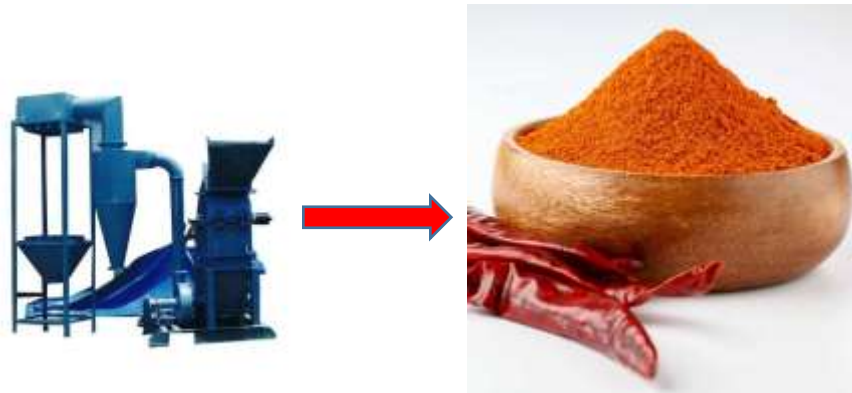




Detailed Project Report

Chilli Powder Unit



By



2023



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1. OVERVIEW OF THE JLG MEMBERS

Name of the JLG:

Number of the members.

Name of Gram Panchayat/Taluk:

Name of the District:

Account details of JLG:

Details of JLG members with Hierarchy;

1.

2.

3.

4.

5.

6.

KYC:

Aadhar/PAN/Photo:



Chili powder is a spice blend made from ground chili peppers and other ingredients, such as cumin, garlic, oregano, and salt. The flavor and heat level of chili powder can vary depending on the types of chili peppers used and the other ingredients in the blend. Chili powder is commonly used in Mexican and Tex-Mex cuisine, as well as in many other dishes around the world. It can add heat, depth of flavor, and a rich red color to recipes such as chili con carne, tacos, and enchiladas.

2. OBJECTIVES OF SVSY

Under Yuva Niti 2022, the new Swami Vivekananda Yuva Shakti Yojana is proposed on the following grounds to achieve holistic development of 2.1 crore youth of the state and to bring about constructive social change by the youth in keeping with the India@2047 vision of the Hon'ble Prime Minister.

The current scenario of the state on various parameters is as follows:

- i. Political Representation:** Out of total 1,01,308 members in rural local bodies, 12,411 (12.25 per cent) youths and 360 youths (5.36 per cent) out of 6713 municipal councillors are political representatives.
- ii. Education:** Out of a total of 2.1 crore youth, 21.55 lakh (10.37 per cent) students are in high school, 11.75 lakh (5.65 per cent), 6.45 lakh (3.10 per cent) in general degree colleges, 1.51 lakh (2.72 per cent), 1.11 lakh in polytechnics. (0.53 per cent), 0.74 lakh (0.36 per cent) The total number of students studying in medical courses is 43.12 lakh, which is per cent of the total youth. 21 percent will be. Remaining 157.88 lakh youth have below 10th standard education.



- iii. Employment:** According to the National Skill Development Corporation report, out of the total 2.1 crore youth in the state, 82 lakh (41 per cent) youth are in the labour force. As the remaining 119 lakh youth (59 per cent) are not in the professional labour force, they need to be given skill training to make them self-reliant.
- iv. Skill Development:** Out of the total 82 lakh youth in the workforce, 16 lakh youth (20 per cent) have received skill vocational training. The remaining 66 lakh (80 per cent) youth need to be given skill development training. Out of this, only one lakh youth are being trained by the NLRM department every year. Therefore 65 lakh untrained rural youth need skill training. To achieve this every school needs to provide vocational education from class 6 onwards.
- v. Internship:** According to the 6th Economic Census, there are a total of 28.80 lakh enterprises in the state, out of which 78,022 enterprises employ more than 8 people. About 30 lakh youths can be trained in skills by undertaking the internship program for a period of three months in local industries related to agriculture and agri-based/MSME/self-employment/service sector.
- vi. Migration Control:** Rural people have migrated from various districts to urban areas for job opportunities, of which 40 lakh (20 per cent) youth are in Bangalore city. Therefore, there is a need to provide more employment opportunities at the village level.
- vii. Consolidation of programs for rural employment:** In total there are 27,395 revenue villages in the state and it is proposed to form Swami Vivekananda Self Help Groups, one in each village, on the model of Women's Self-Help Groups to provide self-employment to the unorganized workers in these. There are about 15



to 20 youth in each group, and 5.50 lakh youth in 27,395 self-help groups have received Rs. 1.5 lakh to provide margin money estimated at Rs. 410 crores will be required.

