

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.

MARKET POTENTIAL:

The market potential for green chili sauce manufacturing is significant and continues to grow. Here are some key factors contributing to this potential:

Rising Demand for Spicy Foods:

- **Global Trend:** There's a global shift towards bolder, spicier flavors. Consumers are seeking out products that add excitement and heat to their meals.
- **Health Benefits:** Green chilies contain capsaicin, which offers potential health benefits like improved metabolism and pain relief.

Culinary Versatility:

- **Diverse Applications:** Green chili sauce can be used in a variety of cuisines, from Mexican and Indian to Asian and fusion dishes.
- **Versatile Uses:** It can be used as a marinade, dip, dressing, or cooking ingredient, making it a versatile addition to any kitchen.

Food Industry Trends:

- **Food Trucks and Street Food:** The popularity of street food and food trucks has increased the demand for flavorful condiments like green chili sauce.
- **Restaurant and Catering:** Restaurants and caterers are incorporating more diverse and flavorful sauces into their offerings to attract customers.

Key Market Opportunities:

- **Premium Products:** Consumers are willing to pay a premium for high-quality, unique, and flavorful green chili sauces.
- **Organic and Natural Options:** The demand for organic and natural food products is growing, creating opportunities for green chili sauce manufacturers to cater to this segment.
- **International Market:** The global market for hot sauces is expanding, offering opportunities for export and international distribution.

Challenges and Considerations:

- **Competition:** The market is competitive, with established brands and new entrants vying for consumer attention.
- **Supply Chain:** Ensuring a consistent supply of high-quality green chilies and other ingredients can be challenging.
- **Food Safety and Regulations:** Adhering to food safety regulations and maintaining high-quality standards is crucial.

Overall, the market potential for green chili sauce manufacturing is promising. By understanding consumer preferences, leveraging the versatility of the product, and addressing potential challenges, manufacturers can capitalize on this growing market and achieve success.

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
- Ro Water
- Spices & Contingents i.e. Onion Powder, Garlic powder, Ginger powder etc.
- Emulsifier/ Stabilizer: Corn starch, Modified starch etc.
- Preservatives: Salt, Acid, Sodium Benzoate.

3.3 Machine Requirement

Following machines are required for manufacturing of green chilli sauce:

- Steam jacketed Kettle: to boil Chilli before paste formation



- Pulverizes: to make paste of green chilli



- Pulper: to extract chilli pulp from paste



- Steam Jacketed Kettle (Fix Type) : to cook chilli sauce along with ingredients



- Homogenizer: to make chilli sauce more smooth



- Filling Tank: to store chilli sauce



- Transfer Pump: to pump chilli to packaging machine



- Other machines like: packaging and crown capping machine also required

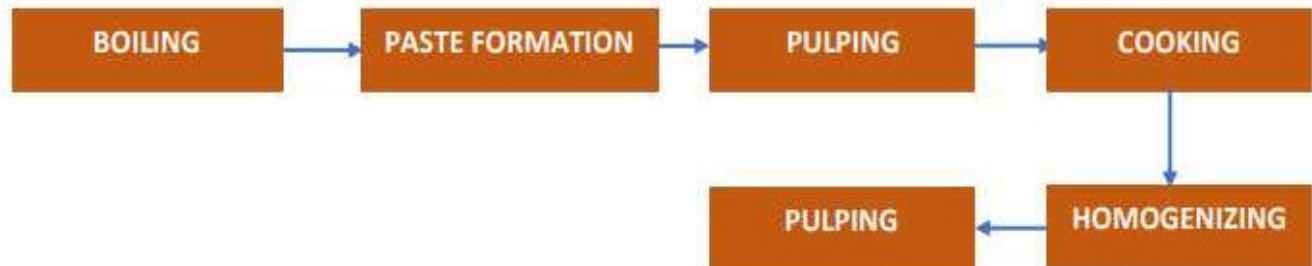
3.4 MANUFACTURING PROCESS

Fresh Green chilies are procured from vendor and the raw material is 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 of paste
- Homogenizing
- Pulping
- Final Product Checking
- Packaging
- Transport

Process layout:



PROJECT AT A GLANCE - TOP SHEET

1 Name of the Beneficiary	XXXXXX
2 Constitution(Legal Status)	Individual
3 Father/Spouse Name	XXXXXX
4 Unit Address	XXXXXX
	Taluk/Block: XXXXXX
	District : XXXXXX
	Pin: XXXXXX State: XXXXXX
	E-Mail : XXXXXX
	Mobile XXXXXX
5 Cost of Project	Rs. 7.83 in Lakhs
(i) Plant & Machinery	4.00 in Lakhs
(ii) Furniture & Fixtures	0.50 in Lakhs
(iii) Working Capital Required	3.33 in Lakhs
6 Means of Finance	Rs.
(i) Term Loan	4.05 in Lakhs
(ii) Working Capital	3.00 in Lakhs
(iii) Own Capital	0.78 in Lakhs
	7.83 in Lakhs
7 Debt Service Coverage Ratio	4.27
8 Break Even Point	42.45%
9 Plant & Machinery	Mixing,Homogenizer, grinding, and bottling machines,steam Jacketed Kettle etc.
10 Major Raw materials	Green Chilli, spices, preservatives
11 Employment	4
12 Power Requirement	5
13 Name of the project / business activity	Green Chilli Sauce Making Unit

PROJECTED CASH FLOW STATEMENT

PARTICULARS	YEAR-I	YEAR-II	YEAR-III	YEAR-IV
<u>SOURCES OF FUND</u>				
Capital	0.78	-	-	-
Reserve & Surplus	3.21	4.18	5.17	6.44
Depriciation & Exp. W/off	0.65	0.56	0.47	0.40
Increase in Cash Credit	3.00	-	-	-
Increase In Term Loan	4.05	-	-	-
Increase in Creditors	0.60	0.09	0.08	0.09
Increase in Provisions	0.50	0.03	0.03	0.03
TOTAL :	12.80	4.84	5.75	6.96
<u>APPLICATION OF FUND</u>				
Increase in Fixed Assets	4.50	-	-	-
Increase in Stock	0.65	0.09	0.09	0.10
Increase in Debtors	3.63	0.69	0.62	0.70
Repayment of Term Loan	0.81	1.08	1.08	1.08
Drawings	2.00	2.80	3.50	4.80
TOTAL :	11.58	4.66	5.29	6.68
Opening Cash & Bank Balance	-	1.21	1.39	1.86
Add : Surplus	1.21	0.18	0.46	0.28
Closing Cash & Bank Balance	1.21	1.39	1.86	2.13

PROJECTED BALANCE SHEET

PARTICULARS	YEAR-I	YEAR-II	YEAR-III	YEAR-IV
<u>SOURCES OF FUND</u>				
Capital Account	-	1.99	3.37	5.04
Add: Addition	0.78			
Add : Net Profit	3.21	4.18	5.17	6.44
	3.99	6.17	8.54	11.48
Less : Drawings	2.00	2.80	3.50	4.80
NET OWN FUNDS	1.99	3.37	5.04	6.68
Term Loan	3.24	2.16	1.08	-
Cash Credit	3.00	3.00	3.00	3.00
Sundry Creditors	0.60	0.69	0.77	0.86
Provisions & Other Liab	0.50	0.53	0.55	0.58
TOTAL :	9.34	9.74	10.44	11.12
<u>APPLICATION OF FUND</u>				
Fixed Assets	4.50	4.50	4.50	4.50
Less : Depreciation	0.65	1.21	1.68	2.08
Net Fixed Assets	3.85	3.30	2.82	2.42
Current Assets				
Sundry Debtors	3.63	4.31	4.94	5.64
Stock in Hand	0.65	0.74	0.83	0.93
Cash and Bank	1.21	1.39	1.86	2.13
TOTAL :	9.34	9.74	10.44	11.12
	-	-	-	-

