

SPICES GRINDING

1. INTRODUCTION

Spices plays an important role in enhancing the flavour and taste of the processed foods. These spices are also used in the medicines because of their carminative stimulating and digestive properties. In Orissa & AP, spices are available at cheaper rate and can be processed very easily.

2. MARKET

India is the world's biggest exporter of spices. There is good scope for domestic market for this commodity in processed form.

The market for export of spices is encouraged in processed form as it will bring more value addition to the unit price of whole spices. The demand for spice powder is increasing day by day with the changing attitude as well as improvement in purchasing power of the people. The products finds good market in urban areas of the country particularly in the state itself.

3. MANUFACTURING PROCESS

The process of manufacture involves leaning, drying, pulverising, sieving and packing of spices such as chilli, pepper, turmeric, coriander, etc either individually or in combination with other spices. There are various formulae for curry powder, but the ingredients like red chilli, black pepper, cloves, coriander seed, fenuegreek seed, ginger and turmeric are typically common. This proportion and the spices in a particular mix depend on individual manufacturers.

4. PRODUCTION CAPACITY PER ANNUM

Capacity	- Chilli powder	22000 kgs
	- Turmeric powder	17000 kgs
Selling Price	- Chilli powder	Rs. 70 per kg
	- Turmeric powder	Rs. 55 per kg

5. PROJECT COST/CAPITAL INVESTMENT

S.No	Description	Amount Rs.
1	Preliminary & Preoperative Expns	1000
2	Fixed Capital	94500
3	Working Capital for 2 month(s)	371200
	Total Project Cost	466700

6. MEANS OF FINANCE

S.No	Description	%age	Amount Rs.
1	Promoter Contribution	15%	70005
2	Subsidy /Soft Loan	20%	93340
3	Term Loan	65%	303355
	Total		466700

7. FINANCIAL ASPECTS

A. FIXED CAPITAL

i. Land and Buildings Rented Rs. 1000 per month

ii. Machinery and Equipment

S.No	Description	Unit	Qty.	Rate	Amount Rs.
1	Micropulveriser with motor	Nos.	1	30000	30000
2	Disintegrator - 7.5 HP	Nos.	1	25000	25000
3	Weighing balance - 10 kg cap.	Nos.	1	5000	5000
4	Sieving machine	Nos.	3	2500	7500
5	Hand sealer	Nos.	1	2500	2500
6	Work tables	Nos.	3	1500	4500
7	Furniture and fixtures		LS		10000
8	Installation and electrification		LS		10000
	Total				94500

B. WORKING CAPITAL

i. Salaries & Wages (per month)

S.No	Description	Nos.	Sal/mon.	Amount Rs.
1	Supervisor/Entrepreneur	1	2500	2500
2	Skilled workers	2	1500	3000
3	Unskilled workers	2	1200	2400
	Total			7900

ii. Raw Material (per month)

S.No	Description	Unit	Qty.	Rate	Amount Rs.
1	Chillies	kgs	2200	45	99000
2	Turmeric	kgs	1650	40	66000
	Total				165000

iii. Utilities (per month)

S.No	Description	Unit	Amount Rs.
1	Power	LS	5000
2	Water	LS	1000
	Total		6000

iv. Other Expenses (per month)

S.No	Description	Amount Rs.
1	Postage & Stationery Expenses	500
2	Transportation Expenses	2000
3	Advertisement Expenses	500
4	Consumable Stores	500
5	Packing expenses	1200
6	Miscellaneous Expenses	1000
	Total	5700

v. Total Working Capital (per month)

S.No	Description	Amount Rs.
1	Rent	1000
2	Salaries and Wages	7900
3	Raw Material	165000
4	Utilities	6000
5	Other Expenses	5700
	Total	185600

8. COST OF PRODUCTION (PER ANNUM)

S.No	Description	Amount Rs.
1	Total Working Capital	2227200
2	Depreciation @ 15%	14175
3	Interest @ 12%	36403
	Total	2277778

9. TURNOVER (PER YEAR)

S.No	Description	Unit	Qty.	Rate Rs.	Amount Rs.
1	Chilli Powder	kgs	22000	70	1540000
2	Turmeric Powder	kgs	17000	55	935000
	Total				2475000

10. FIXED COST (PER YEAR)

S.No	Description	Amount Rs.
1	Depreciation	14175
2	Interest	36403
3	Rent	12000
4	Salaries & Wages @ 40%	37920
5	Other Expenses incl. Utilities @ 40%	56160
	Total	156658

11. PROFIT ANALYSIS & RATIOS

1	Net Profit	Rs.	197222
2	Percentage of Profit on Sales		8%
3	Return on Investment		42%
4	Break Even Point		44%