- viii. Bank Linked Schemes:** Coordination and inclusion of Yuva Shakti schemes with schemes linked to 25 banks. There are 35000 shelves of projects under the Mudra loan scheme, and steps will be taken to select the financial activities of the self-help societies based on these models.
- ix. Training:** Skill development training will be imparted to the youth under the National Entrepreneurship Mission under the 18 programs being implemented by various departments under this scheme. Training for agriculture and other activities will be provided through the Rural Development Self Employment Training Institute (RUDSETI).
- x. Formation of State Level Committee:** It is proposed to constitute a committee under the chairmanship of the Minister of Youth Empowerment and Sports at the State level for implementation and monitoring of the programme. RDPR, Commerce and Industry, Labour, Skill Development and Bank representatives will be members of this committee.
- xi. District Level Committee:** It is proposed to constitute a District Level Committee under the Chairmanship of the Chief Executive Officer of the Zilla Panchayat for the implementation and supervision of the program at the district level. The members of this committee are the officers of Rural Development and Panchayat Raj, Commerce and Industry, Labour, Skill Development Departments and District Lead Bank Managers.



xii. Village level stewardship: The village level stewardship of this program will be handled by Rural Development and Panchayat Raj Departments and Youth Empowerment and Sports Departments.

3. ABOUT VKF

VKF is a Think Tank of Community Change Champions who are from various walks of Social Spaces with diverse backgrounds and specialists from their domains.

VKF is a platform that enables as a think tank to evolve an aggregation of the social impact service providers and entrepreneurs for bringing about a transformational movement of social Change that is measurable on the lines of the Strategic Sustainable Development Goals (SSDG) of United Nation (UN).

VKF's is primarily focused on the development of Karnataka state in collaboration and co-creation initiatives.

VKF is a platform that enables as a think tank to evolve an aggregation of the social impact service providers and entrepreneurs for bringing about a transformational movement of Social Change that is measurable on the lines of the Strategic Development Goal of UN.

VKF's strong focus is on enhancing the rural mass entrepreneurship development clubbed with rural livelihood options. In this direction, VKF team is working with the rural livelihood SHGs members and handholding them to elevate themselves to newer socio-economic status and uplifting the whole geography of the cluster by setting up of CFCs.



VKF's experience spans across conceptualizing cluster mapping, conducting baseline surveys, awareness creation, trust building activities, capacity building, design thinking activities etc., to enhance capabilities of the artisans and livelihood SHGs in the clusters.

VKF also indulges in facilitating Common Facility Centres, Preparation of DPR, Govt. liaising, market linkage activities, brand awareness, branding initiatives, value addition of the products produced by clusters etc. In this, regards we have collaborated and working with MSME, ESTC, IDEMI, Tribes India, NRLM and WCD to support rural masses in terms upgrading their livelihood opportunities.

4. NAME OF PRODUCT AND TECHNOLOGY

Chilli Powder Unit

A chili powder machine is a device that is used to grind dried chili peppers into a fine powder. This machine can be used to make homemade chili powder or for commercial production of chili powder. The machine typically consists of a grinding mechanism that grinds the chili peppers, a collection bin or hopper to catch the ground chili powder, and various settings to adjust the texture and fineness of the powder. When using a chili powder machine, it's important to follow the manufacturer's instructions and take appropriate safety precautions to prevent injury.



5. DELIVERABLES AND MARKET OF THE PRODUCT

- **Flavor:** The warm, slightly citrusy, and earthy flavor of chilli powder adds depth and complexity to dishes and complements other spices well.
- **Aromatic:** When heated, chilli powder releases its aroma, adding a pleasant fragrance to the dish.
- **Culinary:** Chilli powder is used in a wide variety of dishes, from soups, curries, stews, marinades, and spice blends, to rubs for meats and vegetables.
- **Health:** Chilli powder has been traditionally used for its digestive, anti-inflammatory, and antioxidant properties. It is also rich in vitamins and minerals, including iron, potassium, and magnesium.
- **Versatility:** Chilli powder can be used in both sweet and savory dishes, and is commonly used in Indian, Middle Eastern, Latin American, and African cuisines.

