

# PROJECT REPORT

Of

# CUMIN POWDER

## PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding Cumin 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 : xxxxxxxxxxx
- 2 Constitution (legal Status) : xxxxxxxxxxx
- 3 Father / Spouse Name : xxxxxxxxxxx
- 4 Unit Address : xxxxxxxxxxxxxxxxxxxxxxxx
- District : xxxxxxxx
- Pin: xxxxxxxx State: xxxxx
- Mobile xxxxxxxx
- 5 Product and By Product : **CUMIN POWDER**
- 6 Name of the project / business activ **CUMIN POWDER MANUFACTURING UNIT**
- 7 Cost of Project : Rs. 23.86 Lakhs
- 8 Means of Finance
- Term Loan Rs. 10.59 Lakhs
- Own Capital Rs. 2.07 Lakhs
- Working Capital Rs. 7.25 Lakhs
- 9 Debt Service Coverage Ratio : 4.95
- 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 : 8.00 KW
- 15 Major Raw materials : Cumin seeds
- 16 Estimated Annual Sales Turnov : 132.24 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      | 9.74         |
| <b>Total</b>         | <b>23.86</b> |

**MEANS OF FINANCE**

| Particulars              | Amount       |
|--------------------------|--------------|
| Own Contribution         | 6.02         |
| Working Capital(Finance) | 10.59        |
| Term Loan                | 7.25         |
| <b>Total</b>             | <b>23.86</b> |

## 1. INTRODUCTION

### CUMIN POWDER



Cumin is one of the earliest known minor spices used by mankind. Cumin Powder or ground cumin (also known as Jeera Powder) is made by powdering dry roasted cumin seeds in a grinder. This homemade powder might appear ordinary but it has the magical powers to completely change the taste of a drink or a dish. Known as *Cuminum Cyminum*, cumin is obtained from a flowering plant that is majorly grown in India, North Africa, and the Middle East. These cumin seeds are then dried and powdered just like chili powder is made from dried red chillies and then used in various cuisines. Prepared from dry roasted cumin seeds, Cumin Powder, Ground Cumin or Jeera powder has all the quintessential components of cumin and a roasted flavor that makes any cuisine in which it is used more palatable. Cumin is rich in Vitamin E and hence it has anti-aging properties. Research shows that Homemade Cumin Powder just like cumin essential oil is very digestive, antiseptic, and diuretic. Not only is it good for your taste buds but it also helps you when you want to lose weight. Moreover, it also prevents diabetes, blood sugar cancer, treats insomnia, and is also good for the skin.

## **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 Cumin powder, cumin powder has very high market demand after garam masala and red chili powder due to its various uses.

In FY20, spices worth US\$ 3.65 billion were exported. During FY19, a total of 1.10 million tons of spices and spice products valued US\$ 2.80 billion was exported from the country as against 1.02 million tones 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 Cumin powder.

| <b>S.N.</b> | <b>Description</b>                     |
|-------------|--|
| <b>1</b>    | Cumin Seeds (Jeera)                    |
| <b>2</b>    | Packaging material for pouch packaging |
| <b>3</b>    | Cartoons                               |

Average raw material price at wholesale rate of Cumin seeds is (cost per KG):  
Rs. 200-230.00

### 3.2 MANUFACTURING PROCESS

- Procurement of raw material.
- Cleaning of impurities from Cumin seeds through cleaning process.
- Drying of moisture from Cumin seeds with the help of dryer.
- Grinding of Cumin & preparation of Cumin 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 | <b>Dryer</b>             |    |
| 3 | <b>Spice grinder</b>     |    |
| 4 | <b>Sieving machine</b>   |   |
| 5 | <b>Packaging machine</b> |  |

Note: Cost of the machinery is approx. Rs. 1292000.00 including GST and other transportation cost.

