

Project Profile on Curry and Rice Powder



National Institute of Micro, Small and Medium Enterprises (ni-msme)

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Introduction:

Spices play an important role in enhancing the flavor and taste of the processed foods. India produces almost all the known spices and is the largest exporter of this commodity. Although spices are traded chiefly in an unprocessed form, a small yet significant quantity enters international trade as spice powders. Curry powder is the foremost of those blends or mixes and sometimes consists of 20 or more spices designed to impact the characteristic flavor of an Indian curry which is appreciated all over the world. Apart from the overseas market, processed curry powder is becoming popular in the internal market also. Hence the demand for unadulterated spices and curry powder in attractive handy packages is fast emerging.

Kerala – —The God's own country|| and the —Spices Garden|| of the world has seen tremendous growth in spices related consumer industry recently. Although the struggle of poor consumers for getting genuine food items is still at large. To enhance the flavor and aroma of foods spices are used whole or in pieces, as in pulaos and biryanis, or in powdered or ground form. While freshly ground masalas (mixed curry spices are preferred to powdered masalas), owing to the shortage of domestic labour, there is a definite trend today towards using spices mainly in powdered form in many combinations of curry powders. Curry powder, chilli powder, turmeric powder, spices powder etc are greatly consumed for preparing a variety of vegetable and non-vegetable food items. The quality of these products increases the taste and quality of food products. The consumers around the world have always opted for unadulterated food items irrespective of their cost. Considering the recent trend of change followed by the reasons of fast life of people, paved the way for the emergence of a lot of entrepreneurs in the food processing field. Ready to use rice powder will simplify the

Courtesy 

job of households. Today's fast life style of people will increase the demand of ready to use food products.

Coconut oil is an important cooking medium in Southern parts of the country especially in Kerala State. Besides, the oil has varied industrial applications. It is used in the manufacture of toilet soaps, laundry soaps, surface active agents and detergents, hair tonics, cosmetics, etc. It is used throughout the country as hair oil as it helps growth of the hair. As massage oil it has a cooling effect on the body. Owing to these qualities coconut oil has a potential market in the country.

Promoter:

The promoter should have enough knowledge and experience in the proposed field and can manage the whole unit successfully. He/She will get all encouragement for the unit from the native people as such the unit will be a blessing to them.

Location of the unit:

The proposed unit may be set up in a building owned by the promoter in Thrissur Corporation area, where in all infrastructure facilities are available.

Consumable Materials:

The main consumables required for the unit Rice, Chilli and coriander, herbs, copra, etc. is available in the market. The annual requirement of raw materials is assessed and given in the annexure.

Employment:

The Unit can provide employment to 4 persons directly. The annual expenditure on labour is assessed and given in the annexure.

Cost of Service and Profitability:

The estimate of this project is on the basis of the following:

- 1) The unit will function for 300 days in a year.
- 2) The capacity utilization has been assumed at 60% in the first year and 65 % afterwards.
- 3) The price of the raw material and services are taken at the prevailing market rates.
- 4) Wages and salaries have been increased by 5% every year.
- 5) Repairs, insurance, telephone charge, etc., are taken at lump.
- 6) No contingency provision is made since the costs are taken at prevailing market price.
- 7) Depreciation has been calculated on Written down Value Method.

8) Income tax has been calculated at the rate applicable to proprietary concern

Project Cost

Sl. No.	Particulars	Amount
1	Land	Free Hold
2	Building	Free Hold
3	Plant & machinery	396400
4	Preliminary expense	47000
5	Working capital	2,22,100.00
	Total	Rs. 665,500.00

MEANS OF FINANCE

Percentage of Own capital under the Scheme = 25

Sl No	Particulars	Amount Rs.
1	Own capital	1,66,375.00
2	Term loan from bank	3,32,550.00
3	Working capital loan	1,66,575.00
	Total	Rs. 6,65,500.00

MACHINERY/ EQUIPMENTS

Sl. No.	Description	Rate	Qty	Amount
a	Multi mill Pulveriser one side double head 12" and other side single head 12"	59500	1	59,500.00
b	10 HP Crompton motor with starter, switch and capacitor	27000	2	54,000.00
c	12" disintegrator with stand	36000	1	36,000.00
d	Uruli Roaster capacity 15 Kg / batch with electric motor	28500	1	28,500.00
e	Parts of flour mill -motor pulley, belt, rail, foundation bolt and belt guard	30000	1	30,000.00
f	Single head pulverisor	26000	1	26,000.00
g	4 Bolt oil expeller	92000	1	92,000.00

h	Electronic weighing balance	14500	1	14,500.00
i	Cubical control panel with all components	29500	1	29,500.00
	VAT 5 % for item no1,3,4,5,6,7,8	14325	1	14,325.00
	VAT 14.5 % for item 2,9	12107.5	1	12,107.50
TOTAL				3,96,433.00

DIRECT MATERIALS

Requirement @ capacity utilisation of 60 %

Sl. No.	Description	Unit	Rate Rs.	Quantity in Kg	Amount/month
1	Rice (kg)	Kg	25	1930	48,250.00
2	Chilly (kg)	Kg	80	605	48,400.00
3	Coriander (kg)	Kg	80	605	48,400.00
4	Turmeric	Kg	85	605	51,425.00
5	Spices	Kg	170	605	1,02,850.00
6	Herbs	Kg	400	605	2,42,000.00
7	Packing Materials (kg)	Kg	80	60	4,800.00
8	Copra	Kg	102	377.5	38,505.00
TOTAL PER MONTH					5,84,630.00
TOTAL PER ANNUM Rs.					70,15,560.00

