

# PROJECT PROFILE

ON

SOFTY ICE CREAMS

Month & Year  
Aug 2010

**PREPARED BY  
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## **SOFTY ICE CREAMS**

### **1. Introduction**

Softy Ice Creams are “soft” variety ice creams sold at numerous vending outlets in all towns and cities. Being less costly and having the texture of ice cream, it is consumed by one and all. In semi tropical climates like ours, it is popular right round the year as a pastime snack.

### **2. Market**

The manufacturer can place the vending machine in any prominent location in the market street to obtain the maximum sales. In addition he can place his machine outside departmental stores, bus stands, railway stations, exhibition stalls etc. At these points good sales opportunities exist right round the year.

### **3. Packaging**

Softy Ice Creams are presented to the consumer at the vending site in biscuit cones with a holding capacity of 200 ml.

### **4. Production capacity**

- The total quantity of milk processed per day will be 100 litres to yield 1000 cones of softy ice cream. Each ice cream will be of 100 ml volume. The total quantity of milk processed per month would be 2500 litres or 30,000 litres per annum.

### **5. Sales revenue**

- At a sales value of Rs. 10.00 per cone (Rs. 100 per litre), the total sales revenue would be Rs.10000 per day; or Rs. 2.50 lakhs per month; or Rs. 30.0 lakhs per annum.

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

Milk is mixed with the softy mix consisting of sugar, caragheen, flavours, permitted colours, cocoa mass etc., and fed into the machine. The machine has two refrigeration tanks, each of 8 litres capacity. The mix is chilled and aerated with constant stirring. From this reservoir, the mix is taken to the freezing cylinder by a pumping mechanism. There are two freezing cylinders, each of 1.2 litres

capacity in the machine for continuous production of ice cream. From the freezer the softy ice cream is discharged through a tube with controls at the exit so that the ice cream can be discharged directly into the cones.

#### **7. *Quality specifications***

- It shall be prepared from cow or buffalo milk.
- Milk, cream, whole milk powder and skimmed milk powder can be added.
- Artificial sweeteners are prohibited from being added.
- Only sugar, dextrose, invert sugar, liquid glucose, either singly or in combination can be used as sweetening agents.
- It can also contain eggs, fruits and fruit juice, preserved fruits, nuts and chocolate.
- It may contain permitted emulsifying and stabilizing agents not exceeding 0.5% by weight.
- The ice cream should contain a minimum of 10% milk fat, 3.5% protein and 36.0% total solids.
- Softy Ice Creams shall not contain gelatin.
- The product should be free from mold and fungal growth.
- It should be free from any fermented odour, coliforms, salmonella and streptococci bacteria.
- The mixture shall be suitably heated before freezing.
- If dried fruits are used, they shall be declared.
- It can contain permitted flavours and colours.

#### **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 softy machine may be set up in a leased area in any prime location such as a departmental store, theater, bus stand, market street, or any suitable place. The lease rent payable would be Rs. 5000 per month.

**11. Costing of machinery and equipment** **Rs. lakhs**

- Softy machine 3.870
- **Total cost of plant machinery** **3.870**

**12. Project cost**

SI	Description	Rs. lakhs
1	Plant machinery	3.870
2	Cost of electrification	0.005
3	Erection and commissioning	0.038
4	Cost of machinery spares	0.010
5	Deposits if any	0.500
6	Working capital margin money	0.755
7	<b>Total</b>	<b>5.178</b>

**13. Working capital requirements per month**

**a. Salaries and wages**

SI	Description	No of persons	Total salary / month (Rs. lakhs)
1	Proprietor	1	0.250
2	Vending assistant	1	0.150
3	<b>Total</b>	<b>2</b>	<b>0.400</b>

**b. Material requirement per month**

SI	Description	Qty	Rate (Rs)	Value (Rs. lakhs)
1	Milk	2500 litres	22.00	0.550
2	Sugar	250 kgs	24.00	0.060
3	Ice cream mix, flavour	250 litres	60.00	0.150
4	Softy cones	30000 nos	2.00	0.600
5	<b>Total material</b>			<b>1.360</b>

**d. Utilities per month**

SI	Description	Rs. lakhs
1	Power 100 kwh @ Rs. 5.50 per unit	0.006
2	<b>Total utilities</b>	<b>0.006</b>

**e. Contingent expenses per month**

SI	Description	Rs. lakhs
1	Rent for vending space	0.050
2	Repairs and maintenance	0.025
3	Local transports, loading and unloading	0.030
4	Miscellaneous expenses @ 1% of sales	0.025
5	<b>Total contingent expenses</b>	<b>0.130</b>

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

SI	Description	Rs. lakhs
1	Salaries and wages	0.400
2	Raw material and packaging material	1.360
3	Utilities	0.006
4	Contingent expenses	0.130
5	<b>Total</b>	<b>1.896</b>

**14. Means of finance**

SI	Description	Rs. lakhs
1	Total Project Cost	5.178
2	Equity	1.708
3	Debt	3.470
4	Working capital margin money	0.755

**15. Financial analysis**

SI	Description	Rs. lakhs
1	Total recurring cost per year	22.752
2	Interest on long term loan @ 13.5%	0.468
3	Interest on short term borrowings@ 13.5%	0.153
4	<b>Total cost of production</b>	<b>23.373</b>



**16. Turnover per year**

SI	Item	Qty	Rate/unit (Rs)	Total Rs. lakhs
1	Softy Ice Cream	3,00,000 cones	10.00	30.00

**17. Viability analysis**

SI	Description	Value
1	Net profit before income tax (Rs. Lakhs)	6.627
2	Net profit ratio	22.1%
3	Internal rate of return	23.0%
4	Break even percentage	34%
5	Debt service coverage ratio	2.120

**Softy Ice Cream Machines**

1. Akshay Industries, 107, Rajshree Industrial Estate - II, Chitalsar, Manpada, Ghodbunder Road, Thane West, Mumbai. 400607, Maharashtra.; Tel: 022 - 25435838; Fax: 022 - 25335188
2. Amancio Dairy Machinery, R.K.Centre, Fatehgunj, Vadodra. 390002, Gujarat.; Tel: 0265 - 324591; Fax: 0265 - 2372167
3. Dairy Den Limited, A - 29, GIDC Industrial Estate, Sector 25, Gandhinagar 382044, Gujarat.; Tel: 02712 - 232421; Fax: 02712 - 227716
4. Darshin Engineering Industries, 13, Vedagiri Street, Chintadripet, Chennai. 600002.; Tel: 044 - 28534221; Fax: 044 - 26243501
5. Indo Stainless Fabtech Private Limited, 439, SIDCO Industrial Estate, Ambattur, Chennai. 600098.; Tel: 044 - 26242907; Fax: 044 - 26245024