



Model Detailed Project Report

GREEN CHILLI SAUCE

Prepared by

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1. INTRODUCTION

Green Chili Sauce



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.

2. 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. The highest share is expected to be of Chinese sauces, which is more than 75% of the total Chinese, hot and barbeque sauces market, and it is expected to generate a revenue of around INR 500 crores in the year 2022-23. Also, with the increasing urbanization, two things have changed: people are now aware about presence and uses of these sauces as they come to cities; and second that many towns are now being converted into cities which again has the same effect of increase in demand.

3. PRODUCT DESCRIPTION

3.1 PRODUCT 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 chilli 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.

- The presence of pepper, tomato, oregano and onions in chilli sauce increases the anti-oxidant quotient of the sauce
- Chilli sauce is low in fat content and is good source of Vit A, Vitamin C, iron and manganese.
- Chilli sauce is usually high in sodium content, so should be used sparingly in specific recipes.

3.2 RAW MATERIAL

- Green Chilli: Rs.46 to 50 Per KG
- Ro Water
- Spices & Continents i.e. Onion Powder, Garlic powder, Ginger powder etc.
- Emulsifier/ Stabilizer: Corn starch, Modified starch etc.
- Preservatives: Salt, Acid, Sodium Benzoate.

Average Raw material price per kg is approx. Rs.70-75

3.3 MANUFACTURING PROCESS

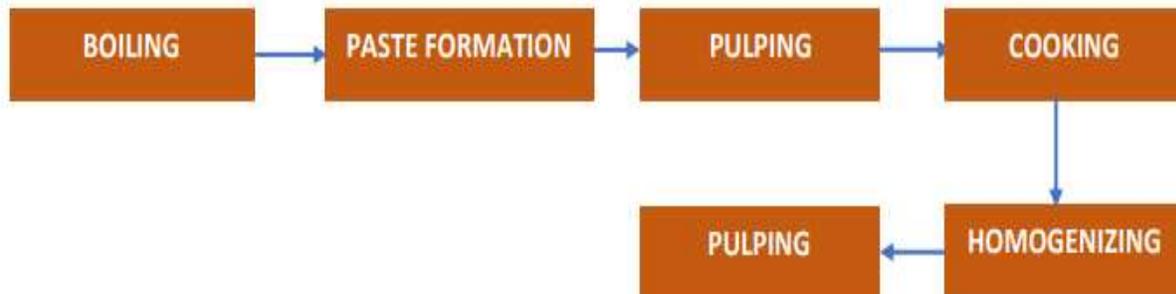
Fresh Green chillies are procured from vendor and the raw material are brought to plant and then top edge (dandi) is to be removed from green chillies and sent for washing.

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 of paste
- Homogenizing
- Pulping
- Final Product Checking

- Packaging
- Transport

Process layout:



4. PROJECT COMPONENTS

4.1 Land & building

Building covered area required 2000-2500 square feet

Approximate rent for the same is Rs.35,000-40,000 per month.

4.2 Plant & Machinery

Manufacturing section-500 KG/Hour Capacity

Machine Name	Machine uses	Image
Steam Jacketed Kettle (Tilting type)	To boil Chilli before paste formation	

<p>Pulverizer</p>	<p>To make paste of green chilli</p>	
<p>Pulper</p>	<p>To extract chilli pulp from paste</p>	
<p>Steam Jacketed Kettle (Fix Type)</p>	<p>To cook chilli sauce along with ingredients</p>	
<p>Homogenizer</p>	<p>To make chilli sauce more smooth</p>	

Filling Tank	To store chilli sauce	
Transfer Pump	To transfer chilli to packaging machine	

Note: Total Cost of Manufacturing plant & machinery is Rs.15,85,000 excluding GST and transportation cost.

Packaging section

S.N.	Machine Description	Rate
1	Pouch Filling machine	2,60,000
2	Crown Capping Machine	55,000
Total		3,15,000

4.3 Misc. Assets

S.N.	Item Description	Rate
1	Furniture and equipment's	50,000
2	RO Water plant	25,000
3	Electrical Fitting	1,00,000

4.4 Power Requirement

The borrower shall require power load of 35-40 HP which shall be applied with Power Corporation. However, for standby power arrangement the borrower shall also purchase DG Set.

