

PROJECT REPORT

Of

CORIANDER POWDER UNIT

PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding Coriander Powder 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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PROJECT AT A GLANCE

- 1 Name of the Entrepreneur : xxxxxxxxxxxx
- 2 Constitution (legal Status) : xxxxxxxxxxxx
- 3 Father / Spouse Name : xxxxxxxxxxxxxx
- 4 Unit Address : xxxxxxxxxxxxxxxxxxxxxxxxx
- District : xxxxxxxx
- Pin: xxxxxxxx State: xxxxx
- Mobile xxxxxxxx
- 5 Product and By Product : **CORIANDER POWDER**
- 6 Name of the project / business activ **CORIANDER POWDER MANUFACTURING UNIT**
- 7 Cost of Project : Rs. 21.68 Lakhs
- 8 Means of Finance
- Term Loan Rs. 12.12 Lakhs
- Own Capital Rs. 5.59 Lakhs
- Working Capital Rs. 5.59 Lakhs
- 9 Debt Service Coverage Ratio : 4.17
- 10 Pay Back Period : 5 Years
- 11 Project Implementation Period : 6-7 Months
- 12 Break Even Point : 17%
- 13 Employment : 12 Persons
- 14 Power Requirement : 10.00 KW
- 15 Major Raw materials : Coriander seeds
- 16 Estimated Annual Sales Turnov : 103.59 Lakhs
- 17 Detailed Cost of Project & Means of Finance

COST OF PROJECT

(Rs. In Lakhs)

Particulars	Amount
Land	Own/Rented
Plant & Machinery	12.92
Miss Assets	1.20
Furniture & Fixtures	
Working Capital	7.56
Total	21.68

MEANS OF FINANCE

Particulars	Amount
Own Contribution	5.59
Working Capital(Finance)	5.50
Term Loan	10.59
Total	21.68

1. INTRODUCTION

CORIANDER POWDER



Coriander powder is derived from the seeds of the coriander plant. It adds a mild flavour and aroma to sweet and savoury food preparations. Most commonly, it is bought as whole dried seeds and ground as and when needed, but it can also be found as a readymade powder. It is commonly pronounce as Dhaniya powder.

Most commonly, it is bought as whole dried seeds and ground as and when needed, but it can also be found as a readymade powder. To make coriander powder at home, roast it slightly without oil to enhance the aroma and then grind in an electric grinder or with a mortar and pestle. Coriander powder is derived from the seeds of the coriander plant. It adds a mild flavour and aroma to sweet and savoury food preparations. Most commonly, it is bought as whole dried seeds and ground as and when needed, but it can also be found as a readymade powder.

2. MARKET POTENTIAL:

Indian spices are the most sought-after globally, given their exquisite aroma, texture, taste and medicinal value. India has the largest domestic market for spices in the world.

In India Coriander powder, cumin powder has very high market demand after garam masala and red chilli powder due to its various uses.

In FY20, spices worth US\$ 3.65 billion were exported. During FY19, a total of 1.10 million tonnes of spices and spice products valued US\$ 2.80 billion was exported from the country as against 1.02 million tonnes valued US\$ 2.78 billion in FY18, registering an increase of 7% in volume.

3. PRODUCT DESCRIPTION

3.1 Raw Material sources

Following raw material is required as the major raw material for the manufacturing of Coriander powder.

S.N.	Description
1	Dhaniya Seeds
2	Packaging material for pouch packaging
3	Cartoons

Average raw material price of Coriander seeds is (cost per KG): Rs. 150-160

3.2 MANUFACTURING PROCESS

- Procurement of raw material.
- Cleaning of impurities from coriander seeds through cleaning process.
- Drying of moisture from coriander seeds with the help of dryer.
- Grinding of coriander & preparation of coriander powder.
- Sieving of powder with the help of sieving machine
- Packaging of goods
- Transportation.

4. PROJECT COMPONENTS


4.1 Land





Land required 1000-1200 square feet approx.

Approximate rent for the same is Rs.20000-25000 per month.

