

PROJECT REPORT

Of

GREEN CHILLI SAUCE

PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding Green Chilli Sauce.

The objective of the pre-feasibility report is primarily to facilitate potential entrepreneurs in project identification for investment and in order to serve his objective; the document covers various aspects of the project concept development, start-up, marketing, finance and management.

[We can modify the project capacity and project cost as per your requirement. We can also prepare project report on any subject as per your requirement.]

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PROJECT AT A GLANCE

- 1 Name of the Entrepreneur : xxxxxxxx
- 2 Constitution (legal Status) : xxxxxxxx
- 3 Father / Spouse Name : xxxxxxxx
- 4 Unit Address : xxxxxxxxxxxxxxxxxxxxxxxx
- District : xxxxxx
- Pin: xxxxxx State: xxxxxxxx
- Mobile xxxxxx
- 5 Product and By Product : **GREEN CHILLI SAUCE**
- 6 Name of the project / business activity proposed : **GREEN CHILLI SAUCE UNIT**
- 7 Cost of Project : Rs.25 Lakhs
- 8 Means of Finance
- Term Loan Rs.18 Lakhs
- Own Capital Rs.2.5 Lakhs
- Working Capital Rs.4.5 Lakhs
- 9 Debt Service Coverage Ratio : 2.25
- 10 Pay Back Period : 5 Years
- 11 Project Implementation Period : 5-6 Months
- 12 Break Even Point : 26%
- 13 Employment : 9 Persons
- 14 Power Requirement : 35.00 HP
- 15 Major Raw materials : Green Chilli, Ro Water, Spices & Continents, Emulsifier, Preservatives
- 16 Estimated Annual Sales Turnover (Max Capacity) : 157.96 Lakhs
- 17 Detailed Cost of Project & Means of Finance

COST OF PROJECT

(Rs. In Lakhs)

Particulars	Amount
	Own/Rented
Land (2000-2500 sqft.)	19.00
Plant & Machinery	1.00
Furniture & Fixtures	5.00
Working Capital	25.00
Total	25.00

MEANS OF FINANCE

Particulars	Amount
Own Contribution	2.50
Working Capital(Finance)	4.50
Term Loan	18.00
Total	25.00

GREEN CHILI SAUCE

Introduction: Chili sauce is a liquid or concentrated product which can be poured from a container. It may be either homogeneous or a mixture. It is intended for use as a seasoning or condiment. The product should be prepared from good quality, clean ingredients which are mixed, processed appropriately to obtain the desired quality, and subjected to an appropriate process by heat before or after packing in a hermetically sealed container, so as to prevent spoilage. Increasing young population coupled with increasing globalization has led to an advent of diversity in food choices of young people, who are significantly proffering spices, thus fueling revenues in the global hot sauce market. Further rising consumption of fast food among busy city dwellers can be considered as another factor for the increasing demand for hot sauces, particularly in the developing countries of Asia. Moreover, improving life style has led people across the globe try different cuisines, which can be considered as another prominent factor driving the demand for hot sauces. Apart from this, increasing trends for food travelling across the globe is also escalating the demand for hot sauces.



Benefits & Uses:

- Chinese green chili sauces usually come as a thick paste, and are used either as a dipping sauce or in stir frying.
- Chili sauce is a common ingredient in preparation like Thai green curry, sweet and sour tempeh, Chinese noodles, Italian Pasta, Chinese Fried rice, soups, stews, etc.
- Pour green chili sauce over steamed vegetables for a beautiful combination of colour and flavor.
- Green chillies have absolutely zero calories, making them the perfect spice ingredient for those focused on a healthy diet. They can also speed up your metabolism as much as 50% for up to three hours after eating, ensuring a healthy and fit lifestyle.
- Chilli sauce is low in fat content and is good source of Vit A, Vitamin C, iron and manganese.

