



# PROJECT REPORT ON SPICE MILL



Govt. of Uttarakhand

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## PROJECT HIGHLIGHTS

PROPRIETOR	:	XXXXX
ADDRESS OF THE PROPRIETOR	:	YYYYY DIST..... STATE.....
CONSTITUTION	:	PROPRIETORSHIP
CATEGORY OF UNIT	:	MICRO UNIT
FATHER NAME	:	XXXXXX
DATE OF BIRTH	:	XX-YY-ZZZZ
CATEGORY OF THE PROPRIETOR	:	XXXXXX
QUALIFICATION	:	XXXXXX
LOCATION OF UNIT	:	XXXXXX
PROPOSED PROJECT	:	SPICE MILL
NAME OF SCHEME	:	PRIME MINISTER'S EMPLOYMENT GENERATION PROGRAMME
UNIT (OWN/RENTED)	:	OWNED/RENTED
<b>(A) TOTAL COST OF PROJECT</b>	:	<b>Rs.6,50,000.00</b>
(1) Fixed Capital		Rs. 4,50,000.00
(2) Working Capital Limit		Rs . 2,00,000.00
<b>(B) MEANS OF FINANCE</b>	:	<b>Rs. 6,50,000.00</b>
(1) Term Loan for Machinery		Rs. 4,17,500.00
(2) Working Capital Limit		Rs. 2,20,000.00
(3) Promoter's Contribution		Rs. 32,500.00
SUBSIDY UNDER PMEGP	:	Rs. 2,27,500.00
EMPLOYMENT POTENTIAL	:	5
NORMAL WORKING HOUR	:	8 HOUR



## **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. 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.

## **PROMOTER & MANAGEMENT**

The promoter is reported to have good financial standing presently. The Promoters is actively associated with the implementation of the project. Promoter is over all in charge of the working of the unit.

## **MARKET AND DEMAND**

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.



### **MAJOR BENEFITS OF THE PROJECT**

- I. Easy availability of material.
- II. Job opportunity for local people.

### **FURNITURE, FIXTURES ETC.**

The total estimated cost of required Furniture & Fixtures including electrical fittings would be Rs.- 10,000.00/-.

### **PREOPERATIVE EXPENSES**

The total estimated cost of required Preoperative Expenses would be Rs.- 10,000/-.



## **PLANT, MACHINERY AND EQUIPMENTS**

Plant, Machinery, Tools, Shed and other equipment's required for the proposed unit are available indigenously. The various items required for installation of Rs. 4,30,000/- details as per quotation attached herewith.

## **QUALITY CONTROL**

The concern proposed to set up above unit for which provision testing equipment have been proposed in the project report.

## **TECHNICAL KNOW- HOW**

The process for sale of products is simple and no sophisticated technology is involved. There is no requirement of any type of technical knowhow.

## **TRANSPORTATION**

The proposed location is connected by road and near to the city. Thus the unit is not likely to face difficulty on account of transportation.

## **UTILITIES**

### **a) Power:**

The total connected load for the smooth operations of the unit has been estimated and Electricity connection will be obtained as per required load including lighting load if required.

### **b) Water:**



The water will be available. Necessary provision for storage of water and water supply has been made in the project cost.

### **MANPOWER**

The unit would require total manpower of person of different category. The details of salary/wages proposed to be paid together with annual Salary/wages bill is given in separate annexure.

### **DEPRECIATION**

The depreciation on fixed assets has been computed in annexure of this project report in accordance with the admissibility of the same under the Income Tax Act, 1961.

### **TRAINING**

Applicant has to complete two week EDP training specially designed for the purpose, which will be organized by KVIC/KVIB/DIC or the institution organized by or under the administration control of Minister of MSME or any other training center of repute before disbursement of loan by the bank. After the successfully completion of EDP training arranged by the KVIC/KVIB/DIC, the beneficiary will deposit his own contribution in the bank as per the guideline of scheme.

