

UP MSME 1-Connect

PROJECT REPORT

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PROJECT:

Green Tea Unit

PROJECT REPORT OF GREEN TEA PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding Green Tea.

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 AT GLANCE

1	Name of Proprietor/Director	XXXXXXXXXX	
2	Firm Name	XXXXXXXXXX	
3	Registered Address	XXXXXXXXXX	
4	Nature of Activity	XXXXXXXXXX	
5	Category of Applicant	XXXXXXXXXX	
6	Location of Unit	XXXXXXXXXX	
7	Cost of Project	24.87	Rs. In Lakhs
8	Means of Finance		
i)	Own Contribution	2.49	Rs. In Lakhs
ii)	Term Loan	16.38	Rs. In Lakhs
iii)	Working Capital	6.00	Rs. In Lakhs
9	Debt Service Coverage Ratio	2.92	
10	Break Even Point	36%	
11	Power Requirement	10	KW
12	Employment	11	Persons
13	Major Raw Materials	Green Tea Leaves	
14	Details of Cost of Project & Means of Finance		

COST OF PROJECT	
(in Lacs)	
PARTICULARS	Amount
Land & Building	Owned/Rented
Plant & Machinery	16.00
Furniture & Fixture	0.70
Miscellaneous Assets	1.50
Working capital Required	6.67
Total	24.87

MEANS OF FINANCE	
(in Lacs)	
PARTICULARS	Amount
Own Contribution @ 10%	2.49
Term Loan @ 90%	16.38
Working Capital (Bank Finance)	6.00
Total	24.87

GREEN TEA PROCESSING UNIT

1. INTRODUCTION



The *Camellia sinensis* plant provides all tea leaves. Tea types are created by changing the form and chemistry of the leaf, which is dubbed 'processing' or 'manufacture' in an unromantic way. Simple tea manufacturing will be covered in this class. There are five main processes in the processing of tea; certain teas do not use all of them, while others repeat them multiple times.

Plucking, Withering (allowing the leaves to wilt and soften), Rolling (shaping the leaves and wringing out the fluids), Oxidizing (see below), and Firing are the basic steps in the processing (i.e.: Drying). Oxidizing is the most important phase, as it determines the types of tea. The enzymes in the tea leaf interact with oxygen, resulting in oxidation.

Green tea is harvested, dried, and rolled. It is not oxidized since heat is used to avoid oxidation during the rolling process. The fresh leaves of green tea are steamed or pan-fired (tossed in a hot, dry wok) to a temperature high enough to prevent the enzymes from browning the leaf. It's a lot like blanching veggies. At the same time, the leaves are formed by curving them with the fingers and pushing them into the wok's sides. The leaves are then rolled and spun into a variety of forms, each with its own distinct flavor. The leaves are then fired a last time to thoroughly dry them, and they are finished. Green tea liquid is usually green or yellow in colour, with tastes ranging from toasted, grassy (pan fired teas) to fresh steamed greens (steamed teas) and mild, vegetable-like astringency. During the production process, green tea is processed in a variety of ways. Freshly picked young and unfermented leaves are

steamed immediately to avoid fermentation, providing a dry, stable product for making green tea, which may allow for some indoor withering to remove moisture. During the production process, green tea is processed in a variety of ways. Freshly picked young and unfermented leaves are steamed immediately to avoid fermentation, providing a dry, stable product for making green tea, which may allow for some indoor withering to remove moisture. Processing technology preserves natural poly phenols with regard to health-promoting qualities, and poly phenol components (catechins) in green tea dimerize to create a range of theaflavins, resulting in a diversity of biological activities in these teas. Inactivated enzymes can't break down the tea tissue chlorophyll, which adds to the green colour, therefore it's usually shortly after harvest.

2. PRODUCT DESCRIPTION

3.1. PRODUCT USES

Green teas are sometimes known as unfermented or non-fermented teas. Green tea, in particular, is frequently touted as being beneficial to one's health. Tea includes compounds that have been associated to a reduction in the risk of heart disease, cancer, and diabetes. Green tea polyphenols are powerful antioxidants.

3.2. RAW MATERIAL REQUIREMENT

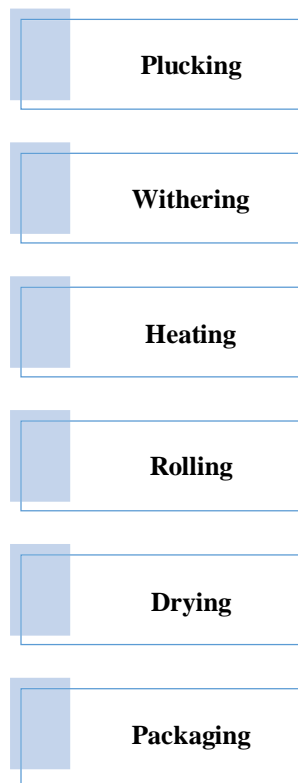
- Green Tea Leaves
- Packaging material

3.3. MANUFACTURING PROCESS

The main difference between green and black tea production is that the leaves do not go through any fermentation process, and the long process of natural withering is substituted with a faster process of steaming or sun drying.

