

PROJECT REPORT

Of

RAISIN(Kishmish)

PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding **Raisin(Kishmish) 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.]



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RAISIN(Kishmish) MANUFACTURING UNIT

1. INTRODUCTION:

The project of establishing Raisin Manufacturing unit has to be developed in an area where grapes production is high. Raisins are highly acceptable product and have huge market if established in selective environment. Export market is even good in terms of profitability, if produced with international standard quality. Initially project should be focused on developing credibility in domestic market and then after maturity, there should be focus on export market. The main feature of the project would include hygienically produced raisins (dehydrated grapes up to 80-85%). Value addition will be done in form of quality processing, i.e. washing, drying, sorting & standardized packaging.

2. PRODUCT & ITS APPLICATION:

Sweet, tasty and delicious raisins are a great snack just as they are or can add flavor to almost any favorite recipe, can be eaten by hand & mixed with other dishes and fruits. It is used in various traditional dishes i.e. Pulao, Halwa etc. and also consumed in modern shapes as pulp, juices, paste, cereals, and snacks etc. Raisins as a part of the daily diet provide essential nutrients, soluble & insoluble fiber and health protective bioactive compounds. Raisins have proven its effectiveness for the health aspects. Raisins reduce the risk of developing various diseases i.e. constipation, heart disease, diabetes, colon cancer and obesity. Raisins add a touch of sunshine to breads, muffins, cookies, cakes, pies, tarts and puddings etc. As bakery products are one of the major highlights of food industry, it makes the commercial importance of raisin even higher. Raisins are also used in a variety of dishes. In many places raisins are used in place of sugar.

3. DESIRED QUALIFICATIONS FOR PROMOTER:

Successful running this project does not require any specific qualification.

4. INDUSTRY LOOKOUT AND TRENDS

In years of oversupply, the RAC can also implement the Raisin Industry Diversion Program, in which growers voluntarily participate in programs aimed at reducing supply. Program participants are reimbursed for either removing vines or spur pruning to reduce fruit production (due to a recent U.S. Supreme Court decision, these provisions are currently suspended, being reviewed, and will be amended) (Raisin Administrative Committee, 2015) (USDA – AMS, 2015).

Green grapes have about 24 percent sugar. However, by reducing water in grapes, the proportion of sugar increases to roughly 60 percent by weight in raisins. It takes between 4 to 4.5 pounds of green grapes to make a pound of raisins (Martin & Mason, 2009).

One way to add value to raisins is to remind customers of their versatility. Raisins can be substituted in many recipes that call for other dried fruit. They can also be added to savory dishes, creating a more balanced flavor profile (California Raisin Marketing Board – Recipes, 2015).

Fresh raisins can be used in baked goods as a natural sweetener and flavor enhancer. They can be used in trail mix, cereals, and granola, and can provide moisture for soft and chewy cookies, as well as control breakage in crisp cookies (California Raisin Marketing Board – Products, 2015).

Another way to add value to your raisins is by processing them. Raisin paste can be used as a binder in fruit bars in place of other, more expensive fruit pastes, such as date paste (Fuentes, 2014). Raisin paste can add healthy fiber to baked goods, and its rich deep colour can add visual appeal. Raisin juice concentrate can be used as a natural colouring agent and can add flavor to sauces and marinades, as well as be used as syrup for yogurts, ice cream and chocolate milk. Raisins also have antimicrobial properties, thus adding value to products in which they're used by extending the shelf life (California Raisin Marketing Board – Products, 2015).

5. MARKET POTENTIAL AND MARKETING ISSUES, IF ANY:

The project is highly dependent upon the availability of Grapes. So keeping in view the seasonal production of grapes, it is suggested that the project may be initiated between July and September. However, value addition can be done through this facility by utilizing round the year production of other varieties of grapes. The target customers for processed raisins would primarily be individuals, dry fruit whole sellers & retailers, confectionary and medicine industry. After certain period of operations and market capture, project can be expanded into tackling export market with international quality production of raisins and packaging.

