

Profile No.: 55

NIC Code: 10795

SPICE GRINDING UNIT – CHILLI, TURMERIC, CUMIN ETC.

1. INTRODUCTION:

Spices are very important and essential for adding and enhancing flavor, taste and scent in preparation of food. They are also useful in preparation of certain medicine. India is the largest producer, consumer and exporter of spices Andhra Pradesh, Gujarat, Orissa, Rajasthan are major states producing varieties of spices.

2. PRODUCT & ITS APPLICATION:

Spices are heavily used in Indian household for preparing food. They give aroma, taste and flavor to food. Curry powder, extensively used in Indian recipes, contains some time more than 20 different spices. Even in foreign countries, Indian spices are extensively used in preparation of food. Some of spices have medicinal properties and can be used in preparation of medicines and ayurvedic & cosmetic products.

3. DESIRED QUALIFICATIONS FOR PROMOTER:

Successful running this project does not require any specific qualification.

4. MARKET POTENTIAL AND MARKETING ISSUES, IF ANY:

India is largest consumer of spices and with the growth of population; there will be huge demand of spices which is increasing. Moreover, the varied tastes and habits of the people, there is even increasing demand for high quality spice and curry/*masala* powder. Even there is a good scope for exporting spices to other countries. There is a growing demand of pure/unadulterated grounded spices from the customers who are

increasingly informed these days. With various food standards such as FSSAI, FSMS, ISI and ISO standards implementation, there can be huge market growth for manufacturer for packed spice and curry powder. Raw materials are easily available from the local market anywhere in India. Marketing of spices is not complicated. Umpteen number of retail shops in and around the unit would be the prospective buyers of spices in bulk.

5. RAW MATERIAL REQUIREMENTS:

Various spices such as Red Chili, Haldi, Cumin seeds, Dhania, pepper, bay leaf, curry leaf, are required as essential raw materials. To pack dried powders, packing materials of food grade is required and to pack them in bunch, cardboard boxes are required.

6. MANUFACTURING PROCESS:

Raw spices are first cleaned and dried. This dried material then is grinded in pulverizer. Powdered spices are then packed immediately in food grade packaging and then these packets are packed in cardboard boxes for further transportation.

7. MANPOWER REQUIREMENT:

The enterprise requires 10 employees as detailed below:

Sr. No.	Designation of Employees	Salary Per Person	Monthly Salary ₹	Number of employees required				
				Year-1	Year-2	Year-3	Year-4	Year-5
1	Operator	₹ 10,000.00	₹ 10,000.00	2	2	2	2	2
2	Un Skilled Workers	₹ 8,000.00	₹ 24,000.00	3	3	3	5	5
3	Accountant	₹ 12,000.00	₹ 12,000.00	1	1	1	1	1
4	Store Keeper	₹ 8,000.00	₹ 8,000.00	1	1	1	1	1
5	Sales Staff	₹ 12,000.00	₹ 24,000.00	3	3	3	4	4
	Total		₹ 78,000.00	10	10	10	13	13

8. IMPLEMENTATION SCHEDULE:

The project can be implemented in 9 months' time as detailed below:

Sr. No.	Activity	Time Required (in months)
1	Acquisition of premises	2.00
2	Construction (if applicable)	2.50
3	Procurement & installation of Plant & Machinery	2.50
4	Arrangement of Finance	1.00
5	Recruitment of required manpower	1.00
	Total time required (some activities shall run concurrently)	9.00

9. COST OF PROJECT:

The project shall cost ₹ 108.79 lacs as detailed below:

Sr. No.	Particulars	₹ in Lacs
1	Land	15.00
2	Building	12.50
3	Plant & Machinery	11.40
4	Furniture, other Misc. Equipments	0.50
5	Other Assets including Preliminary / Pre-operative expenses	1.14
6	Margin for Working Capital	68.25
	Total	108.79

10. MEANS OF FINANCE:

Bank term loans are assumed @ 60% of fixed assets. The proposed funding pattern is as under:

Sr. No.	Particulars	₹ in Lacs
1	Promoter's contribution	27.20
2	Bank Finance	81.59
	Total	108.79

11. WORKING CAPITAL CALCULATION:

The project requires working capital of ₹68.25 lacs as detailed below:

Sr. No.	Particulars	Gross Amt	Margin %	Margin Amt	Bank Finance
1	Inventories	34.13	0.25	8.53	25.59
2	Receivables	17.06	0.25	4.27	12.80
3	Overheads	17.06	100%	17.06	0.00
4	Creditors	-		0.00	0.00
	Total	68.25		29.86	38.39

12. LIST OF MACHINERY REQUIRED:

A detail of important machinery is given below:

Sr. No.	Particulars	UOM	Qty	Rate (₹ in Lacs)	Value (₹ in Lacs)
	Plant & Machinery / equipments				
a)	Main Machinery				
1	Pulveriser with motor starter and all accessories	Nos	5	₹ 0.45	₹ 2.25
2	Disintegrator for Haldi	Nos	2	₹ 0.35	₹ 0.70
3	Hot Air Tray Dryer	Nos	3	₹ 0.30	₹ 0.90
4	Packing, Filling and Sealing Machine	Nos	3	₹ 2.00	₹ 6.00
5	Weighing Scale	Nos	2	₹ 0.10	₹ 0.20
6	Material Handling Equipment	LS		₹ 0.85	₹ 0.85
7	Misc. Tools	LS		₹ 0.50	₹ 0.50
	<i>sub-total Plant & Machinery</i>				₹ 11.40
	Furniture / Electrical installations				
1	Office furniture and Electrification	LS	1	₹ 0.50	₹ 0.50
	<i>sub total</i>				₹ 0.50
	Other Assets				
1	preliminary and preoperative	LS		1.37	₹ 1.37
	<i>sub-total Other Assets</i>				₹ 1.37
	Total				₹ 13.04

13. PROFITABILITY CALCULATIONS:

Sr. No.	Particulars	UOM	Year-1	Year-2	Year-3	Year-4	Year-5
1	Capacity Utilization	%	60%	70%	80%	90%	100%
2	Sales	₹. In Lacs	221.76	258.72	295.68	332.64	369.60
3	Raw Materials & Other direct inputs	₹. In Lacs	169.55	197.81	226.06	254.32	282.58
4	Gross Margin	₹. In Lacs	52.21	60.91	69.62	78.32	87.02
5	Overheads except interest	₹. In Lacs	13.60	14.45	16.15	16.66	17.00
6	Interest @ 10 %	₹. In Lacs	8.16	8.16	5.44	4.08	3.26
7	Depreciation @ 30 %	₹. In Lacs	7.98	5.70	3.99	2.85	2.57
8	Net Profit before tax	₹. In Lacs	22.47	32.60	44.04	54.73	64.19

14. BREAKEVEN ANALYSIS:

The project shall reach cash break-even at 36.81% of projected capacity as detailed below:

Sr. No.	Particulars	UOM	Value
1	Sales at full capacity	₹. In Lacs	369.60
2	Variable costs	₹. In Lacs	282.58
3	Fixed costs incl. interest	₹. In Lacs	20.26
4	$BEP = FC/(SR-VC) \times 100 =$	% of capacity	23.29%