

MODEL DETAILED PROJECT REPORT

ESTABLISHMENT OF SPECIALITY TEA MANUFACTURING UNIT

UNDER UTTAR POORVA TRANSFORMATIVE
INDUSTRIALIZATION SCHEME (UNNATI), 2024



उद्योग संवर्धन और आंतरिक व्यापार विभाग
DEPARTMENT FOR
PROMOTION OF INDUSTRY AND
INTERNAL TRADE

DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE
MINISTRY OF COMMERCE & INDUSTRY
GOVERNMENT OF INDIA



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#GTBharat
SHAPING A VIBRANT INDIA

Table of Contents

1.	Introduction	3
2.	Investor's Background	4
3.	Company Profile	4
4.	Details of product to be manufactured and its marketing potential	5
5.	Details of Raw Materials with required quantity	6
6.	Proposed location and Site Plan	6
7.	Product Process Flow	7
8.	Cost of the Project	8
9.	Proposed Means of Finance	10
10.	Implementation Schedule with time chart	10
11.	Projected Financial Analysis	11
12.	Projected Employment Details	15
13.	Requirement of Statutory clearances	15

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1. Introduction

Speciality teas are those with exceptionally unique flavours, characterised by the microclimates of the region in which the plantation or small independent tea gardens are located.

Harvested and processed with extra care and integrity, these teas are inherently sustainably cultivated and ethically sourced. They are authentically made top quality tea whilst respecting the origins of ancestral lands, communities and techniques involved with the ancient art of tea making.

One of the defining features of speciality teas is that they are fully traceable to its origin, down to the specific tea garden within a large plantation, and the area or plot of tea plants where they are harvested from.

a. About the project

M/s ABC Pvt. Ltd. has proposed to set up a new processing unit for Special Tea with a capacity of 5,00,000 Kg by construction of factory building and installation of new machineries. The Company has already started investment in the project and nearly X% of the promoter's contribution has already been done. The physical activities of the project have already been started and remaining implementation activities shall take about 4-5 months and the project can start commercial production from the month (XX) 2024

b. Global Scenario

The global specialty tea market was valued at USD 6 billion in 2023 and grew at a CAGR of 6% from 2024 to 2033. The market is expected to reach USD 10.74 billion by 2033. The increasing disposable income of consumers will drive the growth of the global specialty tea market.

Specialty tea are premium products and they represent luxury. They are the best and the most high-end products of the tea market. they offer an experience to the consumer through their distinct sense of aroma, taste and other variables that speak for its premium nature. They have a touch of craftsmanship to them. they are not mass products and are meticulously crafted through handpicking variables. they are distinctly cultivated, harvested and processed to make them stand out from their commercially cheaper counterparts. They are marketed as a story and experience with details about their cultivation from soil to craftsmen who brewed them. the known examples of specialty that have garnered attention of the masses in recent times is Darjeeling tea from India, Matcha from Japan, Oolong and Pu-erh from China. They offer a diverse palette of taste, texture and aroma. They are known to have health benefits as well. they have antioxidant and bioactive compounds which offers long term health benefits and have therapeutic properties. the historical and cultural significance of tea in several cultures worldwide offer a vast market for specialty tea.

c. Indian Scenario

India is the second-largest tea producer in the world, with 80% of the country's tea consumed domestically. In 2023-24, India's tea production was 1,382.03 million kilograms. The northern part of India is the largest producer, with Assam and West Bengal being the main producers. The southern part of India produces about 17% of the country's tea, with Tamil Nadu, Kerala, and Karnataka being the main producers.

d. State Profile

Assam means 'one without equal' and that is true about its teas. They say, 'you haven't woken up fully if you haven't sipped Assam tea'. The strong tea, grown on the rolling plains by the Brahmaputra River that weaves her way through vales and hills, is famous for its smooth malty flavor. A taste crafted by the region's rich loamy soil, unique climate and liberal rainfall. Assam is not just the largest contiguous tea-growing area in the world. It is also a refuge for endangered species like the One-horned Rhino, Red-headed Vulture and the Hoolock Gibbon and of course, mind-boggling diversity. It is a land that protects and preserves. Just like the Tocklai Experimental Station, the world's oldest and largest research station of its kind, carries out clonal propagation

and constant research so that the strength of the full-bodied liquor is retained. All to make sure that the tea bushes yield high quality tea. Both Specialty and CTC (Crush/Tear/Curl) varieties of tea are manufactured here. Assam Orthodox Tea is a registered Geographical Indication (GI).