6. RAW MATERIAL REQUIREMENTS:

The primary raw material for making raisins is grapes. These grapes must have certain qualities in order to produce quality raisins i.e. they must ripen early. Additionally, they must be clean, have a soft texture, not stick together when stored, and have a pleasing flavor. For food grade packaging, it requires food quality HDPE/cardboard boxes.

7. MANUFACTURING PROCESS:

Typical process of manufacturing raisins requires following steps. First step to producing good raisins is growing quality grapes. Grape farming is a year-round commitment and includes the practices of pruning, irrigation, fertilization, and pest control. Then, the grapes are harvested. Depending on the weather, the grapes are allowed to dry on the trays for two to four weeks. During this time, the moisture content of the grape is reduced from 75% to under 15% and the color of the fruit changes to a brownish purple. After the fruit is dried, the paper trays are rolled up around the raisins to form a package. The rolls are gathered and stored in boxes or bins before being transported by truck to a processing plant. When the rolls of fruit arrive at the manufacturing plant, they are emptied out onto wire screens and shaken to remove dirt and other unwanted debris. The dried grapes are moved from the storage bins to the processing plant. Here they are emptied out onto a conveyor line and mechanically modified. The residual sand and other debris are first removed by running the

raisins on a fine mesh screen while air is blown on them. Immature fruit is removed by suction devices. Next, the raisins are separated from the bunch stem by shaking. The cap stems on each raisin are removed by being passed through two rotating conical surfaces. If there are seeds in the raisins, they are mechanically removed. When all these processing steps are completed, the raisins are run through a series of mesh screens to sort them according to size. At this point the raisins can be put into a variety of packaging. They are packed onto trucks and shipped to customers. Quality control is an important part of each step in the raisin making process. They are also subjected to a variety of laboratory analyses to ensure the production of a consistent, high quality product.

PROJECT AT A GLANCE

- 1 Name of the Entrepreneur : XXXXXXXX
- 2 Constitution (legal Status) : XXXXXXXX
- 3 Father's/Spouce's Name : XXXXXXXX
- 4 Unit Address : XXXXXXXX
- Taluk/Block: XXXXX
 District : XXXXX
 Pin: XXXXX
 E-Mail : XXXXX
 Mobile : XXXXX
- State:
- 5 Product and By Product : **Raisin(Kishmish)**
- 6 Name of the project / business activity proposed : **Raisin(Kishmish)**
- 7 Cost of Project : Rs25.00lac
- 8 Means of Finance
- | | |
|-------------------|------------------------------|
| Term Loan | Rs.15.27 Lacs |
| KVIC Margin Money | - As per Project Eligibility |
| Own Capital | Rs.2.5 Lacs |
| Working Capital | Rs.7.23 Lacs |
- 9 Debt Service Coverage Ratio : 3.21
- 10 Pay Back Period : 5 Years
- 11 Project Implementation Period : 8 Months
- 12 Break Even Point : 30%
- 13 Employment : 7 Persons
- 14 Power Requirement : 7.50 HP
- 15 Major Raw materials : **Grapes**
- 16 Estimated Annual Sales Turnover : 45.56 Lacs
- 16 Detailed Cost of Project & Means of Finance

COST OF PROJECT

(Rs. In Lacs)

Particulars	Amount
Land	Rented/Owned
Building & Civil Work (7500Sq Ft)	5.00
Plant & Machinery	11.05
Furniture & Fixtures	0.42
Pre-operative Expenses	0.50
Working Capital Requirement	8.03
Total	25.00

MEANS OF FINANCE

Particulars	Amount
Own Contribution @10%	2.50
Term Loan	15.27
Workign Capital Finance	7.23
Total	25.00

