

# PROJECT REPORT

Of

## DESICCATED COCONUT POWDER

### PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding **Desiccated Coconut Powder**.

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 : xxxxxxxxx
- 2 Constitution (legal Status) : xxxxxxxxx
- 3 Father / Spouse Name : xxxxxxxxx
- 4 Unit Address : xxxxxxxxxxxxxxxxxxxxxxxxx
- District : xxxxxx
- Pin: xxxxxx State: xxxxxxxxx
- Mobile xxxxxx
- 5 Product and By Product : **DESICCATED COCONUT POWDER**
- 6 Name of the project / business activity proposed : **DESICCATED COCONUT POWDER UNIT**
- 7 Cost of Project : Rs.14.44 Lakhs
- 8 Means of Finance
- Term Loan Rs.9 Lakhs
- Own Capital Rs.1.44 Lakhs
- Working capital Rs.4 Lakhs
- 9 Debt Service Coverage Ratio : 2.87
- 10 Pay Back Period : 5 Years
- 11 Project Implementation Period : 5-6 Months
- 12 Break Even Point : 27%
- 13 Employment : 8 Persons
- 14 Power Requirement : 20.00 HP
- 15 Major Raw materials : Coconut with Husk, Packing material
- 16 Estimated Annual Sales Turnover (Max Capacity) : 99.20 Lakhs
- 17 Detailed Cost of Project & Means of Finance

**COST OF PROJECT**

(Rs. In Lakhs)

Particulars	Amount
Land	Own/Rented
Building /Shed 1000 Sq ft	4.00
Plant & Machinery	4.50
Furniture & Fixtures	1.50
Working Capital	4.44
<b>Total</b>	<b>14.44</b>

**MEANS OF FINANCE**

Particulars	Amount
Own Contribution	1.44
Working Capital(Finance)	4.00
Term Loan	9.00
<b>Total</b>	<b>14.44</b>

# DESICCATED COCONUT POWDER

**Introduction:** India is the third largest coconut producing country in the world. As per the survey reports conducted by coconut development board in 2013-14 the annual production of coconut in Kerala is 5798.04 million nuts and the state has become the 3rd largest coconut producing state in the country. In Kerala about 60% of the coconuts are used for the manufacturing of oil and the rest for the preparation of food. Copra and coconut oil are the two major products of the coconut processing industry. Nearly 60% of the total production of nuts is utilized for food uses and the rest goes in for oil extraction. In spite of the fact that Kerala has the necessary raw material to launch new product lines, minimum efforts has been taken place for producing more value added products like coconut chips. Coconut vinegar, desiccated coconut powdered has taken place in the application of modern technology for full utilization of various coconut products such as desiccated coconut, coconut cream powder, partially defatted coconut gratings, bottled coconut water, etc., Desiccated coconut is widely used in the preparation of sweets, confectionery, curry preparation etc.



**Uses & Market Potential:** It is used in making cookies, cakes, pastries, desserts, puddings or any other coconut based recipe where raw grated coconut cannot be used. Dried coconut can be consumed as a snack, in

cereal, baked goods, salad, smoothies or sauteed with vegetables. Being a mass consumption item, desiccated coconut has a good market. At present about 4000 tones of desiccated coconut is manufactured annually and used mainly by 3 confectionery and biscuit industry. In Kerala coconut is the major ingredient used in the preparation of Breakfast lunch and Dinner. In the preparation of curries coconut paste is usually added. Instead of that desiccated coconut powder may be added . Desiccated coconut may find good market in areas where coconuts are not produced particularly in Northern India. Now-a-days food habits of our people are changing very fast and a number of food items are being introduced every day where desiccated coconut may also find use. So there is a good scope for new small scale units to come up in this line of manufacture.

