
Term Loan	14.40	10.80	7.20	3.60	-
Working Capital Limit	4.00	4.00	4.00	4.00	4.00
Sundry Creditors	1.34	1.65	1.98	2.33	2.72
Provisions & Other Liability	0.40	0.48	0.58	0.80	0.96
TOTAL :	24.76	23.81	23.30	23.09	23.29
<u>Assets</u>					
Fixed Assets (Gross)					
	18.00	18.00	18.00	18.00	18.00
Gross Dep.	2.70	5.00	6.95	8.60	10.01
Net Fixed Assets	15.30	13.01	11.05	9.40	7.99
Current Assets					
Sundry Debtors	2.93	3.66	4.40	5.20	6.06
Stock in Hand	3.02	3.67	4.36	5.12	5.92
Cash and Bank	1.01	1.48	1.49	2.38	1.33
Loans & Advances /Other Current Assets	2.50	2.00	2.00	1.00	2.00
TOTAL :	24.76	23.81	23.30	23.09	23.29

PROJECTED PROFITABILITY STATEMENT						(in Lacs)
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year	
Capacity Utilisation %	30%	35%	40%	45%	50%	
SALES						
Gross Sale						
COCONUT HONEY MANUFACTURIN	87.90	109.88	131.91	155.87	181.90	
Total	87.90	109.88	131.91	155.87	181.90	
COST OF SALES						
Raw Material Consumed	57.60	70.56	84.67	100.02	116.69	
Electricity Expenses	1.15	1.34	1.54	1.73	1.92	
Depreciation	2.70	2.30	1.95	1.66	1.41	
Wages & labour	6.72	7.39	8.13	8.94	9.57	
Repair & maintenance	1.32	1.65	1.98	2.34	2.73	
Packaging	2.20	3.30	3.96	4.68	4.55	
Cost of Production	71.69	86.54	102.23	119.36	136.86	
Add: Opening Stock	-	1.67	2.02	2.39	2.79	
Less: Closing Stock	1.67	2.02	2.39	2.79	3.19	
Cost of Sales	70.02	86.19	101.86	118.96	136.46	
GROSS PROFIT	17.88	23.69	30.05	36.91	45.44	
	20.35%	21.56%	22.78%	23.68%	24.98%	
Salary to Staff	3.48	4.18	5.01	6.21	8.08	
Interest on Term Loan	1.59	1.40	1.01	0.61	0.21	
Interest on working Capital	0.44	0.44	0.44	0.44	0.44	
Rent	4.20	5.25	6.56	8.20	10.25	
Selling & Administrative Exp.	1.76	3.30	4.62	5.46	5.46	
TOTAL	11.47	14.56	17.64	20.92	24.44	
NET PROFIT	6.41	9.13	12.42	15.99	21.00	
Taxation	0.29	0.86	1.75	2.18	3.74	
PROFIT (After Tax)	6.12	8.27	10.66	13.81	17.26	
NET PROFIT RATIO	6.96%	7.53%	8.08%	8.86%	9.49%	

PROJECTED CASH FLOW STATEMENT						(in Lacs)
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year	
<u>SOURCES OF FUND</u>						
Own Margin	2.24					
Net Profit	6.41	9.13	12.42	15.99	21.00	
Depreciation & Exp. W/off	2.70	2.30	1.95	1.66	1.41	
Increase in Cash Credit	4.00	-	-	-	-	
Increase In Term Loan	16.20	-	-	-	-	
Increase in Creditors	1.34	0.30	0.33	0.36	0.39	
Increase in Provisions & Oth labilities	0.40	0.08	0.10	0.22	0.16	
	-					
TOTAL :	33.30	11.81	14.79	18.23	22.96	
<u>APPLICATION OF FUND</u>						
Increase in Fixed Assets	18.00					
Increase in Stock	3.02	0.65	0.70	0.76	0.80	
Increase in Debtors	2.93	0.73	0.73	0.80	0.87	
Repayment of Term Loan	1.80	3.60	3.60	3.60	3.60	
Loans & Advances /Other Current Assets	2.50	- 0.50	- -	1.00	1.00	
Drawings	3.75	6.00	8.00	11.00	14.00	
Taxation	0.29	0.86	1.75	2.18	3.74	
TOTAL :	32.29	11.34	14.78	17.34	24.01	
Opening Cash & Bank Balance	-	1.01	1.48	1.49	2.38	
Add : Surplus	1.01	0.47	0.01	0.89	-1.05	
Closing Cash & Bank Balance	1.01	1.48	1.49	2.38	1.33	

CALCULATION OF D.S.C.R					
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
CASH ACCRUALS	8.82	10.56	12.61	15.47	18.67
Interest on Term Loan	1.59	1.40	1.01	0.61	0.21
Total	10.41	11.97	13.62	16.08	18.88
REPAYMENT					
Instalment of Term Loan	1.80	3.60	3.60	3.60	3.60
Interest on Term Loan	1.59	1.40	1.01	0.61	0.21
Total	3.39	5.00	4.61	4.21	3.81
DEBT SERVICE COVERAGE RATIO	3.07	2.39	2.96	3.82	4.95
AVERAGE D.S.C.R.	3.37				