4.5 Manpower Requirement

10-12 Manpower are required for the Green Chilli Sauce Manufacturing unit.

Includes:

3 Skilled Labour

3 Unskilled Labour

2-3 Helper

1 Accountant

1 supervisor

5. FINANCIALS

5.1 Cost of Project

COST OF PROJECT			
(in Lacs)			
PARTICULARS	AMOUNT	Own Contribution	Bank Finance
		25.00%	75.00%
Land & Building		Owned /rented	
Plant & Machinery	19.00	4.75	14.25
Furniture & Fixtures and Other Assets	1.75	0.44	1.31
Working capital	16.00	4.00	12.00
Total	36.75	9.19	27.56

5.2 Means of Finance

MEANS OF FINANCE	
(in Lacs)	
PARTICULARS	AMOUNT
Own Contribution	9.19
Bank Loan	15.56
Working capital Limit	12.00
Total	36.75

5.3 Projected Balance Sheet

PROJECTED BALANCE SHEET					(in Lacs)
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
<u>Liabilities</u>					
Capital					
opening balance		9.92	13.15	17.76	22.35
<i>Add:- Own Capital</i>	9.19				
Add:- Retained Profit	2.23	5.23	7.86	10.09	14.51
Less:- Drawings	1.50	2.00	3.25	5.50	9.00
Closing Balance	9.92	13.15	17.76	22.35	27.86
Term Loan	13.83	10.38	6.92	3.46	-
Working Capital Limit	12.00	12.00	12.00	12.00	12.00
Sundry Creditors	4.80	5.54	6.34	7.18	8.06
Provisions & Other Liab	0.10	0.13	0.15	0.18	0.22
TOTAL :	40.65	41.19	43.16	45.16	48.14
<u>Assets</u>					
Fixed Assets (Gross)	20.75	20.75	20.75	20.75	20.75
Gross Dep.	3.03	5.61	7.81	9.68	11.29
Net Fixed Assets	17.73	15.15	12.94	11.07	9.46
Current Assets					
Sundry Debtors	8.08	8.75	10.00	11.33	12.87
Stock in Hand	14.03	16.16	18.43	20.86	23.44
Cash and Bank	0.82	1.13	1.78	1.90	2.37
TOTAL :	40.65	41.19	43.16	45.16	48.14

5.4 Projected Cash Flow

(in Lacs)					
PROJECTED CASH FLOW STATEMENT					
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
<u>SOURCES OF FUND</u>					
Own Margin	9.19				
Net Profit	2.23	5.26	8.23	10.91	15.69
Depreciation & Exp. W/off	3.03	2.58	2.20	1.88	1.60
Increase in Cash Credit	12.00	-	-	-	-
Increase In Term Loan	15.56	-	-	-	-
Increase in Creditors	4.80	0.74	0.79	0.84	0.89
Increase in Provisions & Oth lib	0.10	0.03	0.03	0.03	0.04
TOTAL :	46.90	8.61	11.25	13.66	18.21
<u>APPLICATION OF FUND</u>					
Increase in Fixed Assets	20.75				
Increase in Stock	14.03	2.14	2.27	2.43	2.57
Increase in Debtors	8.08	0.67	1.25	1.33	1.54
Repayment of Term Loan	1.73	3.46	3.46	3.46	3.46
Drawings	1.50	2.00	3.25	5.50	9.00
Taxation	-	0.03	0.37	0.82	1.18
TOTAL :	46.09	8.29	10.61	13.54	17.75
Opening Cash & Bank Balance	-	0.82	1.13	1.78	1.90
Add : Surplus	0.82	0.32	0.64	0.12	0.47
Closing Cash & Bank Balance	0.82	1.13	1.78	1.90	2.37

