

## Chocolate Philosophy

### **Organization:**

Chocolate Philosophy

### **Project Title:**

Market Analysis and Feasibility Study

### **Focus Area:**

Business Expansion

### **About Chocolate Philosophy:**

Homemakers turned master chocolatier, Nivedita Prasad and Uma Raju are proud to share their experience with chocolate philosophy and how it all began. Little did they know that their friendship would turn into a powerful business venture. They had something in common something unique, a passion for creating artisanal chocolates that come in fine cases.

They started out small, catering to friends and family. The overwhelming responses that led to the creation of Chocolate Philosophy – distinctive flavours with a dash of philosophy in every box. To expand the gourmet venture, the duo set up a fully equipped workshop with efficient employees to help manage, deliver and administer the business. In the retail section, chocolate philosophy first catered to Bangalore International Airport and is now available in other retail outlets.

Being a premium brand of handmade chocolates, they use the finest chocolate couverture infused with a tad bit of delightful twist to create bitter sweet magic in every pack. The quality and love for chocolate remains intact from the very pure couverture to semi couverture chocolate products.

Creating premium handmade chocolates is an art that requires great skill, dedication and passion to produce something unique in the world of chocolates. Chocolate philosophy offers a refined and balanced taste of chocolates that are distinctively smooth, spicy, sweet or bitter.

### **Problem Statement:**

Enable Chocolate Philosophy to understand the feasibility of setting up a Cold Storage Facility on a 1 Acre Land they own.

**Process Description:**

The first meet took place on 25<sup>th</sup> November, 2016 where we visited their workshop – cum – office in R. T. Nagar. The discussion included sharing of all the requirement gathering of Chocolate Philosophy that they were expecting us to help them with. The tasks provided were about utilizing their 1 Acre of available ground near the Airport Area for setting up a cold storage facility. There was one other task that was allocated to us but could not be disclosed due to signing of an NDA.

The next step was to understand the market of cold storages in Bangalore and try to find probable and feasible vendors to get quotations and research on how feasible the quotes were for the company and suggest ideas on how to utilize the land in other ways.

**Industry Mentor**

Mrs. Nivedita Prasad

Mrs. Uma Raju

**Faculty Mentor:**

Prof. Anita Pillai

**Student Names:**

Vishal Thakur

Priyanka Patel

Kamal Sethi

Siddesh Sawant

Prajit Rathod

Venkatesh Hariharan

# **COLD STORAGE REPORT**

**(Based on Online Research)**

## **1. *Introduction***

Cold Storage Facility needs to be set up for Chocolate Philosophy to store and transport its Chocolates to various locations and also to other cities – Mumbai, Chennai, Kochi, and Bangalore

## **2. *Market***

- This Cold storage facility will be owned by Chocolate Philosophy to store their raw materials and chocolates.
- This would also be shared along with other vendors willing to use the facility to store their products.

## **3. *Storage capacity***

- The material to be kept under cold storage is received from the Chocolate Philosophy Workshops.
- It will be stacked and cooled to a temperature of minimum 8 degrees centigrade. The plant needs to be in continuous operation for three shifts a day with each shift of 8 hours duration.
- The storage capacity of the unit is assumed to be 500 Metric Tonnes (5, 00, 000 Kgs.) The time period required for achieving full capacity utilization is assumed to be one year.

## **4. *Rental revenue***

At a rental value of Rs. 150 per ton per day the total sales revenue per annum (assuming the facility is available for 365 days) would be Rs. 2, 73, 75, 000 lakhs on full capacity utilisation.

## **5. *Storage process outline***

- The material received from the workshops will be weighed and placed in crates with a customer and material code tag.
- The gross and net weights of the crate/sack will also be recorded.
- Stacking will be in pallets.

## **6. *Pollution control measures***

Not necessary as there are no pollutants or effluents.

## 7. Energy conservation measures

Common measures will do.

## 8. Land and construction cost for the proposed unit

- Land 1.0 acre.
- Storage area is 10000 square feet as detailed below.

Sr. No	Particulars	Approx. Area Consumption (in sq. ft.)
1	Cold Storage Facility	8712 (20% of 1 Acre land)
2	Admin Office	300
3	Spares Store	150
4	Refrigeration room	2500
5	Toilet Space	150
6	Misc. Space	100
	<b>Total</b>	<b>11912 (27% of 1 Acre Land)</b>

## 9. Construction cost

Approximate cost of construction (per sq. ft.) = Rs. 1400 – Rs. 1600

**[Values based on online research]**

Area of construction for 10 MT Cold Storage Facility = approx. 11912 sq. ft. (27% of 1 Acre Land)

Total Cost of Construction = Rs. 1500 \* 11912 sq. ft. = Rs. 1, 78, 68, 000 (Rounded off to 1.78 Crore)

## 10. Costing of machinery and equipment (Approx. Values based on Online research)

**Grand Total:** Rs. 70 Lakhs (Approx.)

Sr. No.	Description	Rs. In Lakhs (Approx.)
1	Refrigeration Equipment for cooling products stored in 8000 sq. ft. area	30
2	Ducting and Wall Panelling	15
3	Standby Equipment	10
	<b>Total</b>	<b>55</b>
4	Cost of Pallets and Stacking Trays	5
5	Fork Lift Vehicle (Optional)	10
	<b>Grand Total</b>	<b>70</b>

**11. Project Cost**

Sr. No.	Description	Rs. in Lakhs (Approx.)
1	Civil Works	100
2	Plant Machinery	50
3	Power Connection	1.5
4	Electrification	2
5	Erection and commissioning	3.5
6	Cost of machine spares	2
7	Cost of office equipment	1
8	Company formation expenses	0.1
9	Sales tax and registration expenses	0.2
10	Contingencies	1
11	Working Capital	2
	<b>Total</b>	<b>163.3</b>

**12. Working Capital Requirements per month**

Sr. No.	Description	No. Of Persons	Total Sal / Month (Rs. in Lakhs)
1	Refrigeration Engineer	1	0.150
2	Refrigeration Mechanics	3	0.300
3	Plant Mechanics	3	0.300
4	Skilled Workers	3	0.180
5	Unskilled Workers	20	0.600
6	Administrative Staffs	2	0.200
7	Security Staff	4	0.160
	<b>Total</b>	<b>36</b>	<b>1.890</b>

**13. Utilities per month**

Sr. No.	Description	Rs. in Lakhs
1	Power 120000 kwh @ Rs. 5.50 per unit	6.600
2	Water	0.100
3	Refrigeration Gas	1.500
	<b>Total</b>	<b>8.200</b>

14. **Total Working Capital per month**

Sr. No.	Description	Rs. in Lakhs
1	Salaries and Wages	3
2	Raw Materials and Packaging	0
3	Utilities	6
4	Contingent Expenses	1
	<b>Total</b>	<b>10</b>

15. **Turnover Per Year**

Sr. No.	Description	Quantity (in Metric Tonnes)	Rate/Tonne (Rs.)	Rs. in Lakhs
1	Cold Storage Facility	500	150	2.73

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25 March 2017

DATE