4.2 Plant & Machinery

Recycling section

S.N.	Item Description	Image
1	Seed Cleaning machine	

2	Dryer	
3	Spice grinder	
4	Sieving machine	
5	Packaging machine	

Note: cost of the machinery is approx. Rs. 12,92,100 including's and other transportation cost with capacity of 100 kg per hour production.

5. FINANCIALS

PROJECT CORIANDER POWDER

COST OF PROJECT	
(in Lacs)	
PARTICULARS	AMOUNT
Land & Building	Owned/rented
Plant & Machinery	12.92
Miscellaneous Assets	1.20
Working capital	7.56
Total	21.68

MEANS OF FINANCE	
PARTICULARS	AMOUNT
Own Contribution @ 25%	5.59
Term Loan @ 75%	10.59
Working Capital (Bank Finance)	5.50
Total	21.68

PROJECT CORIANDER POWDER

PROJECTED BALANCE SHEET	(in Lacs)				
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
<u>Liabilities</u>					
Capital					
opening balance		7.17	7.11	9.98	15.36
Add:- Own Capital	5.59				
Add:- Retained Profit	4.58	4.94	8.37	11.38	15.75
Less:- Drawings	3.00	5.00	5.50	6.00	10.00
Closing Balance	7.17	7.11	9.98	15.36	21.11
Term Loan	9.41	7.06	4.71	2.35	-
Working Capital Limit	5.50	5.50	5.50	5.50	5.50
Sundry Creditors	1.68	2.75	3.37	4.01	4.67
Provisions & Other Liab	0.40	0.50	0.60	0.72	0.86
TOTAL :	24.16	22.92	24.16	27.94	32.14
<u>Assets</u>					
Fixed Assets (Gross)	14.12	14.12	14.12	14.12	14.12
Gross Dep.	2.06	3.81	5.31	6.59	7.68
Net Fixed Assets	12.06	10.31	8.81	7.53	6.44
Current Assets					
Sundry Debtors	3.80	5.02	6.21	7.45	8.79
Stock in Hand	5.44	7.00	8.53	10.14	11.83
Cash and Bank	2.86	0.60	0.61	2.81	5.08
TOTAL :	24.16	22.92	24.16	27.94	32.14

PROJECT CORIANDER POWDER

PROJECTED PROFITABILITY STATEMENT						(in Lacs)
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year	
Capacity Utilisation %	20%	25%	30%	35%	40%	
SALES						
Gross Sale						
CORIANDER POWDER	103.59	137.02	169.37	203.32	239.76	
Total	103.59	137.02	169.37	203.32	239.76	
COST OF SALES						
Raw Material Consumed	72.00	91.80	112.32	133.56	155.52	
Electricity Expenses	3.60	4.32	5.18	6.22	7.46	
Depreciation	2.06	1.76	1.50	1.28	1.09	
Wages & labour	5.40	6.48	7.78	9.33	11.20	
Repair & maintenance	2.07	5.48	6.77	8.13	9.59	
Consumables	6.22	8.22	10.16	12.20	14.39	
Cost of Production	91.35	118.06	143.71	170.72	199.25	
Add: Opening Stock /WIP	-	3.04	3.94	4.79	5.69	
Less: Closing Stock /WIP	3.04	3.94	4.79	5.69	6.64	
Cost of Sales	88.30	117.17	142.86	169.82	198.30	
GROSS PROFIT	15.29	19.85	26.51	33.49	41.47	
Salary to Staff	2.70	3.24	3.89	4.67	5.13	
Interest on Term Loan	1.04	0.92	0.66	0.40	0.14	
Interest on working Capital	0.61	0.61	0.61	0.61	0.61	
Rent	3.00	3.30	3.63	3.99	4.39	
Selling & Administration Exp	3.37	6.85	8.47	12.20	14.39	
TOTAL	10.71	14.91	17.25	21.86	24.66	
NET PROFIT	4.58	4.94	9.26	11.63	16.81	
Taxation	-	-	0.89	0.25	1.06	
PROFIT (After Tax)	4.58	4.94	8.37	11.38	15.75	