	General	Special
Beneficiary's Margin Monery (% of Project Cost)	10%	5%

PLANT & MACHINERY

	PARTICULARS	QTY.	RATE	AMOUNT IN RS.
1	Fruit Washer and Dryer	1	475,000.00	475,000.00
2	Sorting and Grading Machine	1	280,000.00	280,000.00
3	Packaging Machine	1	25,000.00	250,000.00
5	Weighing Scale	1	25,000.00	25,000.00
6	Material Handling Equipment crates sealining machine	LS		50,000.00
7	Misc. Tools	LS		25,000.00
	Total			1,105,000.00

PROJECTED BALANCE SHEET

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
<u>SOURCES OF FUND</u>					
Capital Account	2.50	2.50	2.50	2.50	2.50
Retained Profit	5.89	13.98	24.72	38.01	53.71
Term Loan	15.27	11.45	7.64	3.82	0.81
Cash Credit	7.23	7.23	7.23	7.23	7.23
Sundry Creditors	2.02	2.35	2.69	3.02	3.36
Provisions & Other Liab	0.36	0.40	0.44	0.48	0.53
TOTAL :	33.27	37.91	45.21	55.06	68.14
<u>APPLICATION OF FUND</u>					
Fixed Assets (Gross)	16.47	16.47	16.47	16.47	16.47
Gross Dep.	2.18	4.08	5.72	7.13	8.35
Net Fixed Assets	14.29	12.39	10.75	9.34	8.12
Current Assets					
Sundry Debtors	4.56	5.82	6.67	7.51	8.35
Stock in Hand	5.49	6.41	7.32	8.24	9.15
Cash and Bank	6.43	10.54	17.45	26.64	38.86
Deposits & Advances	2.50	2.75	3.03	3.33	3.66
TOTAL :	33.27	37.91	45.21	55.06	68.14
	-	-	-	-	-

PROJECTED PROFITABILITY STATEMENT

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
<u>A) SALES</u>					
Gross Sale	45.56	58.22	66.66	75.09	83.53
Total (A)	45.56	58.22	66.66	75.09	83.53
<u>B) COST OF SALES</u>					
Raw Mateiral Consumed	28.80	33.60	38.40	43.20	48.00
Elecricity Expenses	0.64	0.75	0.86	0.97	1.07
Repair & Maintenance	-	0.58	0.67	0.75	0.84
Labour & Wages	4.75	5.23	5.75	6.32	6.96
Depreciation	2.18	1.90	1.64	1.41	1.22
Consumables and Other Expenses	1.37	1.75	2.00	2.25	2.51
Cost of Production	37.74	43.81	49.31	54.91	60.60
Add: Opening Stock /WIP	-	4.05	4.73	5.40	6.08
Less: Closing Stock /WIP	4.05	4.73	5.40	6.08	6.75
Cost of Sales (B)	33.69	43.13	48.64	54.24	59.92
C) GROSS PROFIT (A-B)	11.87	15.09	18.02	20.86	23.61
	26%	26%	27%	28%	28%
D) Bank Interest (Term Loan)	1.32	1.59	1.15	0.71	0.29
Bank Interest (C.C. Limit)	0.72	0.72	0.72	0.72	0.72
E) Salary to Staff	2.38	2.61	2.87	3.16	3.48
F) Selling & Adm Expenses Exp.	0.91	1.16	1.33	1.50	1.67
TOTAL (D+E)	5.33	6.09	6.08	6.10	6.16
H) NET PROFIT	6.54	8.99	11.93	14.76	17.45
I) Taxation	0.65	0.90	1.19	1.48	1.75
J) PROFIT (After Tax)	5.89	8.10	10.74	13.28	15.71