Market Potential: The Hot and Barbeque Sauces Market is making place in Indian market with its ultimate taste and various application. Hot sauces and barbeque sauces are new in India but heartily welcomed by the Indian because of their taste. Indian Chinese, hot and barbeque sauces market consists of Chinese sauces like red chilli sauce, green chilli sauce, soya sauce and Schezwan sauce; hot sauces like chilli garlic sauce, hot chilli sauce, pepper sauce, salsa sauce, sweet chilli sauce and the like; and barbeque sauce. This market is expected register a CAGR of more than 15% from 2017-18 to 2022-23.

Raw material: Major raw material are as follows:

1. Green Chilli: Rs 46-50 per Kg
2. Ro Water
3. Spices & Continents i.e. Onion Powder, Garlic Powder, Ginger Powder, etc.
4. Emulsifier/ Stabilizer: Corn Starch, Modified Starch etc.
5. Preservatives: Salt, Acid, Sodium Benzoate.

Average raw material cost per kg is Rs. 70-75 (Approx.)

Machinery Requirements: Major machines & equipments are as follows:

S No.	Name	Quantity	Amount
1	Steam Jacketed Kettle(Tilting Type)	1	250000
2	Pulverizer	1	225000
3	Pulper	1	225000
4	Steam Jacketed Kettle (Fix Type)	1	350000
5	Homogenizer	1	375000
6	Filling Tank	1	80000
7	Transfer Pump	1	80000
8	Pouch Filling Machine	1	260000
9	Crown Capping Machine	1	55000
	Total Amount		1900000

Manufacturing Process: Fresh Green chilies are procured from vendor and the raw material are brought to plant and then top edge (dandi) is to be removed from green chilies and sent for washing.

After that following process is done:

- Boiling of green chilli is done through boiler
- Paste Formation
- Pulping & mixing of required ingredients in proportionate ratio.
- Cooking & Paste
- Homogenizing
- Pulping
- Final Product Checking
- Packaging & Transportation

Area: The industrial setup requires space for Inventory, workshop or manufacturing area, space for power supply utilities and auxiliary like Generator setup. Also some of the area of building is required for office staff facilities, documentation, office furniture, etc. Thus, the approximate total area required for complete industrial setup is 2000 to 2500Sqft.

Power Requirement: The power consumption required to run all the machinery could be approximated as 35 Hp

Manpower Requirement: There are requirement of skilled machine operators to run the machine set. Experience quality engineers are required for desired quality control. Some helpers are also required to transfer the material from one work station to other. Office staffs are required to maintain the documentation. The approximate manpower required is 9 including 1 Supervisor, 2 unskilled worker, 2 Helper and 1 Security guard. 3 Skilled worker including Accountant, Manager and Sales person.

Bank Term Loan: Rate of Interest is assumed to be at 11%

Depreciation: Depreciation has been calculated as per the Provisions of Income Tax Act, 1961

Approvals & Registration Requirement:

Basic registration required in this project:

- GST Registration
- Udyog Aadhar Registration (Optional)
- Choice of a Brand Name of the product and secure the name with Trademark if require.
- NOC from State Pollution Control Board

Implementation Schedule:

S No.	Activity	Time required
1.	Acquisition of premises	1-2 Months
2.	Procurement & installation of Plant & Machinery	1-2 Months
3.	Arrangement of Finance	1.5-2 Months
4.	Requirement of required Manpower	1 Month
5.	Commercial Trial Runs	1 Month
	Total time Required (some activities shall run concurrently)	5-6 Months

FINANCIALS

PROJECTED BALANCE SHEET					
PARTICULARS	I	II	III	IV	V
SOURCES OF FUND					
Capital Account					
Opening Balance	-	4.72	7.79	11.01	14.82
Add: Additions	2.50	-	-	-	-
Add: Net Profit	3.22	5.07	7.22	9.81	11.24
Less: Drawings	1.00	2.00	4.00	6.00	7.00
Closing Balance	4.72	7.79	11.01	14.82	19.06
CC Limit	4.50	4.50	4.50	4.50	4.50
Term Loan	16.00	12.00	8.00	4.00	-
Sundry Creditors	3.60	4.19	4.80	5.45	6.12
TOTAL :	28.82	28.48	28.31	28.77	29.68
APPLICATION OF FUND					
Fixed Assets (Gross)	20.00	20.00	20.00	20.00	20.00
Gross Dep.	2.95	5.46	7.60	9.43	10.98
Net Fixed Assets	17.05	14.54	12.40	10.57	9.02
Current Assets					
Sundry Debtors	2.78	3.31	3.77	4.24	4.74
Stock in Hand	6.32	7.32	8.37	9.47	10.61
Cash and Bank	2.67	3.31	3.78	4.48	5.31
TOTAL :	28.82	28.48	28.31	28.77	29.68