### **CAPITAL SUBSIDY UNDER PMEGP**

Unit is eligible to get capital subsidy under Prime Minister Employment Generation Programme 35% of the total cost of the project (except cost of land). Total subsidy to be received Rs. 2,27,500/-



## **TERM LOAN AND WORKING CAPITAL LOAN PMEGP SCHEME**

The unit proposed to have Term loan UNDER PMEGP of Rs. 4,17,500/- & working capital limit of Rs. 2,00,000/- Own contribution of unit will be Rs. 32,500/-, which is five percent of total cost of project. The total project cost will be Rs.6,50,000/-.

### **LOAN REPAYMENT SCHEDULE**

Total Term Loan	:	Rs. 417,500/-
Total Duration	:	5 Years
From the next year		
Each yearly instalment	:	Rs. 83,500/-
Total instalments	:	Rs. 83,500*5 = Rs. 417,500/-
 <b>Total</b>		 <b>Rs. 417,500--</b>

### **INTEREST COMPUTATION**

Interest computation is given in Annexure 6.

### **PROJECTED INCOME/PROFITABILITY**

The projected Income & profitability statement has been shown in the attached profit & loss account. Projected Balance sheet for the next five years is also enclosed as here for the reference.



## **ECONOMIC VIABILITY**

Based on the projections attached it is observed that sufficient revenue shall be generated through operations served & it indicates the economic viability of the proposal. Hence the project can be considered as economically favourable and viable.

## **CONCLUSION**

Based on the grounds discussed aforesaid it is concluded that project is economically & feasibly viable and should be considered favourably.



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### **M/S SPICE MILL**

**ADDRESS: ZZZZZZ**

### **FINANCIAL ASPECTS OF THE PROJECT**

#### **A. FIXED CAPITAL**

##### **I-Plant & Machineries:**

<b>S. No.</b>	<b>Particulars</b>	<b>No.</b>	<b>Rate (Rs.)</b>	<b>Amount(Rs.)</b>
1	SGM	1	50000	50000
2	PPM	1	300000	300000
3	<b>For Hall &amp; Shed construction ( Like angle, cement, corsand, sariya, bricks etc.)</b>			<b>80000</b>
	<b>TOTAL</b>			<b>430000</b>

##### **II-Other Fixed Assets:**

<b>S. No.</b>	<b>Particulars</b>	<b>Amount (Rs.)</b>
1	Furniture for unit like racks, chair etc.	5000
2	Other equipments like fan, electrification etc.	5000
	<b>TOTAL</b>	<b>10000</b>

##### **III-Preliminary & Pre-operative expenses:**

<b>S. No.</b>	<b>Particulars</b>	<b>Amount (Rs.)</b>
1	Transportation of Machinery / Equipments	9000
2	Misc. Expenses ( Electric fitting , Board etc)	1000
	<b>TOTAL</b>	<b>10000</b>

### **TOTAL FIXED CAPITAL**

<b>S. No.</b>	<b>Particulars</b>	<b>Amount (Rs.)</b>
1	Machinery and Equipments	430000
2	Other Fixed Assets	10000
3	Preliminary and Pre Operative Expenses	10000
	<b>TOTAL</b>	<b>450000</b>



## B. WORKING CAPITAL

### I- Raw Material (Per Month):

S. No.	Particulars	Qty. kg	Rate (Rs.)	Amount (Rs.)
1	Spices (like-coriander, Turmeric, Red Chili, Garam Masala, etc.)			147000
	<b>TOTAL</b>			<b>147000</b>

### II- Man power (Per Month):

S. No.	Particulars	Nos.	Salary	Amount (Rs.)
1	Skill worker	2	9000	18000
2	Semi skill worker	2	7000	14000
3	Marketing Sales	1	10000	10000
	<b>TOTAL</b>			<b>42000</b>