PROJECTED CASH FLOW STATEMENT

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
<u>SOURCES OF FUND</u>					
Share Capital	2.50	-	-	-	-
Reserve & Surplus	6.54	8.99	11.93	14.76	17.45
Depriciation & Exp. W/off	2.18	1.90	1.64	1.41	1.22
Increase in Cash Credit	7.23	-	-	-	-
Increase In Term Loan	15.27	-	-	-	-
Increase in Creditors	2.02	0.34	0.34	0.34	0.34
Increase in Provisions	0.36	0.04	0.04	0.04	0.05
TOTAL :	36.10	11.27	13.95	16.55	19.06
<u>APPLICATION OF FUND</u>					
Increase in Fixed Assets	16.47	-	-	-	-
Increase in Stock	5.49	0.92	0.92	0.91	0.92
Increase in Debtors	4.56	1.27	0.84	0.84	0.84
Increase in Deposits & Adv	2.50	0.25	0.28	0.30	0.33
Repayment of Term Loan	-	3.82	3.82	3.82	3.01
Taxation	0.65	0.90	1.19	1.48	1.75
TOTAL :	29.67	7.15	7.05	7.36	6.85
Opening Cash & Bank Balance	-	6.43	10.54	17.45	26.64
Add : Surplus	6.43	4.12	6.90	9.20	12.21
Closing Cash & Bank Balance	6.43	10.54	17.45	26.64	38.86

COMPUTATION OF MANUFACTURING OF RAISIN (KISHMISH)

Items to be Manufactured

Raisin (Kishmish)

Manufacturing Capacity batch 12 days	-		15.00	MT
	-			
No. of batches			15	
No of Working Days per batch			12	days
No. of Working Day per annum 15x12			180	days
Total Production per Annum			225.00	MT
Year			Capacity Utilisation	MT
IST YEAR			60%	135
IIND YEAR			70%	158
IIIRD YEAR			80%	180
IVTH YEAR			90%	203
VTH YEAR			100%	225

COMPUTATION OF RAW MATERIAL

Item Name		Quantity of Raw Material MT	Recovery	Unit Rate of /MT	Total Cost Per Annum
Grapes	100%	225.00	100%	20,000.00	45.00
Preservatives and Packing Material					3.00

Total
(Rounded off in lacs) 48.00

Annual Consumption cost (In Lacs) 48.00

Raw Material Consumed(Grapes)	Capacity Utilisation	Rs lac	Computation of Productin of Raisin			
			Production	Recovery	MT	Rates Per MT@ 160,000.00
IST YEAR	60%	28.80	135.00	25%	33.75	54.00
IIND YEAR	70%	33.60	157.50	25%	39.38	63.00
IIIRD YEAR	80%	38.40	180.00	25%	45.00	72.00
IVTH YEAR	90%	43.20	202.50	25%	50.63	81.00
VTH YEAR	100%	48.00	225.00	25%	56.25	90.00

COMPUTATION OF CLOSING STOCK & WORKING CAPITAL

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
Finished Goods					
(30 Days requirement)	4.05	4.73	5.40	6.08	6.75
Raw Material					
(30Days requirement)	1.44	1.68	1.92	2.16	2.40
Closing Stock	5.49	6.41	7.32	8.24	9.15

COMPUTATION OF WORKING CAPITAL REQUIREMENT

Particulars			Total
			Amount
Stock in Hand			5.49
Sundry Debtors			4.56
		Total	10.05
Sundry Creditors			2.02
Working Capital Requirement			8.03
Margin			0.80
Working Capital Finance			7.23

BREAK UP OF LABOUR

Particulars		Wages	No of	Total
		Per Month	Employees	Salary
Skilled Worker		9,000.00	2	18,000.00
Unskilled Worker		6,000.00	3	18,000.00
				36,000.00
Add: 10% Fringe Benefit				3,600.00
Total Labour Cost Per Month				39,600.00
Total Labour Cost for the year (In Rs. Lakhs)			5.00	4.75

BREAK UP OF SALARY

Particulars		Salary	No of	Total
		Per Month	Employees	Salary
Accountant		8,000.00	1	8,000.00
Sales		10,000.00	1	10,000.00
Total Salary Per Month				18,000.00
Add: 10% Fringe Benefit				1,800.00
Total Salary for the month				19,800.00
Total Salary for the year (In Rs. Lakhs)			2.00	2.38