Assam Tea has a rich, deep-amber color and is famous for its rich, full-bodied cup. It is known for its brisk, strong and malty character, making it a perfect tea to wake up to. The distinctive second flush orthodox Assam teas are valued for their rich taste, bright liquors and are considered to be one of the choicest teas in the world.

e. Sector Overview

Specialty tea are premium products, and they represent luxury. They are the best and the most high-end products of the tea market. they offer an experience to the consumer through their distinct sense of aroma, taste and other variables that speak for its premium nature. They have a touch of craftsmanship to them. they are not mass products and are meticulously crafted through handpicking variables. they are distinctly cultivated, harvested and processed to make them stand out from their commercially cheaper counterparts. They are marketed as a story and experience with details about their cultivation from soil to craftsmen who brewed them. the known examples of specialty that have garnered attention of the masses in recent times is Darjeeling tea from India, Matcha from Japan, Oolong and Pu-erh from China. They offer a diverse palette of taste, texture and aroma. They are known to have health benefits as well. they have antioxidant and bioactive compounds which offers long term health benefits and have therapeutic properties. the historical and cultural significance of tea in several cultures worldwide offer a vast market for specialty tea.

The application segment is divided into residential and commercial. The residential segment dominated the market, with a market share of around 62% in 2023. Residential consumption enables more freedom with the kind of tea one would like to consumer according to their personal tastes and preferences. The readily available and accessible nature of specialty tea also facilitates greater residential consumption as these products are present in nearby supermarkets, hypermarkets and retail stores. furthermore, the growing presence on online retail is also augmenting residential consumption. The cultural significance of tea in most households globally also augments the residential segment. The increasing ownership of smartphones and users of social media also contribute to the market's dominance as it increases brand engagement, visibility and sales through social media apps.

2. Investor's Background

Details of all Investors in below format

Name	To be filled by the applicant
DOB	To be filled by the applicant
PAN	To be filled by the applicant
Address	To be filled by the applicant
Academic Qualification	To be filled by the applicant
Experience in business	To be filled by the applicant
Functional Responsibility in Unit	To be filled by the applicant
Name of associate concern (if any)	To be filled by the applicant
Nature of association (if any)	To be filled by the applicant
Net Worth	To be filled by the applicant

3. Company Profile

Name of the Unit	To be filled by the applicant
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Constitution	To be filled by the applicant
PAN	To be filled by the applicant
Registered Office address	To be filled by the applicant
Activity	To be filled by the applicant
Loan details	To be filled by the applicant
Director	To be filled by the applicant
Unit Registration	To be filled by the applicant
Unit Location	To be filled by the applicant
Category of Project (Manufacturing/Service)	To be filled by the applicant
Zone	To be filled by the applicant
District	To be filled by the applicant
State	To be filled by the applicant

4. Details of product to be manufactured and its marketing potential

Specialty tea is a premium, handcrafted tea that's known for its unique taste, aroma, and texture. Specialty teas are made from high-quality ingredients and are sold in small batches. They're often marketed as a story, with details about how the tea was cultivated and processed.

Here are some characteristics of specialty tea:

Single origin

Specialty teas are cultivated in specific regions with distinct climates and terroirs, which give them their unique Flavors.

Handcrafted

Specialty teas are made with meticulous care, from handpicking the tea leaves and buds to processing them using artisanal techniques.

Diverse varieties

Specialty teas come in a variety of types, including white tea, black tea, oolong tea, green tea, and more.

Health benefits

Specialty teas are known to have health benefits, with antioxidant and bioactive compounds that offer long term health benefits.

