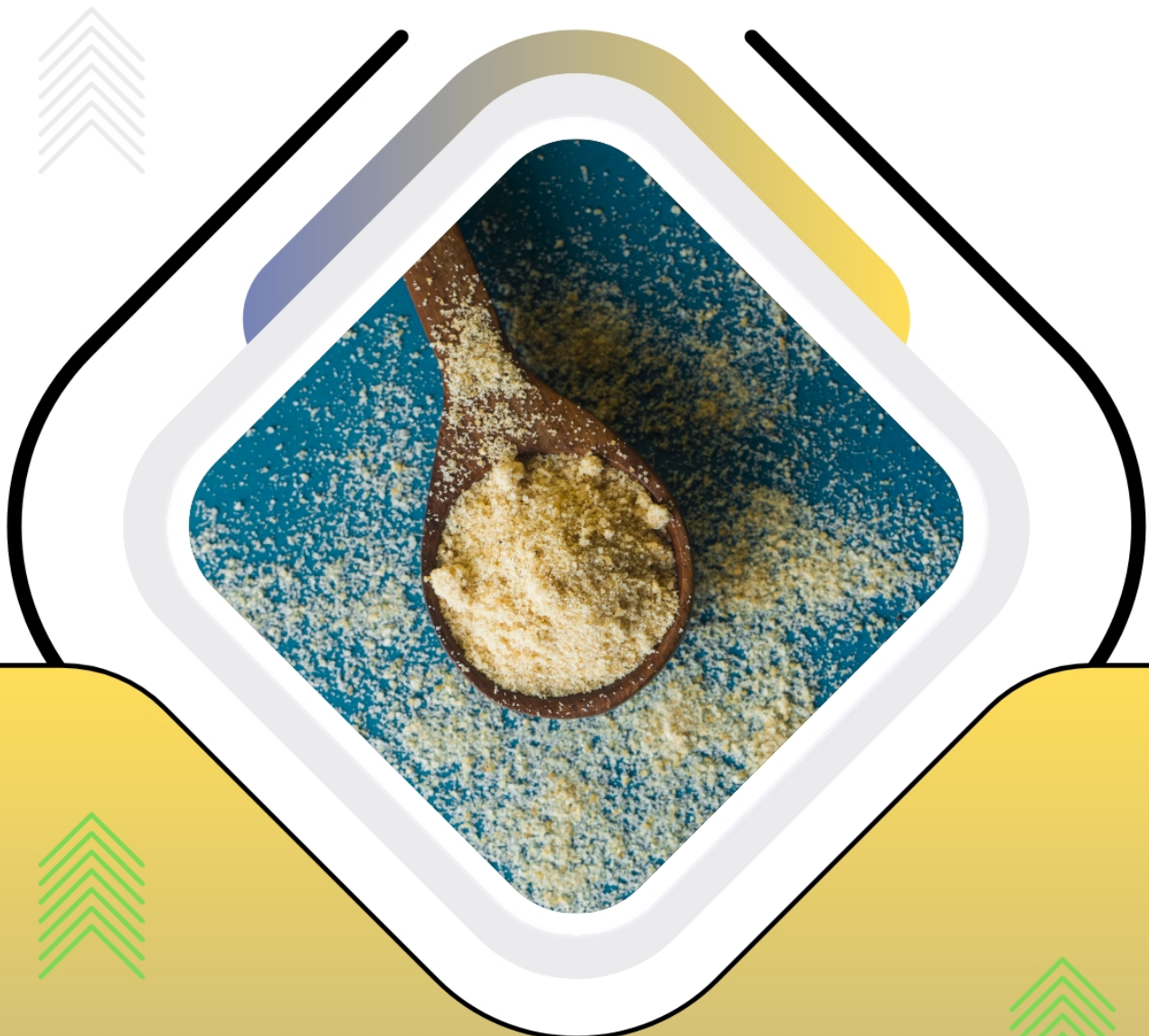




MODEL PROJECT REPORT



PROJECT REPORT ON ASAFOETIDA POWDER(HING)

