

PROJECT REPORT

Of

GREEN CARDAMOM POWDER

PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding Green Cardamom 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 : **GREEN CARDAMOM POWDER**
- 6 Name of the project / business activity proposed : **GREEN CARDAMOM POWDER UNIT**
- 7 Cost of Project : Rs.24.36 Lakhs
- 8 Means of Finance
- Term Loan Rs.14.22 Lakhs
- Own Capital Rs.2.44 Lakhs
- Working Capital Rs.7.7 Lakhs
- 9 Debt Service Coverage Ratio : 2.90
- 10 Pay Back Period : 5 Years
- 11 Project Implementation Period : 5-6 Months
- 12 Break Even Point : 31%
- 13 Employment : 14 Persons
- 14 Power Requirement : 20.00 HP
- 15 Major Raw materials : Harvested Cardamom Capsules and Sodium Carbonate
- 16 Estimated Annual Sales Turnover (Max Capacity) : 227.01 Lakhs
- 17 Detailed Cost of Project & Means of Finance

COST OF PROJECT

(Rs. In Lakhs)

Particulars	Amount
Land	Own/Rented
Plant & Machinery	14.60
Furniture & Fixtures	1.20
Working Capital	8.56
Total	24.36

MEANS OF FINANCE

Particulars	Amount
Own Contribution	2.44
Working Capital(Finance)	7.70
Term Loan	14.22
Total	24.36

GREEN CARDAMOM POWDER UNIT

Introduction:

Spices are used in food and beverage preparation for taste, colour, fragrance, and preservation. Spices may come from a variety of plant components, including the bark, buds, bulbs, fruits, leaves, rhizomes, stems, seeds, stigmas and styles, and the whole plant tops. Plants with herbal leaves are referred to as spices, and is a subset of seasoning. Spices and food herbs are just marginally different, so no distinction would be made for the purposes of this chapter. Spices are used widely in the preparation and distribution of food all over the world. Seasoning is a broad term that refers to aromatic spices that enhance the flavour of food.

Cardamom is a highly valued spice made from the seeds of a perennial herb (*Elettaria cardamomum*). Cardamom is a spice that comes from India's coast. Guatemala, Tanzania, Sri Lanka, El Salvador, Vietnam, Laos, and Cambodia are now growing it. Dried cardamom is mostly exported from India. The spice cardamom is referred to as the "Queen of Spices." It's one of the world's most expensive and exotic spices. It is one of the world's most expensive and exotic spices. It is a tropical perennial herb plant in the ginger family (*Zingibaraceae*) that grows up to 6-10 feet tall from a thick rootstalk. It grows naturally in the evergreen forests of South India's Western Ghats.



Uses & Market Potential:

Cardamom is mostly grown in tropical areas of the world. The country that produces the most cardamom is Guatemala, followed by India. The annual global supply of this spice is estimated to be about 35,000 MT¹¹. Cardamom consumption has risen dramatically over the last two decades all over the world. Middle Eastern countries, India, Pakistan, European countries, The United States, and Japan are the top cardamom users. More than 60% of the world's consumption is accounted for by Middle Eastern countries like Saudi Arabia and the United Arab Emirates, as well as South-East Asian countries like India. With an annual output of 4000 MT, India is the largest producer of broad cardamom (*Amomum subulatum* Roxburgh), followed by Nepal (2500 MT) and Bhutan (1000 MT). Sikkim accounts for more than 85% of all demand in India. Sikkim produces an estimated 4000 t of big cardamom per year, priced at about Rs.1.60 billion, accounting for nearly 80% of total production in India. Greater Indian cardamom, or Nepal cardamom, is a native of the Eastern Himalayan region. Large cardamom is the region's most valuable perennial cash crop, and it's commonly grown as a shade tree alongside Himalayan alder (*Alnusne palensis*).

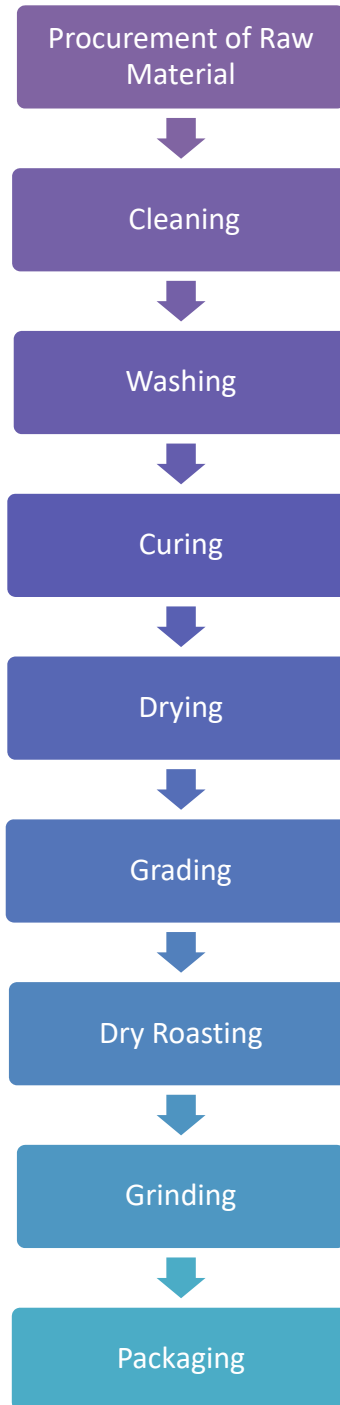
Product:

Green Cardamom Powder

Raw Material:

Post harvested cardamom capsules is used as the raw material for the production of the product. Also, sodium carbonate is required for cardamom powder making unit.

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 1200-1500Sqft.

Cost of Machines:

Machine	Unit	Rate	Price
Cardamom winnowing machine	1	700000	700000
Cardamom washing machine	1	130000	130000
Bin Dryer	1	45000	45000
Dry Roasting Machine	1	175000	175000
Pulverizer	1	80000	80000
Packaging Machine	1	180000	180000
Material handling and other equipment's	-	150000	150000
Total Amount			1460000

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

Manpower Requirement- Following manpower is required:

- Machine operator-3
- Skilled/unskilled worker-4
- Helper-5
- Manager cum Accountant-1
- Sales Personnel-1

FINANCIALS

PROJECTED BALANCE SHEET

PARTICULARS	I	II	III	IV	V
<u>SOURCES OF FUND</u>					
<u>Capital Account</u>					
Opening Balance	-	2.82	4.63	7.80	12.01
Add: Additions	2.44	-	-	-	-
Add: Net Profit	4.39	6.00	7.97	10.21	12.65
Less: Drawings	4.00	4.20	4.80	6.00	8.50
Closing Balance	2.82	4.63	7.80	12.01	16.17
CC Limit	7.70	7.70	7.70	7.70	7.70
Term Loan	12.64	9.48	6.32	3.16	-
Sundry Creditors	4.20	4.89	5.60	6.34	7.10
TOTAL :	27.37	26.70	27.43	29.22	30.97
<u>APPLICATION OF FUND</u>					
Fixed Assets (Gross)	15.80	15.80	15.80	15.80	15.80
Gross Dep.	2.31	4.28	5.96	7.39	8.61
Net Fixed Assets	13.49	11.52	9.84	8.41	7.19
Current Assets					
Sundry Debtors	6.22	7.53	8.74	10.02	11.35
Stock in Hand	6.54	7.63	8.75	9.91	11.09
Cash and Bank	1.12	0.02	0.09	0.88	1.34
TOTAL :	27.37	26.70	27.43	29.22	30.97

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PROJECTED PROFITABILITY STATEMENT

PARTICULARS	I	II	III	IV	V
<u>A) SALES</u>					
Gross Sale	124.34	150.57	174.85	200.33	227.01
Total (A)	124.34	150.57	174.85	200.33	227.01
<u>B) COST OF SALES</u>					
Raw Material Consumed	84.00	97.80	112.05	126.75	141.90
Electricity Expenses	1.57	1.79	2.01	2.24	2.46
Repair & Maintenance	3.73	3.76	4.37	5.01	5.68
Labour & Wages	20.66	25.83	30.48	35.05	39.61
Depreciation	2.31	1.97	1.68	1.43	1.22
Cost of Production	112.27	131.15	150.59	170.48	190.87
Add: Opening Stock /WIP	-	3.74	4.37	5.02	5.68
Less: Closing Stock /WIP	3.74	4.37	5.02	5.68	6.36
Cost of Sales (B)	108.53	130.52	149.95	169.82	190.19
C) GROSS PROFIT (A-B)	15.81	20.05	24.90	30.51	36.82
	12.71%	13.31%	14.24%	15.23%	16.22%
D) Bank Interest i) (Term Loan)	1.54	1.26	0.91	0.56	0.22
ii) Interest On Working Capital	0.85	0.85	0.85	0.85	0.85
E) Salary to Staff	5.92	6.99	8.11	9.08	9.99
F) Selling & Adm Expenses Exp.	3.11	4.52	6.12	8.01	10.22
G) TOTAL (D+E+F)	11.42	13.61	15.99	18.50	21.27
H) NET PROFIT	4.39	6.43	8.92	12.01	15.56
	3.5%	4.3%	5.1%	6.0%	6.9%
I) Taxation	-	0.43	0.94	1.80	2.90
J) PROFIT (After Tax)	4.39	6.00	7.97	10.21	12.65

