India is the land of spices. The country produces at present 2 million tonnes of different varieties of spices and holds first position in the world. It requires the simple grinding and formulation as per the region’s taste and flavors. Any entrepreneurs who have the basic sense of taste and flavor and little bit of market knowledge may be very successful in setting up of this unit.

1. Name of the Product: Different types of Masalas and basic Masalas

2. Project Cost:
   (a) Capital Expenditure
   Land: Own
   Building Shed 1000 Sq.ft.: Rs. 200000.00
   Equipment: Rs. 250000.00
   (1) Pulveriser, (2) Packing Machine,
   (3) Sieving Machine, (4) Weighing
   Balance, etc.
   Total Capital Expenditure: Rs. 450000.00
   (b) Working Capital: Rs. 350000.00

TOTAL PROJECT COST: Rs. 800000.00

3. Estimated Annual Production of Masalas:

<table>
<thead>
<tr>
<th>Sl.No.</th>
<th>Particulars</th>
<th>Capacity</th>
<th>Rate</th>
<th>Total Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Different types of Masalas</td>
<td>258 Quintal</td>
<td>5400.00</td>
<td>1394.00</td>
</tr>
<tr>
<td></td>
<td>TOTAL</td>
<td>258</td>
<td>5400.00</td>
<td>1394.00</td>
</tr>
</tbody>
</table>

4. Raw Material: Rs. 700000.00

5. Labels and Packing Material: Rs. 200000.00

6. Wages (Skilled & Unskilled): Rs. 100000.00
7. Salaries : Rs. 150000.00
8. Administrative Expenses : Rs. 20000.00
9. Overheads : Rs. 90000.00
10. Miscellaneous Expenses : Rs. 25000.00
11. Depreciation : Rs. 35000.00
12. Insurance : Rs. 4500.00

13. Interest (As per the PLR)
   (a) Capital Expenditure Loan : Rs. 58500.00
   (b) Working Capital Loan : Rs. 45500.00

Total Interest : Rs. 104000.00

14. Working Capital Requirement
   Fixed Cost : Rs. 258000.00
   Variable Cost : Rs. 1135500.00
   Requirement of Working Capital per Cycle : Rs. 348375.00

15. Estimated Cost Analysis

<table>
<thead>
<tr>
<th>Sl. No</th>
<th>Particulars</th>
<th>100%</th>
<th>60%</th>
<th>70%</th>
<th>80%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Fixed Cost</td>
<td>258.00</td>
<td>154.80</td>
<td>180.60</td>
<td>206.40</td>
</tr>
<tr>
<td>2.</td>
<td>Variable Cost</td>
<td>1136.00</td>
<td>681.60</td>
<td>795.20</td>
<td>908.80</td>
</tr>
<tr>
<td>3.</td>
<td>Cost of Production</td>
<td>1394.00</td>
<td>836.40</td>
<td>975.80</td>
<td>1115.20</td>
</tr>
<tr>
<td>4.</td>
<td>Projected Sales</td>
<td>1742.50</td>
<td>1045.50</td>
<td>1219.75</td>
<td>1394.00</td>
</tr>
<tr>
<td>5.</td>
<td>Gross Surplus</td>
<td>348.50</td>
<td>209.10</td>
<td>243.95</td>
<td>278.80</td>
</tr>
<tr>
<td>6.</td>
<td>Expected Net Surplus</td>
<td>314.00</td>
<td>174.00</td>
<td>209.00</td>
<td>244.00</td>
</tr>
</tbody>
</table>

Note:

1. All figures mentioned above are only indicative and may vary from place to place.

2. If the investment on Building is replaced by Rental Premises-
   (a) Total Cost of Project will be reduced.
   (b) Profitability will be increased.
   (c) Interest on Capital Expenditure will be reduced.