**Raw Material:** Major raw materials are as follows:

1. Coconut with husk
2. Packing Material

**Machinery Requirements:** Basic machines & equipments are as follows:

<b>S No.</b>	<b>Machine</b>	<b>Unit</b>	<b>Price</b>
1.	Cabinet type hot air drier with blower, motor and other accessories	1	185000
2.	Disintegrator 12" size with 10HP motor and accessories	1	105000
3.	Vibratory sifting machine fitted with GI wire mesh and 2 Hp motor	1	50000
4.	Aluminium Trays	10	15000
5.	Platform weighing Balance	1	20000
6.	Polythene sealing machine	2	50000
7.	Other misc items like scrapping knives, trolleys etc		25000
	<b>Total Amount</b>		<b>450000</b>

**Manufacturing Process:** Firstly, in the manufacture of desiccated coconut is the selection of coconuts. The quality of desiccated coconut depends upon the quality of coconuts used. Fully matured coconuts of about 12 months are used for the preparation of desiccated coconut. Fully matured nuts are stored with the husk for about one month so that the water inside the kernels is absorbed. This also facilitates coconut kernels to get separated from shell walls. The coconuts are dehusked and their shells are removed. The brown portion of nuts called tasta is removed by scrapping it off. About 10-15% of the kernel goes as paring by this process. These parings can be pressed out after drying to get oil which can be used for soap making. Deshelled coconuts are broken into pieces, washed properly and disintegrated into powders of various grades. The powder is then dried in a drier by spreading it out uniformly in trays. The temperature in the drying chamber is maintained at about 1800 F and the powder is stirred occasionally during the drying process to ensure uniform drying. Great care should be taken during drying. When powder is dried, it is cooled and passed through a vibratory screen having different sizes (12, 14 and 16 mesh). The segregated material is packed in oil proof, moisture proof polythene lined plywood boxes of 25 kgs. It may also be packed in polybags of 250 gms, 500 gms for retail sale. During the process of manufacturing desiccated coconut, a number of by products such as coconut shell, parings, and husks are obtained which may be converted into various items of great importance.

**Area:** The industrial setup requires space for Inventory, workshop or manufacturing area, space for power supply utilities and auxiliary like Generator setup. Also some of the area of building is required for office staff facilities, documentation, office furniture, etc. Thus, the approximate total area required for complete industrial setup is 1000 to 1500Sqft. Civil Work cost will be Rs. 4 Lacs (Approx.)

**Power Requirement:** The power consumption required to run all the machinery could be approximated as 20hp

**Manpower Requirement:** There are requirement of skilled machine operators to run the machine set. Experience quality engineers are required for desired quality control. Some helpers are also required to transfer the material from one work station to other. Office staffs are required to maintain the documentation. The approximate manpower required is 8 including 1 Supervisor, 1 Plant operator, 1 unskilled worker, 1 Helper and 1 Security guard. 3 Skilled worker including Accountant, Manager and Sales person.

**Bank Term Loan:** Rate of Interest is assumed to be at 11%

**Depreciation:** Depreciation has been calculated as per the Provisions of Income Tax Act, 1961

**Approvals & Registration Requirement:**

Basic registration required in this project:

- GST Registration
- Udyog Aadhar Registration (Optional)
- Choice of a Brand Name of the product and secure the name with Trademark if require.
- FSSAI License
- NOC from State Pollution Control Board

### **Implementation Schedule:**

S No.	Activity	Time required
1.	Acquisition of premises	1-2 Months
2.	Procurement & installation of Plant & Machinery	1-2 Months
3.	Arrangement of Finance	1.5-2 Months
4.	Requirement of required Manpower	1 Month
5.	Commercial Trial Runs	1 Month
	Total time Required (some activities shall run concurrently)	5-6 Months

