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PROJECT REPORT

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PROJECT:

Garlic Powder and Flakes making Unit

PROJECT REPORT

Of

GARLIC POWDER & FLAKES

PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding **Garlic Powder and Flakes making Unit**.

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.]

PROJECT REPORT

ON

GARLIC FLAKES AND POWDER (DEHYDRATED)



Garlic is most commonly used as a condiment and for flavouring and seasoning of food products such as soups, dals, pickles, etc. It is also used for flavouring vinegar or oil for dressing. Incorporation of garlic in the diet at moderate levels is likely to shift the balance of the microflora in the intestines in favour of lactic organisms, which generally have a favourable effect on the absorption of minerals present in the diet.

Garlic has a pungent smell due to the presence of unsaturated sulphides. Several methods have been patented for the deodourization of garlic. An odour-free strain of garlic has been developed in Japan by continuous selection breeding. This strain tastes and smells like garlic until it is eaten, when for still unknown reasons, the odour disappears. This mutant strain of garlic does not revert to its original "smelly" strain even after six generations.

Garlic is endowed with several medicinal properties. It is stimulant, diaphoretic, expectorant, diuretic and tonic. It is rubefacient when applied externally. It is used as an anthelmintic and emmenagogue. The juice of garlic is used for various ailments of the stomach including amoebic dysentery. It is also used as an anti-tubercular drug, and in the treatment of epilepsy. It is reported to be anticholeric. Garlic reduces the blood sugar levels. It is an anti-fertility drug showing oxytocic activity.

B.I.S. SPECIFICATION

IS 5452 (1969) Dehydrated Garlic (Reaff. 1987)

MARKET SURVEY

1. USERS

Homes, Restaurants, Hotels & Institutions, food processing industries, snacks manufacturers.

2. SALE CHANNELS & METHODS

Selling would be made direct to wholesalers or to distributors or to general merchants.

3. GEOGRAPHICAL EXTENT OF MARKET

A. DOMESTIC: Since these products are used in homes and wherever food is served or prepared, the geographical extent of the market would be nationwide. The product is well packaged and cost of shipping would not be prohibitive in comparison with the sale value of the product.

B. EXPORT MARKET: These products are sold world wide and this industry should not experience great difficulty in selling its product in the export market. As of a higher quality product is required to be exported.

4. COMPETITION:-

A. DOMESTIC: Since a sizable investment is required to produce this product, the principal competition that could be encountered would be from other local plants producing the same products.

B. EXPORT MARKET: If the garlics are available locally & this plant is well managed and efficiently operated, it should have little difficulty in competing with other manufacturing.

5. MARKET NEEDED FOR PLANT

The market needed for this industry will depend to some extent on the per capita income. Under normal conditions, it is estimated that the population of the million would consume the output of this plant. However, the plant should experience little difficulty in exporting any surplus production.

Garlic powder is one of the important ingredients of spices industries. It comes under the category of seed spices. So now we are describing here about the spices industries market position.

Spices are used worldwide to add taste and flavor to the food. They are also known as appetizers and were considered essential in the culinary skill. Spices add a tang of flavor to otherwise insipid food stuff and act as flavor disguisers. Some of the spices possess anti oxidant properties. Some spices are also used in pharmaceuticals cosmetics and perfumery industries. India is known to be the home of spices. Indian spices famous for aroma and flavor have established their own importance in the domestic and international markets. India, being the traditional home of spices, almost all known spices namely, pepper, cardamom, chillies, ginger, turmeric, saffron are produced in the country.

Because of the importance of Indian spices in international market this study is an attempt to analyse the trend in production, export market and future prospect of spices in Indian domestic as well as in export market.

