

PROJECT REPORT FOR
FRUIT PROCESSING (GRAPE DEHYDRATION)



PROMOTER:

XXXXXXXXXXXXXXXXXX

PROJECT LOCATION

XXXXXXXXXXXXXXXXXXXXXX

PREPARED BY:

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I. PROJECT AT A GLANCE

1. About the Promoter : xxxxxxxxxxxxxxxxxxxxxxxx
Address:xxxxxxxxxxxxx

2. Project Cost : Rs.10.00 Lakhs

3. Mean of Finance
 - A) T. L. facility from Bank : Rs.6.38 Lakhs
 - B) Beneficiary contribution : Rs.0.50 Lakhs
 - C) C.C. Facility from Bank : Rs.3.12 Lakhs
 - D) Subsidy : Rs.4.00 Lakhs

4. Rate of Interest : 11.00% Per Annum

5. Repayment :60 monthly installments, EMI @ 0.14 Lakhs

6. Nature of Project : Fruit Processing (Grape Dehydration)

7. Employment Potential : 3 Nos.

8. Nature of the Firm : Proprietary Firm

- 9. Average Debt Coverage ratios : 2.12**

II. ABOUT THE PROJECT

INTRODUCTION:

Grapes are a great source of vitamins A, C and K before they become raisins BUT when they ARE raisins, they have more Choline, Niacin, Folate, and Betaine, with higher trace amounts of Thiamin, and Riboflavin! Dried grapes are the dried, ripe fruit of the grapevine (*Vitis Vinifera*). Grapes are one of the world's most commonly produced fruit crops, with approximately 75 million tonnes produced each year. It is also one of the most abundant fruits: while almost 50% of grapes are used to make wine, one third is consumed as fresh fruit and the rest is dried, consumed as grape juice or stored in the form of grape musts (whether concentrated or not). The Dried Fruit refers to the fruit which the original water has been removed, usually through the sun drying or the drying machine. The revenue generated from Dried Fruits has been estimated to be valued over US\$ 43.54 Bn in 2018, which is projected to increase at a CAGR of 5.7% during the forecast period (2018-2026). Rising global urban population and per capita income are factors responsible for the boost in demand for industry products such as fruit snacks and cereals. Demand for dried fruits from food manufacturers, such as confectionery and bakery, as well as dairy companies are increasing all over the world, as these buyers purchase processed fruit products from industry operators for utilization of fruits in their manufacturing processes. By Product Type, the global dried fruits market is segmented as Raisins (Dried Grapes), Tropical and Exotic Fruits, Berries and Other Fruits. The Raisins (Dried Grapes) are further includes Natural Seedless, Golden Seedless, Black Currant, Raisin Mix and Others (Sultana, Muscat, Monukka, Other Seedless). The Tropical and Exotic Fruits segment includes Table Dates, Prunes, Dried Figs, Dried Apricots and Other Tropical and Exotic Fruits (Apple, Mango, Papaya, Pineapple, Banana, and Citrus). The European Union is the largest importer of dried grapes in the world, with a market share of more than 50% of the world imports. Also dried grapes are the most important dried fruit in the European market, representing 40% of all dried fruit imports. Nearly 70% of all European imports of dried grapes are from Developing Countries.

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.

LOCATION OF THE PROJECT

The proposed project is located at At Post- Chincholi Tq.Shorapur Taluka. The village Chincholi is near to Yadgiri city. The road facility is good from yadgiri city

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.

OBJECTIVE S OF THE PROJECT:

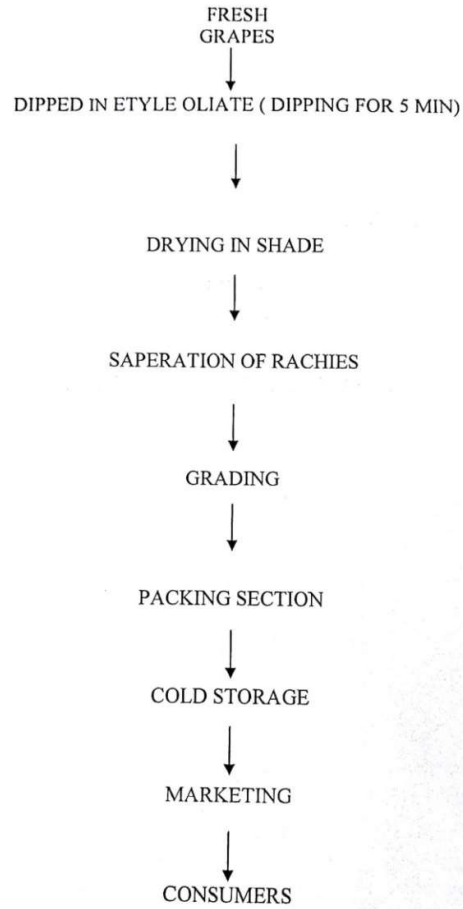
- To extend the shelf life of the grapes
- To provide employment to the rural people
- To earn foreign exchange by export
- To avoid the market glut in the yielding season
- To earn profit by value addition

MARKET POTENTIAL :

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.