## **FINANCIALS**

<b>PROJECTED CASH FLOW STATEMENT</b>					
<b>PARTICULARS</b>	<b>I</b>	<b>II</b>	<b>III</b>	<b>IV</b>	<b>V</b>
<b>SOURCES OF FUND</b>					
Own Contribution	1.44	-			
Reserve & Surplus	3.09	4.00	6.35	8.72	11.13
Depriciation & Exp. W/off	1.23	1.07	0.93	0.82	0.71
Increase In Cash Credit	4.00				
Increase In Term Loan	9.00	-	-	-	-
Increase in Creditors	0.96	0.16	0.11	0.11	0.11
<b>TOTAL :</b>	<b>19.72</b>	<b>5.23</b>	<b>7.40</b>	<b>9.65</b>	<b>11.96</b>
<b>APPLICATION OF FUND</b>					
Increase in Fixed Assets	10.00	-	-	-	-
Increase in Stock	3.78	0.60	0.51	0.52	0.53
Increase in Debtors	1.96	0.36	0.31	0.33	0.34
Repayment of Term Loan	1.00	2.00	2.00	2.00	2.00
Taxation	-	-	0.95	2.62	3.34
Drawings	1.50	2.00	3.00	4.00	5.00
<b>TOTAL :</b>	<b>18.24</b>	<b>4.96</b>	<b>6.78</b>	<b>9.47</b>	<b>11.22</b>
Opening Cash & Bank Balance	-	1.48	1.75	2.38	2.56
Add : Surplus	1.48	0.27	0.62	0.18	0.74
Closing Cash & Bank Balance	<b>1.48</b>	<b>1.75</b>	<b>2.38</b>	<b>2.56</b>	<b>3.30</b>

<b>PROJECTED BALANCE SHEET</b>					
<b>PARTICULARS</b>	<b>I</b>	<b>II</b>	<b>III</b>	<b>IV</b>	<b>V</b>
<b>SOURCES OF FUND</b>					
<b>Capital Account</b>					
Opening Balance	-	3.03	5.03	7.44	9.54
Add: Additions	1.44	-	-	-	-
Add: Net Profit	3.09	4.00	5.40	6.11	7.79
Less: Drawings	1.50	2.00	3.00	4.00	5.00
<b>Closing Balance</b>	<b>3.03</b>	<b>5.03</b>	<b>7.44</b>	<b>9.54</b>	<b>12.33</b>
CC Limit	4.00	4.00	4.00	4.00	4.00
Term Loan	8.00	6.00	4.00	2.00	-
Sundry Creditors	0.96	1.12	1.23	1.35	1.46
<b>TOTAL :</b>	<b>15.99</b>	<b>16.16</b>	<b>16.67</b>	<b>16.89</b>	<b>17.79</b>
<b>APPLICATION OF FUND</b>					
<b>Fixed Assets ( Gross)</b>	<b>10.00</b>	<b>10.00</b>	<b>10.00</b>	<b>10.00</b>	<b>10.00</b>
Gross Dep.	1.23	2.29	3.23	4.04	4.76
Net Fixed Assets	8.78	7.71	6.77	5.96	5.24
<b>Current Assets</b>					
Sundry Debtors	1.96	2.32	2.63	2.96	3.31
Stock in Hand	3.78	4.38	4.89	5.41	5.94
Cash and Bank	1.48	1.75	2.38	2.56	3.30
<b>TOTAL :</b>	<b>15.99</b>	<b>16.16</b>	<b>16.67</b>	<b>16.89</b>	<b>17.79</b>

