

**PROJECT PROFILE
ON SPICES
MAKING UNIT**

Table of Contents

INTRODUCTION	2
PRODUCTS AND ITS APPLICATION	3
DESIRED QUALIFICATION FOR PROMOTER	3
INDUSTRY OUTLOOK/TREND	3
MARKET POTENTIAL AND MARKETING ISSUES, IF ANY	4
RAW MATERIAL REQUIREMENTS	4
Raw material requirement per year	4
MANUFACTURING PROCESS	4
MANPOWER REQUIREMENT (PER MONTH)	5
LAND	5
MACHINERY SPECIFICATIONS	5
COST OF THE PROJECT	6
IMPLEMENTATION SCHEDULE	6
WORKING CAPITAL ASSESSMENT	6
PROFITABILITY CALCULATION	7
BREAK EVEN POINT ANALYSIS	7
References	7
MANUFACTURES/ SUPPLIERS OF MACHINERY	7
STATUTORY/ GOVERNMENT APPROVALS	8
DISCLAIMER:	9
DISCLAIMER:	9

INTRODUCTION

India plays an important role in spice production in the world. It is the largest producers, consumers and exporter of varieties of spices. Indian spices can be categorized into mainly three types – basic spices, complementary spices and aromatic or secondary spices. Example of basic spices are cumin, mustard seeds, etc., those go into every cuisine. Spices like fennel or nigella seeds are sometimes added along with some of the basic spices to add to flavours. These are used in combination with the basic spices and aromatics mentioned below according to the dish being prepared. To the above spices we would add chopped onions, tomatoes, herbs and any of the following secondary spices and create a curry. We go light with the Aromatics and added them in small quantities or in the form of garam masala. Indian states like Andhra Pradesh, Rajasthan, Odisha, Gujarat, Kerala, etc. are major spices producing states.

PRODUCTS AND ITS APPLICATION

- Spices are very common in every Indian cuisine. This gives aroma, taste and flavour in the recipes.
- Most of the foreign countries use Indian spices in the food.
- Spices are also used for oil production
- Besides food value, spices are extensively used in ayurvedic medicines.
- Spices are also used in the allopathic medicines, especially in heart ailments, cancer, diabetes, chronic inflammation, and the common cold.
- Spices like turmeric, etc. are used in the cosmetic products.

DESIRED QUALIFICATION FOR PROMOTER

No specific education or qualification requires for spice making unit owners.

INDUSTRY OUTLOOK/TREND

Spices market can be segmented by product and application – herbs, spices, salt & pepper. Salt and salt substitutes hold significant market share owing to its dominant usage in every type of food. We are not considering the salt and salt substitutes. Spices market is increasing day by day due to increase in disposable income, change in lifestyle, rising number of working women, increased demand for packaged foods, etc. Hence, the increasing usage of these flavours is expected to open new opportunities in the recent future. The increase in demand for seasonings to be used in overseas cuisines such as continental, French and Italian; is expected to boost the industry growth. Changing

dietary habits and increasing awareness of medicinal properties of spices such as cloves, cinnamon and turmeric after Covid 19, are anticipated to propel the regional market growth across Asian countries, including India and China.

Value in Rs. Lakh

HS Code	Commodity	2018-2019	2019-2020	2020-2021	2021-2022 (Apr-Jun)
910	Ginger,Saffron,Turmeric (Curcuma), Thyme, Bay Leaves, Curry And Other Spices	3,04,552.35	2,98,876.74	4,23,414.50	1,13,262.03

MARKET POTENTIAL AND MARKETING ISSUES, IF ANY

India is the second largest populous country in the world, after China. Population growth is also significantly high. With the growing population, consumer demand for spices are also growing at a progressive rate in the domestic market. Moreover, the change in lifestyle, growing urban population, increasing number of working women, the scope of spice market is growing. Now people are using more and more processed spices in the form of powder instead of basic spices. On the other hand demand for high quality spices are also increasing in the export markets. In Indian market spices require various food quality standards such as FSSAI, FSMS, ISI and ISO etc. to establish a spice processing unit. Concisely, it can be said there is a huge market growth potential for manufacturer for packed spices. Raw materials are easily available from the local market anywhere in India. Marketing of spices is not complicated as there are ample numbers of retail shops who will play as prospective buyers in and around the unit.

