SPICES GRINDING

1. Introduction

Spices are essential primary ingredients used by both rich and poor from time immemorial to enhance the aroma, flavour and colour of dishes. Hence, people have developed strong liking for spicy food preparations down the ages. Some of these spices have medicinal uses also because of their carminative stimulating and digestive properties. In Orissa, Andhra Pradesh, Gujarat and Rajasthan spices are available at cheaper rate and can be processed very easily.

2. Market potential

With the rapid growth of population and the varied tastes and habits of the people, the domestic demand for spices is steadily on the rise. Even there is a good scope for exporting spices to other countries. In order to cater to the rising demand of spices, irrespective of the seasons, some of the unscrupulous spice producers are manufacturing adulterated spices to earn fast money. The consumption of such spurious spices poses serious health hazards. Accordingly, there is a growing demand of pure/unadulterated grounded spices from the customers who are increasingly informed these days. Therefore, it is imperative that the producers ethically cater to the requirements of the customers and in doing so, obtain quality standard certification such as "Agmark" for these products which would in turn help them in marketing.

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.

3. Technical details

The spice grinding process is a very simple process of pouring dried whole spice into the mouth of the Chakki and getting the grounded spice as per specification. The powdered spice is then immediately packed into the plastic pouches of different sizes bearing manufacturers name, address, quantity, price, quality certification marks/registration number etc. so that it retains its freshness and aroma.

4. Cost of project

S. No.	Particulars	Amount (in Rs.)
1.	Land	Own
2.	Factory Shed & Godown (40 Sq.m. @ Rs. 200/- Sq.m.).	8,000.00
3.	Machineries & Equipment	
	a) 2 Nos. of Chakki of size 14"-30 Kg Capacity complete with 2 H.P. 220 V motor of 1440 rpm, Starter, Main switch, Pulley & Belt @ Rs.13,500.00 each	27,000.00
	b) Hand tools and accessories	750.00
	c) Electrification & Installation	4,250.00
4.	Misc. Fixed Assets	1,000.00
5.	Preliminary & Pre-operative Expense	1,000.00
6.	Provision for Contingencies	1,000.00
7.	Working Capital	57,000.00
	TOTAL	**1,00,000.00**

5. Means of finance

S. No.	Source	Amount (in Rs.)	%age
1.	Promoter's contribution	Nil	-
2.	MML (SCA)	10,000.00	10.00
3.	Term loan – NSTFDC	90,000.00	90.00
	TOTAL	**1,00,000.00**	**100.00**

Note: The State Channelising Agencies shall arrange to provide subsidy to beneficiary(ies) as per norms of their Corporation. Further, SCAs may also make efforts to avail incentive/subsidy from other centrally sponsored schemes.

6. Working capital requirement

S. No.	Particulars	Amount (in Rs.)
1.	Red Chilli 1.5 qtls. p.m. @ Rs 5000/- per qtl	7,500.00
2.	Zeera 1.5 qtls. p.m.@ Rs 12000/- per qtl.	18,000.00
3.	Dhania 1.5 qtls. p.m. @ Rs 5,500/- per qtl.	8,250.00
4.	Haldi 1.5 qtls. p.m. @ Rs 4,000/- per qtl.	6,000.00
5.	Packing pouches & printing	3,000.00
6.	Salary & wages	5,500.00
7.	Goods in process	3,000.00
8.	Finished goods	6,000.00
	TOTAL	**57,250.00**

7. Salary & wages per annum

S. No.	Designation	Numbers	Salary/p.m. (in Rs.)	Salary/p.a. (in Rs.)
1.	Manager	Self		
2.	Skilled worker	1	2,500.00	30,000.00
3.	Helper	2	3,000.00	36,000.00
		TOTAL	**5,500.00**	**66,000.00**

8. Overhead expenses per annum

S. No.	Particulars	Amount (in Rs.)
1.	Printing & stationery	2,000.00
2.	Repair & maintenance	2,000.00
3.	Traveling & conveyance	2,000.00
4.	Electricity	18,000.00
5.	Misc. expenses	1,000.00
	TOTAL	**25,000.00**

9. Sales proceeds per annum

S. No.	Particulars	Amount (in Rs.)
1.	Sale of Chilli Powder- 1,745 Kg. @ Rs.60 /- Kg.	1,04,700.00
2.	Sale of Jeera Powder- 1,745 Kg. @ Rs.165 /- Kg.	2,87,925.00
3.	Sale of Dhania Powder- 1,745 Kg. @ Rs.100 /- Kg.	1,74,500.00
4.	Sale of Haldi Powder- 1,745 Kg. @ Rs.80 /- Kg.	1,39,600.00
	TOTAL	**7,06,725.00**

10. Depreciation on SLM

S. No.	Assets	Amount (in Rs.)	Rate of depreciation	Amount (in Rs.)
1.	Machineries & tools	27,750.00	10%	2,775.00
2.	Misc. fixed assets & electrical	5,250.00	10%	525.00
3.	Building/shed	8,000.00	5%	400.00
			TOTAL	**3,700.00**

11. Project economics

S. No.	Particulars	Amount (in Rs.) 1st Year onwards
A.	**No. of working days**	300
B.	**Capacity utilisation (%)**	100
C.	**Sales Realisation**	7,06,725.00
D.	**Cost of Production**	
(i)	Raw materials	4,77,000.00
(ii)	Packing Materials	36,000.00
(iii)	Salary/wages & S.A	1,14,000.00
(iv)	Overhead expenses	25,000.00
	TOTAL	**6,52,000.00**
E.	**Gross Profit**	**54,725.00**
F.	**Interest on loan (@ 6% p.a.)**	**6,000.00**
G.	**Depreciation**	**3,700.00**
H.	**Net profit**	**45,025.00**
I.	**Cash profit**	**48,725.00**

12. Viability indicators

S. No.	Particulars	Amount
1.	Repayment per annum (period - 5 years)	20,000.00
2.	Return on investment	45%
3.	Debt service coverage ratio	2.10

13. Interest, moratorium & repayment period for beneficiaries

(a) Interest : 6% p.a. on NSTFDC term loan

(b) Moratorium period : 6 months from date of release of funds by SCA.

(c) Repayment period : 5 years excluding moratorium period.

14. Assumptions/remarks

- Optimum working capital cycle has been considered for calculating the requirements. Raw materials shall be procured from local areas and quotations, wherever applicable may be obtained.

- The cost of project will vary in different States & Regions.

- It is assumed that the products have good demand, and the promoters have sound experience in the relevant fields.