SWAVALAMBI BHARAT ABHIYAN

PROJECT AT A GLANCE

- 1 Name of the Entrepreneur : xxxxxxxx
- 2 Constitution (legal Status) : xxxxxxxx
- 3 Father / Spouse Name : xxxxxxxx
- 4 Unit Address : xxxxxxxxxxxxxxxxxxxxxxxx
- 5 Product and By Product : ASAFOTIDA POWDER(HING)
- 6 Name of the project / business activity proposed : ASAFOTIDA POWDER(HING) UNIT
- 7 Cost of Project : Rs.18.56 Lakhs
- 8 Means of Finance :
 - Term Loan Rs.11.7 Lakhs
 - Own Capital Rs.1.86 Lakhs
 - Working capital Rs.5 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 : 25%
- 13 Employment : 8 Persons
- 14 Power Requirement : 30.00 HP
- 15 Major Raw materials : Dried Asafoetida Resign, Turmeric, Rice Flour, Packing Material
- 16 Estimated Annual Sales Turnover (Max Capacity) : 206.56 Lakhs
- 17 Detailed Cost of Project & Means of Finance

COST OF PROJECT

(Rs. In Lakhs)	
Particulars	Amount
Land	Own/Rented
Building /Shed 1000 Sq ft	5.00
Plant & Machinery	6.50
Furniture & Fixtures	1.50
Working Capital	5.56
Total	18.56

MEANS OF FINANCE

Particulars	Amount
Own Contribution	1.86
Working Capital(Finance)	5.00
Term Loan	11.70
Total	18.56

ASAFOETIDA POWDER MANUFACTURING

Introduction: Asafoetida, also spelled asafetida, gets its name from the Persian aza, for mastic or resin, and the Latin foetidus, for stinking. It is a gum that is from the sap of the roots and stem of the ferula species, a giant fennel that exudes a vile odour. In its pure form, it is sold in the form of chunks of resin. The odor of the pure resin is so strong that the pungent smell will be absorbed by other spices and substances stored nearby. Hence, Asafetida has to be stored in an airtight container. Many commercial preparations of Asafetida use the resin ground up and mixed with a larger volume of other neutral edible ingredients, such as wheat flour, rice flour and turmeric. The mixture is sold in sealed plastic containers with a hole that allows direct dusting of the powder.



Uses & Market Potential: This spice is used as a digestive aid, in food as a condiment, and in pickling. It plays a critical flavoring role in Indian vegetarian cuisine by acting as a savory enhancer. Used along with turmeric, it is a standard component of lentil curries, such as dal, curries, and vegetable dishes, especially those based on potato and cauliflower. Asafoetida is used in vegetarian Punjabi and South Indian cuisine where it enhances the flavor of numerous dishes, where it is quickly heated in hot oil before sprinkling on the food. The spice is added to the food at the time of tempering. Sometimes dried

and ground asafoetida (in small quantities) can be mixed with salt and eaten with raw salad.

Due to its various uses the product is widely used and has large implications in the food processing industry. Population growth, rising disposable incomes, easy availability, and growing awareness about the benefits/ uses of this product are some of the factors that are broadening the growth aspects of the market.

Raw Material: Basic raw material requirements are as follows:

1. Dried Asafoetida Resin
2. Turmeric
3. Rice Flour
4. Packing Material

Machinery Requirement: Major machinery and equipments are as follows:

S No.	Machine	Unit	Price
1.	Metal Detector	1	150000
2.	Ribbon Blender(Mixing capacity 50 Kg)	1	100000
3.	Grinder(SS Body)	1	250000
4.	Conveyor	1	100000
5.	Other Tools & equipments		50000

Manufacturing Process: The dried Asafoetida resins are procured from appropriate vendors along with various fillers, which in this case are rice flour and turmeric powder. The resins are pulverized in a grinding mill, followed by which the pulverized Asafoetida is mixed with edible fillers in a powder blender; the blended powder is fed to a storage tank.

