

PROJECT PROFILE

ON

BLENDED SPICES

Month & Year
Aug 2010

**PREPARED BY
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STIFTUNG **FÜR DIE FREIHEIT**

BLENDED SPICES

1. Introduction

Blended spice mixes comprise a mixture of spices in various combinations in a powdered form. These include the traditional “sambhar” and “rasam” powders, “idli” chilli powder and “curry” powder. Recent introductions by existing manufacturers of new varieties like “dhal masala”, “chana masala”, “chicken masala”, “pav-bhaji” masala etc., have opened up avenues for preparations for preparation of spice mixes exclusive for each recipe.

2. Market

The major market outlets are the “A” and “ B” class outlets, departmental stores, super markets and self service counters. The product also has a good export potential.

3. Packaging

The processed product is packed in laminated polyester-poly pouches. The product is packed in measures of 50 grams and 100 grams.

4. Production capacity

- The plant will be in operation for one shift a day of about 10 to 12 hours duration.
- The plant will operate to a capacity of a raw material input of 50 kilograms per hour or 500 kilograms per day. The end product yield will be 450 kilograms per day.
- The estimated production per month is therefore 11250 kilograms
- The total production per annum is estimated at 135 MT
- The time period required for achieving full capacity utilization is one year.

5. Sales revenue

- The ex-factory selling price will be Rs. 200 per kilogram thereby yielding sales revenue of Rs. 270 lakhs on full capacity utilization.

6. Production process outline.

Individual spices are first cleaned to remove chaff and stones by passing through sifter and destoner. They are roasted individually in definite proportions in slow to moderate heat, cooled and ground to a fine powder, mixed and packed. For example, rasam powder has a combination of coriander powder - 50%; tur dhal - 15%; chillies - 10%; jeera - 10%; pepper - 10%; and salt - 5%. Sambhar powder has a typical combination of coriander - 50%; tur dhal - 20%; chillies -15%; jeera - 5%; pepper - 5% and salt - 5%.

7. Quality specifications

Spices.

- Moisture - 12% maximum
- Total ash - 7% maximum
- Acid insoluble ash - 1.5% maximum
- Volatile oils - 3% maximum
- Extraneous matter - not to exceed 3%.
- Extraneous colouring matter - should be absent.

Curry powder

- Moisture - 14% maximum
- Volatile oils - 0.25% maximum
- Non volatile ether extract - 7.5% maximum
- Edible common salt - 4% maximum
- Acid insoluble ash - 2% maximum
- Total ash - 7% maximum
- Crude fibre - 15% maximum
- Lead - 10 ppm maximum
- Extraneous matter - should be absent
- Mold and fungal growth - should be absent
- Inset infestation - should be absent
- Colouring matter - should be absent
- Minimum percentage of spices and dhals to be used - 85%
- Maximum percentage of starches and salt permitted - 15%

8. Pollution control measures

Not necessary as there are no pollutants or effluents.

9. Energy conservation measures

Common measures will do.

10. Land and construction cost for the proposed unit

The proposed unit is to be set up in a leased area. The total leased area is 2500 square feet vide details given below.

SI	Description	Sq. feet
1	Processing area	1400
2	Raw material store	100
3	Other ingredients store room	100
4	Finished goods store room	100
5	Packaging material store room	100
6	Laboratory	200
7	Office space	200
8	Machinery spares room	100
9	Toilet space	100
10	Miscellaneous space	100
11	Total	2500

Lease rent per square foot – Rs. 6.00

Total rentals per month - Rs. 15,000

11. Costing of machinery and equipment

SI	Description	Rs. lakhs
1	Sifter	0.760
2	Destoner	1.000
3	Hammer mill with blower, cyclone, accessories etc. at 50 kgs per hour capacity	2.000
4	Roaster with thermostat	0.350
5	Stainless steel ribbon blender 25 kgs capacity	0.500
6	Weighing scales coarse and fine	0.220
7	Packing machine	1.500
8	Total	6.330
9	Laboratory equipment	1.000
10	Grand total machinery and equipment	7.330