PROJECTED CASH FLOW STATEMENT

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
<u>SOURCES OF FUND</u>					
Share Capital	2.50	-			
Reserve & Surplus	11.80	14.67	18.87	22.87	26.64
Depriciation & Exp. W/off	2.40	2.09	1.79	1.54	1.32
Increase in Cash Credit	6.32	-	-	-	-
Increase In Term Loan	16.18	-	-	-	-
Increase in Creditors	5.72	7.62	1.91	1.91	1.91
Increase in Provisions	0.36	0.04	0.04	0.04	0.05
TOTAL :	45.28	24.41	22.60	26.35	29.91
<u>APPLICATION OF FUND</u>					
Increase in Fixed Assets	17.38	-	-	-	-
Increase in Stock	9.15	1.52	1.52	1.52	1.52
Increase in Debtors	3.59	0.79	0.63	0.63	0.63
Increase in Deposits & Adv	2.50	0.25	0.28	0.30	0.33
Repayment of Term Loan	-	4.05	4.05	4.05	3.12
Taxation	1.18	1.47	3.77	4.57	5.33
TOTAL :	33.80	8.07	10.25	11.08	10.94
Opening Cash & Bank Balance	-	11.48	27.82	40.17	55.45
Add : Surplus	11.48	16.34	12.35	15.27	18.97
Closing Cash & Bank Balance	11.48	27.82	40.17	55.45	74.42

PROJECTED BALANCE SHEET

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
<u>SOURCES OF FUND</u>					
Capital Account	2.50	2.50	2.50	2.50	2.50
Retained Profit	10.62	23.82	38.92	57.21	78.52
Term Loan	16.18	12.14	8.09	4.05	0.92
Cash Credit	6.32	6.32	6.32	6.32	6.32
Sundry Creditors	5.72	13.34	15.24	17.15	19.05
Provisions & Other Liab	0.36	0.40	0.44	0.48	0.53
TOTAL :	41.70	58.51	71.51	87.70	107.84
<u>APPLICATION OF FUND</u>					
Fixed Assets (Gross)	17.38	17.38	17.38	17.38	17.38
Gross Dep.	2.40	4.49	6.28	7.81	9.13
Net Fixed Assets	14.98	12.89	11.10	9.57	8.25
Current Assets					
Sundry Debtors	3.59	4.38	5.01	5.64	6.27
Stock in Hand	9.15	10.67	12.20	13.72	15.25
Cash and Bank	11.48	27.82	40.17	55.45	74.42
Deposits & Advances	2.50	2.75	3.03	3.33	3.66
TOTAL :	41.70	58.51	71.51	87.70	107.84
	-	-	-	-	-

PROJECTED PROFITABILITY STATEMENT

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
<u>A) SALES</u>					
Gross Sale	153.90	187.65	214.65	241.65	268.65
Total (A)	153.90	187.65	214.65	241.65	268.65
<u>B) COST OF SALES</u>					
Raw Mateiral Consumed	114.30	133.35	152.40	171.45	190.50
Elecricity Expenses	4.73	5.51	6.30	7.09	7.88
Repair & Maintenance	-	1.88	2.15	2.42	2.69
Labour & Wages	8.98	9.87	10.86	11.95	13.14
Depriciation	2.40	2.09	1.79	1.54	1.32
Consumables,packaging and Other Expenses	7.70	9.38	10.73	12.08	13.43
Cost of Production	138.10	162.08	184.23	206.52	228.96
Add: Opening Stock /WIP	-	6.48	7.56	8.64	9.72
Less: Closing Stock /WIP	6.48	7.56	8.64	9.72	10.80
Cost of Sales (B)	131.62	161.00	183.15	205.44	227.88
<u>C) GROSS PROFIT (A-B)</u>	22.28	26.65	31.50	36.21	40.77
	14%	14%	15%	15%	15%
<u>D) Bank Interest (Term Loan)</u>	1.40	1.69	1.22	0.76	0.30
Bank Interest (C.C. Limit)	0.73	0.73	0.73	0.73	0.73
<u>E) Salary to Staff</u>	5.28	5.81	6.39	7.03	7.73
<u>F) Selling & Adm Expenses Exp.</u>	3.08	3.75	4.29	4.83	5.37
TOTAL (D+E)	10.48	11.97	12.63	13.34	14.13
H) NET PROFIT	11.80	14.67	18.87	22.87	26.64
I) Taxation	1.18	1.47	3.77	4.57	5.33
J) PROFIT (After Tax)	10.62	13.21	15.10	18.29	21.31

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