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PROJECTED PROFITABILITY STATEMENT					
PARTICULARS	I	II	III	IV	V
A) SALES					
Gross Sale	92.80	110.29	125.58	141.47	157.96
Total (A)	92.80	110.29	125.58	141.47	157.96
B) COST OF SALES					
Raw Material Consumed	72.00	83.70	96.00	108.90	122.40
Electricity Expenses	2.10	2.36	2.62	2.88	3.14
Repair & Maintenance	0.65	1.10	1.26	1.41	1.58
Labour & Wages	8.19	8.60	9.03	9.48	9.91
Depreciation	2.95	2.51	2.14	1.82	1.55
Cost of Production	85.88	98.27	111.04	124.50	138.58
Add: Opening Stock /WIP	-	2.72	3.14	3.57	4.02
Less: Closing Stock /WIP	2.72	3.14	3.57	4.02	4.49
Cost of Sales (B)	83.16	97.86	110.61	124.05	138.12
C) GROSS PROFIT (A-B)	9.64	12.43	14.97	17.42	19.84
	10.38%	11.27%	11.92%	12.31%	12.56%
D) Bank Interest (Term Loan)	1.95	1.60	1.16	0.72	0.28
ii) Interest On Working Capital	0.50	0.50	0.50	0.50	0.50
E) Salary to Staff	3.78	4.16	4.57	5.03	5.53
F) Selling & Adm Expenses Exp.	0.19	0.22	0.25	0.28	0.32
TOTAL (D+E)	6.41	6.47	6.47	6.52	6.62
H) NET PROFIT	3.22	5.97	8.49	10.90	13.22
I) Taxation	-	0.89	1.27	1.09	1.98
J) PROFIT (After Tax)	3.22	5.07	7.22	9.81	11.24

PROJECTED CASH FLOW STATEMENT					
PARTICULARS	I	II	III	IV	V
SOURCES OF FUND					
Own Contribution	2.50	-			
Reserve & Surplus	3.22	5.97	8.49	10.90	13.22
Depriciation & Exp. W/off	2.95	2.51	2.14	1.82	1.55
Increase In Cash Credit	4.50				
Increase In Term Loan	18.00	-	-	-	-
Increase in Creditors	3.60	0.59	0.61	0.65	0.68
TOTAL :	34.77	9.06	11.25	13.36	15.45
APPLICATION OF FUND					
Increase in Fixed Assets	20.00	-	-	-	-
Increase in Stock	6.32	1.00	1.05	1.10	1.14
Increase in Debtors	2.78	0.52	0.46	0.48	0.49
Repayment of Term Loan	2.00	4.00	4.00	4.00	4.00
Taxation	-	0.89	1.27	1.09	1.98
Drawings	1.00	2.00	4.00	6.00	7.00
TOTAL :	32.10	8.42	10.78	12.66	14.62
Opening Cash & Bank Balance	-	2.67	3.31	3.78	4.48
Add : Surplus	2.67	0.64	0.47	0.70	0.83
Closing Cash & Bank Balance	2.67	3.31	3.78	4.48	5.31