Grape Dehydration Process

FLOW CHART FOR THE PROCESSING OF GRAPES



III. ECONOMICS OF THE PROJECT

A. COST OF PROJECT

(Rs. Lacs)

S.No.	Particulars	Total	Spent	Bal. To be spent
1	Land (Own)	-		-
2	Building (Water Tank, Solution mixing tank, Other Shade Construction etc.	6.00	0.00	6.00
3	Plant & Machinery Grinding Machine, Stolls & Trolleys, HTP Spayer, Weighing Scale Etc.	0.25	0.00	0.25
4	Furniture & Electricals	0.47	0.00	0.47
5	Working Capital	3.28	0.00	3.28
		10.00	0.00	10.00

Means of Finance :

a) Own Contribution (5%)	0.50
b) T L facility from Bank (95%)	6.38
c) C.C. Facility from Bank (95%)	3.12
	10.00
d) Subsidy Entitlement Under NHM (@40%) National Horticulture Mission from Horticulture Department	4.00

B. PROFITABILITY STATEMENT

(Rs. Lacs)

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1	Sales	18.60	22.31	26.03	29.75	31.61	33.47
	Add : Increase in Cl.Stock	2.51	1.61	1.84	2.07	2.06	2.17
	Total Turnover	21.10	23.93	27.87	31.82	33.67	35.64
2	RM Consumption	14.65	17.58	20.51	23.44	24.91	26.37
3	Overheads						
	a) Direct	1.93	2.12	2.34	2.55	2.79	3.06
	b) Indirect	0.55	0.55	0.55	0.54	0.54	0.55
4	Balance	3.97	3.68	4.48	5.28	5.43	5.67
5	Interest on TL & CC	1.03	0.91	0.78	0.63	0.47	0.37
6	Depreciation	0.68	0.61	0.55	0.49	0.44	0.40
7	Preliminary expenses W/off	-	-	-	-	-	-
8	Profit after Interest & Dep.	2.26	2.15	3.15	4.15	4.51	4.90
9	Income Tax	-	-	0.32	0.42	0.45	0.49
10	Profit after Tax	2.26	2.15	2.84	3.74	4.06	4.41
11	Add: Depreciation & Pre Exp.	0.68	0.61	0.55	0.49	0.44	0.40
12	Add : Interest on TL	1.03	0.91	0.78	0.63	0.47	0.37
13	Cash Accruals	3.97	3.68	4.17	4.87	4.98	5.18
14	Instalments of TL & Interest	2.04	2.04	2.04	2.04	2.04	0.37
15	DSCR	1.95	1.80	2.04	2.38	2.44	-
16	Average DSCR	2.12					
17	N.P. to Total receipts	12.16	9.65	10.89	12.56	12.85	13.16

C. CASH FLOW STATEMENT

(Rs. Lacs)

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
A CASH INFLOW :							
1	Collection from Debtors	17.82	21.38	24.95	28.51	30.30	32.08
2	T.L. from Bank	6.38					
3	CC from bank	3.12					
4	Capital	0.50	-	-	-	-	-
5	Subsidy	4.00	-				
	TOTAL (A)	31.83	21.38	24.95	28.51	30.30	32.08
B CASH OUTFLOW :							
1	Fixed Assets	6.72			-		
2	Payments to creditors	12.21	14.65	17.09	19.53	20.76	21.98
3	Direct overheads	1.93	2.12	2.34	2.55	2.79	3.06
4	Indirect Overheads	0.55	0.55	0.55	0.54	0.54	0.55
5	Interest on Bank Loan	1.03	0.91	0.78	0.63	0.47	0.37
6	Income Tax	-	-	0.32	0.42	0.45	0.49
7	Term Loan Repayment	1.01	1.13	1.26	1.41	1.57	-
8	Drawings	0.25	0.28	0.30	0.33	0.37	0.40
	TOTAL (B)	23.70	19.64	22.63	25.42	26.95	26.85
SUMMERY:							
	Op. Cash & Bank Balance.	-	8.12	9.87	12.19	15.29	18.63
	Add : Surplus / (Deficit)	8.12	1.75	2.32	3.09	3.35	5.23
	Cl. Cash & Bank Balance.	8.12	9.87	12.19	15.29	18.63	23.86