## 5. FINANCIALS

### ***PROJECT CUMIN POWDER***

| <b>COST OF PROJECT</b> |               |
|------------------------|---------------|
| (in Lacs)              |               |
| <b>PARTICULARS</b>     | <b>AMOUNT</b> |
| Land & Building        | Owned/rented  |
| Plant & Machinery      | 12.92         |
| Miscellaneous Assets   | 1.20          |
| Working capital        | 9.74          |
| <b>Total</b>           | <b>23.86</b>  |

| <b>MEANS OF FINANCE</b>        |               |
|--------------------------------|---------------|
| <b>PARTICULARS</b>             | <b>AMOUNT</b> |
| Own Contribution @ 25%         | 6.02          |
| Term Loan @ 75%                | 10.59         |
| Working Capital (Bank Finance) | 7.25          |
| <b>Total</b>                   | <b>23.86</b>  |

## **PROJECT CUMIN POWDER**

| <b>PROJECTED BALANCE SHEET</b> | <b>(in Lacs)</b> |                 |                 |                 |                 |
|--------------------------------|------------------|-----------------|-----------------|-----------------|-----------------|
| <b>PARTICULARS</b>             | <b>1st year</b>  | <b>2nd year</b> | <b>3rd year</b> | <b>4th year</b> | <b>5th year</b> |
| <b><u>Liabilities</u></b>      |                  |                 |                 |                 |                 |
| Capital                        |                  |                 |                 |                 |                 |
| opening balance                |                  | 6.46            | 7.71            | 10.98           | 15.68           |
| Add:- Own Capital              | 6.02             |                 |                 |                 |                 |
| Add:- Retained Profit          | 5.44             | 7.75            | 9.87            | 13.71           | 19.00           |
| Less:- Drawings                | 5.00             | 6.50            | 6.60            | 9.00            | 15.00           |
| Closing Balance                | <u>6.46</u>      | <u>7.71</u>     | <u>10.98</u>    | <u>15.68</u>    | <u>19.68</u>    |
| Term Loan                      | 9.41             | 7.06            | 4.71            | 2.35            | -               |
| Working Capital Limit          | 7.25             | 7.25            | 7.25            | 7.25            | 7.25            |
| Sundry Creditors               | 2.24             | 3.67            | 4.49            | 5.34            | 6.22            |
| Provisions & Other Liab        | 0.40             | 0.50            | 0.60            | 0.72            | 0.86            |
| <b>TOTAL :</b>                 | <b>25.77</b>     | <b>26.19</b>    | <b>28.03</b>    | <b>31.35</b>    | <b>34.02</b>    |
| <b><u>Assets</u></b>           |                  |                 |                 |                 |                 |
| <b>Fixed Assets ( Gross)</b>   | 14.12            | 14.12           | 14.12           | 14.12           | 14.12           |
| Gross Dep.                     | 2.06             | 3.81            | 5.31            | 6.59            | 7.68            |
| <b>Net Fixed Assets</b>        | <b>12.06</b>     | <b>10.31</b>    | <b>8.81</b>     | <b>7.53</b>     | <b>6.44</b>     |
| <b>Current Assets</b>          |                  |                 |                 |                 |                 |
| Sundry Debtors                 | 4.85             | 6.42            | 7.93            | 9.55            | 11.26           |
| Stock in Hand                  | 7.13             | 9.09            | 11.17           | 13.28           | 15.48           |
| Cash and Bank                  | 1.72             | 0.38            | 0.12            | 0.99            | 0.84            |
| <b>TOTAL :</b>                 | <b>25.77</b>     | <b>26.19</b>    | <b>28.03</b>    | <b>31.35</b>    | <b>34.02</b>    |