COMPUTATION OF SALE					
Particulars	I	II	III	IV	V
Op Stock	-	4,000.00	4,500.00	5,000.00	5,500.00
Production	1,20,000.00	1,35,000.00	1,50,000.00	1,65,000.00	1,80,000.00
	1,20,000.00	1,39,000.00	1,54,500.00	1,70,000.00	1,85,500.00
Less : Closing Stock(10 Days)	4,000.00	4,500.00	5,000.00	5,500.00	6,000.00
Net Sale	1,16,000.00	1,34,500.00	1,49,500.00	1,64,500.00	1,79,500.00
Sale Price per Kg	80.00	82.00	84.00	86.00	88.00
Sale (in Lacs)	92.80	110.29	125.58	141.47	157.96

COMPUTATION OF MAKING OF GREEN CHILLI SAUCE			
Item to be Manufactured Green Chilli Sauce			
Manufacturing Capacity per day		1000	Kg
No. of Working Hour		12	
No of Working Days per month		25	
No. of Working Day per annum		300	
Total Production per Annum		3,00,000	Kg
Total Production per Annum		3,00,000	Kg
Year		Capacity Utilisation	GREEN CHILLI SAUCE
I		40%	1,20,000.00
II		45%	1,35,000.00
III		50%	1,50,000.00
IV		55%	1,65,000.00
V		60%	1,80,000.00

Raw Material Consumed	Capacity Utilisation	Rate per Kg	Amount (Rs.)
I	40%	60.00	72.00
II	45%	62.00	83.70
III	50%	64.00	96.00
IV	55%	66.00	108.90
V	60%	68.00	122.40

COMPUTATION OF CLOSING STOCK & WORKING CAPITAL					
PARTICULARS	I	II	III	IV	V
Finished Goods					
(10 Days requirement)	2.72	3.14	3.57	4.02	4.49
Raw Material					
(15 Days requirement)	3.60	4.19	4.80	5.45	6.12
Closing Stock	6.32	7.32	8.37	9.47	10.61

COMPUTATION OF WORKING CAPITAL REQUIREMENT			
Particulars	Amount	Margin(10%)	Net Amount
Stock in Hand	6.32		
Less:			
Sundry Creditors	3.60		
Paid Stock	2.72	0.27	2.45
Sundry Debtors	2.78	0.28	2.51
Working Capital Requirement			4.95
Margin			0.55
MPBF			4.95
Working Capital Demand			4.50

BREAK UP OF LABOUR				
Particulars		Wages	No of	Total
		Per Month	Employees	Salary
Supervisor		15,000.00	1	15,000.00
Unskilled Worker		12,000.00	2	24,000.00
Helper		10,000.00	2	20,000.00
Security Guard		6,000.00	1	6,000.00
				65,000.00
Add: 5% Fringe Benefit				3,250.00
Total Labour Cost Per Month				68,250.00
Total Labour Cost for the year (In Rs. Lakhs)			6	8.19

BREAK UP OF SALARY				
Particulars		Salary	No of	Total
		Per Month	Employees	Salary
Manager		12,000.00	1	12,000.00
Accountant cum store keeper		10,000.00	1	10,000.00
Sales		8,000.00	1	8,000.00
Total Salary Per Month				30,000.00
Add: 5% Fringe Benefit				1,500.00
Total Salary for the month				31,500.00
Total Salary for the year (In Rs. Lakhs)			3	3.78

COMPUTATION OF DEPRECIATION				
Description	Land	Plant & Machinery	Furniture	TOTAL
Rate of Depreciation		15.00%	10.00%	
Opening Balance	Leased	-	-	-
Addition	-	19.00	1.00	20.00
	-	19.00	1.00	20.00
		-	-	
TOTAL		19.00	1.00	20.00
Less : Depreciation	-	2.85	0.10	2.95
WDV at end of Ist year	-	16.15	0.90	17.05
Additions During The Year	-	-	-	-
	-	16.15	0.90	17.05
Less : Depreciation	-	2.42	0.09	2.51
WDV at end of IInd Year	-	13.73	0.81	14.54
Additions During The Year	-	-	-	-
	-	13.73	0.81	14.54
Less : Depreciation	-	2.06	0.08	2.14
WDV at end of IIIrd year	-	11.67	0.73	12.40
Additions During The Year	-	-	-	-
	-	11.67	0.73	12.40
Less : Depreciation	-	1.75	0.07	1.82
WDV at end of IV year	-	9.92	0.66	10.57
Additions During The Year	-	-	-	-
	-	9.92	0.66	10.57
Less : Depreciation	-	1.49	0.07	1.55
WDV at end of Vth year	-	8.43	0.59	9.02