The specialty tea market is expected to grow from \$6 billion in 2023 to \$10.74 billion by 2033, with a compound annual growth rate (CAGR) of 6%. The market is driven by several factors, including:

Health consciousness

Consumers are increasingly aware of the health benefits of tea, and are seeking out teas rich in antioxidants, flavonoids, and other nutrients.

Growing tea cafe culture

The popularity of tea cafes is contributing to the growth of the specialty tea market.

Variety of Flavors

Specialty teas come in a wide range of Flavors, textures, and scents.

Sustainable and ethical production

Consumers are becoming more conscious of their food choices, and are shifting toward sustainably sourced, high-quality tea products.

5. Details of Raw Materials with required quantity

Supplier	Raw material	Quantity	Year	Cost
To be filled by the applicant	Green Tea Leaves	To be filled by the applicant	To be filled by the applicant	To be filled by the applicant

6. Proposed location and Site Plan

Sl. No.	Particulars	Details
1	Land Area	To be filled by applicant
2	Status of Legal title & Possession	To be filled by applicant
3	if leased, Period of lease	To be filled by applicant
4	Coordinates of location	To be filled by applicant
5	Details of CLU	To be filled by applicant
6	Connectivity to roads	
	i) State Highway (in Km.)	To be filled by applicant
	ii) National Highway (in Km.)	
7	Availability of Water	To be filled by applicant
8	Availability of Power	To be filled by applicant

a. Electrical Power

Electricity (200 KVA M/C running 300 Days with 2 Shift i.e. Effective Hr. 12 hr. Total unit consumption -900000. Present rate- Rs8.92/Unit

i. Construction Phase

KW	Quarter of the Year
To be filled by the applicant	To be filled by the applicant

ii. Steady Phase

KW	Quarter of the Year
To be filled by the applicant	To be filled by the applicant

iii. Peak Phase

KW	Quarter of the Year
To be filled by the applicant	To be filled by the applicant

b. Water Requirement

i. Construction Phase

Quantity	Quarter of the Year
In Liter	To be filled by the applicant

ii. Steady Phase

Quantity	Quarter of the Year
In Liter	To be filled by the applicant

iii. Peak Phase

Quantity	Quarter of the Year
In Liter	To be filled by the applicant

c. **Transportation System**

There exists good road transport to the factory site to facilitate smooth movement of raw materials & finished goods.

d. **Local Infrastructure**

PROXIMITY TO MARKET There is good market for Assam tea in India as well as globally and the same has already been discussed.

UTILITY The unit has proposed to install connected load of around 176 KW from Assam Power Distribution Company Limited (APDCL) including for general lighting etc. from 11KV Sub-station. For operation of drier, the unit requires coal, which is available locally from nearby to the factory location, at reasonable cost. There are number of dealers who are trading in coal and there is no difficulty in getting requisite quantity of coal.

MANPOWER The required manpower is easily available at the location and there would be total 18 no's of manpower required for the unit.

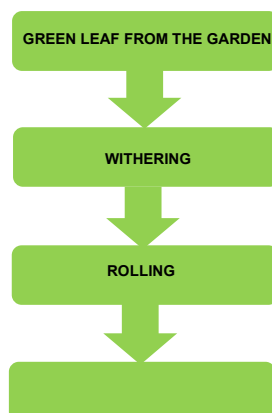
WATER requires washing, sanitation and drinking purpose. It has proposed to install deep tube well so as to facilitate the construction work and the same will suffice the operational requirement.

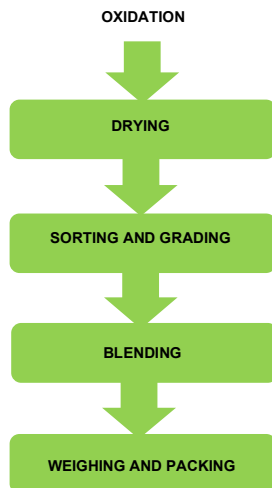
e. **Raw material procurement**

Green leaves from shareholders and promoters and nearby tea gardens depending upon crop season.