REPAYMENT SCHEDULE OF TERM LOAN

Interest 11.00%

Year	Particulars	Amount	Addition	Total	Interest	Repayment	Closing Balance
1st	Opening Balance						
	1st month	-	16.20	16.20	-	-	16.20
	2nd month	16.20	-	16.20	0.15	-	16.20
	3rd month	16.20	-	16.20	0.15	-	16.20
	4th month	16.20	-	16.20	0.15		16.20
	5th month	16.20	-	16.20	0.15		16.20
	6th month	16.20	-	16.20	0.15		16.20
	7th month	16.20	-	16.20	0.15	0.30	15.90
	8th month	15.90	-	15.90	0.15	0.30	15.60
	9th month	15.60	-	15.60	0.14	0.30	15.30
	10th month	15.30	-	15.30	0.14	0.30	15.00
	11th month	15.00	-	15.00	0.14	0.30	14.70
	12th month	14.70	-	14.70	0.13	0.30	14.40
					1.59	1.80	
2nd	Opening Balance						
	1st month	14.40	-	14.40	0.13	0.30	14.10
	2nd month	14.10	-	14.10	0.13	0.30	13.80
	3rd month	13.80	-	13.80	0.13	0.30	13.50
	4th month	13.50	-	13.50	0.12	0.30	13.20
	5th month	13.20	-	13.20	0.12	0.30	12.90
	6th month	12.90	-	12.90	0.12	0.30	12.60
	7th month	12.60	-	12.60	0.12	0.30	12.30
	8th month	12.30	-	12.30	0.11	0.30	12.00
	9th month	12.00	-	12.00	0.11	0.30	11.70
	10th month	11.70	-	11.70	0.11	0.30	11.40
	11th month	11.40	-	11.40	0.10	0.30	11.10
	12th month	11.10	-	11.10	0.10	0.30	10.80
					1.40	3.60	
3rd	Opening Balance						
	1st month	10.80	-	10.80	0.10	0.30	10.50
	2nd month	10.50	-	10.50	0.10	0.30	10.20
	3rd month	10.20	-	10.20	0.09	0.30	9.90
	4th month	9.90	-	9.90	0.09	0.30	9.60
	5th month	9.60	-	9.60	0.09	0.30	9.30
	6th month	9.30	-	9.30	0.09	0.30	9.00
	7th month	9.00	-	9.00	0.08	0.30	8.70
	8th month	8.70	-	8.70	0.08	0.30	8.40
	9th month	8.40	-	8.40	0.08	0.30	8.10
	10th month	8.10	-	8.10	0.07	0.30	7.80
	11th month	7.80	-	7.80	0.07	0.30	7.50
	12th month	7.50	-	7.50	0.07	0.30	7.20
					1.01	3.60	

4th	Opening Balance						
	1st month	7.20	-	7.20	0.07	0.30	6.90
	2nd month	6.90	-	6.90	0.06	0.30	6.60
	3rd month	6.60	-	6.60	0.06	0.30	6.30
	4th month	6.30	-	6.30	0.06	0.30	6.00
	5th month	6.00	-	6.00	0.05	0.30	5.70
	6th month	5.70	-	5.70	0.05	0.30	5.40
	7th month	5.40	-	5.40	0.05	0.30	5.10
	8th month	5.10	-	5.10	0.05	0.30	4.80
	9th month	4.80	-	4.80	0.04	0.30	4.50
	10th month	4.50	-	4.50	0.04	0.30	4.20
	11th month	4.20	-	4.20	0.04	0.30	3.90
	12th month	3.90	-	3.90	0.04	0.30	3.60
					0.61	3.60	
5th	Opening Balance						
	1st month	3.60	-	3.60	0.03	0.30	3.30
	2nd month	3.30	-	3.30	0.03	0.30	3.00
	3rd month	3.00	-	3.00	0.03	0.30	2.70
	4th month	2.70	-	2.70	0.02	0.30	2.40
	5th month	2.40	-	2.40	0.02	0.30	2.10
	6th month	2.10	-	2.10	0.02	0.30	1.80
	7th month	1.80	-	1.80	0.02	0.30	1.50
	8th month	1.50	-	1.50	0.01	0.30	1.20
	9th month	1.20	-	1.20	0.01	0.30	0.90
	10th month	0.90	-	0.90	0.01	0.30	0.60
	11th month	0.60	-	0.60	0.01	0.30	0.30
	12th month	0.30	-	0.30	0.00	0.30	-
					0.21	3.60	
	DOOR TO DOOR	60	MONTHS				
	MORATORIUM PERIOD	6	MONTHS				
	REPAYMENT PERIOD	54	MONTHS				

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