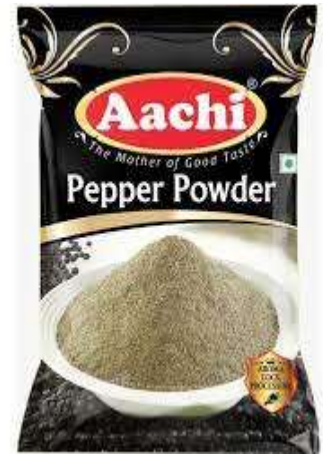




DETAILED PROJECT REPORT

Pepper Powder Making



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:



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



percent) 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 percent) 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 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 Common Facility Centres.

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 working with MSME, ESTC, IDEMI, Tribes India, NRLM and WCD to support rural masses in terms upgrading their livelihood opportunities. It also facilitates in preparation of DPR, Govt. liaising, market linkage activities, brand awareness, branding initiatives, value addition of the products produced by clusters etc.

4. NAME OF PRODUCT AND TECHNOLOGY



Pepper Powder Making

Pepper power manufacturing units are factories or facilities that are dedicated to producing pepper powder. Pepper powder is a popular spice that is made by grinding dried peppercorns into a fine powder. It is used to add flavor and heat to a variety of dishes.

In a pepper power manufacturing unit, the process of producing pepper powder typically involves cleaning and sorting the peppercorns, grinding them into a powder, and packaging the final product. The unit may also include quality control measures to ensure that the pepper powder is safe for consumption and meets industry standards.

Pepper powder is widely used in both commercial and home kitchens, so the demand for high-quality pepper powder is always present. As a result, many companies have established pepper power manufacturing units to meet this demand and to supply the global market with this popular spice.

5. DELIVERABLES AND MARKET OF THE PRODUCT

The deliverables of a pepper powder manufacturing unit can include various forms of packaged pepper powder, such as whole peppercorns, coarse grinds, fine grinds, and blends with other spices. The packaging can vary from small, retail-sized containers to large, bulk bags for food service or industrial applications.



The market for pepper powder is broad and encompasses a range of industries and end-users, including:

- **Food service:** Restaurants, cafes, and other food service establishments use pepper powder to season and flavor their dishes.
- **Home cooking:** Consumers use pepper powder in their home cooking for seasoning and flavor enhancement.
- **Industrial food processing:** Pepper powder is used as an ingredient in a variety of processed foods, such as sauces, soups, and seasoning blends.
- **Retail:** Pepper powder is widely available in supermarkets and specialty stores, and can be purchased in a variety of packaging sizes and grinds.

The demand for pepper powder is relatively stable and has remained strong, as it is widely used in many different types of cuisine. As a result, the market for pepper powder is expected to continue to be strong, providing opportunities for growth and expansion for companies in the pepper power manufacturing industry.

Project Assumptions:

This model DPR for Pepper Powder Making 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 machine per day	350Kg / day	
Utilization of capacity:	Year 1	50%
	Year 2	55%
	Year 3	60%
	Year 4	65%
	Year 5	70%
Working days per year:	200 days	
Working hours per day:	8-10 hours	
Average price of raw material	440/kg	
Average sales price of the final product:	750/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

6. ROLE OF EACH OF THE JLG MEMBERS

How JLG will participate:



- 2 persons will be used on operating of machines
- 2 persons for sales and logistics
- 2 person for maintenance of machines
- 1 person on accounting of finances/business development
- 2 person on trained to do on all other activities.

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 & entrepreneurship skill enhancement to unit owners.
- Mass entrepreneurship development program in the JLG eco system.

8. BREAK UP COST AND MARGIN OF THE PROJECT AND THE IMPLEMENTATION SCHEDULE

The proposed cost of the project is as follows:



Sl. No.	Details	Cost in Rs.
1	Bank Loan	4,05,000
2	JLG contribution	45,000
3	Total	4,50,000

Sl. No.	Details	Cost in Rs
1.	Machine cost	3,00,000
2.	Furniture	30,000
3.	Working capital (Shed deposit, electric connection deposit, Miscellaneous and preoperative expenses)	1,20,000
	Total	4,50,000

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

- The source of raw material procurement is very convenient due to local availability.
- The JLG members are having good coordination and co-operation among themselves and are serious about resolving universal problems.
- Pepper powder can be used in a variety of dishes and drinks, including sweets, savory dishes, and beverages. It also serves as an ingredient in traditional Ayurveda remedies.
- Pepper has a long cultural history, and is an important part of many traditional cuisines, especially in India and Southeast Asia.
- Higher export potential.