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<b>PROJECTED PROFITABILITY STATEMENT</b>					
<b>PARTICULARS</b>	<b>I</b>	<b>II</b>	<b>III</b>	<b>IV</b>	<b>V</b>
<b>A) SALES</b>					
Gross Sale	58.73	69.52	78.96	88.85	99.20
<b>Total (A)</b>	<b>58.73</b>	<b>69.52</b>	<b>78.96</b>	<b>88.85</b>	<b>99.20</b>
<b>B) COST OF SALES</b>					
Raw Material Consumed	41.18	48.04	52.84	57.65	62.45
Electricity Expenses	1.45	1.61	1.77	1.93	2.10
Repair & Maintenance	2.94	3.48	4.74	6.22	7.94
Labour & Wages	4.79	4.98	5.43	5.97	6.57
Depreciation	1.23	1.07	0.93	0.82	0.71
<b>Cost of Production</b>	<b>51.57</b>	<b>59.17</b>	<b>65.71</b>	<b>72.58</b>	<b>79.76</b>
<b>Add: Opening Stock /WIP</b>	<b>-</b>	<b>1.72</b>	<b>1.98</b>	<b>2.24</b>	<b>2.52</b>
<b>Less: Closing Stock /WIP</b>	<b>1.72</b>	<b>1.98</b>	<b>2.24</b>	<b>2.52</b>	<b>2.82</b>
Cost of Sales (B)	49.85	58.92	65.45	72.30	79.47
<b>C) GROSS PROFIT (A-B)</b>	<b>8.87</b>	<b>10.60</b>	<b>13.51</b>	<b>16.55</b>	<b>19.73</b>
	<b>15.11%</b>	<b>15.25%</b>	<b>17.12%</b>	<b>18.62%</b>	<b>19.89%</b>
D) Bank Interest (Term Loan )	0.98	0.80	0.58	0.36	0.14
ii) Interest On Working Capital	0.44	0.44	0.44	0.44	0.44
E) Salary to Staff	3.78	3.97	4.56	5.25	6.04
F) Selling & Adm Expenses Exp.	0.59	1.39	1.58	1.78	1.98
<b>TOTAL (D+E)</b>	<b>5.78</b>	<b>6.60</b>	<b>7.16</b>	<b>7.82</b>	<b>8.60</b>
H) NET PROFIT	3.09	4.00	6.35	8.72	11.13
	<b>5.3%</b>	<b>5.8%</b>	<b>8.0%</b>	<b>9.8%</b>	<b>11.2%</b>
I) Taxation	-	-	0.95	2.62	3.34
<b>J) PROFIT (After Tax)</b>	<b>3.09</b>	<b>4.00</b>	<b>5.40</b>	<b>6.11</b>	<b>7.79</b>

<b>COMPUTATION OF MAKING OF DESICCATED COCONUT POWDER</b>			
<b>Item to be Manufactured Desiccated Coconut Powder</b>			
Manufacturing Capacity per day		300	Kg
No. of Working Hour		8	
No of Working Days per month		25	
No. of Working Day per annum		300	
Total Production per Annum		90,000	Kg
Total Production per Annum		90,000	Kg
Year		Capacity	COCONUT
		Utilisation	
I		45%	40,500.00
II		50%	45,000.00
III		55%	49,500.00
IV		60%	54,000.00
V		65%	58,500.00

<b>COMPUTATION OF RAW MATERIAL</b>					
Item Name	Quantity of Raw Material	Unit	Unit Rate of	Total CostPer Annum (100%)	
Coconuut with Husk	9,00,000.00	No.s	10.00	90,00,000.00	
Packing material	Lumsum			1,50,000.00	
<b>Total</b>				<b>91,50,000.00</b>	
Total Raw material in Rs lacs				91.50	

Raw Material Consumed	Capacity	Amount (Rs.)	
	Utilisation		
I	45%	41.18	
II	50%	48.04	5% Increase in Cost
III	55%	52.84	5% Increase in Cost
IV	60%	57.65	5% Increase in Cost
V	65%	62.45	5% Increase in Cost

<b>COMPUTATION OF SALE</b>					
Particulars	I	II	III	IV	V
Op Stock	-	1,350.00	1,500.00	1,650.00	1,800.00
Production	40,500.00	45,000.00	49,500.00	54,000.00	58,500.00
	40,500.00	46,350.00	51,000.00	55,650.00	60,300.00
Less : Closing Stock(10 Days)	1,350.00	1,500.00	1,650.00	1,800.00	1,950.00
Net Sale	39,150.00	44,850.00	49,350.00	53,850.00	58,350.00
Sale Price per Kg	150.00	155.00	160.00	165.00	170.00
<b>Sale (in Lacs)</b>	<b>58.73</b>	<b>69.52</b>	<b>78.96</b>	<b>88.85</b>	<b>99.20</b>

