

# **PROJECT PROFILE**

ON

## **AMLA SYRUP (MICRO ENTERPRISE FOR SHG)**

Month & Year  
Aug 2010

**PREPARED BY  
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## **AMLA SYRUP (MICRO ENTERPRISE FOR SHG)**

### **1. Introduction**

Amla syrup is a concentrated form of fruit beverage made from Amla or *Emblica officianalis*. It is normally consumed after reconstitution with water to the extent of 5 to 7 times. It is preferred because it is ready to use and needs no terminal processing except dilution with water to form a ready to serve beverage. It has also a good nutritive value and therefore liked by one and all. It is a very good source of Vitamin C.

### **2. Market**

The major market outlets are the “ A” and “B” class stores. The product also finds placement in self-service counters and departmental stores.

### **3. Packaging**

Amla syrup is bottled in 200 ml capacities.

### **4. Production capacity**

- The plant will be in operation for one shift a day.
- The production capacity is estimated at 100 litres per day.
- The yield of Amla syrup will be 2500 litres per month and 30000 litres per annum.
- The time period required for achieving full capacity utilization is one year.

### **5. Sales revenue**

- With an ex-factory selling price at Rs. 70.00 per bottle of 200 ml., or Rs. 350 per litre, the sales realization will be Rs. 105 lakhs on full capacity utilization.

### **6. Production process outline.**

Mature round fruits of amla are taken, washed and steamed to make it soft. The seed is removed by slitting, and the fruit pressed to extract the juice. The yield of juice can range between 10 to 12 percent. Sugar is melted separately and mixed in equal proportions. The mixture is warmed slowly till the sugar concentration reads 65 degrees brix. The resulting squash is bottled.

. The product keeps well for over a year without change in colour or taste.

**7. Quality specifications**

- A certificate of approval for production has to be obtained under the Fruit Products Order (FPO)
- The minimum total soluble solids shall be 40%.
- The minimum fruit pulp content shall be 25%.
- Only sugar, dextrose, invert sugar, liquid glucose, either singly or in combination can be used as sweetening agents.
- Amla syrup shall not contain tartaric acid, agar or gelatin.
- The product should be free from mold and fungal growth.
- It should be free from any fermented odour, coliforms, salmonella and streptococci bacteria.

**8. Pollution control measures**

Not necessary as there are no pollutants or effluents.

**9. Energy conservation measures**

Common measures will do.

**10. Land and construction cost for the proposed unit**

The proposed unit is to be set up in a leased area. The total area required is 2200 square feet as described below:

SI	Description	Sq. feet
1	Processing area	600
2	Raw material store	200
3	Washing area	200
4	Packing material store	200
5	Finished goods store	200
6	Laboratory space	100
7	Boiler area	200
8	Administrative area	200
9	Machinery spares room	100
10	Toilets	200
<b>11</b>	<b>Total</b>	<b>2200</b>

- Rental value – Rs. 5.00 per square foot
- Total rent per month – Rs. 11000

### 11. Costing of machinery and equipment

SI	Description	Rs. lakhs
1	Fruit washing tank	0.100
2	Juice extractor	0.450
3	Steam jacketed kettle – tilting type	0.833
4	Stirrer	0.250
5	Bottle washing machine	0.356
6	Stainless steel working tables	0.888
7	Baby boiler and accessories	1.250
8	Working tools	0.100
<b>9</b>	<b>Total</b>	<b>4.227</b>
10	Laboratory equipment	0.500
<b>11</b>	<b>Grand total machinery and equipment</b>	<b>4.727</b>

### 12. Project cost

SI	Description	Rs. lakhs
1	Land	On lease
2	Civil works	On lease
3	Plant machinery	4.227
4	Laboratory equipment	0.500
5	Transport vehicle – Tata Ace	3.600
6	Pollution control equipment	0.000
7	Energy conservation equipment	0.000
8	Cost of power connection	0.050
9	Cost of electrification	0.200
10	Erection and commissioning	0.300
11	Cost of machinery spares	0.100
12	Cost of office equipment	1.000
13	Deposits if any	0.250
14	Company formation expenses	0.100
15	Gestation period expenses	0.500
16	Sales tax registration expenses	0.100
17	Initial advertisement and publicity	2.000
18	Contingencies	0.250
19	Working capital margin money	2.845
<b>20</b>	<b>Total</b>	<b>16.022</b>