PROJECTED PROFITABILITY STATEMENT

PARTICULARS	YEAR-I	YEAR-II	YEAR-III	YEAR-IV
Capacity Utilisation %	50%	55%	60%	65%
<u>SALES</u>				
Gross Receipts/Sale	36.25	43.14	49.36	56.40
Total	36.25	43.14	49.36	56.40
COST OF SALES				
Purchase & Consumables	18.13	20.71	23.20	25.94
Electricity Expenses	3.26	3.88	4.44	5.08
Other Direct Expenses	2.18	2.59	2.96	3.38
Cost of Production	23.56	27.18	30.60	34.40
Add: Opening Stock /WIP	-	0.65	0.74	0.83
Less: Closing Stock /WIP	0.65	0.74	0.83	0.93
Cost of Sales	22.92	27.08	30.51	34.30
GROSS PROFIT	13.33	16.05	18.85	22.10
	36.78%	37.22%	38.18%	39.18%
Salary to Staff	6.89	8.27	9.92	11.70
Selling & Adm Expenses Exp.	1.81	2.37	2.71	3.10
Depriciation	0.65	0.56	0.47	0.40
Interest on Term Loan	0.45	0.36	0.24	0.12
Interest on Working Capital	0.33	0.33	0.33	0.33
TOTAL (D+G)	10.13	11.88	13.67	15.66
NET PROFIT	3.21	4.18	5.17	6.44
	8.85%	9.68%	10.48%	11.41%
CASH ACCRUALS	3.86	4.73	5.65	6.84

COMPUTATION OF PRODUCTION

Production Capacity	25 Kg/hr
No. of Working Hour	10
Total	250 Kg/Day
No of Working Days per month	25
No. of Months	12
Total Production Per Annum	75,000 Kg

Year	Capacity Utilisation	Kg
YEAR-I	50%	37,500
YEAR-II	55%	41,250
YEAR-III	60%	45,000
YEAR-IV	65%	48,750

COMPUTATION OF SALE

Particulars	YEAR-I	YEAR-II	YEAR-III	YEAR-IV
Op Stock	-	1,250	1,417	1,547
Production	37,500	41,250	45,000	48,750
	37,500	42,500	46,417	50,297
Less : Closing Stock	1,250	1,417	1,547	1,677
Net Sale	36,250	41,083	44,869	48,621
Rate Per Kg	100.00	105.00	110.00	116.00
Net Sale (in lacs)	36.25	43.14	49.36	56.40

COMPUTATION OF DEPRECIATION

Description	Plant/Machinery Equipments	Furniture	TOTAL
Rate of Depreciation	15.00%	10.00%	
Opening Balance	-	-	-
Addition	4.00	0.50	4.50
	4.00	0.50	4.50
Less : Depreciation	0.60	0.05	0.65
WDV at end of Year-1	3.40	0.45	3.85
Additions During The Year	-	-	-
	3.40	0.45	3.85
Less : Depreciation	0.51	0.05	0.56
WDV at end of Year II	2.89	0.41	3.30
Additions During The Year	-	-	-
	2.89	0.41	3.30
Less : Depreciation	0.43	0.04	0.47
WDV at end of Year III	2.46	0.36	2.82
Additions During The Year	-	-	-
	2.46	0.36	2.82
Less : Depreciation	0.37	0.04	0.40
WDV at end of Year IV	2.09	0.33	2.42

TERM LOAN

Year	Opening Balance	Repayment	Closing Balance	Interest @ 11%
1st	4.05	0.81	3.24	0.45
2nd	3.24	1.08	2.16	0.36
3rd	2.16	1.08	1.08	0.24
4th	1.08	1.08	0.00	0.12

<u>BREAK EVEN POINT & RATIO ANALYSIS</u>				
Particulars	1st Year	2nd Year	3rd Year	4th Year
Fixed Cost	10.11	11.72	13.28	15.02
Variable Cost	23.58	27.34	30.99	35.04
Total Cost	33.69	39.06	44.28	50.06
Sales	36.25	43.14	49.36	56.40
Contribution (Sales-VC)	12.67	15.80	18.36	21.36
Capacity	50%	55%	60%	65%
B.E.P in %	40%	41%	43%	46%
Break Even Sales in Rs.	14.46	17.60	21.42	25.78
Net Profit Ratio	8.85%	9.68%	10.48%	11.41%

<u>CALCULATION OF D.S.C.R</u>				
PARTICULARS	YEAR-I	YEAR-II	YEAR-III	YEAR-IV
<u>CASH ACCRUALS</u>	3.86	4.73	5.65	6.84
Interest on Term Loan	0.45	0.36	0.24	0.12
Total	4.30	5.09	5.88	6.96
<u>REPAYMENT</u>				
Instalment of Term Loan	0.81	1.08	1.08	1.08
Interest on Term Loan	0.45	0.36	0.24	0.12
Total	1.26	1.44	1.32	1.20
DEBT SERVICE COVERAGE RATIO	3.43	3.54	4.46	5.81
AVERAGE D.S.C.R.			4.27	