PROJECT CORIANDER POWDER

PROJECTED CASH FLOW STATEMENT	(in Lacs)				
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
<u>SOURCES OF FUND</u>					
Own Margin	5.59				
Net Profit	4.58	4.94	9.26	11.63	16.81
Depriciation & Exp. W/off	2.06	1.76	1.50	1.28	1.09
Increase in Cash Credit	5.50	-	-	-	-
Increase In Term Loan	10.59	-	-	-	-
Increase in Creditors	1.68	1.07	0.62	0.64	0.66
Increase in Provisions & Oth lib	0.40	0.10	0.10	0.12	0.14
Sunsidy/grant	-				
TOTAL :	30.40	7.87	11.47	13.67	18.70
<u>APPLICATION OF FUND</u>					
Increase in Fixed Assets	14.12				
Increase in Stock	5.44	1.55	1.54	1.61	1.68
Increase in Debtors	3.80	1.23	1.19	1.24	1.34
Repayment of Term Loan	1.18	2.35	2.35	2.35	2.35
Drawings	3.00	5.00	5.50	6.00	10.00
Taxation	-	-	0.89	0.25	1.06
TOTAL :	27.54	10.13	11.47	11.46	16.44
Opening Cash & Bank Balance	-	2.86	0.60	0.61	2.81
Add : Surplus	2.86	-2.26	0.01	2.21	2.27
Closing Cash & Bank Balance	2.86	0.60	0.61	2.81	5.08

PROJECT CORIANDER POWDER

COMPUTATION OF CLOSING STOCK & WORKING CAPITAL					(in Lacs)
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
Finished Goods					
(10 Days)	3.04	3.94	4.79	5.69	6.64
Raw Material					
(10 Days)	2.40	3.06	3.74	4.45	5.18
Closing Stock	5.44	7.00	8.53	10.14	11.83

COMPUTATION OF WORKING CAPITAL REQUIREMENT					
TRADITIONAL METHOD					(in Lacs)
Particulars	Amount	Own Margin		Bank Finance	
Finished Goods & Raw M	5.44				
Less : Creditors	1.68				
Paid stock	3.76	25%	0.94	90%	2.82
Sundry Debtors	3.80	25%	0.95	90%	2.85
	7.56		1.89		5.67
MPBF					5.67
WORKING CAPITAL LIMIT DEMAND (from Bank)					5.50
Working Capital Margin					2.06

PROJECT CORIANDER POWDER

CALCULATION OF D.S.C.R					
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
CASH ACCRUALS	6.63	6.70	9.87	12.66	16.84
Interest on Term Loan	1.04	0.92	0.66	0.40	0.14
Total	7.67	7.61	10.53	13.05	16.98
REPAYMENT					
Instalment of Term Loan	1.18	2.35	2.35	2.35	2.35
Interest on Term Loan	1.04	0.92	0.66	0.40	0.14
Total	2.22	3.27	3.01	2.75	2.49
DEBT SERVICE COVERAGE RATIO	3.46	2.33	3.50	4.74	6.81
AVERAGE D.S.C.R.	4.17				