7. **Product Process Flow**

Product development stages to be defined with details of input required at each stage of production and output generated after each stage of production for each product.





8. Cost of the Project

Particulars	Amount (Rs. In Lacs)
Land and site development	Existing
Building & civil works	172.48
Plant & machinery & Utility installations	238.88
Miscellaneous fixed assets	1.51
Preliminary & pre-operative expenses	15.40
Contingency & escalation provisions	4.13
Margin For Working Capital	40.12
Total	471.27
Or say	471.00

a. Land details

The required area for setting up the manufacturing Unit is approx. 200000 Sq.Ft.

b. Building and civil works details

Factory Building with Works Shed- Rs.1,72,48,000/-

c. Plant and machinery details

Sl. No.	Particulars	Qty	Rate (Rs.)	Amount (Rs.)
1	CTC processing and sorting system	1	119.81	119.81
2	Conveyor, Ghooghy, shifter, Feeder, etc.	1	169.22	169.22

Sl. No.	Particulars	Qty	Rate (Rs.)	Amount (Rs.)
3	Electrical Installations and Misc. Equipments	1	69.66	69.66
	Total			238.88/-

d. Pre-operative expenses details

Approx-19.72/- Lacs

e. Working Capital details

I) Raw Material Requirement: - (Annual)

Sl. No.	Item	Qty	Rate (Rs.)	Total
1	Green Tea Leaf	646153 kg	26	16799978
	GRAND TOTAL			16799978/-

II) Utilities (Per Annum)

Sl. No.	Item	Total (Rs.)
1	Electricity (200 KVA M/C running 300 Days with 2 Shift i.e. Effective Hr. 12 hr. Total unit consumption -900000. Present rate- Rs8.92/Unit	8,028,000
2	Water & Misc	10,00,000
	GRAND TOTAL	9028000/-

iii) Salary & Wages (Per Annum)

Sl. No.	Designation	No.	Wages/Month (Rs.)	Total/Annum (Rs.)
1	Accountant cum Manager	1	25000	3,00,000
2	Manager Operation	1	75000	9,00,000
3	Supervisor	1	25000	3,00,000
4	Operator	3	15000	5,40,000
5	Skilled Labor	4	8500	4,08,000
6	Unskilled Labor	8	6000	5,76,000
7	Security Guard	1	10000	1,20,000
	GRAND TOTAL			31,44,000/-

Note: Every year increment @ 5% has been considered towards financial calculation.

iv) Selling& General Administration (Annum)

v) Advertisement & General Stores

Sl. No.	Items	Cost (Rs.)
1	Advertisement per Annum	3,00,000/-
2	General Stores & Inventory	3,85,500/-
Total		6,85,500/-

WORKING CAPITAL= I+II+III= 16799978 + 9028000+3144000/-= Rs. 28971978/-

9. Proposed Means of Finance

Particulars	Amount (Rs. In Lacs)
Promoter's Capital	217.00
Unsecured Loans	
Term Loan form Bank/ Financial Institution	250.00
Total	467.00

a. **Working Capital limit:** Rs. 63.25

10. Implementation Schedule with time chart

Activities	Starting Month	Ending Month
Arrangement of land	To be filled by applicant	To be filled by applicant
Single window clearance	To be filled by applicant	To be filled by applicant
Land development	To be filled by applicant	To be filled by applicant
Building and Civil Works	To be filled by applicant	To be filled by applicant
Order and delivery of P&M	To be filled by applicant	To be filled by applicant
Power arrangement	To be filled by applicant	To be filled by applicant
Manpower arrangement	To be filled by applicant	To be filled by applicant
Procurement of raw materials	To be filled by applicant	To be filled by applicant
Trial Operation	To be filled by applicant	To be filled by applicant
Commercial Operation	To be filled by applicant	To be filled by applicant