## **PROJECT CUMIN POWDER**

| <b>PROJECTED PROFITABILITY STATEMENT</b> |                 |                 |                 |                 |                 | (in Lacs) |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------|
| <b>PARTICULARS</b>                       | <b>1st year</b> | <b>2nd year</b> | <b>3rd year</b> | <b>4th year</b> | <b>5th year</b> |           |
| Capacity Utilisation %                   | <b>20%</b>      | <b>25%</b>      | <b>30%</b>      | <b>35%</b>      | <b>40%</b>      |           |
| <b>SALES</b>                             |                 |                 |                 |                 |                 |           |
| <b>Gross Sale</b>                        |                 |                 |                 |                 |                 |           |
| CUMIN POWDER                             | 132.24          | 174.96          | 216.30          | 260.50          | 306.97          |           |
| <b>Total</b>                             | <b>132.24</b>   | <b>174.96</b>   | <b>216.30</b>   | <b>260.50</b>   | <b>306.97</b>   |           |
| <b>COST OF SALES</b>                     |                 |                 |                 |                 |                 |           |
| Raw Material Consumed                    | 96.00           | 122.40          | 149.76          | 178.08          | 207.36          |           |
| Electricity Expenses                     | 3.60            | 3.96            | 4.75            | 5.70            | 6.84            |           |
| Depreciation                             | 2.06            | 1.76            | 1.50            | 1.28            | 1.09            |           |
| Wages & labour                           | 5.76            | 6.34            | 7.60            | 9.12            | 10.95           |           |
| Repair & maintenance                     | 2.64            | 5.25            | 8.65            | 10.42           | 12.28           |           |
| Consumables                              | 7.93            | 10.50           | 12.98           | 15.63           | 18.42           |           |
| <b>Cost of Production</b>                | <b>118.00</b>   | <b>150.20</b>   | <b>185.24</b>   | <b>220.23</b>   | <b>256.94</b>   |           |
| <b>Add: Opening Stock /WIP</b>           | -               | 3.93            | 5.01            | 6.17            | 7.34            |           |
| <b>Less: Closing Stock /WIP</b>          | 3.93            | 5.01            | 6.17            | 7.34            | 8.56            |           |
| Cost of Sales                            | 114.06          | 149.12          | 184.07          | 219.07          | 255.72          |           |
| <b>GROSS PROFIT</b>                      | <b>18.18</b>    | <b>25.83</b>    | <b>32.23</b>    | <b>41.43</b>    | <b>51.26</b>    |           |
| Salary to Staff                          | 3.60            | 4.32            | 5.18            | 6.22            | 6.84            |           |
| Interest on Term Loan                    | 1.04            | 0.92            | 0.66            | 0.40            | 0.14            |           |
| Interest on working Capital              | 0.80            | 0.80            | 0.80            | 0.80            | 0.80            |           |
| Rent                                     | 3.00            | 3.30            | 3.63            | 3.99            | 4.39            |           |
| Selling & Administration Exp             | 4.30            | 8.75            | 10.82           | 15.63           | 18.42           |           |
| <b>TOTAL</b>                             | <b>12.74</b>    | <b>18.08</b>    | <b>21.08</b>    | <b>27.04</b>    | <b>30.59</b>    |           |
| NET PROFIT                               | 5.44            | 7.75            | 11.14           | 14.39           | 20.66           |           |
| Taxation                                 | -               | -               | 1.28            | 0.68            | 1.66            |           |
| PROFIT (After Tax)                       | 5.44            | 7.75            | 9.87            | 13.71           | 19.00           |           |

## **PROJECT CUMIN POWDER**

| <b>CALCULATION OF D.S.C.R</b>      |                 |                 |                 |                 |                 |
|------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>PARTICULARS</b>                 | <b>1st year</b> | <b>2nd year</b> | <b>3rd year</b> | <b>4th year</b> | <b>5th year</b> |
| CASH ACCRUALS                      | 7.50            | 9.50            | 11.36           | 14.98           | 20.09           |
| Interest on Term Loan              | 1.04            | 0.92            | 0.66            | 0.40            | 0.14            |
| <b>Total</b>                       | <b>8.54</b>     | <b>10.42</b>    | <b>12.02</b>    | <b>15.38</b>    | <b>20.23</b>    |
| <b>REPAYMENT</b>                   |                 |                 |                 |                 |                 |
| 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            |
| <b>Total</b>                       | <b>2.22</b>     | <b>3.27</b>     | <b>3.01</b>     | <b>2.75</b>     | <b>2.49</b>     |
| <b>DEBT SERVICE COVERAGE RATIO</b> | <b>3.85</b>     | <b>3.19</b>     | <b>3.99</b>     | <b>5.59</b>     | <b>8.11</b>     |
| <b>AVERAGE D.S.C.R.</b>            | <b>4.95</b>     |                 |                 |                 |                 |