Project Assumptions: This model DPR for Chilli Powder Unit is basically on certain assumptions that may vary with capacity, location, raw materials availability etc. An entrepreneur can use this model DPR format and modify as per requirement and suitability. The assumptions made in preparation of this particular DPR are given in Table. Therefore, land and civil infrastructures are assumed as already available with the entrepreneur.



Table: Detailed Project Assumptions		
Parameter	Value	
Assumed Capacity of the Chilli powder unit:	50 kg per day	
Utilization of capacity :	Year 1	50%
	Year 2	55%
	Year 3	60%
	Year 4	65%
	Year 5 ONWARDS	70%
Working days per year:	300 days	
Working hours per day:	8-10 hours	
Average price of raw material:	Rs. 200/kg	
Average sale price of product	Rs. 400/kg	

Machineries





• Pulveriser machine	• Sieving machine	• Packing Machine
Automatic Masala Making Machine, Three Phase, Hammer Mill	Vibrating Sieve Machine	Ss' Cup Filler Automatic Spices Packaging Machine
Capacity: 50-60 kg/hr.	Capacity: 100 kg	Capacity: 500-1000 pouch per packet
Suppliers: Salithika packaging's Gottigere, Bangalore	PCK food tech solutions Pvt ltd Pune, Maharashtra	Kuber A1 Packaging Machinery, Chamrajpet, Bangalore

Machinery is also available in Bengaluru and Coimbatore.

Market Output:

VKF will hand hold them to facilitating better packing and market linkage.

<u>Market Linkage</u>	<u>Supermarkets and Departmental Stores</u>
❖ <u>Restaurants</u>	❖ <u>Food Processers</u>
❖ <u>Hotels</u>	❖ <u>E-commerce</u>
❖ <u>Grocery Stores</u>	❖ <u>Caterers and food suppliers</u>
❖ <u>Condiment Stores</u>	

6. ROLE OF EACH OF THE JLG MEMBERS

How JLG will participate:

- 2 persons will be used to procurement of raw materials
- 2 persons for production



- 2 persons for the logistics & sales
- 2 persons for sieving
- 2 persons for maintenance of machines

7. SOFT INTERVENTION

The following are the soft interventions to be arranged:

- Awareness on financial inclusion will help in getting the assistance from Government and other sources
- Export promotional orientation for the JLG members.
- Awareness/ training programme on product quality, handling practices.
- Capacity Building activity
- Trust Building activities
- Programmes on technical skill enhancement to unit owners.
- Programmes on Business and entrepreneurship skill enhancement to unit owners
- Mass entrepreneurship development program in the JLG eco system.

8. ESTIMATED COST OF THE PROJECT AND THE IMPLEMENTATION SCHEDULE

The proposed cost of the project is as follows:

Sl. No.	Details	Cost in Rs.	Percentage
1	Bank Loan	4,05,000	90%



2	JLG contribution	40,500	10%
3	Total	4,45,500	100%

Sl. No.	Details	Cost in Rs.
1	Machine Cost	2,65,500
2	Furniture	50,000
3	Working capital (Shed deposit, electric connection deposit, Miscellaneous and preoperative expenses)	1,30,000
	TOTAL	4,45,500

The proposed project implementation schedule is as follows:

Sl. No.	Project Component	Schedule
1	Shed for the project on rental basis	Identified
2	Electricity and Water facility Installation	Present
3	Arrival of Machinery	Within 1 months of Order
4	Erection of Machinery	Within 5 days of arrival
5	Commissioning	Within 2-4 days of erection
6	Commercial Usage	Within 2 months from approval



9. LAND/SHED STATUS:

The JLG has already identified the shed required for the project within the project area.

10. SWOT ANALYSIS OF THE PROJECT

I. Strength

- Growing awareness among entrepreneurs about the need for modernization, managerial and technical skill.
- Chilli powder is a popular spice that is widely used in various cuisines and cooking styles, both domestically and commercially.
- Chilli powder can be used in a variety of dishes, such as curries, soups, stews, and marinades, making it a versatile spice for both home cooks and professional chefs.
- Chilli powder has several health benefits, such as anti-inflammatory and anti-bacterial properties, which make it a popular ingredient in traditional medicine.
- The cluster members are having good coordination among themselves and are serious about resolving cluster problems.

II. Weakness

- Chilli powder has a short shelf life compared to other spices and can lose its flavor and aroma quickly if not stored properly.



- Chilli powder is sensitive to moisture and can clump or spoil if not stored in an airtight container.

