

# PROJECT REPORT

Of

# FENUGREEK POWDER

## PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding Fenugreek Powder Making 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 : **FENUGREEK POWDER**
- 6 Name of the project / business activity proposed : **FENUGREEK POWDER UNIT**
- 7 Cost of Project : Rs.20.19 Lakhs
- 8 Means of Finance
- Term Loan Rs.13.1 Lakhs
- Own Capital Rs.2.02 Lakhs
- Working Capital Rs.5.08 Lakhs
- 9 Debt Service Coverage Ratio : 2.78
- 10 Pay Back Period : 5 Years
- 11 Project Implementation Period : 5-6 Months
- 12 Break Even Point : 29%
- 13 Employment : 18 Persons
- 14 Power Requirement : 20.00 HP
- 15 Major Raw materials : Fenugreek Seed
- 16 Estimated Annual Sales Turnover (Max Capacity) : 127.76 Lakhs
- 17 Detailed Cost of Project & Means of Finance

**COST OF PROJECT**

(Rs. In Lakhs)

Particulars	Amount
Land	Own/Rented
Plant & Machinery	13.55
Furniture & Fixtures	1.00
Working Capital	5.64
<b>Total</b>	<b>20.19</b>

**MEANS OF FINANCE**

Particulars	Amount
Own Contribution	2.02
Working Capital(Finance)	5.08
Term Loan	13.10
<b>Total</b>	<b>20.19</b>

# **FENUGREEK POWDER MAKING UNIT**

## **Introduction:**

Fenugreek is an annual plant belonging to the Fabaceae family. It's a semi-arid plant with little rounded leaves and yellow cubic seeds. The seedling is grown worldwide. It is native to the Mediterranean and widely grown in Europe and Asia, with India being Fenugreek's largest producer. Fenugreek seeds have a taste similar to maple, which is sweet and nutty and which is used to cover up medicine taste.

One of the most important species of human food is fenugreek. It gives the human body natural food fibre and other essential nutrient items. Its leaves and seeds are used in Ayurvedic medicine as well as in food. Fenugreek, an aromatic and flavourful spice, is widely used in both edible and medicinal applications. Fenugreek has a deep spicy and sweet taste that is similar to that of seasoning. “Kasuri- Methi” is well-known for its wonderful aroma and is also used in culinary preparations. Fenugreek powder is used in the preparation of pickles and vegetable dishes, among other things. Fenugreek seeds are available in both whole and powdered forms. Roasting them reduces the bitterness while still enhancing the taste. The chemical substance responsible for the plant's distinct odor is the solution, which is found in the seeds.



## **Uses & Market Potential:**

The global demand for Fenugreek Powder has increased as consumer awareness of health and health practices has grown. Fenugreek Powder is simply ground fenugreek seeds. Fenugreek, also known as "methi" in the Indian subcontinent, is widely used. *Trigonella foenum-graecum* is the scientific name for methi, which is a herb. In India and other parts of Asia Pacific, fenugreek powder is used as a seasoning. Consumers are more interested in Fenugreek Powder because it is extracted from a natural source and has a variety of health benefits. Fenugreek Powder has been shown to boost milk production in breastfeeding mothers while also lowering cholesterol, diabetes, and blood sugar levels. Fenugreek Powder is widely used in nutraceuticals due to its numerous benefits. Fenugreek Powder supplements have been found to help men increase their testosterone levels and libido. Fenugreek Powders were often used to treat the common cold, flu, gallstones, diarrhea, constipation, high blood pressure, and other ailments due to the presence of lutein, zeaxanthin, and lycopene. In the forecast period of 2021-2026, the global fenugreek seed and its product market is expected to expand at a CAGR of 10%.

