

PROJECT PROFILE

ON

**JAMS
(WOMEN SHG ONLY)**

Month & Year
Aug 2010

**PREPARED BY
TANSTIA-FNF SERVICE CENTRE
B-22, INDUSTRIAL ESTATE
CHENNAI-600032**

Supported by

Friedrich Naumann
STIFTUNG **FÜR DIE FREIHEIT**

JAMS (WOMEN SHG ONLY)

1. Introduction

Jams are sweetened fruit preserves used commonly in households and liked by all age groups. It is used basically as a bread spread or with pizzas and pancakes. It finds wide acceptability as it is a fruit product; sweet and ready to use without any terminal processing.

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. Bakeries buy jams in bulk quantities for use in different products.

3. Packaging

Jams are packed in 4 kg containers for bulk packaging. In retail packaging, 200 grams or 450 grams are packed in bottles and sold.

4. Production capacity

- The plant will be in operation for one shift a day.
- The production capacity is estimated at 500 kilograms per day.
- The yield of Jams will be 12.5 tonnes per month and that per annum would be 150 metric tonnes.
- The time period required for achieving full capacity utilization is one year.

5. Sales revenue

- With an ex-factory selling price at Rs. 20.00 per unit of 200 grams, or Rs. 100.00 per kilogram, the annual sales revenue on full capacity utilization would yield Rs. 150.00 lakhs.

6. Production process outline.

Ripe fruits comprising papaya, apples, pineapples, mangoes, bananas, grapes are taken, washed and the skin peeled wherever applicable. The seeds are removed, sliced and the pulp and juice extracted from the fruits. The extracted mass is taken to the kettle where it is cooked under the influence of jacketed steam for twenty to thirty minutes. Sugar is then added in desired quantities and

the mass further cooked with constant stirring till a fluid mass is formed with a reading of 65 to 70 degrees brix on the brix meter. After cooking, the required quantities of citric acid, pectin, flavours and colours are added and the mass stirred thoroughly. The mass after homogenous mixing is emptied into steel containers from where they are poured into containers of 200 grams capacity. On cooling, the jam sets. The cup is sealed after placing a foil paper at its top. The cup is covered with a lid and placed in cartons, strapped prior to dispatch.

7. Quality specifications

- A certificate of approval for production has to be obtained under the Fruit Products Order (FPO)
- The minimum soluble solids shall be 68%.
- The minimum fruit pulp content shall be 45%.
- When raspberries and strawberries are used, the minimum quantities shall be 25%.
- Only sugar, dextrose, invert sugar, liquid glucose, either singly or in combination can be used as sweetening agents.
- Jams 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.
- If dried fruits are used, they shall be declared on the label.
- It can contain permitted flavours, colours and preservatives.

8. Pollution control measures

Not necessary as there are no pollutants or effluents. However, the peel and seeds of fruits processed have to be disposed off carefully failing which it could pollute the surrounding areas on fermentation, yielding a foul odour.

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 2000 square feet as described below:

SI	Description	Sq. feet
1	Processing area	700
2	Raw material store	200
3	Packing material store	200
4	Finished goods store	200
5	Laboratory	100
6	Baby boiler area	100
7	Machinery spares area	100
8	Packing area	100
9	Administration office	200
10	Toilet space	100
11	Total	2000

Lease rent – Rs. 8.00 per square foot

Total rent per month – Rs. 16000

Lease advance – Rs. 100000

11. Costing of machinery and equipment

SI	Description	Rs. lakhs
1	Fruit washing tank	0.100
2	Juice extractor or pulper	0.350
3	Steam jacketed kettle	0.600
4	Stirrer	0.121
5	Bottle washing machine	0.206
6	Stainless steel working tables	0.667
7	Baby boiler and accessories	1.250
8	Working tools	0.100
9	Total	3.394
10	Laboratory equipment	0.300
11	Grand total machinery and equipment	3.694

