



Detailed Project Report

Cashew Nuts Shell Cutting Unit



By



2023



TABLE OF CONTENT

SL NO	Content	Page No
1	Overview of JLG Members	3
2	Objectives of SVSY	4
3	About VKF	7
4	Name of the product Technology	8
5	Deliverables and market	9
6	Role of each member	11
7	Soft intervention	11
8	Estimated cost of Project Implementation Schedule	12
9	Land/shed Status	13
10	SWOT Analysis	13
11	Youth empowerment Impact of the project on ecosystem	15
12	The end products	16
13	Financials	16



1. OVERVIEW OF THE JLG MEMBERS

Name of the JLG:

Number of the members.

Name of Gram Panchayat/Taluk:

Name of the District:

Account details of JLG:

Details of JLG members with Hierarchy;

1.

2.

3.

4.

5.

6.

KYC:

Aadhar/PAN/Photo:



2. OBJECTIVES OF SVSY

Under Yuva Niti 2022, the new Swami Vivekananda Yuva Shakti Yojana is proposed on the following grounds to achieve holistic development of 2.1 crore youth of the state and to bring about constructive social change by the youth in keeping with the India@2047 vision of the Hon'ble Prime Minister.

The current scenario of the state on various parameters is as follows:

- i. Political Representation:** Out of total 1,01,308 members in rural local bodies, 12,411 (12.25 per cent) youths and 360 youths (5.36 per cent) out of 6713 municipal councillors are political representatives.
- ii. Education:** Out of a total of 2.1 crore youth, 21.55 lakh (10.37 per cent) students are in high school, 11.75 lakh (5.65 per cent), 6.45 lakh (3.10 per cent) in general degree colleges, 1.51 lakh (2.72 per cent), 1.11 lakh in polytechnics. (0.53 per cent), 0.74 lakh (0.36 per cent) The total number of students studying in medical courses is 43.12 lakh, which is per cent of the total youth. 21 percent will be. Remaining 157.88 lakh youth have below 10th standard education.
- iii. Employment:** According to the National Skill Development Corporation report, out of the total 2.1 crore youth in the state, 82 lakh (41 per cent) youth are in the labour force. As the remaining 119 lakh youth (59 per cent) are not in the professional labour force, they need to be given skill training to make them self-reliant.
- iv. Skill Development:** Out of the total 82 lakh youth in the workforce, 16 lakh youth (20 per cent) have received skill vocational training. The remaining 66 lakh (80



percent) youth need to be given skill development training. Out of this, only one lakh youth are being trained by the NLRM department every year. Therefore 65 lakh untrained rural youth need skill training. To achieve this every school needs to provide vocational education from class 6 onwards.

- v. Internship:** According to the 6th Economic Census, there are a total of 28.80 lakh enterprises in the state, out of which 78,022 enterprises employ more than 8 people. About 30 lakh youths can be trained in skills by undertaking the internship program for a period of three months in local industries related to agriculture and agri-based/MSME/self-employment/service sector.
- vi. Migration Control:** Rural people have migrated from various districts to urban areas for job opportunities, of which 40 lakh (20 percent) youth are in Bangalore city. Therefore, there is a need to provide more employment opportunities at the village level.
- vii. Consolidation of programs for rural employment:** In total there are 27,395 revenue villages in the state and it is proposed to form Swami Vivekananda Self Help Groups, one in each village, on the model of Women's Self-Help Groups to provide self-employment to the unorganized workers in these. There are about 15 to 20 youth in each group, and 5.50 lakh youth in 27,395 self-help groups have received Rs. 1.5 lakh to provide margin money estimated at Rs. 410 crores will be required.
- viii. Bank Linked Schemes:** Coordination and inclusion of Yuva Shakti schemes with schemes linked to 25 banks. There are 35000 shelves of projects under the Mudra



loan scheme, and steps will be taken to select the financial activities of the self-help societies based on these models.