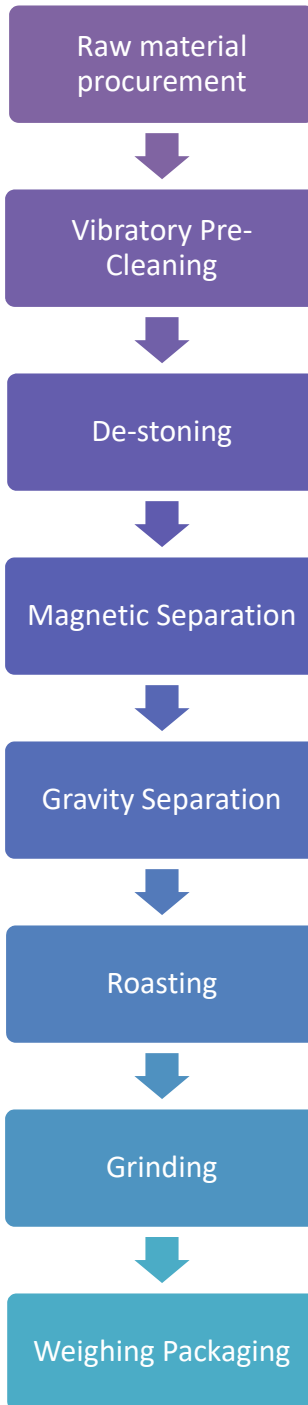
## **Product:**

Fenugreek Powder

## **Raw Material:**

Fenugreek seed: the seed that is obtained from farmers' fields that are separated and cleaned by winnowing to remove chaff, dust, and dirt. The moisture content of the seeds should be 9%. Packaging material i.e. plastic sacks, polybags etc.

## Manufacturing Process:



## **Area:**

The industrial setup requires space for Inventory, workshop or manufacturing area, space for power supply utilities and polishing area. Also, some of the area of building is required for office staff facilities, office furniture, etc. Thus, the approximate total area required for complete industrial setup is 1200-1800Sqft.

## **Cost of Machines:**

<b>Machine</b>	<b>Unit</b>	<b>Rate</b>	<b>Price</b>
Vibrating Pre-Cleaner	1	150000	150000
De-stoner	1	175000	175000
Magnetic Separator	1	100000	100000
Gravity separator	1	130000	130000
Seed Roaster machine	1	105000	105000
Grinding machine	1	165000	165000
Sifting Machine	1	200000	200000
Packaging Machine	1	180000	180000
Material handling and other equipment's	-	150000	150000
<b>Total Amount</b>			<b>1355000</b>

**Power Requirement-** The estimated Power requirement is taken at 20 HP.

**Manpower Requirement**— Following manpower is required:

- Machine operator-4
- Skilled/unskilled worker-5
- Helper-6
- Manager cum Accountant-1
- Sales Personnel-2

# FINANCIALS

**PROJECTED BALANCE SHEET**

<b>PARTICULARS</b>	<b>I</b>	<b>II</b>	<b>III</b>	<b>IV</b>	<b>V</b>
<b><u>SOURCES OF FUND</u></b>					
<b><u>Capital Account</u></b>					
Opening Balance	-	2.58	4.15	6.57	9.98
Add: Additions	2.02	-	-	-	-
Add: Net Profit	4.06	5.77	7.02	8.91	10.07
Less: Drawings	3.50	4.20	4.60	5.50	7.00
<b>Closing Balance</b>	<b>2.58</b>	<b>4.15</b>	<b>6.57</b>	<b>9.98</b>	<b>13.06</b>
CC Limit	5.08	5.08	5.08	5.08	5.08
Term Loan	11.64	8.73	5.82	2.91	-
Sundry Creditors	1.30	1.54	1.80	2.06	2.34
<b>TOTAL :</b>	<b>20.60</b>	<b>19.50</b>	<b>19.27</b>	<b>20.04</b>	<b>20.47</b>
<b><u>APPLICATION OF FUND</u></b>					
<b>Fixed Assets ( Gross)</b>	<b>14.55</b>	<b>14.55</b>	<b>14.55</b>	<b>14.55</b>	<b>14.55</b>
Gross Dep.	2.13	3.95	5.50	6.82	7.95
Net Fixed Assets	12.42	10.60	9.05	7.73	6.60
<b>Current Assets</b>					
Sundry Debtors	3.03	3.81	4.50	5.21	5.96
Stock in Hand	3.91	4.65	5.43	6.23	7.07
Cash and Bank	1.24	0.44	0.29	0.86	0.84
<b>TOTAL :</b>	<b>20.60</b>	<b>19.50</b>	<b>19.27</b>	<b>20.04</b>	<b>20.47</b>

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**PROJECTED PROFITABILITY STATEMENT**