- **Plucking-** Plucking is a term used in the tea business to describe the act of harvesting. Pick the delicate apical shoots, which include the terminal bud as well as 2/3 of the surrounding leaves. The tea shoot is nipped off by the picker with his thumb and fingers. To ensure the quality and flavor of tea, this standard of plucking is required. Machine plucking is used in some larger gardens, making this requirement harder to maintain because machine plucking results in more damaged leaves and incomplete buds. The leaves are transported from the garden to the facility in open trucks for processing. Before beginning the production process, they are weighed.
- **Withering-** Good qualities are spread out on laths wrapped with jute, wire, or nylon netting and let to wither in the sun. The withering period varies between 14 and 18 hours, depending on the weather and humidity content of the leaf. For the withering process, normal quality is spread out over big sieves. Huge ventilators force air through the leaf layers from below. During the withering process, the humidity of the still thick, unmalleable leaf is lowered by 30%.
- **Heating-** In wok-like cast-iron pans, the leaves are now heated for 10 minutes at 280°C. The leaves are twisted and pushed on the heated surface. Larger, automated drums are sometimes utilized in this procedure. The plant's own enzymes are transformed as a result of the heat. Because oxidation is no longer possible, the green color and fresh, herb-like flavor are retained.
- **Rolling-** In a so-called rolling machine, the tea leaves are put in between two rotating metal plates. This process takes approximately 15 minutes.
- **Drying-** Subsequently, the leaves are put into special dryers. Here, there are two turning discs which are heated to 160°C. The drying process serves a few important functions. It first halts both the enzymic and oxidative reactions. Second, drying produces a stable product that may be stored for an extended length of time without losing quality. Last but not least, the drying process is particularly essential for green tea since it is during this phase that green tea develops some desired qualities such as flavor and color.

- **Packaging-** In the final round the leaves are sorted either manually or sieving machine to sort out the inadequately dried leaves that retain part of its moisture content and the fine leaves are moved forward for packaging.



3. PROJECT COMPONENTS

3.1 Land /Civil Work

The land require for a green tea processing unit will be approx. around 800-1000 sq. ft.

3.2 Plant & Machinery

- **Tea Steamer-** This machine is used to steam the leaves to prevent the oxidation of the leaves such that its green color remains intact.



- **Tea Roller-** The Rolling Machine is used to crank up leaves rolled into a bar and broken cells, with controlled process parameters such as the cable tight knot, low broken tea, and so on. It is suitable to all types of rolled tea processing, and the rub ribs level must be specified during the purchase.



- **Dryer Machine-** To achieve the moisture level of dried black tea, the tea drying machine decreases moisture content from fermented and rolled tea leaves. Tea may be given a nice scent by completing the process with the use of a tea drier.



- **Grading Machine-** Tea grader is a technical machine helps to identify the defects of tea leaves according to size, shape, and color.



- **Packaging Machine-** A packing machine takes a group of items and packs them together for shipping. There are many styles of case packing that are available based on the type of product that is being packaged. There are several types of packing machines that are available.



4. LICENSE AND APPROVALS

- MSME Udyam online registration.
- GST Registration
- FSSAI

PROJECTED BALANCE SHEET**(in
Lacs)**

PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
<u>Liabilities</u>					
Capital					
Opening balance		5.55	7.94	10.44	14.12
Add: - Own Capital	2.49				
Add: - Retained Profit	5.06	7.39	9.50	11.68	13.63
Less: - Drawings	2.00	5.00	7.00	8.00	10.00
Closing Balance	5.55	7.94	10.44	14.12	17.74
Term Loan	14.56	10.92	7.28	3.64	-
Working Capital Limit	6.00	6.00	6.00	6.00	6.00
Sundry Creditors	1.75	1.97	2.19	2.43	2.68
Provisions & Other Liability	0.40	0.48	0.58	0.69	0.83
TOTAL:	28.26	27.31	26.49	26.88	27.26
<u>Assets</u>					
Fixed Assets (Gross)	18.20	18.20	18.20	18.20	18.20
Gross Dep.	2.70	4.99	6.94	8.61	10.02
Net Fixed Assets	15.51	13.21	11.26	9.59	8.18
Current Assets					
Sundry Debtors	4.31	5.09	5.80	6.56	7.38
Stock in Hand	4.19	4.73	5.30	5.91	6.58
Cash and Bank	2.25	1.67	1.33	1.81	1.92
Loans & Advances	2.00	2.60	2.80	3.00	3.20
TOTAL:	28.26	27.31	26.49	26.88	27.26