COMPUTATION OF DEPRECIATION

Description	Land	Building/shed	Plant & Machinery	Furniture	TOTAL
Rate of Depreciation		10.00%	15.00%	10.00%	
Opening Balance	Leased	-	-	-	-
Addition	-	5.00	11.05	0.42	16.47
	-	5.00	11.05	0.42	16.47
Less : Depreciation	-	0.50	1.66	0.02	2.18
WDV at end of Ist year	-	4.50	9.39	0.40	14.29
Additions During The Year	-	-	-	-	-
	-	4.50	9.39	0.40	14.29
Less : Depreciation	-	0.45	1.41	0.04	1.90
WDV at end of IInd Year	-	4.05	7.98	0.36	12.39
Additions During The Year	-	-	-	-	-
	-	4.05	7.98	0.36	12.39
Less : Depreciation	-	0.41	1.20	0.04	1.64
WDV at end of IIIrd year	-	3.65	6.79	0.32	10.75
Additions During The Year	-	-	-	-	-
	-	3.65	6.79	0.32	10.75
Less : Depreciation	-	0.36	1.02	0.03	1.41
WDV at end of IV year	-	3.28	5.77	0.29	9.34
Additions During The Year	-	-	-	-	-
	-	3.28	5.77	0.29	9.34
Less : Depreciation	-	0.33	0.87	0.03	1.22
WDV at end of Vth year	-	2.95	4.90	0.26	8.12

REPAYMENT SCHEDULE OF TERM LOAN

11.5%

Year	Particulars	Amount	Addition	Total	Interest	Repayment	CI Balance
IST YEAR	Opening Balance						
	Ist Quarter	-	15.27	15.27	-	-	15.27
	Iind Quarter	15.27	-	15.27	0.44	-	15.27
	IIIrd Quarter	15.27	-	15.27	0.44	-	15.27
	Ivth Quarter	15.27	-	15.27	0.44	-	15.27
					1.32	-	
IIND YEAR	Opening Balance						
	Ist Quarter	15.27	-	15.27	0.44	0.95	14.32
	Iind Quarter	14.32	-	14.32	0.41	0.95	13.36
	IIIrd Quarter	13.36	-	13.36	0.38	0.95	12.41
	Ivth Quarter	12.41	-	12.41	0.36	0.95	11.45
					1.59	3.82	
IIIRD YEAR	Opening Balance						
	Ist Quarter	11.45	-	11.45	0.33	0.95	10.50
	Iind Quarter	10.50	-	10.50	0.30	0.95	9.55
	IIIrd Quarter	9.55	-	9.55	0.27	0.95	8.59
	Ivth Quarter	8.59	-	8.59	0.25	0.95	7.64
					1.15	3.82	
IVTH YEAR	Opening Balance						
	Ist Quarter	7.64	-	7.64	0.22	0.95	6.68
	Iind Quarter	6.68	-	6.68	0.19	0.95	5.73
	IIIrd Quarter	5.73	-	5.73	0.16	0.95	4.77
	Ivth Quarter	4.77	-	4.77	0.14	0.95	3.82
					0.71	3.82	
VTH YEAR	Opening Balance						
	Ist Quarter	3.82	-	3.82	0.11	0.95	2.86
	Iind Quarter	2.86	-	2.86	0.08	0.95	1.91
	IIIrd Quarter	1.91	-	1.91	0.05	0.55	1.36
	Ivth Quarter	1.36	-	1.36	0.04	0.55	0.81
					0.29	3.01	

CALCULATION OF D.S.C.R

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
<u>CASH ACCRUALS</u>	8.07	9.99	12.38	14.70	16.93
Interest on Term Loan	1.32	1.59	1.15	0.71	0.29
Total	9.38	11.59	13.53	15.41	17.22
<u>REPAYMENT</u>					
Instalment of Term Loan	3.82	3.82	3.82	3.01	3.01
Interest on Term Loan	1.32	1.59	1.15	0.71	0.29
Total	5.14	5.41	4.97	3.72	3.30
DEBT SERVICE COVERAGE RATIO	1.83	2.14	2.72	4.14	5.22
AVERAGE D.S.C.R.			3.21		