Project Report on Fruit Processing (Grape Dehydration)

D. BALANCE SHEET

(Rs. Lacs)

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
A	ASSETS :						
1	Fixed Assets	6.04	5.42	4.87	4.38	3.93	3.53
2	Investments	-	-	-	-	-	-
3	Current Assets	11.41	15.70	20.94	27.34	34.06	42.86
4	Loans & Advances	-	-	-	-	-	-
5	Pre Exp. Not written off	-	-	-	-	-	-
	TOTAL (A)	17.44	21.12	25.81	31.72	37.99	46.39
B	LIABILITIES:						
1	Capital	6.51	8.39	10.92	14.33	18.03	22.03
2	Secured loans Term Loan	5.37	4.24	2.98	1.57	0.00	-
3	Unsecured Loans	-	-	-	-	-	-
4	Current Liabilities Cash Credit Sundry Creditors	3.12 2.44	3.12 5.37	3.12 8.79	3.12 12.70	3.12 16.85	3.12 21.24
	TOTAL (B)	17.44	21.12	25.81	31.72	37.99	46.39

Project Report on Fruit Processing (Grape Dehydration)

(Rs. Lacs)

E. CAPITAL ACCOUNT

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1	Op. Balance	-	6.51	8.39	10.92	14.33	18.03
2	Additions	4.50	-	-	-	-	-
3	Net Profit for the year.	2.26	2.15	2.84	3.74	4.06	4.41
	Sub Total	6.76	8.67	11.23	14.66	18.39	22.43
4	Less : Drawings	0.25	0.28	0.30	0.33	0.37	0.40
5	Cl. Balance	6.51	8.39	10.92	14.33	18.03	22.03

Project Report on Fruit Processing (Grape Dehydration)

(Rs. Lacs)

F. PRODUCTION AND SALES

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
	Capacity utilisation	0.50	0.60	0.70	0.80	0.85	0.90
1	Production per annum (MT)						
	Dry Grapes	33.81	40.57	47.33	54.10	57.48	60.86
2	Cl. Stock of Finished Goods (MT)						
	Dry Grapes	2.82	3.38	3.94	4.51	4.79	5.07
3	Sales per annum (MT)						
	(Tot Production less Cl. Stock)						
	Dry Grapes	30.99	37.19	43.39	49.59	52.69	55.79
4	Sales per annum						
	Dry Grapes	18.60	22.31	26.03	29.75	31.61	33.47
	(Selling Price @ 60,000 per MT)						
	Total Sale	18.60	22.31	26.03	29.75	31.61	33.47
5	Sundry Debtors	0.77	0.93	1.08	1.24	1.32	1.39
	(Credit period allowed 15 days)						
6	Collection from Debtors	17.82	21.38	24.95	28.51	30.30	32.08
7	Total cost of Production	16.58	19.70	22.85	26.00	27.70	29.43
8	Cost per MT	0.49	0.49	0.48	0.48	0.48	0.48
9	Value of Closing Stock	1.38	1.64	1.90	2.17	2.31	2.45

Project Report on Fruit Processing (Grape Dehydration)
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PRODUCTION

S.No.	Particulars	Installed capacity (MT)	Year 1 0.50	Year 2 0.60	Year 3 0.70	Year 4 0.80	Year 5 0.85	Year 6 0.90
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1	Production of Dry	67.62	33.81	40.57	47.33	54.10	57.48	60.86
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Installed Capacity Kg/ Hrs	30.00
Per Day Working Hours	8.00
Less: Lunch Hours	1.00
Net	<u>7.00</u>

Total Production per day	0.21 MT
Total production per annum	67.62 MT

Total Working Days	365.00
Weekly off	26.00
Holidays	7.00
Machine Break down	10.00
Net Working days	<u>43.00</u> <u>322.00</u>

(Rs. Lacs)

G. RAW MATERIAL CONSUMPTION AND INVENTORY

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1	Production (MT) (Output)	33.81	40.57	47.33	54.10	57.48	60.86
2	RM Purchases	13.52	16.23	18.93	21.64	22.99	24.34