12. Project cost

SI	Description	Rs. lakhs
1	Land	On lease
2	Civil works	On lease
3	Plant machinery	3.394
4	Laboratory equipment	0.300
5	Transport vehicle (1 Tata Ace)	3.760
6	Pollution control equipment	0.000
7	Energy conservation equipment	0.000
8	Cost of power connection	0.050
9	Cost of electrification	0.100
10	Erection and commissioning	0.300
11	Cost of machinery spares	0.100
12	Cost of office equipment	1.000
13	Deposits if any	0.400
14	Company formation expenses	0.100
15	Gestation period expenses	0.500
16	Sales tax registration expenses	0.100
17	Initial advertisement and publicity	5.000
18	Contingencies	0.250
19	Working capital margin money	4.613
20	Total	19.967

13. Working capital requirements per month

a. Salaries and wages

SI	Description	No of persons	Total salary / month (Rs. lakhs)
1	Production Manager (female)	1	0.150
2	Production supervisor (female)	1	0.100
3	Skilled workers (female)	1	0.050
4	Unskilled workers (female)	2	0.060
5	Packing workers (female)	2	0.060
6	Administrative staff (female)	1	0.100
7	Driver	1	0.070
7	Total	9	0.590

b. Raw material requirement per month

SI	Description	Qty (kgs)	Rate / kg (Rs)	Value (Rs. lakhs)
1	Mixed fruits	9375	25.00	2.343
2	Sugar	6875	24.00	1.650
3	Citric acid	63	120	0.076
4	Pectin, flavours, preservatives	125	200	0.250
2	Total raw material	16438		4.319

SI	Description	Qty	Rate / unit (Rs)	Value (Rs. lakhs)
1	Primary packaging material – Plastic cups with foil and lid – 200 grams capacity	63000 nos	3.00	1.890
2	Cartons and straps	1260 nos	40.00	0.504
3	Total			2.394

Total raw + packaging material = Rs. 6.713 lakhs

d. Utilities per month

SI	Description	Rs. lakhs
1	Power 1000 kwh @ Rs. 5.50 per unit	0.055
2	Water	0.050
3	Boiler fuel	0.250
4	Total utilities	0.355

e. Contingent expenses per month

SI	Description	Rs. lakhs
1	Rent for processing shed	0.160
2	Postage and stationery	0.010
3	Telephones, fax etc.	0.050
4	Consumable stores	0.020
5	Repairs and maintenance	0.029
6	Local transports, loading and unloading	0.100
7	Advertisement and publicity @ 20% of sales	2.500
8	Insurance	0.005
9	Sales expenses @ 1% of sales	0.125
10	Miscellaneous expenses @ 1% of sales	0.125
11	Trade incentives @ 2% of sales	0.250
12	Taxes @ 4%	0.500
13	Total contingent expenses	3.874

f. Total working capital requirement per month

SI	Description	Rs. lakhs
1	Salaries and wages	0.590
2	Raw material and packaging material	6.713
3	Utilities	0.355
4	Contingent expenses	3.874
5	Total	11.532

14. Means of finance

SI	Description	Rs. lakhs
1	Total Project Cost	19.967
2	Equity	6.589
3	Debt	13.378
4	Working capital margin money	4.613

15. Financial analysis

SI	Description	Rs. lakhs
1	Total recurring cost per year	138.384
2	Depreciation on land and building	0.000
3	Depreciation on machinery	0.469
4	Depreciation on furnaces	0.000
5	Depreciation on moulds and fixtures	0.020
6	Depreciation on office equipment	0.100
7	Interest on long term loan @ 13.5%	1.806
8	Interest on short term borrowings@ 13.5%	0.934
9	Total cost of production	141.713

16. Turnover per year

SI	Item	Qty	Rate/unit (Rs)	Total Rs. lakhs
1	Jams	150,000 kgs	100	150.00

17. Viability analysis

SI	Description	Value
1	Net profit before income tax (Rs. Lakhs)	8.287
2	Net profit ratio	5.5%
3	Internal rate of return	28.2%
4	Break even percentage	48%
5	Debt service coverage ratio	2.134

Jams

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, aminjikai, 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



5. Heat and Control (S) Pvt. Ltd., E-2, 3rd Avenue, Anna Nagar, East, Chennai.
600102., Tel: 044-26212943