The bottles are filled manually by opening the knob of the tank with asafoetida powder blend followed by their capping, each bottle is weighed to ensure required weight; passed through a metal detector to ensure no metal burs or chips are present in powder as grinding and blending process is involved. The bottles are then simply packed in cartons and sent for sale.

Area:

The industrial setup requires space for Inventory, workshop or manufacturing area, space for power supply utilities and auxiliary like Generator setup. Also some of the area of building is required for office staff facilities, documentation, office furniture, etc. Thus, the approximate total area required for complete industrial setup is 1000 to 1400Sqft. Civil work cost will be around 5 Lac Rs.(Approx.)

Power Requirement –The power consumption required to run all the machinery could be approximated as 30hp

Manpower Requirement– There are requirement of skilled machine operators to run the machine set. Experience quality engineers are required for desired quality control. Some helpers are also required to transfer the material from one work station to other. Office staffs are required to maintain the documentation. The approximate manpower required is 8 including 1 Supervisor, 1 Plant operator, 1 unskilled worker, 1 Helper and 1 Security guard. 3 Skilled worker including Accountant, Manager and Sales person.

Bank Term Loan: Rate of Interest is assumed to be at 11%

Depreciation: Depreciation has been calculated as per the Provisions of Income Tax Act, 1961

Approvals & Registration Requirement:

Basic registration required in this project:

- GST Registration
- Udyog Aadhar Registration (Optional)
- Choice of a Brand Name of the product and secure the name with Trademark if require
- FSSAI Registration

Implementation Schedule:

S No.	Activity	Time required
1.	Acquisition of premises	1-2 Months
2.	Procurement & installation of Plant & Machinery	1-2 Months
3.	Arrangement of Finance	1.5-2 Months
4.	Requirement of required Manpower	1 Month
5.	Commercial Trial Runs	1 Month
	Total time Required (some activities shall run concurrently)	5-6 Months

FINANCIALS

<u>PROJECTED CASH FLOW STATEMENT</u>					
PARTICULARS	I	II	III	IV	V
<u>SOURCES OF FUND</u>					
Own Contribution	1.86	-			
Reserve & Surplus	4.16	6.46	7.58	10.83	15.19
Depriciation & Exp. W/off	1.63	1.41	1.23	1.07	0.94
Increase In Cash Credit	5.00				
Increase In Term Loan	11.70	-	-	-	-
Increase in Creditors	2.50	0.42	0.29	0.29	0.29
TOTAL :	26.84	8.29	9.10	12.20	16.41
<u>APPLICATION OF FUND</u>					
Increase in Fixed Assets	13.00	-	-	-	-
Increase in Stock	5.57	0.87	0.64	0.74	0.75
Increase in Debtors	3.01	0.56	0.36	0.43	0.45
Repayment of Term Loan	1.30	2.60	2.60	2.60	2.60
Taxation	-	0.65	1.14	3.25	4.56
Drawings	3.00	3.50	4.00	5.00	7.00
TOTAL :	25.88	8.18	8.74	12.02	15.35
Opening Cash & Bank Balance	-	0.95	1.06	1.42	1.60
Add : Surplus	0.95	0.11	0.36	0.18	1.06
Closing Cash & Bank Balance	0.95	1.06	1.42	1.60	2.66