Raw Material requirement (Input)

S.No.	Items	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1	Requirement of Raw Material	33.81	40.57	47.33	54.10	57.48	60.86
2	Purchase of Grapes (@ Rs.40 per Kg)	13.52	16.23	18.93	21.64	22.99	24.34
3	Total cost of R.M	13.52	16.23	18.93	21.64	22.99	24.34

(Rs. Lacs)

RAW MATERIAL CONSUMPTION AND INVENTORY

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1	RM cost for total production	13.52	16.23	18.93	21.64	22.99	24.34
2	Cl. Stock of RM (assumed 30 days consumption)						
	O/p Stock	-	1.13	2.48	4.06	5.86	7.78
	Add : Addition	1.13	1.35	1.58	1.80	1.92	2.03
	Closing Stock	1.13	2.48	4.06	5.86	7.78	9.80
3	RM Purchases	14.65	17.58	20.51	23.44	24.91	26.37
4	Sundry Creditors (Credit period allowed 60 days)	2.44	2.93	3.42	3.91	4.15	4.40
5	Payment to creditors	12.21	14.65	17.09	19.53	20.76	21.98

Project Report on Fruit Processing (Grape Dehydration)

(Rs. Lacs)

H. DIRECT OVERHEADS

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1	Manpower						
a	Skilled Worker (Self) 1 no.@ Rs. 8,000 per month	0.96	1.06	1.16	1.28	1.41	1.55
b	Unskilled Worker 2 no.@ Rs. 5,000 per month	1.20	1.32	1.45	1.60	1.76	1.93
2	Electricity @ Rs. 2000 per month	0.24	0.26	0.29	0.32	0.35	0.39
3	Transport @ Rs. 2,000 per month	0.24	0.26	0.29	0.32	0.35	0.39
4	Other Production Overheads	0.25	0.28	0.30	0.32	0.33	0.35
	Total	1.93	2.12	2.34	2.55	2.79	3.06

Project Report on Fruit Processing (Grape Dehydration)

(Rs. Lacs)

I. INDIRECT OVERHEADS

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1	Advertisement & Publicity	0.10	0.11	0.12	0.13	0.15	0.16
2	Repairs & Maint. (5% of machinery cost)	0.30	0.27	0.24	0.22	0.20	0.18
3	Misc. Expenses	0.15	0.17	0.18	0.19	0.20	0.21
		0.55	0.55	0.55	0.54	0.54	0.55

Project Report on Fruit Processing (Grape Dehydration)

(Rs. Lacs)

J. TERM LOAN REPAYMENT AND INTEREST THEREON

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1	TL / Op. Bal.	6.38	5.37	4.24	2.98	1.57	-
2	Repayment during the year	1.01	1.13	1.26	1.41	1.57	-
3	Cl. Balance	5.37	4.24	2.98	1.57	0.00	-
4	Interest at 11 per cent p.a.	0.65	0.53	0.40	0.26	0.10	-
5	Total repayment with Interest	2.04	2.04	2.04	2.04	2.04	0.37
6	Interest on CC (at 12 per cent p.a.)	0.37	0.37	0.37	0.37	0.37	0.37
	Total Interest	1.03	0.91	0.78	0.63	0.47	0.37

Term Loan Repayment Schedule

MONTHS	EMI	INTEREST	PRINCIPAL REPAY	OST PRINCIPAL
0				6.384
1	0.14	0.06	0.08	6.30
2	0.14	0.06	0.08	6.22
3	0.14	0.06	0.08	6.14
4	0.14	0.06	0.08	6.06
5	0.14	0.06	0.08	5.98
6	0.14	0.05	0.08	5.89
7	0.14	0.05	0.08	5.81
8	0.14	0.05	0.09	5.72
9	0.14	0.05	0.09	5.63
10	0.14	0.05	0.09	5.55
11	0.14	0.05	0.09	5.46
12	0.14	0.05	0.09	5.37
First Year	1.67	0.65	1.01	
13	0.14	0.05	0.09	5.28
14	0.14	0.05	0.09	5.19
15	0.14	0.05	0.09	5.10
16	0.14	0.05	0.09	5.01
17	0.14	0.05	0.09	4.91