<b>PARTICULARS</b>	<b>I</b>	<b>II</b>	<b>III</b>	<b>IV</b>	<b>V</b>
<b><u>A) SALES</u></b>					
Gross Sale	64.98	81.73	96.35	111.70	127.76
<b>Total (A)</b>	<b>64.98</b>	<b>81.73</b>	<b>96.35</b>	<b>111.70</b>	<b>127.76</b>
<b><u>B) COST OF SALES</u></b>					
Raw Material Consumed	25.92	30.84	35.95	41.26	46.75
Electricity Expenses	1.34	1.57	1.79	2.01	2.24
Repair & Maintenance	1.62	2.04	2.41	2.79	3.19
Labour & Wages	21.17	25.82	30.99	35.95	41.34
Depreciation	2.13	1.82	1.55	1.32	1.13
<b>Cost of Production</b>	<b>52.19</b>	<b>62.10</b>	<b>72.69</b>	<b>83.33</b>	<b>94.65</b>
<b>Add: Opening Stock /WIP</b>	<b>-</b>	<b>2.61</b>	<b>3.10</b>	<b>3.63</b>	<b>4.17</b>
<b>Less: Closing Stock /WIP</b>	<b>2.61</b>	<b>3.10</b>	<b>3.63</b>	<b>4.17</b>	<b>4.73</b>
Cost of Sales (B)	49.58	61.60	72.16	82.80	94.09
<b>C) GROSS PROFIT (A-B)</b>	<b>15.40</b>	<b>20.13</b>	<b>24.19</b>	<b>28.90</b>	<b>33.67</b>
	<b>23.70%</b>	<b>24.63%</b>	<b>25.11%</b>	<b>25.87%</b>	<b>26.36%</b>
D) Bank Interest i) (Term Loan )	1.42	1.16	0.84	0.52	0.20
ii) Interest On Working Capital	0.56	0.56	0.56	0.56	0.56
E) Salary to Staff	8.19	9.99	11.99	13.79	15.99
F) Selling & Adm Expenses Exp.	1.17	2.29	3.08	3.91	5.11
<b>G) TOTAL (D+E+F)</b>	<b>11.34</b>	<b>14.00</b>	<b>16.47</b>	<b>18.78</b>	<b>21.86</b>
<b>H) NET PROFIT</b>	<b>4.06</b>	<b>6.13</b>	<b>7.72</b>	<b>10.12</b>	<b>11.81</b>
	<b>6.3%</b>	<b>7.5%</b>	<b>8.0%</b>	<b>9.1%</b>	<b>9.2%</b>
I) Taxation	-	0.37	0.70	1.21	1.73
<b>J) PROFIT (After Tax)</b>	<b>4.06</b>	<b>5.77</b>	<b>7.02</b>	<b>8.91</b>	<b>10.07</b>

**PROJECTED CASH FLOW STATEMENT**

<b>PARTICULARS</b>	<b>I</b>	<b>II</b>	<b>III</b>	<b>IV</b>	<b>V</b>
<b><u>SOURCES OF FUND</u></b>					
Own Contribution	2.02	-	-	-	-
Reserve & Surplus	4.06	6.13	7.72	10.12	11.81
Depreciation & Exp. W/off	2.13	1.82	1.55	1.32	1.13
Increase In Cash Credit	5.08	-	-	-	-
Increase In Term Loan	13.10	-	-	-	-
Increase in Creditors	1.30	0.25	0.26	0.27	0.27
<b>TOTAL :</b>	<b>27.68</b>	<b>8.19</b>	<b>9.53</b>	<b>11.71</b>	<b>13.21</b>
<b><u>APPLICATION OF FUND</u></b>					
Increase in Fixed Assets	14.55	-	-	-	-
Increase in Stock	3.91	0.74	0.79	0.80	0.84
Increase in Debtors	3.03	0.78	0.68	0.72	0.75
Repayment of Term Loan	1.46	2.91	2.91	2.91	2.91
Taxation	-	0.37	0.70	1.21	1.73
Drawings	3.50	4.20	4.60	5.50	7.00
<b>TOTAL :</b>	<b>26.44</b>	<b>9.00</b>	<b>9.67</b>	<b>11.13</b>	<b>13.23</b>
Opening Cash & Bank Balance	-	1.24	0.44	0.29	0.86
Add : Surplus	1.24	- 0.80	- 0.15	0.58	- 0.02
Closing Cash & Bank Balance	<b>1.24</b>	<b>0.44</b>	<b>0.29</b>	<b>0.86</b>	<b>0.84</b>

**COMPUTATION OF CLOSING STOCK & WORKING CAPITAL**

<b>PARTICULARS</b>	<b>I</b>	<b>II</b>	<b>III</b>	<b>IV</b>	<b>V</b>
<b>Finished Goods</b>					
(15 Days requirement)	2.61	3.10	3.63	4.17	4.73
<b>Raw Material</b>					
(15 Days requirement)	1.30	1.54	1.80	2.06	2.34
<b>Closing Stock</b>	<b>3.91</b>	<b>4.65</b>	<b>5.43</b>	<b>6.23</b>	<b>7.07</b>