<b>COMPUTATION OF CLOSING STOCK &amp; WORKING CAPITAL</b>					
PARTICULARS	I	II	III	IV	V
<b>Finished Goods</b>					
(10 Days requirement)	1.72	1.98	2.24	2.52	2.82
<b>Raw Material</b>					
(15 Days requirement)	2.06	2.40	2.64	2.88	3.12
<b>Closing Stock</b>	<b>3.78</b>	<b>4.38</b>	<b>4.89</b>	<b>5.41</b>	<b>5.94</b>

<b>COMPUTATION OF WORKING CAPITAL REQUIREMENT</b>			
Particulars	Amount	Margin(10%)	Net Amount
Stock in Hand	3.78		
Less:			
Sundry Creditors	0.96		
<b>Paid Stock</b>	<b>2.82</b>	<b>0.28</b>	<b>2.54</b>
Sundry Debtors	1.96	0.20	1.76
<b>Working Capital Requirement</b>			<b>4.30</b>
<b>Margin</b>			<b>0.48</b>
<b>MPBF</b>			<b>4.30</b>
<b>Working Capital Demand</b>			<b>4.00</b>

<b><u>BREAK UP OF LABOUR</u></b>				
Particulars		Wages	No of	Total
		Per Month	Employees	Salary
Supervisor		12,000.00	1	12,000.00
Plant Operator		10,000.00	1	10,000.00
Unskilled Worker		6,000.00	1	6,000.00
Helper		4,000.00	1	4,000.00
Security Guard		6,000.00	1	6,000.00
				38,000.00
Add: 5% Fringe Benefit				1,900.00
Total Labour Cost Per Month				39,900.00
Total Labour Cost for the year ( In Rs. Lakhs)			5	4.79

<b><u>BREAK UP OF SALARY</u></b>				
Particulars		Salary	No of	Total
		Per Month	Employees	Salary
Manager		12,000.00	1	12,000.00
Accountant cum store keeper		10,000.00	1	10,000.00
Sales		8,000.00	1	8,000.00
Total Salary Per Month				30,000.00
Add: 5% Fringe Benefit				1,500.00
Total Salary for the month				31,500.00
Total Salary for the year ( In Rs. Lakhs)			3	3.78

<b>COMPUTATION OF DEPRECIATION</b>					
Description	Land	Building/shed	Plant & Machinery	Furniture	TOTAL
Rate of Depreciation		10.00%	15.00%	10.00%	
<b>Opening Balance</b>	Leased		-	-	-
Addition	-	4.00	4.50	1.50	10.00
	-	4.00	4.50	1.50	10.00
		-	-	-	
<b>TOTAL</b>		4.00	4.50	1.50	10.00
Less : Depreciation	-	0.40	0.68	0.15	1.23
WDV at end of Ist year	-	3.60	3.83	1.35	8.78
Additions During The Year	-	-	-	-	-
	-	3.60	3.83	1.35	8.78
Less : Depreciation	-	0.36	0.57	0.14	1.07
WDV at end of IInd Year	-	3.24	3.25	1.22	7.71
Additions During The Year	-	-	-	-	-
	-	3.24	3.25	1.22	7.71
Less : Depreciation	-	0.32	0.49	0.12	0.93
WDV at end of IIIrd year	-	2.92	2.76	1.09	6.77
Additions During The Year	-	-	-	-	-
	-	2.92	2.76	1.09	6.77
Less : Depreciation	-	0.29	0.41	0.11	0.82
WDV at end of IV year	-	2.62	2.35	0.98	5.96
Additions During The Year	-	-	-	-	-
	-	2.62	2.35	0.98	5.96
Less : Depreciation	-	0.26	0.35	0.10	0.71
WDV at end of Vth year	-	2.36	2.00	0.89	5.24