III. Opportunities

- With increasing health consciousness, the demand for chilli powder is growing, both domestically and globally, providing new business opportunities.
- There is a growing demand for chilli powder in new and emerging markets, offering an opportunity to expand the business.
- Modern process machinery that can give better productivity and quality as well as special features for the final products are available globally.

Threats

- Due to poor market access the profitability of the JLG members may fall bit low level. This may discourage initially to JLG members.
- There is a high level of competition in the chilli powder market, both from domestic and international players, making it a challenging market to operate in.
- Main attributed to less profitability to this industry is due to lower price at the beginning and JLG members need to work hard.



11. YOUTH EMPOWERMENT IMPACT OF THE PROJECT ON ECOSYSTEM

We have surplus youths in the state, graduate, undergraduate etc. supporting them to create self-employment will motivate to become entrepreneurs, they will live independent life.

Entrepreneurship will greatly impact the lifestyle of the youths, if businesses work along with their involvement of all the members towards creating awareness and promoting positive impacts on others.

Ecosystem Support from Project

- **Reduced food waste:** A chili powder business can purchase chili peppers that might have otherwise gone to waste and use them to make chili powder, extending their shelf life and reducing food waste.
- **Encourages local production and consumption:** By producing chili powder locally, a business can reduce the environmental impact of transporting spices long distances, and also promote local consumption, which can reduce the carbon footprint of transportation.
- **Minimizes packaging waste:** By offering chili powder in bulk or reusable packaging, a chili powder business can reduce the amount of single-use packaging waste generated.



12. THE END PRODUCTS PRODUCED FROM THE MACHINE



13. FINANCIALS

CASH FLOW STATEMENT

Particulars	Year				
	Year 1	Year 2	Year 3	Year 4	Year 5
REVENUE FROM SALE OF CHILLY POWDER					
No. of working days in a Year	300	300	300	300	300
Less : Days for off Season	-	-	-	-	-
No. of Machine Running days in a Year	300	300	300	300	300
Capacity of the machine in kgs (50 kg per day)	50	50	50	50	50
Production in KGs	100%	100%	100%	100%	100%
Utilisation of the Capacity (%)	50%	55%	60%	65%	70%
Production during the year (in KGs)	7,500	8,250	9,000	9,750	10,500
Rate per KG	400	440	484	532	586
Gross Revenue earned per annum - A	30,00,000	36,30,000	43,56,000	51,90,900	61,49,220
COST OF RAW MATERIALS					
Consumption of Raw Materials	7,500	8,250	9,000	9,750	10,500
rate per kg	200	220	242	266	293
Total Cost of Raw Material per annum - B	15,00,000	18,15,000	21,78,000	25,95,450	30,74,610
EXPENDITURE					
Salaries and Wages	7,20,000	8,28,000	9,52,200	10,95,030	12,59,285
Electricity Charges	1,20,000	1,32,000	1,45,200	1,59,720	1,75,692
Other Manufacturing Expenses	24,000	26,400	29,040	31,944	35,138



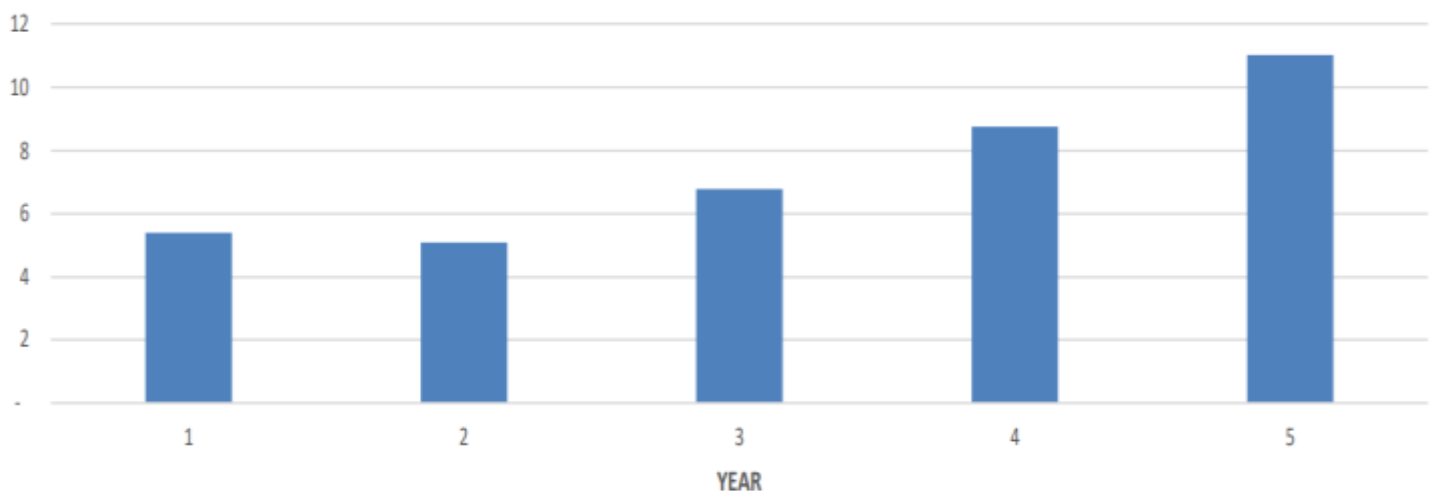
Transportation and Travelling	30,000	33,000	36,300	39,930	43,923
Rent	1,20,000	1,32,000	1,45,200	1,59,720	1,75,692
Packaging and Promotion Expenses	25,000	27,500	30,250	33,275	36,603
Miscellaneous Expenses	30,000	33,000	36,300	39,930	43,923
Total Expenditure - C	10,69,000	12,11,900	13,74,490	15,59,549	17,70,255
Net Profit before Interest /Cash Flow (A-B-C)	4,31,000	6,03,100	8,03,510	10,35,901	13,04,355