<u>PROJECTED PROFITABILITY STATEMENT</u>					(in Lacs)
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
Capacity Utilisation %	55%	60%	65%	70%	75%
<u>SALES</u>					
Gross Sale					
Green Tea	86.13	101.88	116.00	131.23	147.63
Total	86.13	101.88	116.00	131.23	147.63
<u>COST OF SALES</u>					
Raw Material Consumed	52.47	58.97	65.75	72.83	80.46
Electricity Expenses	1.06	1.27	1.37	1.48	1.58
Depreciation	2.70	2.29	1.95	1.66	1.42
Wages & labour	11.52	13.82	16.59	19.91	23.89
Repair & maintenance	2.58	3.06	3.48	3.94	4.43
Consumables	1.72	2.04	2.32	2.62	2.95
Packaging	1.29	1.53	1.74	1.97	2.21
Cost of Production	73.34	82.98	93.21	104.41	116.94
Add: Opening Stock	-	2.44	2.77	3.11	3.48
Less: Closing Stock	2.44	2.77	3.11	3.48	3.90
Cost of Sales	70.89	82.65	92.87	104.03	116.53
GROSS PROFIT	15.24	19.23	23.13	27.20	31.11
Gross Profit Ratio	17.69%	18.87%	19.94%	20.73%	21.07%
Salary to Staff	3.18	3.82	4.58	5.27	6.06
Interest on Term Loan	1.61	1.42	1.02	0.62	0.22
Interest on working Capital	0.66	0.66	0.66	0.66	0.66
Rent	2.40	2.64	2.90	3.19	3.51
Selling & Administrative Exp.	2.15	2.55	2.90	3.28	3.69
TOTAL	10.00	11.08	12.06	13.02	14.14
NET PROFIT	5.23	8.15	11.07	14.18	16.97
Taxation	0.17	0.75	1.57	2.50	3.34
PROFIT (After Tax)	5.06	7.39	9.50	11.68	13.63
Net Profit Ratio	5.88%	7.26%	8.19%	8.90%	9.23%

<u>PROJECTED CASH FLOW STATEMENT</u>					(in Lacs)
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
<u>SOURCES OF FUND</u>					
Own Margin	2.49				
Net Profit	5.23	8.15	11.07	14.18	16.97
Depreciation & Exp. W/off	2.70	2.29	1.95	1.66	1.42
Increase in Cash Credit	6.00	-	-	-	-
Increase In Term Loan	16.38	-	-	-	-
Increase in Creditors	1.75	0.22	0.23	0.24	0.25
Increase in Provisions & Oth liabilities	0.40	0.08	0.10	0.12	0.14
-	-				
TOTAL:	34.94	10.74	13.35	16.19	18.78
<u>APPLICATION OF FUND</u>					
Increase in Fixed Assets	18.20				
Increase in Stock	4.19	0.54	0.57	0.61	0.67
Increase in Debtors	4.31	0.79	0.71	0.76	0.82
Repayment of Term Loan	1.82	3.64	3.64	3.64	3.64
Loans & Advances	2.00	0.60	0.20	0.20	0.20
Drawings	2.00	5.00	7.00	8.00	10.00
Taxation	0.17	0.75	1.57	2.50	3.34
TOTAL:	32.69	11.32	13.68	15.71	18.67
Opening Cash & Bank Balance	-	2.25	1.67	1.33	1.81
Add : Surplus	2.25	-0.58	-0.34	0.48	0.10
Closing Cash & Bank Balance	2.25	1.67	1.33	1.81	1.92

CALCULATION OF D.S.C.R.

PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
CASH ACCRUALS	7.76	9.69	11.45	13.34	15.04
Interest on Term Loan	1.61	1.42	1.02	0.62	0.22
Total	9.37	11.11	12.47	13.96	15.26
<u>REPAYMENT</u>					
Instalment of Term Loan	1.82	3.64	3.64	3.64	3.64
Interest on Term Loan	1.61	1.42	1.02	0.62	0.22
Total	3.43	5.06	4.66	4.26	3.86
DEBT SERVICE COVERAGE RATIO	2.73	2.20	2.68	3.28	3.96
AVERAGE D.S.C.R.	2.92				

REPAYMENT SCHEDULE OF TERM LOAN							
						Interest	11.00%
Year	Particulars	Amount	Addition	Total	Interest	Repayment	Closing Balance
1st	Opening Balance						
	1st month	-	16.38	16.38	-	-	16.38
	2nd month	16.38	-	16.38	0.15	-	16.38
	3rd month	16.38	-	16.38	0.15	-	16.38
	4th month	16.38	-	16.38	0.15		16.38
	5th month	16.38	-	16.38	0.15		16.38
	6th month	16.38	-	16.38	0.15		16.38
	7th month	16.38	-	16.38	0.15	0.30	16.08
	8th month	16.08	-	16.08	0.15	0.30	15.77
	9th month	15.77	-	15.77	0.14	0.30	15.47
	10th month	15.47	-	15.47	0.14	0.30	15.17
	11th month	15.17	-	15.17	0.14	0.30	14.86
	12th month	14.86	-	14.86	0.14	0.30	14.56
					1.61	1.82	
2nd	Opening Balance						
	1st month	14.56	-	14.56	0.13	0.30	14.26
	2nd month	14.26	-	14.26	0.13	0.30	13.95
	3rd month	13.95	-	13.95	0.13	0.30	13.65
	4th month	13.65	-	13.65	0.13	0.30	13.35
	5th month	13.35	-	13.35	0.12	0.30	13.04
	6th month	13.04	-	13.04	0.12	0.30	12.74
	7th month	12.74	-	12.74	0.12	0.30	12.44
	8th month	12.44	-	12.44	0.11	0.30	12.13
	9th month	12.13	-	12.13	0.11	0.30	11.83
	10th month	11.83	-	11.83	0.11	0.30	11.53
	11th month	11.53	-	11.53	0.11	0.30	11.22
	12th month	11.22	-	11.22	0.10	0.30	10.92
					1.42	3.64	
3rd	Opening Balance						
	1st month	10.92	-	10.92	0.10	0.30	10.62
	2nd month	10.62	-	10.62	0.10	0.30	10.31
	3rd month	10.31	-	10.31	0.09	0.30	10.01
	4th month	10.01	-	10.01	0.09	0.30	9.71
	5th month	9.71	-	9.71	0.09	0.30	9.40
	6th month	9.40	-	9.40	0.09	0.30	9.10
	7th month	9.10	-	9.10	0.08	0.30	8.80
	8th month	8.80	-	8.80	0.08	0.30	8.49
	9th month	8.49	-	8.49	0.08	0.30	8.19
	10th month	8.19	-	8.19	0.08	0.30	7.89

	11th month	7.89	-	7.89	0.07	0.30	7.58
	12th month	7.58	-	7.58	0.07	0.30	7.28
				1.02	3.64		
4th	Opening Balance						
	1st month	7.28	-	7.28	0.07	0.30	6.98
	2nd month	6.98	-	6.98	0.06	0.30	6.67
	3rd month	6.67	-	6.67	0.06	0.30	6.37
	4th month	6.37	-	6.37	0.06	0.30	6.07
	5th month	6.07	-	6.07	0.06	0.30	5.76
	6th month	5.76	-	5.76	0.05	0.30	5.46
	7th month	5.46	-	5.46	0.05	0.30	5.16
	8th month	5.16	-	5.16	0.05	0.30	4.85
	9th month	4.85	-	4.85	0.04	0.30	4.55
	10th month	4.55	-	4.55	0.04	0.30	4.25
	11th month	4.25	-	4.25	0.04	0.30	3.94
	12th month	3.94	-	3.94	0.04	0.30	3.64
				0.62	3.64		
5th	Opening Balance						
	1st month	3.64	-	3.64	0.03	0.30	3.34
	2nd month	3.34	-	3.34	0.03	0.30	3.03
	3rd month	3.03	-	3.03	0.03	0.30	2.73
	4th month	2.73	-	2.73	0.03	0.30	2.43
	5th month	2.43	-	2.43	0.02	0.30	2.12
	6th month	2.12	-	2.12	0.02	0.30	1.82
	7th month	1.82	-	1.82	0.02	0.30	1.52
	8th month	1.52	-	1.52	0.01	0.30	1.21
	9th month	1.21	-	1.21	0.01	0.30	0.91
	10th month	0.91	-	0.91	0.01	0.30	0.61
	11th month	0.61	-	0.61	0.01	0.30	0.30
	12th month	0.30	-	0.30	0.00	0.30	-
				0.22	3.64		
	DOOR TO DOOR MORATORIUM PERIOD	60	MONTHS				
		6	MONTHS				
	REPAYMENT PERIOD	54	MONTHS				

DISCLAIMER

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