PROJECTED CASH FLOW STATEMENT

PARTICULARS	I	II	III	IV	V
<u>SOURCES OF FUND</u>					
Own Contribution	2.44	-	-	-	-
Reserve & Surplus	4.39	6.43	8.92	12.01	15.56
Depreciation & Exp. W/off	2.31	1.97	1.68	1.43	1.22
Increase In Cash Credit	7.70	-	-	-	-
Increase In Term Loan	14.22	-	-	-	-
Increase in Creditors	4.20	0.69	0.71	0.73	0.76
TOTAL :	35.26	9.09	11.31	14.18	17.54
<u>APPLICATION OF FUND</u>					
Increase in Fixed Assets	15.80	-	-	-	-
Increase in Stock	6.54	1.09	1.12	1.15	1.18
Increase in Debtors	6.22	1.31	1.21	1.27	1.33
Repayment of Term Loan	1.58	3.16	3.16	3.16	3.16
Taxation	-	0.43	0.94	1.80	2.90
Drawings	4.00	4.20	4.80	6.00	8.50
TOTAL :	34.14	10.19	11.24	13.38	17.08
Opening Cash & Bank Balance	-	1.12	0.02	0.09	0.88
Add : Surplus	1.12	1.10	0.07	0.79	0.45
Closing Cash & Bank Balance	1.12	0.02	0.09	0.88	1.34

COMPUTATION OF CLOSING STOCK & WORKING CAPITAL

PARTICULARS	I	II	III	IV	V
<u>Finished Goods</u>					
(10 Days requirement)	3.74	4.37	5.02	5.68	6.36
<u>Raw Material</u>					
(10 Days requirement)	2.80	3.26	3.74	4.23	4.73
Closing Stock	6.54	7.63	8.75	9.91	11.09

COMPUTATION OF WORKING CAPITAL REQUIREMENT

Particulars	Amount	Margin(10%)	Net Amount
Stock in Hand	6.54		
Less:			
Sundry Creditors	4.20		
Paid Stock	2.34	0.23	2.11
Sundry Debtors	6.22	0.62	5.60
Working Capital Requirement			7.70
Margin			0.86
MPBF			7.70
Working Capital Demand			7.70

REPAYMENT SCHEDULE OF TERM LOAN

11.0%

Year	Particulars	Amount	Addition	Total	Interest	Repayment	CI Balance
I	Opening Balance						
	Ist Quarter	-	14.22	14.22	0.39	-	14.22
	Iind Quarter	14.22	-	14.22	0.39	-	14.22
	IIIrd Quarter	14.22	-	14.22	0.39	0.79	13.43
	Ivth Quarter	13.43	-	13.43	0.37	0.79	12.64
					1.54	1.58	
II	Opening Balance						
	Ist Quarter	12.64	-	12.64	0.35	0.79	11.85
	Iind Quarter	11.85	-	11.85	0.33	0.79	11.06
	IIIrd Quarter	11.06	-	11.06	0.30	0.79	10.27
	Ivth Quarter	10.27		10.27	0.28	0.79	9.48
					1.26	3.16	
III	Opening Balance						
	Ist Quarter	9.48	-	9.48	0.26	0.79	8.69
	Iind Quarter	8.69	-	8.69	0.24	0.79	7.90
	IIIrd Quarter	7.90	-	7.90	0.22	0.79	7.11
	Ivth Quarter	7.11		7.11	0.20	0.79	6.32
					0.91	3.16	
IV	Opening Balance						
	Ist Quarter	6.32	-	6.32	0.17	0.79	5.53
	Iind Quarter	5.53	-	5.53	0.15	0.79	4.74
	IIIrd Quarter	4.74	-	4.74	0.13	0.79	3.95
	Ivth Quarter	3.95		3.95	0.11	0.79	3.16
					0.56	3.16	
V	Opening Balance						
	Ist Quarter	3.16	-	3.16	0.09	0.79	2.37
	Iind Quarter	2.37	-	2.37	0.07	0.79	1.58
	IIIrd Quarter	1.58	-	1.58	0.04	0.79	0.79
	Ivth Quarter	0.79		0.79	0.02	0.79	0.00
					0.22	3.16	

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

CALCULATION OF D.S.C.R

PARTICULARS	I	II	III	IV	V
<u>CASH ACCRUALS</u>	6.70	7.97	9.65	11.64	13.87
Interest on Term Loan	1.54	1.26	0.91	0.56	0.22
Total	8.24	9.23	10.57	12.21	14.09
<u>REPAYMENT</u>					
Repayment of Term Loan	1.58	3.16	3.16	3.16	3.16
Interest on Term Loan	1.54	1.26	0.91	0.56	0.22
Total	3.12	4.42	4.07	3.72	3.38
DEBT SERVICE COVERAGE RATIO	2.64	2.09	2.59	3.28	4.17
AVERAGE D.S.C.R.			2.90		

Assumptions:

1. Production Capacity of Green Cardamom Powder unit is taken at 500 packets per day. First year, Capacity has been taken @ 35%. One packet is of 100 gm.
2. Working shift of 10 hours per day has been considered.
3. Raw Material stock and Finished goods closing stock has been taken for 10 days.
4. Credit period to Sundry Debtors has been given for 15 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.

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