II. Weakness



- Pepper powder may not be readily available in all areas. This can limit its appeal to consumers.
- The process of making pepper is time-consuming and labor-intensive, which can result in higher costs and limited supply.
- Pepper production is often decentralized and lacks consistent quality control, leading to variations in taste, texture, and purity.

III. Opportunities

- Pepper powder has the potential to expand into new markets, particularly in western countries where there is a growing interest in traditional and natural foods.
- There will be a huge demand because this is a need of the hour globally.
- Pepper powder can be combined with other ingredients, such as spices and fruits, to create new and unique products that appeal to different consumer preferences.

IV. Threats

- Due to poor market access the profitability of the JLG members may fall bit low level. This may discourage initially to JLG members.
- Many consumers may not be aware of the health benefits of pepper, or may be skeptical of its taste and texture, which can limit its appeal.
- The production of pepper, particularly from sugarcane, can have negative impacts on the environment, such as deforestation, water pollution, and soil degradation.



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.

12. THE END PRODUCTS PRODUCED FROM THE MACHINE



Fig: Pepper powder with packing

13. FINANCIALS **CASH FLOW STATEMENT**



Particulars	Year				
	Year 1	Year 2	Year 3	Year 4	Year 5
REVENUE FROM SALE OF PEPPER POWDER					
No. of working days in a Year	300	300	300	300	300
Less : Days for off Season	100	100	100	100	100
No. of Machine Running days in a Year	200	200	200	200	200
Capacity of the machine in kgs per day	350	350	350	350	350
Production in KGs	65%	65%	65%	65%	65%
Utilisation of the Capacity (%)	50%	55%	60%	65%	70%
Production during the year (in KGs)	22,750	25,025	27,300	29,575	31,850
Rate per KG	750	825	908	998	1,098
Gross Revenue earned per annum - A	1,70,62,500	2,06,45,625	2,47,74,750	2,95,23,244	3,49,73,689
REVENUE FROM SALE OF WASTE					
No. of Machine Running days in a Year	200	200	200	200	200
Capacity of the machine in kgs per day	350	350	350	350	350
Utilisation of the Capacity (%)	50%	55%	60%	65%	70%
Waste in %	5%	5%	5%	5%	5%
Waste in kgs	1,750	1,925	2,100	2,275	2,450
Rate per KG	5	6	6	7	7
Gross Revenue earned per annum - B	8,750	10,588	12,705	15,140	17,935
COST OF RAW MATERIALS					
Consumption of Raw Materials	35,000	38,500	42,000	45,500	49,000
Rate per KG	440	484	532	586	644
Total Cost of Raw Material per annum - C	1,54,00,000	1,86,34,000	2,23,60,800	2,66,46,620	3,15,65,996
EXPENDITURE					
Salaries and Wages	9,24,000	10,16,400	11,18,040	12,29,844	13,52,828
Electricity Charges	60,000	66,000	72,600	79,860	87,846
Other Manufacturing Expenses	30,000	33,000	36,300	39,930	43,923
Transportation and Travelling	24,000	26,400	29,040	31,944	35,138
Rent	96,000	1,05,600	1,16,160	1,27,776	1,40,554
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 - D	11,89,000	13,07,900	14,38,690	15,82,559	17,40,815
Net Profit before Interest /Cash Flow (A+B-C-D)	4,82,250	7,14,313	9,87,965	13,09,205	16,84,813