11. Projected Financial Analysis

a.Installed Production Capacity			Kg			
Speciality Tea			500000			
b. SCHEDULE OF PRODUCTION AND SALES						
RAW MATERIAL MIX AND CONSUMABLES REQUIRED						
Item	Quantity		Unit	Rate		Amount
Raw Material						
Green Leaves	646153		Kg	26		16799978.00
c. Cost of Raw Material Consumed/Annum						16799978.00
Parameters		1st Year	2nd Year	3rd Year	4th Year	5th Year
Capacity Utilization		60%	65%	70%	75%	80%
		500000	500000	500000	500000	500000
Production (In Pcs) as per Capacity Utilized		300000	325000	350000	375000	400000
d. BREAK UP PRODUCTION AS PER UTILIZED CAPACITY						
ITEMS		1st Year	2nd Year	3rd Year	4th Year	5th Year
Capacity Utilization		60%	65%	70%	75%	80%
Specialty Tea		300000	325000	350000	375000	400000
TOTAL PRODUCTION		300000	325000	350000	375000	400000
Sales Details						
Items		1st Year	2nd Year	3rd Year	4th Year	5th Year
Specialty Tea		50700000	54925000	59150000	63375000	67600000
NET Sales Price		50700000	54925000	59150000	63375000	67600000
GST RATE@5%		2535000	2746250	2957500	3168750	3380000
GROSS Sales Price		53235000	57671250	62107500	66543750	70980000
e. COST OF PRODUCTION						
Items		1st Year	2nd year	3rd Year	4th Year	5th Year
		60%	65%	70%	75%	80%
Raw Materials Consumed		10079986.8	10919986	11759985	12599984	13439982.4
Power & Fuel		5416800	5868200	6319600	6771000	7222400

Direct Labor & Wages		3144000	3144000	3144000	3144000	3144000
Consumable Stores		171300	185575	199850	214125	228400
Repairs & Maintenance		60000	65000	70000	75000	80000
Other Manufacturing Exp.		17500	18750	20000	21250	22500
COST OF PRODUCTION		18889586.8	20201511	21513435	22825359	24137282.4

f. PROJECTED PROFITABILITY STATEMENT

		1 st Year	2 nd year	3 rd Year	4 th Year	5 th Year
Capacity Utilized		60%	65%	70%	75%	80%
A. Sales						
Gross Sales		53235000	57671250	62107500	66543750	70980000
Less: GST		2535000	2746250	2957500	3168750	3380000
NET SALES		50700000	54925000	59150000	63375000	67600000
B. Cost of Production						
Raw Materials Consumed		10079986.8	10919986	11759985	12599984	13439982.4
Power & Fuel		5416800	5868200	6319600	6771000	7222400
Direct Labour & Wages		3144000	3144000	3144000	3144000	3144000
Consumable Stores		171300	185575	199850	214125	228400
Repairs & Maintenance		60000	65000	70000	75000	80000
Other Manufacturing Exp.		17500	18750	20000	21250	22500
Total Cost of Production (C)		18889586.8	20201511	21513435	22825359	24137282.4
g. Gross Profit (A-C)		34345413.2	37469739	40594065	43718392	46842717.6
Interest Expenses						
Interest Expenses (Term Loan)		1411934	1141385	849397	534272	194177

@7.65% /Annum for 5 yr.						
Interest Expenses (WC Loan) @11% /Annum		302900	302900	302900	302900	302900
Selling, General & Administrative Exp.		411300	445575	479850	514125	548400
Profit before Taxation		32219279.2	35579879	38961918	42367095	45797240.6
Provision for Taxation		9665783.76	10673964	11688576	12710128	13739172.2
Profit After Taxation		22553495.4	24905916	27273343	29656966	32058068.4