### III- Utilities (Per Month):

S. No.	Particulars	Amount (Rs.)
1	Electricity	5000
2	Phone bill	500
3	Packing material	3000
	<b>TOTAL</b>	<b>8500</b>

### IV- Misc. or other expenses: (Per Month)

S. No.	Particulars	Amount (Rs.)
1	Repair & Renewal	2000
2	Other	500
	<b>TOTAL</b>	<b>2500</b>



### **TOTAL WORKING CAPITAL (Per Month)**

<b>S. No.</b>	<b>Particulars</b>	<b>Amount (Rs.)</b>
1	Raw Material	147000
2	Manpower	42000
3	Utilities	8500
4	Misc. expenses	2500
	<b>TOTAL</b>	<b>200000</b>

### **C-ANNUAL SALES REALISATION**

<b>S. No.</b>	<b>Particulars</b>	<b>Amount (Rs.)</b>
1	Amount per year may be realized	3000000

### **D-BREAK EVEN POINT (BASED ON FIRST YEAR OF OPERATION)**

<b>S. No.</b>	<b>FIXED COST</b>	<b>Amount (Rs.)</b>	
1	Interest on loan	44559	
2	Depreciation	66000	
3	Man power expenses (30%)	151200	
4	Operating expenses (30%)	568800	
	<b>Total</b>	<b>830559</b>	
	<b>BEP = Fixed Cost * 100</b>	<b>83055943</b>	<b>72.68</b>
	<b>Fixed Cost + Net Profit</b>	<b>1142778</b>	



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## M/S SPICE MILL

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Annexure-1

### PROJECTED BALANCE SHEET

(Rs. In '000)

PARTICULARS	Operating Years				
	1st	2nd	3rd	4th	5th
<b>A-SOURCES:-</b>					
<b>I) CAPITAL / OWN CONTRIBUTION</b>	33	345	701	1094	1523
ADD:- PROFIT	312	357	393	429	462
	<b>TOTAL</b>	<b>345</b>	<b>701</b>	<b>1094</b>	<b>1523</b>
<b>II) LOAN FUNDS</b>					
SECURED LOANS					
Term Loan from Bank	334	251	167	84	0
C/C Limit from Bank	200	200	200	200	200
	<b>TOTAL (I+II)</b>	<b>879</b>	<b>1152</b>	<b>1461</b>	<b>1807</b>
<b>B- APPLICATION:-</b>					
<b>I) FIXED ASSETS</b>					
GROSS BLOCK	440	440	440	440	440
LESS: ACC. DEPRICINATION	66	122	170	210	245
	<b>TOTAL</b>	<b>374</b>	<b>318</b>	<b>270</b>	<b>230</b>
<b>II) CURRENT ASSETS LOANS &amp; ADVANCES</b>					
PRELIMINARY EXPENSES	10	10	10	10	10
INVENTORIES	147	154	162	169	176
SUNDERY RECEIVABLES	250	263	275	288	300
CASH & BANK BALANCES	307	633	985	1365	1774
LOANS & ADVANCES	10	10	10	10	10
	<b>TOTAL</b>	<b>724</b>	<b>1069</b>	<b>1442</b>	<b>1842</b>
<b>III) CURRENT LIABILITIES &amp; PROVISIONS</b>					
SUNDERY CREDITOR	147	154	162	169	176
PROVISION FOR TAXATAION	7	12	17	21	25
EXPENSES PAYABLE	66	69	72	75	79
	<b>TOTAL</b>	<b>220</b>	<b>236</b>	<b>250</b>	<b>265</b>
<b>IV) NET CUREENT ASSETS (II-III)</b>	<b>505</b>	<b>834</b>	<b>1191</b>	<b>1577</b>	<b>1991</b>
<b>TOTAL</b>	<b>879</b>	<b>1152</b>	<b>1461</b>	<b>1807</b>	<b>2186</b>



Margin Money under PMEGP	228	228	228	-	-
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### M/S SPICE MILL

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Annexure-2

### PROJECTED COST OF PRODUCTION AND PROFITABILITY

(Rs. In '000)