- ix. Training:** Skill development training will be imparted to the youth under the National Entrepreneurship Mission under the 18 programs being implemented by various departments under this scheme. Training for agriculture and other activities will be provided through the Rural Development Self Employment Training Institute (RUDSETI).
- x. Formation of State Level Committee:** It is proposed to constitute a committee under the chairmanship of the Minister of Youth Empowerment and Sports at the State level for implementation and monitoring of the programme. RDPR, Commerce and Industry, Labour, Skill Development and Bank representatives will be members of this committee.
- xi. District Level Committee:** It is proposed to constitute a District Level Committee under the Chairmanship of the Chief Executive Officer of the Zilla Panchayat for the implementation and supervision of the program at the district level. The members of this committee are the officers of Rural Development and Panchayat Raj, Commerce and Industry, Labour, Skill Development Departments and District Lead Bank Managers.
- xii. Village level stewardship:** The village level stewardship of this program will be handled by Rural Development and Panchayat Raj Departments and Youth Empowerment and Sports Departments.



3. ABOUT VKF

VKF is a Think Tank of Community Change Champions who are from various walks of Social Spaces with diverse backgrounds and specialists from their domains.

VKF is a platform that enables as a think tank to evolve an aggregation of the social impact service providers and entrepreneurs for bringing about a transformational movement of social Change that is measurable on the lines of the Strategic Sustainable Development Goals (SSDG) of United Nation (UN).

VKF's is primarily focused on the development of Karnataka state in collaboration and co-creation initiatives.

VKF is a platform that enables as a think tank to evolve an aggregation of the social impact service providers and entrepreneurs for bringing about a transformational movement of Social Change that is measurable on the lines of the Strategic Development Goal of UN.

VKF's strong focus is on enhancing the rural mass entrepreneurship development clubbed with rural livelihood options. In this direction, VKF team is working with the rural livelihood SHGs members and handholding them to elevate themselves to newer socio-economic status and uplifting the whole geography of the cluster by setting up of CFCs.

VKF's experience spans across conceptualizing cluster mapping, conducting baseline surveys, awareness creation, trust building activities, capacity building, design thinking activities etc., to enhance capabilities of the artisans and livelihood SHGs in the clusters.



VKF also indulges in facilitating Common Facility Centres, Preparation of DPR, Govt. liaising, market linkage activities, brand awareness, branding initiatives, value addition of the products produced by clusters etc. In this, regards we have collaborated and working with MSME, ESTC, IDEMI, Tribes India, NRLM and WCD to support rural masses in terms upgrading their livelihood opportunities.

4. NAME OF PRODUCT AND TECHNOLOGY

Cashew Nut Shell Cutting Machine:

Cashew nuts are a type of edible seed that is often used in cooking and snacking. They come from the cashew tree, which is native to Brazil but is now grown in many tropical regions around the world.

Cashew nuts are known for their distinct kidney shape and their sweet, nutty flavor. One thing to note about cashew nuts is that they are not actually nuts at all, but rather the seed of the cashew fruit. Cashew nuts are a good source of protein, healthy fats, vitamins, and minerals. They are high in monounsaturated fats, which have been shown to help reduce the risk of heart disease and improve cholesterol levels. Cashews are also a good source of magnesium, which is important for bone health, and copper, which is necessary for proper brain function.

It is very difficult to remove raw cashew nuts shells with manual method. Hence, unit looks for new technology machines for cutting cashew nuts shells in order to make easy handling of it. The process of cutting the cashew nut shells by new technology machines involves removing the shell from the kernel using mechanical force.