RAW MATERIAL REQUIREMENTS

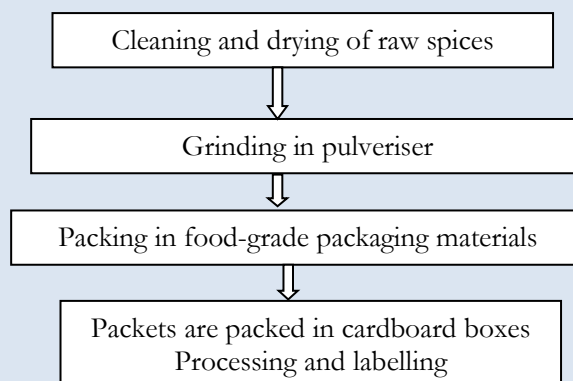
Various spices such as Red Chili, Haldi (turmeric), Cumin seeds, Dhania (coriander), black pepper, bay leaf, curry leaf, are required as essential raw materials. To pack dried powders, packing materials of food grade (plastic items) is required and to pack them in bunch, cardboard boxes are required.

Raw material requirement per year

Particulars	UOM	Year-1	Year-2	Year-3	Year-4	Year-5
Capacity Utilization	%	60%	70%	80%	90%	100%
Raw Materials & Other direct inputs	₹. In Lacs	169.55	197.81	226.06	254.32	282.58

MANUFACTURING PROCESS

Process flow chart of preparation of spices powder is as follows:



MANPOWER REQUIREMENT (PER MONTH)

The enterprise requires 10 employees as detailed below:

Designation of Employees	Salary Per Person	Monthly Salary ₹	Number of employees required				
			Year-1	Year-2	Year-3	Year-4	Year-5
Variable Labour: Workers							
Operator	₹ 10,000.00	₹ 10,000.00	2	2	2	2	2
Un Skilled Workers	₹ 8,000.00	₹ 24,000.00	3	3	3	5	5
Sub-total		₹ 34,000.00	5	5	5	7	7
Fixed Staff							
Accountant	₹ 12,000.00	₹ 12,000.00	1	1	1	1	1
Store Keeper	₹ 8,000.00	₹ 8,000.00	1	1	1	1	1
Sales Staff	₹ 12,000.00	₹ 24,000.00	3	3	3	4	4
Sub-total		₹ 44,000.00	5	5	5	6	6
Total		₹ 78,000.00	10	10	10	13	13

LAND

Particulars	Units	Details
Land	1000 Sq. Ft.	15 lakh
Building	500 Sq. Ft.	12.50 lakh
Total		27.50 lakh

MACHINERY SPECIFICATIONS

Sr. No	Particulars	UOM	Qty	Rate (₹ in Lacs)	Value (₹ in Lacs)
	Plant & Machinery / equipment				

a)	Main Machinery				
1	Pulverize with motor starter and all accessories	Nos	5	₹ 0.45	₹ 2.25
2	Disintegrate for Haldi (turmeric)	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

COST OF THE PROJECT

Sl. No	Particulars	Cost (Rs. Lakh)
1	Land	15.00
2	Building	12.50
3	Plant and Machinery	11.40
4	Furniture	0.50
5	Other Assets including Preliminary / Pre-operative expenses	1.14
6	Margin for Working Capital	68.25
	Total	108.79

IMPLEMENTATION SCHEDULE

Project Stages	Months.....						
	1	2	3	4	5	6	7
Acquisition of Land							
Ordering of Machinery							
Delivery of Machinery							
Term/Wkg Loan Sanction							
Installation of Machinery							
Commissioning of Plant							
RM/Inputs Procurement							
Manpower Appointments							
Commercial Production							