REPAYMENT SCHEDULE OF TERM LOAN						11.0%	
Year	Particulars	Amount	Addition	Total	Interest	Repayment	CI Balance
I	Opening Balance						
	Ist Quarter	-	18.00	18.00	0.50	-	18.00
	Iind Quarter	18.00	-	18.00	0.50	-	18.00
	IIIrd Quarter	18.00	-	18.00	0.50	1.00	17.00
	Ivth Quarter	17.00	-	17.00	0.47	1.00	16.00
					1.95	2.00	
II	Opening Balance						
	Ist Quarter	16.00	-	16.00	0.44	1.00	15.00
	Iind Quarter	15.00	-	15.00	0.41	1.00	14.00
	IIIrd Quarter	14.00	-	14.00	0.39	1.00	13.00
	Ivth Quarter	13.00		13.00	0.36	1.00	12.00
					1.60	4.00	
III	Opening Balance						
	Ist Quarter	12.00	-	12.00	0.33	1.00	11.00
	Iind Quarter	11.00	-	11.00	0.30	1.00	10.00
	IIIrd Quarter	10.00	-	10.00	0.28	1.00	9.00
	Ivth Quarter	9.00		9.00	0.25	1.00	8.00
					1.16	4.00	
IV	Opening Balance						
	Ist Quarter	8.00	-	8.00	0.22	1.00	7.00
	Iind Quarter	7.00	-	7.00	0.19	1.00	6.00
	IIIrd Quarter	6.00	-	6.00	0.17	1.00	5.00
	Ivth Quarter	5.00		5.00	0.14	1.00	4.00
					0.72	4.00	
V	Opening Balance						
	Ist Quarter	4.00	-	4.00	0.11	1.00	3.00
	Iind Quarter	3.00	-	3.00	0.08	1.00	2.00
	IIIrd Quarter	2.00	-	2.00	0.06	1.00	1.00
	Ivth Quarter	1.00		1.00	0.03	1.00	-
					0.28	4.00	

Door to Door Period 60 Months
Moratorium Period 6 Months
Repayment Period 54 Months

CALCULATION OF D.S.C.R					
PARTICULARS	I	II	III	IV	V
CASH ACCRUALS	6.17	7.58	9.36	11.63	12.79
Interest on Term Loan	1.95	1.60	1.16	0.72	0.28
Total	8.12	9.18	10.52	12.35	13.07
REPAYMENT					
Repayment of Term Loan	2.00	4.00	4.00	4.00	4.00
Interest on Term Loan	1.95	1.60	1.16	0.72	0.28
Total	3.95	5.60	5.16	4.72	4.28
DEBT SERVICE COVERAGE RATIO	2.06	1.64	2.04	2.62	3.06
AVERAGE D.S.C.R.			2.25		

COMPUTATION OF ELECTRICITY				
(A) POWER CONNECTION				
Total Working Hour per day		Hours	8	
Electric Load Required		HP	35	
Load Factor			0.7460	
Electricity Charges		per unit	7.50	
Total Working Days			300	
Electricity Charges				4,69,980.00
Add : Minimim Charges (@ 10%)				
(B) DG set				
No. of Working Days			300	days
No of Working Hours			0.3	Hour per day
Total no of Hour			90	
Diesel Consumption per Hour			8	
Total Consumption of Diesel			720	
Cost of Diesel			65.00	Rs. /Ltr
Total cost of Diesel			0.47	
Add : Lube Cost @15%			0.07	
Total			0.54	
Total cost of Power & Fuel at 100%				5.24
	Year	Capacity		Amount
				(in Lacs)
	I	40%		2.10
	II	45%		2.36
	III	50%		2.62
	IV	55%		2.88
	V	60%		3.14

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