5. DELIVERABLES AND MARKET OF THE PRODUCT

- **Whole cashew nuts:** Whole cashews are the most common and widely consumed form of cashew nuts. They are sold roasted or raw, salted or unsalted, and can be eaten as a snack or used in cooking.
- **Cashew kernels:** Cashew kernels are the edible part of the cashew nut that has been removed from the shell. They are used in a variety of dishes, from curries and stir-fries to cakes and desserts.
- **Cashew butter:** Cashew butter is a creamy spread made from ground cashews. It is often used as a healthy alternative to peanut butter and can be used in cooking or as a spread for bread or crackers.
- **Cashew kernels bits:** Cashew kernels bits is graded into small pieces and is packed as per FSSAI which is also having great demand in the market.
- **Cashew shell liquid:** Cashew shell liquid (CSL) is a by-product of the cashew nut processing industry. It is a viscous liquid that is used as a raw material in the production of paints, varnishes, and resins.
- **Project Assumptions:** This model DPR for Cashew Nut Shell Cutting Unit is basically on certain assumptions that may vary with capacity, location, raw materials availability etc. An entrepreneur can use this model DPR format and modify as per requirement and suitability. The assumptions made in preparation of this DPR are given in Table. Therefore, land and civil infrastructures are assumed as already available with the entrepreneur.



Table: Detailed Project Assumptions		
Parameters	Value	
Assumed Capacity of the Cashew Nut Shell Cutting machine:	200 kg/day	
Utilization of capacity:	Year 1	60%
	Year 2	65%
	Year 3	70%
	Year 4	75%
	Year 5	80%
Working days per year:	150 days	
Working hours per day:	8-10 hours	
Average price of raw material:	Rs.200/ kg	
Average sale price of final product	Rs.300/ kg	

Machineries



MS Cashew Nut Shell Cutter
Capacity: 200 kg/day
Motor Power: 1 HP
Material: MS
Jogi International Ahmedabad, Gujarat

Supplier are also available in Bengaluru and Coimbatore.



MARKET LINKAGE:

<u>Market Linkage</u> <ul style="list-style-type: none">❖ <u>Grocery Stores</u>❖ <u>Food Processing Unit</u>❖ <u>Sweet Shops</u>	<u>Supermarkets and Departmental Stores</u> <ul style="list-style-type: none">❖ <u>E-commerce</u>❖ <u>Quick Commerce</u>
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6. ROLE OF EACH OF THE JLG MEMBERS

How JLG will participate:

- 2 persons will be used to procurement of raw materials
- 2 persons for production
- 2 persons for the logistics & sales
- 2 persons for maintenance

7. SOFT INTERVENTION

The following are the soft interventions to be arranged:

- Awareness on financial inclusion will help in getting the assistance from Government and other sources
- Export promotional orientation for the JLG members.
- Awareness/ training programme on product quality, handling practices.
- Capacity Building activity
- Trust Building activities



- Programmes on technical skill enhancement to unit owners.
- Programmes on Business and entrepreneurship skill enhancement to unit owners
- Mass entrepreneurship development program in the JLG eco system.

8. ESTIMATED COST OF THE PROJECT AND THE IMPLEMENTATION SCHEDULE

The proposed cost of the project is as follows:

Sl. No.	Details	Cost in Rs.	Percentage
1	Bank Loan	2,25,000	90%
2	JLG contribution	22,500	10%
3	Total	2,47,500	100%

Sl. No.	Details	Cost
1	Machine Cost	1,17,500
2	Furniture	30,000
3	Working capital (Shed deposit, electric connection deposit, Miscellaneous and preoperative expenses)	1,00,000
Total		Rs.2,47,500/-



The proposed project implementation schedule is as follows:

Sl. No.	Project Component	Schedule
1	Shed for the project on rental basis	Identified
2	Electricity and Water facility Installation	Present
3	Arrival of Machinery	Within 1 months of Order
4	Erection of Machinery	Within 5 days of arrival
5	Commissioning	Within 2-4 days of erection
6	Commercial Usage	Within 2 months from approval

9. LAND/SHED STATUS:

The JLG has already identified the shed required for the project within the project area.

10. SWOT ANALYSIS OF THE PROJECT

I. Strength

- Growing awareness among entrepreneurs about the need for modernization, managerial and technical skill.
- Higher export potential.
- Cashew nuts are a good source of protein, healthy fats, vitamins, and minerals, which makes them a popular and healthy snack option.



- Cashew nuts can be used in a wide range of dishes and food products, from snacks to desserts to main courses.
- Cashew nuts are in high demand worldwide, with growing popularity as a healthy snack option.
- The JLG members are having good coordination among themselves to run the business.