INDIRECT MATERIALS

Sl. No.	Description	Unit	Rate	Quantity	Amount
1	Coolant, Lubricant etc.	L.S	2000	1	2,000.00
TOTAL PER MONTH					2,000.00
TOTAL PER ANNUM					24,000.00

DIRECT LABOUR

Sl. No.	Description	Nos	Monthly Rate	Amount
	Wages: Skilled Worker	1	8500	8,500.00
	Semiskilled Worker	1	7500	7,500.00
	Unskilled Worker	1	7000	7,000.00
TOTAL				23,000.00
TOTAL PER ANNUM				2,76,000.00

DIRECT EXPENSES

Sl. No.	Description	Expense per Month
1	Power & Fuel	8,600.00
2	Cost of Defective/Rejects	3,000.00
TOTAL PER MONTH		11,600.00
TOTAL PER ANNUM		1,39,200.00

INDIRECT EXPENSES

Sl. No.	Description	Expense per Month
1	Advertising Expenses	5,000.00
2	Insurance	1,200.00
3	Lighting	250.00
4	Rent	500.00
5	Repairs & Maintenance	1,000.00
6	Telephone charges	1,500.00
7	Travelling expense	1,500.00
8	Stationery & Printing	800.00
9	Transporting charges	2,500.00
TOTAL PER MONTH		14,250.00
TOTAL PER ANNUM		171,000.00

WORKING CAPITAL ESTIMATE

Sl. No	Description	Requirement in Days	Amount (Rs.)
1	Raw Material Inventory	6	1,40,791.00
2	Work in Progress Inventory	1	23,465.00
3	Finished Goods Inventory	1	23,465.00
4	Receivable in Days	1	23,465.00
5	Labour Charges	3	3,780.00
6	Other Expenses/ Overheads	3	3,102.00
TOTAL			2,18,068.00

REPAYMENT SCHEDULE OF BANK LOAN

Amount 499125		Rate of interest 14.00 (%)			
Year	Principal	Repayment	Balance	Interest	Total
Year1	499125	71304	427821	71125	142429
Year2	427821	71304	356518	60965	132268
Year3	356518	71304	285214	50804	122107
Year4	285214	71304	213911	40643	111947

Year5	213911	71304	142607	30482	101786
Year6	142607	71304	71304	20322	91625
Year7	71304	71304	0	10161	81464

Depreciation

Year	Mac hinery	
	Cost	Depn
1	443400	44340
2	399060	39906
3	359154	35915
4	323238	32324
5	290914	29091
6	261823	26182
7	235641	23564

SALES REVENUE AT DIFFERENT LEVELS OF OPERATION

Sl No	Description of Revenue	Sales at 100% Volume (in kg)	Sales at 60% Volume(in kg)	Average Rate in Rupees	Value in Rs. At 60%	Value in Rs.in 3 rd Year
1	Rice Powder	34740	20844	36	750384	875448
2	Chilly Powder	10890	6534	102	666468	777546
3	Coriander Powder	10890	6534	102	666468	777546
4	Turmeric Powder	10890	6534	106	692604	808038
5	Curry powder	10890	6534	205	1339470	1562715
6	Herbal Powder	10890	6534	502	3280068	3826746
7	Coconut oil	5285	3171	153	485163	566024
	Total	89190	53514		7880625	9194063

BREAK EVEN ANALYSIS 3rd year

70 % Cap.

A	Variable cost	
	Direct Raw materials	8184820
	Direct Labour	304290

	Direct Expenses	162400
	Total	8651510
B.	Fixed & semi-variable cost	
	Consumable Stores & Indirect Material	24000
	Indirect Labour	112455
	Indirect Expenses	171000
	Financial expense	50804
	Total	358259

Selling price (S.P) - 9194063

Variable cost (V.C) - 8651510

Difference (Contr.) - 542553

Break Even Point = $\frac{\text{Fixed \& semi variable cost} \times \text{capacity} \times 100}{\text{Difference in S.P and V.C} \times 100}$

BEP= 46.22 %

COST OF PRODUCTION & PROFITABILITY ESTIMATE

Sl no	Particulars	
		1
	No of working days	300
	No of shifts	1
	Production capacity in No	89190
	Capacity utilisation(%)	60
	Actual production	53514
L	Sales in Lakhs	78.806
II	<u>Cost of production</u>	(all values in Lakh Rupees)
	Raw materials& consumables	70.3956
	Power& fuel	1.032
	Repair& maintenance	0.144
	Salaries& wages	3.780
	Insurance	0.060
	Depreciation	0.443
	Sub total	75.855
III	<u>Selling & Administration Expense</u>	
	Telephone charges	0.180
	Travelling expense	0.300
	Transporting	0.180

	Advertising	0.120
	Sub total	0.780
IV	<u>Financial Expense</u>	
	Interest on bank loan	0.711
	Sub total	0.711
V	Total (II+III+IV)	77.346
VI	<u>Operating profit</u>	1.460
VIII	Pre-expense written off	0.008
IX	Taxation	0.000
X	<u>Net profit</u>	1.452
XI	Withdrawals	0.145
XII	<u>Net cash accruals</u>	1.307
XIII	Cumulative Surplus	1.307

DEBT SERVICE COVERAGE RATIO

Sl no	Particulars	
1	Net profit	1.452
2	Depreciation	0.443
3	Interest on loan	0.711
4	Pre expense written off	0.008
5	Total	2.615
6	Repayment of term loan	0.713
7	Interest on loan	0.711
8	Total (Rs in lakhs)	1.424
9	Debt Service Coverage Ratio	1.836

CONCLUSION:

On examining the technical aspects like availability of raw materials, availability of skills and opportunity of market, it can be stated that the project is technically feasible. The income generated is enough for the repayment of loan and for the better prospects of the unit.

Source:- Udyami Mitra/Sidbi