5.5 Projected Profitability

(in Lacs)					
PROJECTED PROFITABILITY STATEMENT					
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
Capacity Utilization %	50%	55%	60%	65%	70%
<u>SALES</u>					
Gross Sale					
Green Chilli Sauce	220.40	262.54	300.12	339.99	386.11
Total	220.40	262.54	300.12	339.99	386.11
COST OF SALES					
Raw Material Consumed	180.00	207.90	237.60	269.10	302.40
Electricity Expenses	7.20	8.28	9.52	10.95	12.05
Depreciation	3.03	2.58	2.20	1.88	1.60
Wages & labour	7.92	8.71	9.58	10.54	11.60
Repair & maintenance	6.61	7.88	9.00	10.54	12.55
Cost of Production	204.76	235.35	267.91	303.01	340.19
Add: Opening Stock /WIP	-	6.83	7.84	8.93	10.10
Less: Closing Stock /WIP	6.83	7.84	8.93	10.10	11.34
Cost of Sales	197.93	234.33	266.82	301.84	338.95
GROSS PROFIT	22.47	28.21	33.30	38.15	47.16
Salary to Staff	7.08	7.79	8.57	9.42	10.37
Interest on Term Loan	1.53	1.35	0.97	0.59	0.21
Interest on working Capital	1.32	1.32	1.32	1.32	1.32

Rent	4.80	5.28	5.81	6.39	7.03
selling & adm exp	5.51	7.22	8.40	9.52	12.55
TOTAL	20.24	22.96	25.07	27.24	31.47
NET PROFIT	2.23	5.26	8.23	10.91	15.69
Taxation		0.03	0.37	0.82	1.18
PROFIT (After Tax)	2.23	5.23	7.86	10.09	14.51

5.6 Production and Yield

COMPUTATION OF PRODUCTION OF GREEN CHILLI SAUCE

Items to be Manufactured

Green Chilli Sauce

Machine Production capacity per Hour	500	KG
Operational Capacity per hour (taken)	250	KG
Working hours in a day	8	
Production Per Day	2,000	
No of Working Days in Month	25	
No of Working Days in a Year	300	
machine capacity per annum	600,000	KG

Final product

Green Chili Sauce

wastage	5%	of input
Final Output	570,000	KG

Production of Green Chilli Sauce		
Production	Capacity	KG
1st year	50%	285,000
2nd year	55%	313,500
3rd year	60%	342,000
4th year	65%	370,500
5th year	70%	399,000

Raw Material Cost			
Year	Capacity Utilization	Rate (per KG)	Amount (Rs. in lacs)
1st year	50%	60.00	180.00
2nd year	55%	63.00	207.90
3rd year	60%	66.00	237.60
4th year	65%	69.00	269.10
5th year	70%	72.00	302.40

5.7 Sales Revenue

<u>COMPUTATION OF SALE</u>					
Particulars	1st year	2nd year	3rd year	4th year	5th year
Op Stock	-	9,500	10,450	11,400	12,350
Production	285,000	313,500	342,000	370,500	399,000
Less : Closing Stock	9,500	10,450	11,400	12,350	13,300
Net Sale	275,500	312,550	341,050	369,550	398,050
sale price per KG	80.00	84.00	88.00	92.00	97.00
Sales (in Lacs)	220.40	262.54	300.12	339.99	386.11

5.8 Working Capital Assessment

(in Lacs)					
COMPUTATION OF CLOSING STOCK & WORKING CAPITAL					
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
<u>Finished Goods</u>					
	6.83	7.84	8.93	10.10	11.34
<u>Raw Material</u>					
	7.20	8.32	9.50	10.76	12.10
Closing Stock	14.03	16.16	18.43	20.86	23.44

COMPUTATION OF WORKING CAPITAL REQUIREMENT						
(in Lacs)						
TRADITIONAL METHOD						
Particulars	Amount	Own Margin		Bank Finance		
Finished Goods & Raw Material	14.03					
Less : Creditors	4.80					
Paid stock	9.23	25%	2.31	75%	6.92	
Sundry Debtors	8.08	25%	2.02	75%	6.06	
	17.31		4.33		12.98	
WORKING CAPITAL LIMIT DEMAND (from Bank)						
				12.00		

5.9 Power, Salary & Wages Calculation

Utility Charges (per month)		
Particulars	value	Description
Power connection required	30	KWH
consumption per day	240	units
Consumption per month	6,000	units
Rate per Unit	10	Rs.
power Bill per month	60,000	Rs.