II. Weakness

- Quality control issues, as some manufacturers may use low-quality ingredients, which can lead to a decrease in the quality of the final product.
- Cashew nuts are relatively expensive to produce, due to the high cost of labor and the manual processing required.
- Cashew trees are susceptible to pests and diseases, which can negatively impact crop yields and quality.

III. Opportunities

- As consumers become more health-conscious, there is an increasing demand for healthy snacks like cashew nuts.
- Cashew nuts can be used to create a range of products, including cashew milk, cashew butter, and cashew oil, which presents opportunities for value-added product development.



- There is growing interest in sustainable cashew production, which presents opportunities for producers who can meet sustainability standards and certification requirements.

IV. Threats

- Due to poor market access the profitability of the JLG members may fall bit low level. This may discourage initially to JLG members.
- Main attributed to less profitability to this industry is due to lower price at the beginning and JLG members need to work hard.
- Cashew nuts face competition from other nuts, such as almonds, walnuts, and peanuts, which can impact demand and prices.

11. YOUTH EMPOWERMENT IMPACT OF THE PROJECT ON ECOSYSTEM

We have surplus youths in the state, graduate, undergraduate etc. supporting them to create self-employment will motivate to become entrepreneurs, they will live independent life.

Entrepreneurship will greatly impact the lifestyle of the youths, if businesses work along with their involvement of all the members towards creating awareness and promoting positive impacts on others.



12. THE END PRODUCTS PRODUCED FROM THE MACHINE



13. FINANCIALS

CASH FLOW STATEMENT

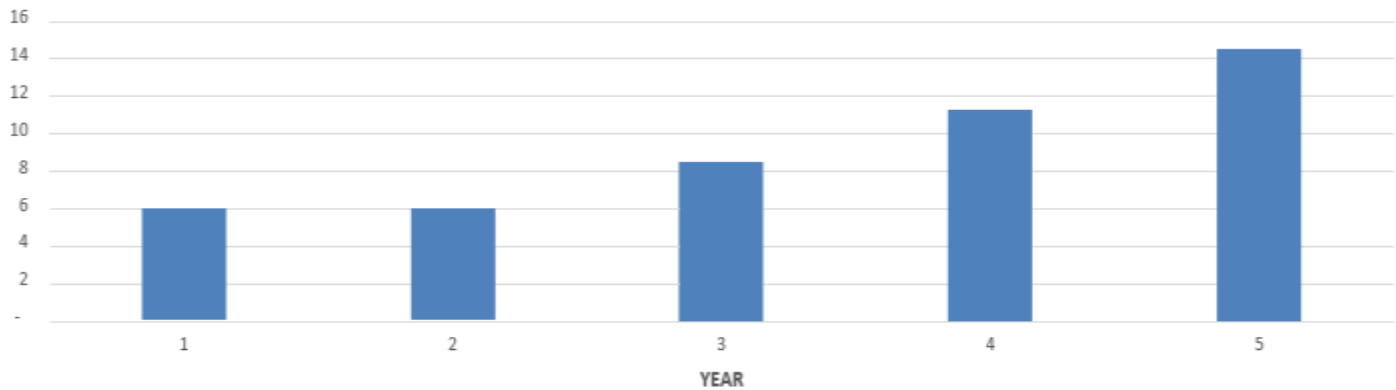
Particulars	Year				
	Year 1	Year 2	Year 3	Year 4	Year 5
<u>REVENUE FROM SALE OF CASHEW NUT SHELLS</u>					
No. of working days in a Year	300	300	300	300	300
Less : Days for off Season	150	150	150	150	150
No. of Machine Running days in a Year	150	150	150	150	150
Capacity of the machine in kgs per day	200	200	200	200	200
Production in KGs	85%	85%	85%	85%	85%
Utilisation of the Capacity (%)	60%	65%	70%	75%	80%
Production during the year (in KGs)	15,300	16,575	17,850	19,125	20,400
Rate per KG	300	330	363	399	439
Gross Revenue earned per annum - A	45,90,000	54,69,750	64,79,550	76,36,613	89,60,292
<u>COST OF RAW MATERIALS</u>					
Consumption of Raw Materials	15,300	16,575	17,850	19,125	20,400
rate per kg	200	220	242	266	293
Total Cost of Raw Material per annum - B	30,60,000	36,46,500	43,19,700	50,91,075	59,73,528
<u>EXPENDITURE</u>					
Salaries and Wages	7,80,000	8,97,000	10,31,550	11,86,283	13,64,225
Electricity Charges	1,32,000	1,45,200	1,59,720	1,75,692	1,93,261
Other Manufacturing Expenses	60,000	66,000	72,600	79,860	87,846
Transportation and Travelling	1,08,000	1,18,800	1,30,680	1,43,748	1,58,123
Rent	1,32,000	1,45,200	1,59,720	1,75,692	1,93,261
Packaging and Promotion Expenses	25,000	27,500	30,250	33,275	36,603
Miscellaneous Expenses	40,000	44,000	48,400	53,240	58,564
Total Expenditure - C	12,77,000	14,43,700	16,32,920	18,47,790	20,91,883
Net Profit before Interest /Cash Flow (A-B-C)	2,53,000	3,79,550	5,26,930	6,97,748	8,94,881