REPAYMENT SCHEDULE OF TERM LOAN							
						Interest	11.00%
Year	Particulars	Amount	Addition	Total	Interest	Repayment	Closing Balance
1st	Opening Balance						
	1st month	-	10.59	10.59	-	-	10.59
	2nd month	10.59	-	10.59	0.10	-	10.59
	3rd month	10.59	-	10.59	0.10	-	10.59
	4th month	10.59	-	10.59	0.10	-	10.59
	5th month	10.59	-	10.59	0.10	-	10.59
	6th month	10.59	-	10.59	0.10	-	10.59
	7th month	10.59	-	10.59	0.10	0.20	10.39
	8th month	10.39	-	10.39	0.10	0.20	10.20
	9th month	10.20	-	10.20	0.09	0.20	10.00
	10th month	10.00	-	10.00	0.09	0.20	9.81
	11th month	9.81	-	9.81	0.09	0.20	9.61
	12th month	9.61	-	9.61	0.09	0.20	9.41
					1.04	1.18	
2nd	Opening Balance						
	1st month	9.41	-	9.41	0.09	0.20	9.22
	2nd month	9.22	-	9.22	0.08	0.20	9.02
	3rd month	9.02	-	9.02	0.08	0.20	8.83
	4th month	8.83	-	8.83	0.08	0.20	8.63
	5th month	8.63	-	8.63	0.08	0.20	8.43
	6th month	8.43	-	8.43	0.08	0.20	8.24
	7th month	8.24	-	8.24	0.08	0.20	8.04
	8th month	8.04	-	8.04	0.07	0.20	7.84
	9th month	7.84	-	7.84	0.07	0.20	7.65
	10th month	7.65	-	7.65	0.07	0.20	7.45
	11th month	7.45	-	7.45	0.07	0.20	7.26
	12th month	7.26	-	7.26	0.07	0.20	7.06
					0.92	2.35	
3rd	Opening Balance						
	1st month	7.06	-	7.06	0.06	0.20	6.86
	2nd month	6.86	-	6.86	0.06	0.20	6.67
	3rd month	6.67	-	6.67	0.06	0.20	6.47
	4th month	6.47	-	6.47	0.06	0.20	6.28
	5th month	6.28	-	6.28	0.06	0.20	6.08
	6th month	6.08	-	6.08	0.06	0.20	5.88
	7th month	5.88	-	5.88	0.05	0.20	5.69
	8th month	5.69	-	5.69	0.05	0.20	5.49
	9th month	5.49	-	5.49	0.05	0.20	5.30
	10th month	5.30	-	5.30	0.05	0.20	5.10
	11th month	5.10	-	5.10	0.05	0.20	4.90

12th month	4.90	-	4.90	0.04	0.20	4.71
				0.66	2.35	
4th Opening Balance						
1st month	4.71	-	4.71	0.04	0.20	4.51
2nd month	4.51	-	4.51	0.04	0.20	4.31
3rd month	4.31	-	4.31	0.04	0.20	4.12
4th month	4.12	-	4.12	0.04	0.20	3.92
5th month	3.92	-	3.92	0.04	0.20	3.73
6th month	3.73	-	3.73	0.03	0.20	3.53
7th month	3.53	-	3.53	0.03	0.20	3.33
8th month	3.33	-	3.33	0.03	0.20	3.14
9th month	3.14	-	3.14	0.03	0.20	2.94
10th month	2.94	-	2.94	0.03	0.20	2.75
11th month	2.75	-	2.75	0.03	0.20	2.55
12th month	2.55	-	2.55	0.02	0.20	2.35
				0.40	2.35	
5th Opening Balance						
1st month	2.35	-	2.35	0.02	0.20	2.16
2nd month	2.16	-	2.16	0.02	0.20	1.96
3rd month	1.96	-	1.96	0.02	0.20	1.77
4th month	1.77	-	1.77	0.02	0.20	1.57
5th month	1.57	-	1.57	0.01	0.20	1.37
6th month	1.37	-	1.37	0.01	0.20	1.18
7th month	1.18	-	1.18	0.01	0.20	0.98
8th month	0.98	-	0.98	0.01	0.20	0.78
9th month	0.78	-	0.78	0.01	0.20	0.59
10th month	0.59	-	0.59	0.01	0.20	0.39
11th month	0.39	-	0.39	0.00	0.20	0.20
12th month	0.20	-	0.20	0.00	0.20	-
				0.14	2.35	
DOOR TO DOOR	60	MONTHS				
MORATORIUM PERIOD	6	MONTHS				
REPAYMENT PERIOD	54	MONTHS				

7. ASSUMPTIONS

1. Production Capacity of Coriander powder is 800 Kgs per day. First year, Capacity has been taken @ 20%.
2. Working shift of 8 hours per day has been considered.
3. Raw Material stock is for 10 days and Finished goods Closing Stock has been taken for 10 days.
4. Credit period to Sundry Debtors has been given for 11-14 days.
5. Credit period by the Sundry Creditors has been provided for 7-9 days.
6. Depreciation and Income tax has been taken as per the Income tax Act, 1961.
7. Interest on working Capital Loan and Term loan has been taken at 11%.
8. Salary and wages rates are taken as per the Current Market Scenario.
9. Power Consumption has been taken at 15 KW.
10. Selling Prices & Raw material costing has been increased by 2% & 3% respectively in the subsequent years.

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