<u>BREAK UP OF LABOUR CHARGES</u>			
Particulars	Wages	No of	Total
	Rs. per Month	Employees	Salary
Skilled (in thousand rupees)	13,000	3	39,000
Unskilled (in thousand rupees)	9,000	3	27,000
Total salary per month			66,000
Total annual labour charges	(in lacs)		7.92

<u>BREAK UP OF Staff Salary CHARGES</u>			
Particulars	Salary	No of	Total
	Rs. per Month	Employees	Salary
Helper	7,000	3	21,000
Accountant	18,000	1	18,000
Supervisor	20,000	1	20,000
Total salary per month			59,000
Total annual Staff charges	(in lacs)		7.08

5.10 Depreciation

COMPUTATION OF DEPRECIATION			(in Lacs)
Description	Plant & Machinery	Furniture	TOTAL
Rate of Depreciation	15.00%	10.00%	
Opening Balance	-	-	-
Addition	19.00	1.75	20.75
Total	19.00	1.75	20.75
Less : Depreciation	2.85	0.18	3.03
WDV at end of Year	16.15	1.58	17.73
Additions During The Year	-	-	-
Total	16.15	1.58	17.73
Less : Depreciation	2.42	0.16	2.58
WDV at end of Year	13.73	1.42	15.15
Additions During The Year	-	-	-
Total	13.73	1.42	15.15
Less : Depreciation	2.06	0.14	2.20
WDV at end of Year	11.67	1.28	12.94
Additions During The Year	-	-	-
Total	11.67	1.28	12.94
Less : Depreciation	1.75	0.13	1.88
WDV at end of Year	9.92	1.15	11.07
Additions During The Year	-	-	-
Total	9.92	1.15	11.07
Less : Depreciation	1.49	0.11	1.60
WDV at end of Year	8.43	1.03	9.46

5.11 Repayment schedule

REPAYMENT SCHEDULE OF TERM LOAN								
							Interest	11.00%
Year	Particulars	Amount	Addition	Total	Interest	Repayment	Closing Balance	
1st	Opening Balance							
	1st month	-	15.56	15.56	-	-	15.56	
	2nd month	15.56	-	15.56	0.14	-	15.56	
	3rd month	15.56	-	15.56	0.14	-	15.56	
	4th month	15.56	-	15.56	0.14		15.56	
	5th month	15.56	-	15.56	0.14		15.56	
	6th month	15.56	-	15.56	0.14		15.56	
	7th month	15.56	-	15.56	0.14	0.29	15.27	
	8th month	15.27	-	15.27	0.14	0.29	14.99	
	9th month	14.99	-	14.99	0.14	0.29	14.70	
	10th month	14.70	-	14.70	0.13	0.29	14.41	
	11th month	14.41	-	14.41	0.13	0.29	14.12	
	12th month	14.12	-	14.12	0.13	0.29	13.83	
					1.53	1.73		
2nd	Opening Balance							
	1st month	13.83	-	13.83	0.13	0.29	13.55	
	2nd month	13.55	-	13.55	0.12	0.29	13.26	
	3rd month	13.26	-	13.26	0.12	0.29	12.97	
	4th month	12.97	-	12.97	0.12	0.29	12.68	
	5th month	12.68	-	12.68	0.12	0.29	12.39	
	6th month	12.39	-	12.39	0.11	0.29	12.10	
	7th month	12.10	-	12.10	0.11	0.29	11.82	
	8th month	11.82	-	11.82	0.11	0.29	11.53	
	9th month	11.53	-	11.53	0.11	0.29	11.24	
	10th month	11.24	-	11.24	0.10	0.29	10.95	
	11th month	10.95	-	10.95	0.10	0.29	10.66	
	12th month	10.66	-	10.66	0.10	0.29	10.38	
					1.35	3.46		
3rd	Opening Balance							
	1st month	10.38	-	10.38	0.10	0.29	10.09	
	2nd month	10.09	-	10.09	0.09	0.29	9.80	
	3rd month	9.80	-	9.80	0.09	0.29	9.51	
	4th month	9.51	-	9.51	0.09	0.29	9.22	
	5th month	9.22	-	9.22	0.08	0.29	8.93	
	6th month	8.93	-	8.93	0.08	0.29	8.65	