COMPUTATION OF SALE

Particulars	IST YEAR		IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
Op Stock	-		3.38	3.94	4.50	5.06
Production	33.75		39.38	45.00	50.63	56.25
	33.75		42.75	48.94	55.13	61.31
Less : Closing Stock	3.38		3.94	4.50	5.06	5.63
Net Sale	30.38		38.81	44.44	50.06	55.69
Sale Price per MT	150,000.00		150,000.00	150,000.00	150,000.00	150,000.00
Sale (in Lacs)	45.56		58.22	66.66	75.09	83.53

Average rates are taken for following grades

Grade-A (75%)

Grade-B (22%)

Grade-C (3%)

COMPUTATION OF ELECTRICITY**(A) POWER CONNECTION**

Total Working Hour per day	Hours	8	
Electric Load Required	HP	7.5	
Load Factor		0.7460	
Electricity Charges	per unit	8.00	
Total Working Days		300	
Electricity Charges (8 Hrs Per day)			107,424.00
Add : Minimim Charges (@ 10%)			

(B) D.G. SET

No. of Working Days		300	days
No of Working Hours		-	Hour per day
Total no of Hour		-	
Diesel Consumption per Hour		8	
Total Consumption of Diesel		-	
Cost of Diesel		65.00	Rs. /Ltr
Total cost of Diesel		-	
Add : Lube Cost @15%		-	
Total		-	
Total cost of Power & Fuel at 100%			1.07

Year	Capacity	Amount (in Lacs)
IST YEAR	60%	0.64
IIND YEAR	70%	0.75
IIIRD YEAR	80%	0.86
IVTH YEAR	90%	0.97
VTH YEAR	100%	1.07

BREAK EVEN POINT ANALYSIS

Year	I	II	III	IV	V
Net Sales & Other Income	45.56	58.22	66.66	75.09	83.53
Less : Op. WIP Goods	-	4.05	4.73	5.40	6.08
Add : Cl. WIP Goods	4.05	4.73	5.40	6.08	6.75
Total Sales	49.61	58.89	67.33	75.77	84.21
Variable & Semi Variable Exp.					
Raw Material & Tax	28.80	33.60	38.40	43.20	48.00
Electricity Exp/Coal Consumption at 85%	0.55	0.64	0.73	0.82	0.91
Manufacturing Expenses 80%	1.09	1.86	2.13	2.40	2.67
Wages & Salary at 60%	4.28	4.70	5.17	5.69	6.26
Selling & administrative Expenses 80%	0.73	0.93	1.07	1.20	1.34
Intt. On Working Capital Loan	0.72	0.72	0.72	0.72	0.72
Total Variable & Semi Variable Exp	36.17	42.46	48.23	54.04	59.91
Contribution	13.44	16.43	19.10	21.73	24.30
Fixed & Semi Fixed Expenses					
Manufacturing Expenses 20%	0.27	0.47	0.53	0.60	0.67
Electricity Exp/Coal Consumption at 15%	0.10	0.11	0.13	0.15	0.16
Wages & Salary at 40%	2.85	3.14	3.45	3.79	4.17
Interest on Term Loan	1.32	1.59	1.15	0.71	0.29
Depreciation	2.18	1.90	1.64	1.41	1.22
Selling & administrative Expenses 20%	0.18	0.23	0.27	0.30	0.33
Total Fixed Expenses	6.90	7.44	7.17	6.97	6.85
Capacity Utilization	60%	70%	80%	90%	100%
OPERATING PROFIT	6.54	8.99	11.93	14.76	17.45
BREAK EVEN POINT	31%	32%	30%	29%	28%
BREAK EVEN SALES	25.46	26.66	25.27	24.30	23.73

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