18	0.14	0.05	0.09	4.82
19	0.14	0.04	0.09	4.73
20	0.14	0.04	0.10	4.63
21	0.14	0.04	0.10	4.53
22	0.14	0.04	0.10	4.44
23	0.14	0.04	0.10	4.34
24	0.14	0.04	0.10	4.24
Second Year	1.67	0.53	1.13	
25	0.14	0.04	0.10	4.14
26	0.14	0.04	0.10	4.04
27	0.14	0.04	0.10	3.94
28	0.14	0.04	0.10	3.83
29	0.14	0.04	0.10	3.73
30	0.14	0.03	0.10	3.63
31	0.14	0.03	0.11	3.52
32	0.14	0.03	0.11	3.41
33	0.14	0.03	0.11	3.31
34	0.14	0.03	0.11	3.20
35	0.14	0.03	0.11	3.09
36	0.14	0.03	0.11	2.98
Third Year	1.67	0.40	1.26	
37	0.14	0.03	0.11	2.87
38	0.14	0.03	0.11	2.75
39	0.14	0.03	0.11	2.64
40	0.14	0.02	0.11	2.53
41	0.14	0.02	0.12	2.41
42	0.14	0.02	0.12	2.29
43	0.14	0.02	0.12	2.18
44	0.14	0.02	0.12	2.06
45	0.14	0.02	0.12	1.94
46	0.14	0.02	0.12	1.82
47	0.14	0.02	0.12	1.69
48	0.14	0.02	0.12	1.57
Fourth Year	1.67	0.26	1.41	
49	0.14	0.01	0.12	1.45
50	0.14	0.01	0.13	1.32
51	0.14	0.01	0.13	1.19
52	0.14	0.01	0.13	1.07
53	0.14	0.01	0.13	0.94
54	0.14	0.01	0.13	0.81
55	0.14	0.01	0.13	0.68
56	0.14	0.01	0.13	0.54
57	0.14	0.00	0.13	0.41
58	0.14	0.00	0.14	0.27
59	0.14	0.00	0.14	0.14
60	0.14	0.00	0.14	0.00
Fifth Year	1.67	0.10	1.57	

Project Report on Fruit Processing (Grape Dehydration)

(Rs. Lacs)

K. WORKING CAPITAL

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1	Total Inventory	2.51	4.12	5.96	8.03	10.08	12.26
2	Sundry Debtors	0.77	0.93	1.08	1.24	1.32	1.39
	Total	3.28	5.05	7.05	9.27	11.40	13.65
3	Bank C.C. (95 per cent)	3.12	4.80	6.69	8.80	10.83	12.97
4	Own Contribution (5%)	0.16	0.25	0.35	0.46	0.57	0.68

Project Report on Fruit Processing (Grape Dehydration)

(Rs. Lacs)

L. CURRENT ASSETS

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1	Cl. Stock of Materials	1.13	2.48	4.06	5.86	7.78	9.80
2	Cl. Stock of Finished Goods	1.38	1.64	1.90	2.17	2.31	2.45
	Total Inventory	2.51	4.12	5.96	8.03	10.08	12.26
3	Cash and bank Balance	8.12	9.87	12.19	15.29	18.63	23.86
4	Sundry Debtors	0.77	1.70	2.79	4.03	5.35	6.74
	Total	11.41	15.70	20.94	27.34	34.06	42.86

Project Report on Fruit Processing (Grape Dehydration)

M. FIXED ASSETS AND DEPRECIATION

(Rs. Lacs)

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1	Building						
	Op. Balance	-	5.40	4.86	4.37	3.94	3.54
	Additions	6.00	-				
	Total	6.00	5.40	4.86	4.37	3.94	3.54
	Less : Depreciation	0.60	0.54	0.49	0.44	0.39	0.35
	Cl. WDV	5.40	4.86	4.37	3.94	3.54	3.19
2	Plant & Machinery						
	Op. Balance	-	0.21	0.18	0.15	0.13	0.11
	Additions	0.25	-				
	Total	0.25	0.21	0.18	0.15	0.13	0.11
	Less : Depreciation	0.04	0.03	0.03	0.02	0.02	0.02
	Cl. WDV	0.21	0.18	0.15	0.13	0.11	0.09
3	Furniture & Electricals						
	Op. Balance	-	0.42	0.38	0.34	0.31	0.28
	Additions	0.47	-				
	Total	0.47	0.42	0.38	0.34	0.31	0.28
	Less : Depreciation	0.05	0.04	0.04	0.03	0.03	0.03
	Cl. WDV	0.42	0.38	0.34	0.31	0.28	0.25
	Total Depreciation	0.68	0.61	0.55	0.49	0.44	0.40
	Cl. WDV	6.04	5.42	4.87	4.38	3.93	3.53