Particulars	Operating Years				
	1 <sup>st</sup>	2nd	3rd	4th	5th
<b>Capacity Utilization</b>	<b>50%</b>	<b>55%</b>	<b>60%</b>	<b>65%</b>	<b>70%</b>
<b>A- INCOMES :</b>					
GROSS RECEIPTS	3000	3150	3300	3450	3600
CLSOING STOCK	147	154	162	169	176
<b>TOTAL (A)</b>	<b>3147</b>	<b>3304</b>	<b>3462</b>	<b>3619</b>	<b>3776</b>
<b>B- EXPENSES</b>					
OPENING STOCK	0	147	154	162	169
PURCHASES AND CONSUMPTION	1911	1852	1940	2029	2117
SALARY & WAGES	504	529	554	580	605
UTILITIES EXPENSES	102	107	112	117	122
<b>Total (B)</b>	<b>2517</b>	<b>2636</b>	<b>2761</b>	<b>2887</b>	<b>3013</b>
<b>C- GROSS PROFIT ( A-B )</b>	<b>630</b>	<b>669</b>	<b>700</b>	<b>732</b>	<b>763</b>
ADMINISTRATIVE COST	30	32	33	35	36
SELLING & DISTRIBUTION EXPENSES	150	158	165	173	180
DEPRICINATION	66	56	48	40	35
<b>FINANCIAL CHARGES</b>					
Interest on Term Loan @11.75%	45	35	25	15	5
Interest on CC Limit @10%	20	20	20	20	20
<b>D-TOTAL</b>	<b>311</b>	<b>300</b>	<b>291</b>	<b>282</b>	<b>276</b>
<b>E- PROFIT BEFORE TAX ( C - D )</b>	<b>319</b>	<b>369</b>	<b>409</b>	<b>450</b>	<b>487</b>
<b>F- PROVISION FOR TAXATION</b>	<b>7</b>	<b>12</b>	<b>17</b>	<b>21</b>	<b>25</b>
<b>G- NET PROFIT AFTER TAX</b>	<b>312</b>	<b>357</b>	<b>393</b>	<b>429</b>	<b>462</b>

Note :-Above statement prepared & compiled by us as per the information provided by proprietor



## M/S SPICE MILL

ADDRESS: ZZZZZZZ

Annexure-3

### PROJECTED CASH FLOW STATEMENT

PARTICULARS	Operating Years				
	1 <sup>st</sup>	2nd	3rd	4th	5th
<b>A-SOURCE OF FUND</b>					
1. Increase in Capital	33	-	-	-	-
2. Increase in Term Loan	418	-	-	-	-
3. Increase in C/C Limit	200	-	-	-	-
4. Profit / (Loss)	312	357	393	429	462
5. Depreciation added back	66	56	48	40	35
6. Increase in Creditors	220	16	15	15	15
<b>TOTAL ( A )</b>	<b>1248</b>	<b>429</b>	<b>456</b>	<b>484</b>	<b>512</b>
<b>B-DISPOSAL OF FUND</b>					
<b>I) FIXED ASSETS PURCHASED</b>					
1. Furniture & Fixtures	10	-	-	-	-
2. Plant & Machinery	430	-	-	-	-
<b>II) CURRENT ASSETS</b>					
3. Increase in Stock	147	7	7	7	7
4. Increase in Debtors	250	13	13	12	13
5. Increase in Preliminary Exp.	10				
6. Increase in Loans & Advances	10	-	-	-	-
<b>III) OTHERS</b>					
7. Payment of Term Loan	83	83	84	84	84
8. Decrease in Creditors	0				
<b>TOTAL ( B )</b>	<b>941</b>	<b>103</b>	<b>103</b>	<b>103</b>	<b>103</b>
<b>Opening Cash &amp; Bank Balance</b>	0	307	633	985	1365
<b>Surplus/(Deficit) ( A - B )</b>	307	325	352	380	409
<b>Closing Cash &amp; Bank Balance</b>	307	633	985	1365	1774