<u>PROJECTED BALANCE SHEET</u>					
PARTICULARS	I	II	III	IV	V
<u>SOURCES OF FUND</u>					
<u>Capital Account</u>					
Opening Balance	-	3.02	5.33	7.77	10.35
Add: Additions	1.86	-	-	-	-
Add: Net Profit	4.16	5.81	6.44	7.58	10.63
Less: Drawings	3.00	3.50	4.00	5.00	7.00
Closing Balance	3.02	5.33	7.77	10.35	13.98
CC Limit	5.00	5.00	5.00	5.00	5.00
Term Loan	10.40	7.80	5.20	2.60	0.00
Sundry Creditors	2.50	2.91	3.20	3.50	3.79
TOTAL :	20.91	21.04	21.17	21.45	22.77
<u>APPLICATION OF FUND</u>					
Fixed Assets (Gross)	13.00	13.00	13.00	13.00	13.00
Gross Dep.	1.63	3.04	4.27	5.34	6.28
Net Fixed Assets	11.38	9.96	8.73	7.66	6.72
Current Assets					
Sundry Debtors	3.01	3.58	3.94	4.37	4.82
Stock in Hand	5.57	6.44	7.09	7.82	8.57
Cash and Bank	0.95	1.06	1.42	1.60	2.66
TOTAL :	20.91	21.04	21.17	21.45	22.77

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PROJECTED PROFITABILITY STATEMENT					
PARTICULARS	I	II	III	IV	V
A) SALES					
Gross Sale	129.20	153.39	168.78	187.40	206.56
Total (A)	129.20	153.39	168.78	187.40	206.56
B) COST OF SALES					
Raw Material Consumed	107.00	124.83	137.32	149.80	162.28
Electricity Expenses	2.05	2.28	2.51	2.74	2.97
Repair & Maintenance	6.46	6.90	7.59	9.37	10.33
Labour & Wages	4.79	4.98	5.43	5.97	6.57
Depreciation	1.63	1.41	1.23	1.07	0.94
Cost of Production	121.93	140.41	154.08	168.95	183.08
Add: Opening Stock /WIP	-	3.79	4.36	4.80	5.32
Less: Closing Stock /WIP	3.79	4.36	4.80	5.32	5.87
Cost of Sales (B)	118.14	139.84	153.65	168.43	182.54
C) GROSS PROFIT (A-B)	11.05	13.55	15.13	18.97	24.02
	8.56%	8.83%	8.96%	10.12%	11.63%
D) Bank Interest (Term Loan)	1.27	1.04	0.75	0.46	0.18
ii) Interest On Working Capital	0.55	0.55	0.55	0.55	0.55
E) Salary to Staff	3.78	3.97	4.56	5.25	6.04
F) Selling & Adm Expenses Exp.	1.29	1.53	1.69	1.87	2.07
TOTAL (D+E)	6.89	7.09	7.55	8.14	8.83
H) NET PROFIT	4.16	6.46	7.58	10.83	15.19
	3.2%	4.2%	4.5%	5.8%	7.4%
I) Taxation	-	0.65	1.14	3.25	4.56
J) PROFIT (After Tax)	4.16	5.81	6.44	7.58	10.63

<u>COMPUTATION OF SALE</u>					
Particulars	I	II	III	IV	V
Op Stock	-	8,100.00	9,000.00	9,900.00	10,800.00
Production	2,43,000.00	2,70,000.00	2,97,000.00	3,24,000.00	3,51,000.00
	2,43,000.00	2,78,100.00	3,06,000.00	3,33,900.00	3,61,800.00
Less : Closing Stock(10 Days)	8,100.00	9,000.00	9,900.00	10,800.00	11,700.00
Net Sale	2,34,900.00	2,69,100.00	2,96,100.00	3,23,100.00	3,50,100.00
Sale Price per packet of 500 gm	55.00	57.00	57.00	58.00	59.00
Sale (in Lacs)	129.20	153.39	168.78	187.40	206.56

COMPUTATION OF MAKING OF ASAFOETIDA POWDER(HING)			
Item to be Manufactured Asafoetida Powder(Hing)			
Manufacturing Capacity per day		90	kg
No. of Working Hour		8	
No of Working Days per month		25	
No. of Working Day per annum		300	
Total Production per Annum		27,000	kg
Total Production per Annum		5,40,000	Packet of 50gm each
Year		Capacity	POWDER(HING)
		Utilisation	
I		45%	2,43,000.00
II		50%	2,70,000.00
III		55%	2,97,000.00
IV		60%	3,24,000.00
V		65%	3,51,000.00