PROJECTED TERM LOAN DSCR STATEMENT

	Year 1	Year 2	Year 3	Year 4	Year 5
	Projected	Projected	Projected	Projected	Projected
Profit available to service the debt	2,53,000	3,79,550	5,26,930	6,97,748	8,94,881
Loan Repayment	20,536	44,105	48,482	53,294	58,583
Interest on Term Loan	20,972	17,536	13,159	8,347	3,058
Debt to be Served	41,508	61,641	61,641	61,641	61,641
Debt Service Coverage Ratio	6	6	9	11	15

DEBT SERVICE COVERAGE RATIO



BREAKEVEN ANALYSIS

Investment Value Including Margin Rs. 250000

Year ended	Year 1 Projected	Year 2 Projected	Year 3 Projected	Year 4 Projected	Year 5 Projected
Cash Flow as per Statement of Income	2,53,000	3,79,550	5,26,930	6,97,748	8,94,881
Less : Interest on Loan	20,972	17,536	13,159	8,347	3,058
Less : Estimated Drawings/Personal Expenses	1,26,500	1,89,775	2,63,465	3,48,874	4,47,441
Net Cash Flow	1,05,528	1,72,239	2,50,306	3,40,527	4,44,383
Cumulative Cash Flow	1,05,528	2,77,766	5,28,072	8,68,599	13,12,981
Break Even Investment (in years)		1 Year and 10.1 Months			



DETAIL REPAYMENT SCHEDULE

Year	Quarter	Loan Installment	Principal Payment	Loan Outstanding	Interest at 9.5%	Cumulative Interest
1	1	5,344	-	2,25,000	5,344	20,972
	2	5,344	-	2,25,000	5,344	
	3	15,410	10,146	2,14,854	5,264	
	4	15,410	10,389	2,04,464	5,021	
2	1	15,410	10,638	1,93,826	4,772	17,536
	2	15,410	10,893	1,82,933	4,518	
	3	15,410	11,154	1,71,780	4,257	
	4	15,410	11,421	1,60,359	3,990	
3	1	15,410	11,694	1,48,665	3,716	13,159
	2	15,410	11,974	1,36,692	3,437	
	3	15,410	12,260	1,24,431	3,150	
	4	15,410	12,554	1,11,877	2,856	
4	1	15,410	12,854	99,023	2,556	8,347
	2	15,410	13,162	85,860	2,248	
	3	15,410	13,477	72,383	1,933	
	4	15,410	13,800	58,583	1,610	
5	1	15,410	14,130	44,453	1,280	3,058
	2	15,410	14,469	29,984	942	
	3	15,410	14,815	15,170	595	
	4	15,410	15,170	0	241	
Total		2,88,074	2,25,000		63,074	63,074



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