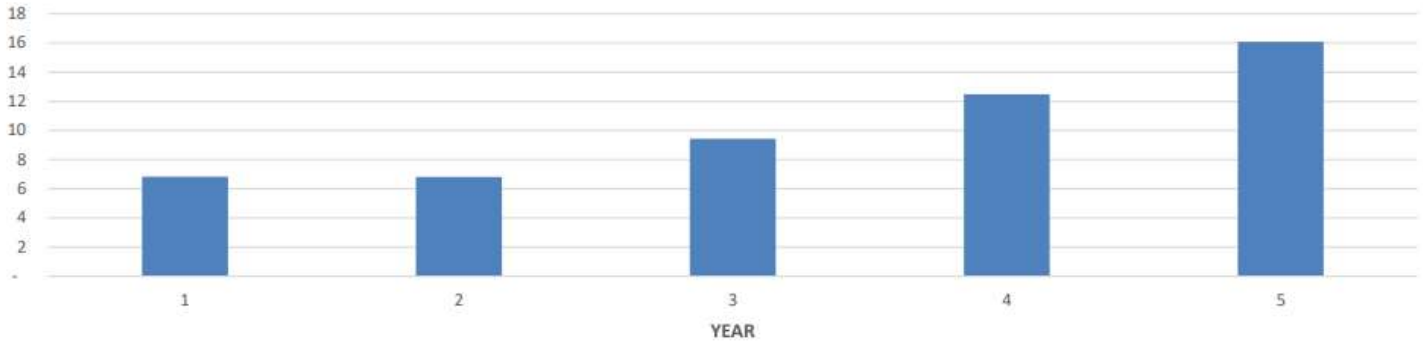
DSCR STATEMENT



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	4,82,250	7,14,313	9,87,965	13,09,205	16,84,813
Loan Repayment	34,911	74,978	82,420	90,600	99,591
Interest on Term Loan	35,653	29,812	22,371	14,191	5,199
Debt to be Served	70,564	1,04,790	1,04,790	1,04,790	1,04,790
Debt Service Coverage Ratio	7	7	9	12	16
AVERAGE DSCR	10				

DEBT SERVICE CEVERAGE RATIO



BREAKEVEN ANALYSIS

Investment Value Including Margin Rs. 425000

Year ended	Year 1 Projected	Year 2 Projected	Year 3 Projected	Year 4 Projected	Year 5 Projected
Cash Flow as per Statement of Income	4,82,250	7,14,313	9,87,965	13,09,205	16,84,813
Less : Interest on Loan	35,653	29,812	22,371	14,191	5,199
Less : Estimated Drawings/Personal Expenses	2,41,125	3,57,156	4,93,983	6,54,602	8,42,407
Net Cash Flow	2,05,472	3,27,344	4,71,612	6,40,412	8,37,208
Cumulative Cash Flow	2,05,472	5,32,816	10,04,428	16,44,840	24,82,048
Break Even Investment (in years)	1 Year and 8 Months				



REPAYMENT SCHEDULE

DETAIL REPAYMENT SCHEDULE

Year	Quarter	Loan Installment	Principal Payment	Loan Outstanding	Interest at 9.5%	Cumulative Interest
1	1	9,084	-	3,82,500	9,084	35,653
	2	9,084	-	3,82,500	9,084	
	3	26,198	17,249	3,65,251	8,949	
	4	26,198	17,662	3,47,589	8,536	
2	1	26,198	18,085	3,29,504	8,113	29,812
	2	26,198	18,518	3,10,987	7,680	
	3	26,198	18,961	2,92,026	7,237	
	4	26,198	19,415	2,72,611	6,783	
3	1	26,198	19,880	2,52,731	6,318	22,371
	2	26,198	20,356	2,32,376	5,842	
	3	26,198	20,843	2,11,533	5,355	
	4	26,198	21,342	1,90,191	4,856	
4	1	26,198	21,853	1,68,338	4,345	14,191
	2	26,198	22,376	1,45,963	3,822	
	3	26,198	22,911	1,23,051	3,286	
	4	26,198	23,460	99,591	2,738	
5	1	26,198	24,021	75,570	2,176	5,199
	2	26,198	24,596	50,973	1,601	
	3	26,198	25,185	25,788	1,012	
	4	26,198	25,788	-	409	
Total		4,89,725	3,82,500		1,07,225	1,07,225



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