COMPUTATION OF RAW MATERIAL

Item Name		Quantity of Raw Material	Unit	Unit Rate of	Total CostPer Annum (100%)
Dried Asafoetida Resign		2,800.00	kg	8,000.00	2,24,00,000.00
Turmeric		8,500.00	kg	100.00	8,50,000.00
Rice Flour		14,000.00	kg	12.00	1,68,000.00
Packing Material					3,60,000.00
Total					2,37,78,000.00
Total Raw material in Rs lacs					237.78

Raw Material Consumed	Capacity		Amount (Rs.)		
	Utilisation				
I	45%		107.00		
II	50%		124.83	5% Increase in Cost	
III	55%		137.32	5% Increase in Cost	
IV	60%		149.80	5% Increase in Cost	
V	65%		162.28	5% Increase in Cost	

COMPUTATION OF CLOSING STOCK & WORKING CAPITAL					
PARTICULARS	I	II	III	IV	V
Finished Goods					
(7 Days requirement)	3.79	4.36	4.80	5.32	5.87
Raw Material					
(5 Days requirement)	1.78	2.08	2.29	2.50	2.70
Closing Stock	5.57	6.44	7.09	7.82	8.57

COMPUTATION OF WORKING CAPITAL REQUIREMENT			
Particulars	Amount	Margin(10%)	Net
			Amount
Stock in Hand	5.57		
Less:			
Sundry Creditors	2.50		
Paid Stock	3.07	0.31	2.77
Sundry Debtors	3.01	0.30	2.71
Working Capital Requirement			5.48
Margin			0.61
MPBF			5.48
Working Capital Demand			5.00

<u>BREAK UP OF LABOUR</u>				
Particulars		Wages	No of	Total
		Per Month	Employees	Salary
Supervisor		12,000.00	1	12,000.00
Plant Operator		10,000.00	1	10,000.00
Unskilled Worker		6,000.00	1	6,000.00
Helper		4,000.00	1	4,000.00
Security Guard		6,000.00	1	6,000.00
				38,000.00
Add: 5% Fringe Benefit				1,900.00
Total Labour Cost Per Month				39,900.00
Total Labour Cost for the year (In Rs. Lakhs)			5	4.79

<u>BREAK UP OF SALARY</u>				
Particulars		Salary	No of	Total
		Per Month	Employees	Salary
Manager		12,000.00	1	12,000.00
Accountant cum store keeper		10,000.00	1	10,000.00
Sales		8,000.00	1	8,000.00
Total Salary Per Month				30,000.00
Add: 5% Fringe Benefit				1,500.00
Total Salary for the month				31,500.00
Total Salary for the year (In Rs. Lakhs)			3	3.78

COMPUTATION OF DEPRECIATION					
Description	Land	Building/shed	Plant & Machinery	Furniture	TOTAL
Rate of Depreciation		10.00%	15.00%	10.00%	
Opening Balance	Leased		-	-	-
Addition	-	5.00	6.50	1.50	13.00
	-	5.00	6.50	1.50	13.00
		-	-	-	
TOTAL		5.00	6.50	1.50	13.00
Less : Depreciation	-	0.50	0.98	0.15	1.63
WDV at end of Ist year	-	4.50	5.53	1.35	11.38
Additions During The Year	-	-	-	-	-
	-	4.50	5.53	1.35	11.38
Less : Depreciation	-	0.45	0.83	0.14	1.41
WDV at end of IIInd Year	-	4.05	4.70	1.22	9.96
Additions During The Year	-	-	-	-	-
	-	4.05	4.70	1.22	9.96
Less : Depreciation	-	0.41	0.70	0.12	1.23
WDV at end of IIIrd year	-	3.65	3.99	1.09	8.73
Additions During The Year	-	-	-	-	-
	-	3.65	3.99	1.09	8.73
Less : Depreciation	-	0.36	0.60	0.11	1.07
WDV at end of IV year	-	3.28	3.39	0.98	7.66
Additions During The Year	-	-	-	-	-
	-	3.28	3.39	0.98	7.66
Less : Depreciation	-	0.33	0.51	0.10	0.94
WDV at end of Vth year	-	2.95	2.88	0.89	6.72