12. Project cost

SI	Description	Rs. lakhs
1	Land	On lease
2	Civil works	On lease
3	Plant machinery	6.330
4	Laboratory equipment	1.000
5	Transport vehicle – Tata Ace	3.600
6	Pollution control equipment	0.000
7	Energy conservation equipment	0.000
8	Cost of power connection	0.350
9	Cost of electrification	0.500
10	Erection and commissioning	0.250
11	Cost of machinery spares	0.100
12	Cost of office equipment	1.000
13	Deposits if any	0.600
14	Company formation expenses	0.100
15	Gestation period expenses	0.500
16	Sales tax registration expenses	0.100
17	Initial advertisement and publicity	5.000
18	Contingencies	0.150
19	Working capital margin money	7.449
20	Total	27.029

13. Working capital requirements per month**a. Salaries and wages**

SI	Description	No of persons	Total salary / month (Rs. lakhs)
1	Production Manager	1	0.300
2	Production supervisor cum chemist	1	0.200
3	Skilled workers	1	0.100
4	Unskilled workers	4	0.200
5	Packing workers	2	0.080
6	Administrative staff	1	0.200
7	Driver	1	0.100
8	Total	11	1.180

b. Raw material requirement per month

SI	Description	Qty (kgs)	Rate / kg (Rs)	Value (Rs. lakhs)
1	Spices, dhals etc	12500	100.00	12.500
2	Total raw material	12500		12.500

c. Packaging material requirement per month

SI	Description	Qty	Rate / unit (Rs)	Value (Rs. lakhs)
1	Primary packaging material – metallized polyester – poly film	120 kgs	250	0.300
2	Cartons and straps	2250	40	0.900
3	Total			1.200

Total raw + packaging material = Rs. 13.700 lakhs

d. Utilities per month

SI	Description	Rs. lakhs
1	Power 7200 kwh @ Rs. 6.00 per unit	0.432
2	Water	0.040
3	Boiler fuel	0.000
4	Total utilities	0.472

e. Contingent expenses per month

SI	Description	Rs. lakhs
1	Rent for processing shed	0.150
2	Postage and stationery	0.020
3	Telephones, fax etc.	0.050
4	Consumable stores	0.050
5	Repairs and maintenance	0.091
6	Local transports, loading and unloading	0.100
7	Advertisement and publicity @ 5% of sales	1.125
8	Insurance	0.010
9	Sales expenses @ 1% of sales	0.225
10	Miscellaneous expenses @ 1% of sales	0.225
11	Trade incentives @ 2% of sales	0.450
12	Taxes @ 4%	0.900
13	Total contingent expenses	3.396

f. Total working capital requirement per month

SI	Description	Rs. lakhs
1	Salaries and wages	1.180
2	Raw material and packaging material	13.700
3	Utilities	0.472
4	Contingent expenses	3.396
5	Total	18.748

14. Means of finance

SI	Description	Rs. lakhs
1	Total Project Cost	27.029
2	Equity	8.920
3	Debt	18.109
4	Working capital margin money	7.449

15. Financial analysis

SI	Description	Rs. lakhs
1	Total recurring cost per year	224.976
2	Depreciation on land and building	0.000
3	Depreciation on machinery and vehicle	1.093
4	Depreciation on furnaces	0.000
5	Depreciation on moulds and fixtures	0.010
6	Depreciation on office equipment	0.050
7	Interest on long term loan @ 13.5%	2.444
8	Interest on short term borrowings@ 13.5%	1.525
9	Total cost of production	230.098

16. Turnover per year

SI	Item	Qty	Rate/unit (Rs)	Total Rs. lakhs
1	Blended spices	135,000 kgs	200	270.00

17. Viability analysis

SI	Description	Value
1	Net profit before income tax (Rs. lakhs)	39.902
2	Net profit ratio	14.7%
3	Internal rate of return	29.3%
4	Break even percentage	41%
5	Debt service coverage ratio	2.124

List of machinery suppliers for Blended spices

1. Sri Valsa Engineering Works, 36, Nanda Nagar, Singanallur, Coimbatore 641005. Tamil Nadu.; Tel: 0422 - 2574268; Fax: 0422 – 2574268
2. Geeta Food Engineering, Plot No. C - 7 / 1, TTC Industrial Area, Pawana MIDC, Thane - Belapur Road, Behind Savita Chemicals, Navi Mumbai 400705. Maharashtra.; Tel: 022 - 56101973; Fax: 022 – 55906450
3. Vivega Engineering Works, 116 – 118, Sathy Road, R.K.Puram, Ganapathy, Coimbatore. 641006; Tel: 0422-2531523; 09443721341
4. Navinchandra and Co., 308, Thambu Chetty Street, Chennai. 600001; Tel: 044-25228675