WORKING CAPITAL ASSESSMENT

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	25%	8.53	25.59
2	Receivables	17.06	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

PROFITABILITY CALCULATION

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	369.6
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	13.6	14.45	16.15	16.66	17
6	Interest @ 10 %	₹. In Lacs	8.16	8.16	5.44	4.08	3.26
7	Depreciation @ 30 %	₹. In Lacs	7.98	5.7	3.99	2.85	2.57
8	Net Profit before tax	₹. In Lacs	22.47	32.6	44.04	54.73	64.19

The basis of profitability calculation:

This unit will have Processing Capacity of 300 MT/annum and Sales Turnover 260 MT at Rs 370 Lacs Per annum. The growth of selling capacity will be increased 10% per year. (This is assumed by various analysis and study; it can be increased according to the selling strategy.) The depreciation of plant is taken at 10-12 % and Interest costs are taken at 14 -15 % depending on type of industry.

BREAK EVEN POINT ANALYSIS

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) x 100 =	% of capacity	23.29%

References

- CFTRI , Mysore-spices
- spices -<https://www.wbfpib.gov.in/spices>

- Ground & Processed Spices - TIMEIS <https://www.techno-preneur.net>
- Video Link- https://youtu.be/YuCM41EHv_Q

MANUFACTURES/ SUPPLIERS OF MACHINERY

All the machines and equipment are available from local manufacturers. The entrepreneur needs to ensure proper selection of product mix and proper type of machines and tooling to have modern and flexible designs. It may be worthwhile to look at reconditioned imported machines, dies and tooling. Some of the machinery and dies and tooling suppliers are listed here below:

1. Fry-Tech Food Equipments Private Limited
S. No. 4, Raviraj Industrial Estate,
Bhikhubhai Mukhi Ka Kuwa Bharwadwash,
Ramol, Ahmedabad - 380024,
Gujarat, India
2. Hindustan Vibrotech Pvt. Ltd.
Office No. 2, Ground Floor,
Vrindavan Building, Vile Parle East,
Mumbai – 400057,
Maharashtra, India
3. Electrons cooling systems Pvt. Ltd.
S-27, SIDCO Industrial Estate
Kakkalur Industrial Estate
Tiruvallur – 602003,
Tamil Nadu, India
4. Springboard Enterprises India Ltd.
1st, 2nd & 3rd Floor,
Plot No. 7, 8 & 9,
Garg Shopping Mall,
Service Centre, Rohini Sector 2
New Delhi – 110085,
Delhi, India
5. Flour Tech Engineers Private Limited
Plot No. 182, Sector 24,
Faridabad - 121005,
Haryana, India
6. P Square Technologies
3, Swami Mahal,
Gurunanak Nagar,
Off. Shankarsheth Road Bhavani Peth,
Pune - 411002,
Maharashtra, India
7. Ricon Engineers
10 To 13, Bhagwati Estate,
Near Amraiwadi Torrent Power,
Behind Uttam Dairy,
Rakhial, Ahmedabad - 380023,
Gujarat, India

8. Kamdhenu Agro Machinery
Plot No. 6, Near Power House,
Wathoda Road Wathoda,
Nagpur - 440035,
Maharashtra, India

STATUTORY/ GOVERNMENT APPROVALS

There is statutory requirement of FSSAI license for setting up of food processing industry. Moreover, MSME & GST registration, IEC Code for Export of end products and local authority clearance may be required for Shops and Establishment, for Fire and Safety requirement and registration for ESI, PF and Labour laws may be required if applicable. Entrepreneur may contact State Pollution Control Board where ever it is applicable.

DISCLAIMER:

This is an indicative illustration of project profile; the above calculation can vary with the locations. Only few machine manufacturers are mentioned in the profile, although many machine manufacturers are available in the market. The addresses given for machinery manufacturers have been taken from reliable sources, to the best of knowledge and contacts. However, no responsibility is admitted, in case any inadvertent error or incorrectness is noticed therein. Further, the same have been given by way of information only and do not carry any recommendation.

DISCLAIMER:

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