h. DEBT SERVICE COVERAGE RATIO (COMPANY AS A WHOLE)						
		1st Year	2nd year	3rd Year	4th Year	5th Year
Profit After Tax		22553495.4	24905916	27273343	29656966	32058068.4
Add: - Interest Expenses (Term Loan) @7.65% /Annum for 7yrs		1411934	1141385	849397	534272	194177
Interest Expenses (WC Loan) @11% /Annum for 7 yrs		302900	302900	302900	302900	302900
Depreciation		5682000	4917000	4257000	3689000	3199000
Total (A)		15156661.4	18544631	21864046	25130794	28361991.4
Interest Expenses (Term Loan) @7.65% /Annum for 7yrs		1411934	1141385	849397	534272	194177
Interest Expenses (WC Loan) @11% /Annum for 7 yrs		302900	302900	302900	302900	302900
Depreciation		5682000	4917000	4257000	3689000	3199000
Total (A)		15156661.4	18544631	21864046	25130794	28361991.4
Interest Expenses (Term Loan) @7.65% /Annum for 7yrs		1411934	1141385	849397	534272	194177
Interest Expenses (WC Loan) @11% /Annum for 7 yrs		302900	302900	302900	302900	302900
Term Loan Repayment		3698979	3698979	3698979	3698979	3698979

Total Debt Payment (B)		4815996	4742513	4660526	4569051	4466991
DSCR (A/B)		2.38	3.13	3.90	4.69	5.52
Cash Inflow		11457682.4	14845652	18165067	21431815	24663012.4
i. BREAK EVEN ANALYSIS		1st year	2nd year	3rd Year	4th Year	5th Year
A. Net Sales		50700000	54925000	59150000	63375000	67600000
B. Variable Expenses						
Raw Materials Consumed		10079986.8	10919986	11759985	12599984	13439982.4
Power & Fuel		5416800	5868200	6319600	6771000	7222400
Consumable Stores		171300	185575	199850	214125	228400
Repairs & Maintenance		60000	65000	70000	75000	80000
Other Manufacturing Exp.		17500	18750	20000	21250	22500
		15745586.8	17057511	18369435	19681359	20993282.4
C. Contribution (A-B)		34954413.2	37867489	40780565	43693642	46606717.6
D. Fixed Expenses						
Direct Labour & Wages		3144000	3144000	3144000	3144000	3144000
Selling, General & Administration		411300	445575	479850	514125	548400
		3555300	3589575	3623850	3658125	3692400
Breakeven Sales at Operating Capacity		0.69	0.69	0.69	0.69	0.69

j. Projected Balance Sheet					
	1st Year	2nd Year	3rd Year	4th Year	5th Year
Liabilities					
Capital	65589586.8	20201511	21513435	22825359	24137282.4
Revenue Reserves	53235000	57671250	62107500	66543750	70980000
Net Worth	118824586.8	77872761	83620935	89369109	95117282.4
Term Loan	5000000	5000000	5000000	5000000	5000000
Working Capital Limit	2000000	2000000	2000000	2000000	2000000
Current Liabilities					
Creditors	8080604.4	8605374	9130143.6	9654912.96	9654912.96
Liability for expenses	18889586.8	20201511	21513435	22825359	24137282.4
Total	152794778	113679646	121264513.6	128849381	135909477.8

j. Projected Balance Sheet					
	1st Year	2nd Year	3rd Year	4th Year	5th Year
Assets					
Fixed Assets					
Gross block	60000000	66000000	72600000	79860000	87846000
Depreciation	5682000	4917000	4257000	3689000	3199000
Net Fixed Assets	54318000	61083000	68343000	76171000	84647000
Non-Current asset/investments	0	0	0	0	15000000
Current assets					
Inventory	10647000	13308750	15970500	18632250	21294000
Debtors					
Security Deposits					
Loans and Advances					
Cash & Bank Balance	22553495.4	24905916	27273343	29656966	32058068.4
Total	87518495.4	99297666	111586843	124460216	152999068.4

k. CALCULATION OF PAYBACK PERIOD					
Investment	471	Lacs			
Cash In Flow	114.58	Lacs			
(PAT- Depreciation- Interest)					
PAY BACK PERIOD	4.08				

12. Projected Employment Details

Type of Employment	Number of Employees	Projected Cost
Skilled Manpower	3	1500000
Semi-skilled Manpower	7	948000
Unskilled Manpower	9	696000
TOTAL		3144000

13. Requirement of Statutory clearances

Item	Status
Partnership Deed	

Lease deed registration	
PAN	
GST Registration	
UDYAM	
Trade License	
NOC form local authority	

SPECIMEN