REPAYMENT SCHEDULE OF TERM LOAN						11.0%	
Year	Particulars	Amount	Addition	Total	Interest	Repayment	CI Balance
<b>I</b>	Opening Balance						
	Ist Quarter	-	9.00	9.00	0.25	-	9.00
	IInd Quarter	9.00	-	9.00	0.25	-	9.00
	IIIrd Quarter	9.00	-	9.00	0.25	0.50	8.50
	Ivth Quarter	8.50	-	8.50	0.23	0.50	8.00
					0.98	1.00	
<b>II</b>	Opening Balance						
	Ist Quarter	8.00	-	8.00	0.22	0.50	7.50
	IInd Quarter	7.50	-	7.50	0.21	0.50	7.00
	IIIrd Quarter	7.00	-	7.00	0.19	0.50	6.50
	Ivth Quarter	6.50	-	6.50	0.18	0.50	6.00
					0.80	2.00	
<b>III</b>	Opening Balance						
	Ist Quarter	6.00	-	6.00	0.17	0.50	5.50
	IInd Quarter	5.50	-	5.50	0.15	0.50	5.00
	IIIrd Quarter	5.00	-	5.00	0.14	0.50	4.50
	Ivth Quarter	4.50	-	4.50	0.12	0.50	4.00
					0.58	2.00	
<b>IV</b>	Opening Balance						
	Ist Quarter	4.00	-	4.00	0.11	0.50	3.50
	IInd Quarter	3.50	-	3.50	0.10	0.50	3.00
	IIIrd Quarter	3.00	-	3.00	0.08	0.50	2.50
	Ivth Quarter	2.50	-	2.50	0.07	0.50	2.00
					0.36	2.00	
<b>V</b>	Opening Balance						
	Ist Quarter	2.00	-	2.00	0.06	0.50	1.50
	IInd Quarter	1.50	-	1.50	0.04	0.50	1.00
	IIIrd Quarter	1.00	-	1.00	0.03	0.50	0.50
	Ivth Quarter	0.50	-	0.50	0.01	0.50	-
					0.14	2.00	

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

<u>CALCULATION OF D.S.C.R</u>					
PARTICULARS	I	II	III	IV	V
<u>CASH ACCRUALS</u>	4.31	5.07	6.33	6.92	8.50
Interest on Term Loan	0.98	0.80	0.58	0.36	0.14
Total	5.29	5.87	6.91	7.28	8.64
<u>REPAYMENT</u>					
Repayment of Term Loan	1.00	2.00	2.00	2.00	2.00
Interest on Term Loan	0.98	0.80	0.58	0.36	0.14
Total	1.98	2.80	2.58	2.36	2.14
<b>DEBT SERVICE COVERAGE RATIO</b>	<b>2.68</b>	<b>2.10</b>	<b>2.68</b>	<b>3.09</b>	<b>4.04</b>
<b>AVERAGE D.S.C.R.</b>			<b>2.87</b>		

<b>COMPUTATION OF ELECTRICITY</b>				
<b>(A) POWER CONNECTION</b>				
Total Working Hour per day		Hours	8	
Electric Load Required		HP	20	
Load Factor			0.7460	
Electricity Charges		per unit	7.50	
Total Working Days			300	
<b>Electricity Charges</b>				2,68,560.00
<b>Add : Minimim Charges (@ 10%)</b>				
<b>(B) DG set</b>				
No. of Working Days			300	days
No of Working Hours			0.3	Hour per day
Total no of Hour			90	
Diesel Consumption per Hour			8	
Total Consumption of Diesel			720	
Cost of Diesel			65.00	Rs. /Ltr
Total cost of Diesel			0.47	
Add : Lube Cost @15%			0.07	
<b>Total</b>			<b>0.54</b>	
<b>Total cost of Power &amp; Fuel at 100%</b>				<b>3.22</b>
<b>Year</b>		<b>Capacity</b>		<b>Amount (in Lacs)</b>
I		45%		1.45
II		50%		1.61
III		55%		1.77
IV		60%		1.93
V		65%		2.10

## **DISCLAIMER**

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