## **PROJECT CUMIN POWDER**

| <b>PROJECTED CASH FLOW STATEMENT</b> | <b>(in Lacs)</b> |                 |                 |                 |                 |
|--------------------------------------|------------------|-----------------|-----------------|-----------------|-----------------|
| <b>PARTICULARS</b>                   | <b>1st year</b>  | <b>2nd year</b> | <b>3rd year</b> | <b>4th year</b> | <b>5th year</b> |
| <b><u>SOURCES OF FUND</u></b>        |                  |                 |                 |                 |                 |
| Own Margin                           | 6.02             |                 |                 |                 |                 |
| Net Profit                           | 5.44             | 7.75            | 11.14           | 14.39           | 20.66           |
| Depriciation & Exp. W/off            | 2.06             | 1.76            | 1.50            | 1.28            | 1.09            |
| Increase in Cash Credit              | 7.25             | -               | -               | -               | -               |
| Increase In Term Loan                | 10.59            | -               | -               | -               | -               |
| Increase in Creditors                | 2.24             | 1.43            | 0.82            | 0.85            | 0.88            |
| Increase in Provisions & Oth lib     | 0.40             | 0.10            | 0.10            | 0.12            | 0.14            |
| Sunsidy/grant                        | -                |                 |                 |                 |                 |
| <b>TOTAL :</b>                       | <b>34.00</b>     | <b>11.04</b>    | <b>13.56</b>    | <b>16.64</b>    | <b>22.78</b>    |
| <b><u>APPLICATION OF FUND</u></b>    |                  |                 |                 |                 |                 |
| Increase in Fixed Assets             | 14.12            |                 |                 |                 |                 |
| Increase in Stock                    | 7.13             | 1.95            | 2.08            | 2.11            | 2.20            |
| Increase in Debtors                  | 4.85             | 1.57            | 1.52            | 1.62            | 1.70            |
| Repayment of Term Loan               | 1.18             | 2.35            | 2.35            | 2.35            | 2.35            |
| Drawings                             | 5.00             | 6.50            | 6.60            | 9.00            | 15.00           |
| Taxation                             | -                | -               | 1.28            | 0.68            | 1.66            |
| <b>TOTAL :</b>                       | <b>32.28</b>     | <b>12.37</b>    | <b>13.83</b>    | <b>15.77</b>    | <b>22.92</b>    |
| Opening Cash & Bank Balance          | -                | 1.72            | 0.38            | 0.12            | 0.99            |
| Add : Surplus                        | 1.72             | -1.34           | -0.27           | 0.87            | -0.14           |
| Closing Cash & Bank Balance          | <b>1.72</b>      | <b>0.38</b>     | <b>0.12</b>     | <b>0.99</b>     | <b>0.84</b>     |

## **PROJECT CUMIN POWDER**

| <b>COMPUTATION OF CLOSING STOCK &amp; WORKING CAPITAL</b> |             |             |              |              | (in Lacs)    |
|---|-------------|-------------|--------------|--------------|--------------|
| PARTICULARS   | 1st year    | 2nd year    | 3rd year     | 4th year     | 5th year     |
| <b>Finished Goods</b>                                     |             |             |              |              |              |
| (10 Days)   | 3.93        | 5.01        | 6.17         | 7.34         | 8.56         |
| <b>Raw Material</b>                                       |             |             |              |              |              |
| (10 Days)   | 3.20        | 4.08        | 4.99         | 5.94         | 6.91         |
| <b>Closing Stock</b>                                      | <b>7.13</b> | <b>9.09</b> | <b>11.17</b> | <b>13.28</b> | <b>15.48</b> |

| <b>COMPUTATION OF WORKING CAPITAL REQUIREMENT</b> |             |            |             |              |             |
|---|-------------|------------|-------------|--------------|-------------|
| <b>TRADITIONAL METHOD</b>                         |             |            |             |              | (in Lacs)   |
| Particulars                                       | Amount      | Own Margin |             | Bank Finance |             |
| Finished Goods & Raw Material                     | 7.13        |            |             |              |             |
| Less : Creditors                                  | 2.24        |            |             |              |             |
| <b>Paid stock</b>                                 | <b>4.89</b> | <b>25%</b> | <b>1.22</b> | <b>90%</b>   | <b>3.67</b> |
| <b>Sundry Debtors</b>                             | <b>4.85</b> | <b>25%</b> | <b>1.21</b> | <b>90%</b>   | <b>3.64</b> |
|   | <b>9.74</b> |            | <b>2.44</b> |              | <b>7.31</b> |
| <b>MPBF</b>                                       |             |            |             |              | <b>7.31</b> |
| <b>WORKING CAPITAL LIMIT DEMAND ( from Bank)</b>  |             |            |             |              | <b>7.25</b> |
| <b>Working Capital Margin</b>                     |             |            |             |              | <b>2.49</b> |

## **7. ASSUMPTIONS**

1. Production Capacity of Cumin powder is 100 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 10-15 days.
5. Credit period by the Sundry Creditors has been provided for 5-8 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.

## **DISCLAIMER**

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