### 13. Working capital requirements per month

#### a. Salaries and wages

SI	Description	No of persons	Total salary / month (Rs. lakhs)
1	Production Supervisor	1	0.150
2	Production assistant cum chemist	1	0.100
3	Skilled workers	1	0.050
4	Unskilled workers	2	0.060
5	Packing workers	2	0.060
6	Van driver	1	0.060
7	Administrative staff	1	0.060
<b>8</b>	<b>Total</b>	<b>9</b>	<b>0.540</b>

#### b. Raw material requirement per month

SI	Description	Qty (kgs)	Rate / kg (Rs)	Value (Rs. lakhs)
1	Amla	12500	40.00	3.750
2	Sugar	1300	30.00	0.390
3	<b>Total raw material</b>	<b>13800</b>		<b>4.140</b>

#### c. Packaging material requirement per month

SI	Description	Qty	Rate / unit (Rs)	Value (Rs. lakhs)
1	Primary packaging material – PET bottles of 200 ml capacity	12625 nos	4.00	0.505
2	Cartons and straps	505 nos	40	0.202
3	<b>Total</b>			<b>0.707</b>

**Total raw + packaging material = Rs. 4.847 lakhs**

#### d. Utilities per month

SI	Description	Rs. lakhs
1	Power 1000 kwh @ Rs. 6.00 per unit	0.060
2	Water	0.050
3	Boiler fuel	0.060
4	<b>Total utilities</b>	<b>0.170</b>

**e. Contingent expenses per month**

<b>SI</b>	<b>Description</b>	<b>Rs. lakhs</b>
1	Rent for processing shed	0.110
2	Postage and stationery	0.010
3	Telephones, fax etc.	0.020
4	Consumable stores	0.010
5	Repairs and maintenance	0.029
6	Local transports, loading and unloading	0.060
7	Advertisement and publicity @ 10% of sales	0.880
8	Insurance	0.005
9	Sales expenses @ 1% of sales	0.088
10	Miscellaneous expenses @ 1% of sales	0.088
11	Trade incentives @ 2% of sales	0.175
12	Taxes @ 4%	0.350
<b>13</b>	<b>Total contingent expenses</b>	<b>1.825</b>

**f. Total working capital requirement per month**

<b>SI</b>	<b>Description</b>	<b>Rs. lakhs</b>
1	Salaries and wages	0.540
2	Raw material and packaging material	4.577
3	Utilities	0.170
4	Contingent expenses	1.825
<b>5</b>	<b>Total</b>	<b>7.112</b>

**14. Means of finance**

<b>SI</b>	<b>Description</b>	<b>Rs. lakhs</b>
1	Total Project Cost	16.022
2	Equity	5.287
3	Debt	10.735
4	Working capital margin money	2.845

### 15. Financial analysis

SI	Description	Rs. lakhs
1	Total recurring cost per year	85.344
2	Depreciation on land and building	0.000
3	Depreciation on machinery and vehicle	0.830
4	Depreciation on furnaces	0.000
5	Depreciation on moulds and fixtures	0.050
6	Depreciation on office equipment	0.100
7	Interest on long term loan @ 13.5%	1.449
8	Interest on short term borrowings@ 13.5%	0.576
9	<b>Total cost of production</b>	<b>88.349</b>

### 16. Turnover per year

SI	Item	Qty	Rate/unit (Rs)	Total Rs. lakhs
1	Amla syrup	30,000 litres	350	105.00

### 17. Viability analysis

SI	Description	Value
1	Net profit before income tax (Rs. lakhs)	16.651
2	Net profit ratio	15.8%
3	Internal rate of return	30.3%
4	Break even percentage	40%
5	Debt service coverage ratio	2.102

#### List of machinery suppliers for Amla syrup

1. Geeta Food Engineering, Plot No. C - 7 / 1, TTC Industrial Area, Pawana MIDC, Thane - Belapur Road, Behind Savita Chemicals, Navi Mumbai 400705. Maharashtra.; Tel: 022 - 56101973; Fax: 022 – 55906450
2. Agaram Industries, 126, Nelson Road, Aminjikarai, Chennai, 600029, ; Tel: 044-23741413; Fax: 044-23741529
3. Royal Scientific Industries, T.S.74A, SIDCO Industrial Estate, Ekkatuthangal, Chennai. 600097., Tel: 044-22254749
4. Navinchandra and Co., 308, Thambu Chetty Street, Chennai. 600001; Tel: 044-25228675