DSCR STATEMENT

PROJECTED TERM LOAN DSCR STATEMENT

	Year 1	Year 2	Year 3	Year 4	Year 5
	Projected	Projected	Projected	Projected	Projected
Profit available to service the debt	4,31,000	6,03,100	8,03,510	10,35,901	13,04,355
Loan Repayment	39,429	84,681	93,086	1,02,324	1,12,480
Interest on Term Loan	40,267	33,670	25,266	16,027	5,872
Debt to be Served	79,696	1,18,351	1,18,351	1,18,351	1,18,351
Debt Service Coverage Ratio	5	5	7	9	11
AVERAGE DSCR	7				

DEBT SERVICE COVERAGE RATIO





REAKEVEN ANALYSIS

Investment Value Including Margin Rs. 480000

Year ended	Year 1 Projected	Year 2 Projected	Year 3 Projected	Year 4 Projected	Year 5 Projected
Cash Flow as per Statement of Income	4,31,000	6,03,100	8,03,510	10,35,901	13,04,355
Less : Interest on Loan	40,267	33,670	25,266	16,027	5,872
Less : Estimated Drawings/Personal Expenses	2,15,500	3,01,550	4,01,755	5,17,951	6,52,177
Net Cash Flow	1,75,233	2,67,880	3,76,489	5,01,923	6,46,306
Cumulative Cash Flow	1,75,233	4,43,113	8,19,602	13,21,526	19,67,831
Break Even Investment (in years)		2 Year and 1.2 Months			

REPAYMENT SCHEDULE

DETAIL REPAYMENT SCHEDULE

Year	Quarter	Loan Installment	Principal Payment	Loan Outstanding	Interest at 9.5%	Cumulative Interest
1	1	9,619	-	4,05,000	9,619	37,750
	2	9,619	-	4,05,000	9,619	
	3	27,739	18,264	3,86,736	9,475	
	4	27,739	18,701	3,68,035	9,038	
2	1	27,739	19,149	3,48,887	8,590	31,566
	2	27,739	19,607	3,29,280	8,132	
	3	27,739	20,076	3,09,204	7,662	
	4	27,739	20,557	2,88,647	7,182	
3	1	27,739	21,049	2,67,598	6,690	23,687
	2	27,739	21,553	2,46,045	6,186	
	3	27,739	22,069	2,23,976	5,670	
	4	27,739	22,597	2,01,379	5,141	
4	1	27,739	23,138	1,78,241	4,601	15,025
	2	27,739	23,692	1,54,549	4,047	
	3	27,739	24,259	1,30,290	3,479	
	4	27,739	24,840	1,05,450	2,899	
5	1	27,739	25,434	80,015	2,304	5,505
	2	27,739	26,043	53,972	1,695	
	3	27,739	26,667	27,305	1,072	
	4	27,739	27,305	(0)	433	
Total		5,18,533	4,05,000		1,13,533	1,13,533



Designated Contact Details for this project

Email ID : contact@vkfoundations.org
Mobile : 9845938269 / 9986024478 / 9902256304
Website: vkfoundations.org