REPAYMENT SCHEDULE OF TERM LOAN						11.0%	
Year	Particulars	Amount	Addition	Total	Interest	Repayment	CI Balance
I	Opening Balance						
	Ist Quarter	-	11.70	11.70	0.32	-	11.70
	IInd Quarter	11.70	-	11.70	0.32	-	11.70
	IIIRD Quarter	11.70	-	11.70	0.32	0.65	11.05
	Ivth Quarter	11.05	-	11.05	0.30	0.65	10.40
					1.27	1.30	
II	Opening Balance						
	Ist Quarter	10.40	-	10.40	0.29	0.65	9.75
	IInd Quarter	9.75	-	9.75	0.27	0.65	9.10
	IIIRD Quarter	9.10	-	9.10	0.25	0.65	8.45
	Ivth Quarter	8.45		8.45	0.23	0.65	7.80
					1.04	2.60	
III	Opening Balance						
	Ist Quarter	7.80	-	7.80	0.21	0.65	7.15
	IInd Quarter	7.15	-	7.15	0.20	0.65	6.50
	IIIRD Quarter	6.50	-	6.50	0.18	0.65	5.85
	Ivth Quarter	5.85		5.85	0.16	0.65	5.20
					0.75	2.60	
IV	Opening Balance						
	Ist Quarter	5.20	-	5.20	0.14	0.65	4.55
	IInd Quarter	4.55	-	4.55	0.13	0.65	3.90
	IIIRD Quarter	3.90	-	3.90	0.11	0.65	3.25
	Ivth Quarter	3.25		3.25	0.09	0.65	2.60
					0.46	2.60	
V	Opening Balance						
	Ist Quarter	2.60	-	2.60	0.07	0.65	1.95
	IInd Quarter	1.95	-	1.95	0.05	0.65	1.30
	IIIRD Quarter	1.30	-	1.30	0.04	0.65	0.65
	Ivth Quarter	0.65		0.65	0.02	0.65	- 0.00
					0.18	2.60	

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>	5.79	7.23	7.67	8.66	11.57
Interest on Term Loan	1.27	1.04	0.75	0.46	0.18
Total	7.06	8.26	8.42	9.12	11.75
<u>REPAYMENT</u>					
Repayment of Term Loan	1.30	2.60	2.60	2.60	2.60
Interest on Term Loan	1.27	1.04	0.75	0.46	0.18
Total	2.57	3.64	3.35	3.06	2.78
DEBT SERVICE COVERAGE RATIO	2.75	2.27	2.51	2.98	4.23
AVERAGE D.S.C.R.			2.90		

COMPUTATION OF ELECTRICITY				
(A) POWER CONNECTION				
Total Working Hour per day		Hours	8	
Electric Load Required		HP	30	
Load Factor			0.7460	
Electricity Charges		per unit	7.50	
Total Working Days			300	
Electricity Charges				4,02,840.00
Add : Minimim Charges (@ 10%)				
(B) DG set				
No. of Working Days			300	days
No of Working Hours			0.3	Hour per day
Total no of Hour			90	
Diesel Consumption per Hour			8	
Total Consumption of Diesel			720	
Cost of Diesel			65.00	Rs. /Ltr
Total cost of Diesel			0.47	
Add : Lube Cost @15%			0.07	
Total			0.54	
Total cost of Power & Fuel at 100%				4.57
Year		Capacity		Amount
				(in Lacs)
I		45%		2.05
II		50%		2.28
III		55%		2.51
IV		60%		2.74
V		65%		2.97