7th month	8.65	-	8.65	0.08	0.29	8.36
8th month	8.36	-	8.36	0.08	0.29	8.07
9th month	8.07	-	8.07	0.07	0.29	7.78
10th month	7.78	-	7.78	0.07	0.29	7.49
11th month	7.49	-	7.49	0.07	0.29	7.20
12th month	7.20	-	7.20	0.07	0.29	6.92
				0.97	3.46	
4th	Opening Balance					
1st month	6.92	-	6.92	0.06	0.29	6.63
2nd month	6.63	-	6.63	0.06	0.29	6.34
3rd month	6.34	-	6.34	0.06	0.29	6.05
4th month	6.05	-	6.05	0.06	0.29	5.76
5th month	5.76	-	5.76	0.05	0.29	5.48
6th month	5.48	-	5.48	0.05	0.29	5.19
7th month	5.19	-	5.19	0.05	0.29	4.90
8th month	4.90	-	4.90	0.04	0.29	4.61
9th month	4.61	-	4.61	0.04	0.29	4.32
10th month	4.32	-	4.32	0.04	0.29	4.03
11th month	4.03	-	4.03	0.04	0.29	3.75
12th month	3.75	-	3.75	0.03	0.29	3.46
				0.59	3.46	
5th	Opening Balance					
1st month	3.46	-	3.46	0.03	0.29	3.17
2nd month	3.17	-	3.17	0.03	0.29	2.88
3rd month	2.88	-	2.88	0.03	0.29	2.59
4th month	2.59	-	2.59	0.02	0.29	2.31
5th month	2.31	-	2.31	0.02	0.29	2.02
6th month	2.02	-	2.02	0.02	0.29	1.73
7th month	1.73	-	1.73	0.02	0.29	1.44
8th month	1.44	-	1.44	0.01	0.29	1.15
9th month	1.15	-	1.15	0.01	0.29	0.86
10th month	0.86	-	0.86	0.01	0.29	0.58
11th month	0.58	-	0.58	0.01	0.29	0.29
12th month	0.29	-	0.29	0.00	0.29	-
				0.21	3.46	
DOOR TO DOOR	60	MONTHS				
MORATORIUM PERIOD	6	MONTHS				
REPAYMENT PERIOD	54	MONTHS				

5.12 Financial Indicators

FINANCIAL INDICATORS					
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
TURNOVER	220.40	262.54	300.12	339.99	386.11
GROSS PROFIT	22.47	28.21	33.30	38.15	47.16
G.P. RATIO	10.19%	10.75%	11.10%	11.22%	12.21%
NET PROFIT	2.23	5.26	8.23	10.91	15.69
N.P. RATIO	1.01%	2.00%	2.74%	3.21%	4.06%
CURRENT ASSETS	22.92	26.05	30.22	34.09	38.67
CURRENT LIABILITIES	16.90	17.67	18.49	19.36	20.28
CURRENT RATIO	1.36	1.47	1.63	1.76	1.91
TERM LOAN	13.83	10.38	6.92	3.46	-
TOTAL NET WORTH	9.92	13.15	17.76	22.35	27.86
DEBT/EQUITY	1.40	0.79	0.39	0.15	-
TOTAL NET WORTH	9.92	13.15	17.76	22.35	27.86
TOTAL OUTSIDE LIABILITIES	30.73	28.04	25.40	22.81	20.28
TOL/TNW	3.10	2.13	1.43	1.02	0.73
PBDIT	8.10	10.51	12.72	14.69	18.82
INTEREST	2.85	2.67	2.29	1.91	1.53
INTEREST COVERAGE RATIO	2.84	3.94	5.56	7.71	12.33
WDV	17.73	15.15	12.94	11.07	9.46
TERM LOAN	13.83	10.38	6.92	3.46	-
FACR	1.28	1.46	1.87	3.20	-

5.13 DSCR

<u>CALCULATION OF D.S.C.R</u>					
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
CASH ACCRUALS	5.25	7.81	10.06	11.97	16.11
Interest on Term Loan	1.53	1.35	0.97	0.59	0.21
Total	6.78	9.16	11.03	12.55	16.32
<u>REPAYMENT</u>					
Instalment of Term Loan	1.73	3.46	3.46	3.46	3.46
Interest on Term Loan	1.53	1.35	0.97	0.59	0.21
Total	3.26	4.81	4.43	4.04	3.66
DEBT SERVICE COVERAGE RATIO	2.08	1.91	2.49	3.10	4.45
AVERAGE D.S.C.R.	2.81				