**COMPUTATION OF WORKING CAPITAL REQUIREMENT**

<b>Particulars</b>	<b>Amount</b>	<b>Margin(10%)</b>	<b>Net Amount</b>
Stock in Hand	3.91		
Less:			
Sundry Creditors	1.30		
<b>Paid Stock</b>	<b>2.61</b>	<b>0.26</b>	<b>2.35</b>
Sundry Debtors	3.03	0.30	2.73
<b>Working Capital Requirement</b>			<b>5.08</b>
<b>Margin</b>			0.56
<b>MPBF</b>			<b>5.08</b>
<b>Working Capital Demand</b>			<b>5.08</b>

**REPAYMENT SCHEDULE OF TERM LOAN**

11.0%

Year	Particulars	Amount	Addition	Total	Interest	Repayment	CI Balance
<b>I</b>	Opening Balance						
	Ist Quarter	-	13.10	13.10	0.36	-	13.10
	Iind Quarter	13.10	-	13.10	0.36	-	13.10
	IIIrd Quarter	13.10	-	13.10	0.36	0.73	12.37
	Ivth Quarter	12.37	-	12.37	0.34	0.73	11.64
					1.42	1.46	
<b>II</b>	Opening Balance						
	Ist Quarter	11.64	-	11.64	0.32	0.73	10.91
	Iind Quarter	10.91	-	10.91	0.30	0.73	10.19
	IIIrd Quarter	10.19	-	10.19	0.28	0.73	9.46
	Ivth Quarter	9.46		9.46	0.26	0.73	8.73
					1.16	2.91	
<b>III</b>	Opening Balance						
	Ist Quarter	8.73	-	8.73	0.24	0.73	8.00
	Iind Quarter	8.00	-	8.00	0.22	0.73	7.28
	IIIrd Quarter	7.28	-	7.28	0.20	0.73	6.55
	Ivth Quarter	6.55		6.55	0.18	0.73	5.82
					0.84	2.91	
<b>IV</b>	Opening Balance						
	Ist Quarter	5.82	-	5.82	0.16	0.73	5.09
	Iind Quarter	5.09	-	5.09	0.14	0.73	4.37
	IIIrd Quarter	4.37	-	4.37	0.12	0.73	3.64
	Ivth Quarter	3.64		3.64	0.10	0.73	2.91
					0.52	2.91	
<b>V</b>	Opening Balance						
	Ist Quarter	2.91	-	2.91	0.08	0.73	2.18
	Iind Quarter	2.18	-	2.18	0.06	0.73	1.46
	IIIrd Quarter	1.46	-	1.46	0.04	0.73	0.73
	Ivth Quarter	0.73		0.73	0.02	0.73	0.00
					0.20	2.91	

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

**CALCULATION OF D.S.C.R**

<b>PARTICULARS</b>	<b>I</b>	<b>II</b>	<b>III</b>	<b>IV</b>	<b>V</b>
<b><u>CASH ACCRUALS</u></b>	6.20	7.58	8.57	10.23	11.20
Interest on Term Loan	1.42	1.16	0.84	0.52	0.20
Total	7.62	8.74	9.41	10.75	11.40
<b><u>REPAYMENT</u></b>					
Repayment of Term Loan	1.46	2.91	2.91	2.91	2.91
Interest on Term Loan	1.42	1.16	0.84	0.52	0.20
Total	2.88	4.07	3.75	3.43	3.11
<b>DEBT SERVICE COVERAGE RATIO</b>	<b>2.65</b>	<b>2.15</b>	<b>2.51</b>	<b>3.13</b>	<b>3.67</b>
<b>AVERAGE D.S.C.R.</b>			<b>2.78</b>		

### **Assumptions:**

1. Production Capacity of Fenugreek Powder making unit is taken at 800 KG per day. First year, Capacity has been taken @ 30%.
2. Working shift of 10 hours per day has been considered.
3. Raw Material stock and Finished goods closing stock has been taken for 15 days.
4. Credit period to Sundry Debtors has been given for 14 days.
5. Credit period by the Sundry Creditors has been provided for 15 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 20 HP.
10. Selling Prices & Raw material costing has been increased by 3% & 2% respectively in the subsequent years.

## **DISCLAIMER**

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