Note :-Above statement prepared & compiled by us as per the information provided by proprietor

**M/S SPICE MILL****ADDRESS: ZZZZZZZ****Annexure-4****COMPUTATION OF DEPRECIATION****Depreciation under WDV Method: (Rs. in '000')**

Particulars	Furniture & Fixture	Plant & Machinery	Total
<b>Rate as per I. Tax Act</b>	<b>10%</b>	<b>15%</b>	
Value of Assets at beginning	<b>10</b>	<b>430</b>	<b>440</b>
1st year Dep.	<b>1</b>	<b>65</b>	<b>66</b>
Balance at the end of 1st year	<b>9</b>	<b>365</b>	<b>374</b>
2nd year Dep.	<b>1</b>	<b>55</b>	<b>56</b>
Balance at the end of 2nd year	<b>8</b>	<b>310</b>	<b>318</b>
3rd year Dep.	<b>1</b>	<b>47</b>	<b>48</b>
balance at the end of 3rd year	<b>7</b>	<b>263</b>	<b>270</b>
4th year Dep.	<b>1</b>	<b>39</b>	<b>40</b>
balance at the end of 4th year	<b>6</b>	<b>224</b>	<b>230</b>
5th year Dep.	<b>1</b>	<b>34</b>	<b>35</b>



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## M/S SPICE MILL

ADDRESS: ZZZZZZZ

Annexure-5

### PROJECTED FINANCIAL RATIOS

(Rs. In '000)

PARTICULARS		Operating Years				
		1st	2nd	3rd	4th	5th
1. CURRENT RATIO	CURRENT ASSETS	724	1069	1442	1842	2270
	CURRENT LIABILITIES	420	436	450	465	480
		= 1.73 TIMES	= 2.46 TIMES	= 3.20 TIMES	= 3.96 TIMES	= 4.73 TIMES
2. GROSS PROFIT RATIO	GROSS PROFIT	630	669	700	732	763
	SALES	3000	3150	3300	3450	3600
		= 21.00%	= 21.23%	= 21.22%	= 21.21%	= 21.20%
3. NET PROFIT RATIO	NET PROFIT	319	369	409	450	487
	SALES	3000	3150	3300	3450	3600
		= 10.65%	= 11.72%	= 12.41%	= 13.04%	= 13.53%
4. DSCR	PAT+DEP.+INTT. ON TERM LOAN	430	460	482	505	527
	INTEREST+LOAN INSTALMENT	128	118	108	99	46
		= 3.36 TIMES	= 3.89 TIMES	= 4.45 TIMES	= 5.12 TIMES	= 11.56 TIMES
5. INTT. COVERAGE RATIO	PAT+DEP.+INTT.	450	480	502	525	547
	INTEREST	65	55	45	35	25
		= 6.97 TIMES	= 8.76 TIMES	= 11.18 TIMES	= 14.94 TIMES	= 21.62 TIMES



### **M/S SPICE MILL**

**ADDRESS: ZZZZZZZ**

**Loan Amount Rs. 4,17,000**

**Annexure-6**

**Rate of Interest: 11.75%**

**Tenure: 5 Years**

**(Rs. In '000)**

<b>Sl. No.</b>	<b>Installment</b>	<b>Interest</b>	<b>Principal</b>	<b>Balance Loan</b>
1st Year	128	45	84	334
2nd Year	118	35	84	251
3rd Year	108	25	84	167
4th Year	99	15	84	84
5th Year	89	5	84	0



## **DISCLAIMER**

This project report is only for the purpose of reference and will give an idea and guidance to budding and existing entrepreneurs on how to prepare a project Report. The readers will come to know about the key components of a project. Every earnest-effort has been made in collecting the data and information available on the subject from different offline and online sources. This report (including any enclosures and attachments) has been prepared solely for the purpose for which it is provided.

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**Prepared by**



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