5.14 Break Even Point Analysis

BREAK EVEN POINT ANALYSIS					
Year	I	II	III	IV	V
Net Sales & Other Income	220.40	262.54	300.12	339.99	386.11
Less : Op. WIP Goods	-	6.83	7.84	8.93	10.10
Add : Cl. WIP Goods	6.83	7.84	8.93	10.10	11.34
Total Sales	227.23	263.56	301.21	341.16	387.35

Variable & Semi Variable Exp.					
Raw Material Consumed	180.00	207.90	237.60	269.10	302.40
Electricity Exp/Coal Consumption at 85%	6.12	7.04	8.09	9.31	10.24
Wages & Salary at 60%	9.00	9.90	10.89	11.98	13.18
Selling & administrative Expenses 80%	4.41	5.78	6.72	7.62	10.04
Interest on working Capital	1.32	1.32	1.32	1.32	1.32
Repair & maintenance	6.61	7.88	9.00	10.54	12.55
Total Variable & Semi Variable Exp	207.46	239.81	273.63	309.86	349.72
Contribution	19.77	23.75	27.58	31.29	37.63
Fixed & Semi Fixed Expenses					
Electricity Exp/Coal Consumption at 15%	1.08	1.24	1.43	1.64	1.81
Wages & Salary at 40%	6.00	6.60	7.26	7.99	8.78
Interest on Term Loan	1.53	1.35	0.97	0.59	0.21
Depreciation	3.03	2.58	2.20	1.88	1.60
Selling & administrative Expenses 20%	1.10	1.44	1.68	1.90	2.51
Rent	4.80	5.28	5.81	6.39	7.03
Total Fixed Expenses	17.54	18.49	19.34	20.39	21.94
Capacity Utilization	50%	55%	60%	65%	70%
OPERATING PROFIT	2.23	5.26	8.23	10.91	15.69
BREAK EVEN POINT	44%	43%	42%	42%	41%
BREAK EVEN SALES	201.60	205.21	211.28	222.24	225.84

6. LICENSE & APPROVALS

- Obtain the GST registration.
- Additionally, obtain the Udyog Aadhar registration Number.
- FSSAI License.
- Fire/pollution license as required.
- Factory License
- Choice of a Brand Name of the product and secure the name with Trademark if required.

Implementation Schedule

S.N.	Activity	Time Required (in Months)
1	Acquisition Of premises	1-2
2	Procurement & installation of Plant & Machinery	1-2
3	Arrangement of Finance	1-2
4	Requirement of required Manpower	1
	Total time Required (some activities shall run concurrently)	4-5 Months

7. ASSUMPTIONS

1. Operational Production Capacity of Green Chilli Sauce is 2000 Kgs per day. First year, Capacity has been taken @ 50%.
2. Working shift of 8 hours per day has been considered.
3. Raw Material stock is for 12 days and Finished goods Closing Stock has been taken for 10 days.
4. Credit period to Sundry Debtors has been given for 11 days.
5. Credit period by the Sundry Creditors has been provided for 8 days.
6. Depreciation and Income tax has been taken as per the Income tax Act,1961.
7. Interest on working Capital Loan and Term loan has been taken at 11%.
8. Salary and wages rates are taken as per the Current Market Scenario.
9. Power Consumption has been taken at 30 KW.
10. Selling Prices & Raw material costing has been increased by 5% & 5% respectively in the subsequent years.

Limitations of the Model DPR and Guidelines for Entrepreneurs

Limitations of the Model DPR

- i. This model DPR has provided only the basic standard components and methodology to be adopted by an entrepreneur while submitting a proposal under the Formalization of Micro Food Processing Enterprises Scheme of MoFPI.
- ii. This is a model DPR made to provide general methodological structure not for specific entrepreneur/crops/location. Therefore, information on the entrepreneur, forms and structure (proprietorship/partnership/cooperative/ FPC/joint stock company) of his business, details of proposed DPR, project location, raw material base/contract sourcing, entrepreneurs own SWOT analysis, detailed market research, rationale of the project for specific location, community advantage/benefit from the project, employment generation and many more detailed aspects not included.
- iii. The present DPR is based on certain assumptions on cost, prices, interest, capacity utilization, output recovery rate and so on. However, these assumptions in reality may vary across places, markets and situations; thus the resultant calculations will also change accordingly.