

# FRUIT VINEGAR

QUALITY AND STANDARDS : As per FPO specifications

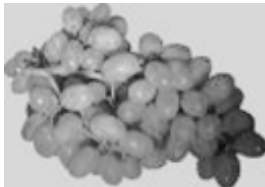
PRODUCTION CAPACITY : 40,000 bottles of 650 mL cap.each



## 1.0 PRODUCT AND ITS APPLICATION

Vinegar is a natural product derived from alcoholic and acetous fermentation of a suitable medium such as fruits, malt, molasses, sugarcane juice etc. Vinegar is known to have various applications in homes, restaurants and in the food industries. It is used in pickle, chutney, tomato ketchup, sauces and various other condiment preparations. Vinegar aids digestion and improves the quality of cooked meat and fish. Vinegar should contain atleast 3.75 g of acetic acid per 100mL and should also contain atleast 1.5% w/v of total solids and 0.18% total ash.

## 2.0 MARKET POTENTIAL



Vinegar is largely produced in the cottage scale or in traditional sectors. Presently synthetic vinegar is also being produced. Natural vinegar is nutritive, appealing and has a huge market demand.



## 3.0 BASIS AND PRESUMPTIONS

- The unit proposes to work at least 300 days per annum on single shift basis.
- The unit can achieve its full capacity utilization during the 3rd year of operation.
- The wages for skilled workers is taken as per prevailing rates in this type of industry.
- Interest rate for total capital investment is calculated @ 12% per annum.
- The entrepreneur is expected to raise 20-25% of the capital as margin money.
- The unit proposes to construct own building as per F.P.O. specifications.
- Costs of machinery and equipment are based on average prices enquired from machinery manufacturers.

## 4.0 IMPLEMENTATION SCHEDULE

Project implementation will take a period of 8 months. Break-up of the activities and relative time for each activity is shown below:

❖ Scheme preparation and approval	:	01 month
❖ SSI provisional registration	:	1-2 months
❖ Sanction of financial supports etc.	:	2-5 months
❖ Installation of machinery and power connection	:	6-8 months
❖ Trial run and production	:	01 month

## 9.0 FINANCIAL ASPECTS

### 9.1 Fixed Capital

9.1.1 Land & Building		Amount (Rs. lakh)
Land 700 sq.m.	:	1.00
Built up Area (shed 400 sq. m.)	:	1.00
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Total cost of Land and Building	:	2.00

### 9.1.2 Machinery and Equipment

Description		Amount (Rs. lakh)
Vinegar generator, hydraulic press, filter press, fermentation tanks, weighing scales, trolleys, polythene carboys, wooden barrels, bottle washing unit, PP cap sealing machine, lab equipment.	:	3.00
Erection & electrification @10% cost of machinery & equipment	:	0.30
Office furniture & fixtures	:	0.30
Total :		-----
		3.60

### 9.1.3 Pre-operative Expenses

Consultancy fee, project report, deposits with electricity department etc.	:	0.40
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### 9.1.4 Total Fixed Capital : 6.00 (9.1.1+9.1.2+9.1.3)

## 9.2 Recurring expenses per annum

### 9.2.1 Personnel

Designation	No.	Salary Per month	Amount (Rs.lakh)
Manager	1	8000	0.96
Supervisor	1	5000	0.60
Lab technician	1	3000	0.36
Skilled workers	2	2000	0.48
Unskilled workers	6	1500	0.72
			-----
			3.12
Perquisites @15%			0.48
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Total :	11		3.60

### 9.2.2 Raw Material including packaging materials

Particulars	Qty.(MT)	Rate	Amount (Rs. lakh)
Fruits, Jaggery, molasses			1.00
Glass bottles 45000			1.80
PP caps. 40000			0.20
Labels			0.20
Chemicals Corn Cobs, glass apparatus etc.			0.40
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Total:			3.60

### 9.3.2 Utilities

	Amount (Rs. lakh)
Power	0.09
Water	0.01
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Total:	0.10

### 9.2.4 Other Contingent Expenses

	Amount (Rs. lakh)
Repairs and maintenance@10%	0.43
Consumables & spares & others	0.53
Insurance	0.04
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Total:	1.00

### 9.2.5 Total Recurring Expenditure

(9.2.1+9.2.2+9.2.3+9.2.4)	5.30
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### 9.3 Working Capital

Recurring Expenditure for 3 months

### 9.4 Total Capital Investment

	Amount (Rs. lakh)
Fixed capital (Refer 9.1.4)	6.00
Working capital (Refer 9.3)	1.33
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Total:	7.33

## 10.0 FINANCIAL ANALYSIS

### 10.1 Cost of Production (per annum)

	Amount (Rs. lakh)
Recurring expenses (Refer 9.2.5)	5.30
Depreciation on building @5%	0.05
Depreciation on machinery @10%	0.33
Depreciation on furniture @20%	0.06
Interest on Capital Investment @12%	0.88
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Total:	6.62

## 10.2 Sale Proceeds (Turnover) per year

Item	Qty. (MT)	Rate per MT	Amount (Rs.lakh)
Vinegar packed in glass bottles of 650 mL capacity each	40000	20	8.00

## 10.3 Net Profit per year

= Sales - Cost of production  
= 8.00 - 6.62  
= Rs. 1.38

## 10.4 Net Profit Ratio

=  $\frac{\text{Net profit} \times 100}{\text{Sales}}$   
=  $\frac{1.38 \times 100}{8.00}$   
= 17.25%

## 10.5 Rate of Return on Investment

=  $\frac{\text{Net profit} \times 100}{\text{Capital Investment}}$   
=  $\frac{1.38 \times 100}{7.33}$   
= 18.83%

## 10.6 Annual Fixed Cost

	Amount (Rs. Lakh)
All depreciation	0.44
Interest	0.88
40% of salary, wages, utility, contingency	1.88
Insurance	0.04
Total:	2.24

## 10.7 Break even Point

=  $\frac{\text{Annual Fixed Cost} \times 100}{\text{Annual Fixed Cost} + \text{Profit}}$   
=  $\frac{2.24 \times 100}{2.24 + 1.38}$   
=  $\frac{2.24 \times 100}{3.62}$   
= 62%

## 11.0 ADDRESSES OF MACHINERY AND EQUIPMENT SUPPLIERS

Batliboi Engineers (Bangalore) Pvt. Ltd.  
99/2&3, N.R.Road  
Bangalore – 560 002

B.Sen Barry & Co.  
65/11, New Rohtak Road  
New Delhi – 110 005

Gardners Corporation  
158 Golf Links,  
New Delhi – 110 003

Narene Tulaman Manufacturers Pvt. Ltd.  
Balanagar  
Hyderabad – 500 037

Raylon Metal Works  
Kondivitta Lane  
J.B.Nagar, Andheri  
Mumbai – 400 059

Bajaj Maschinen Pvt. Ltd.  
7/20-7/27 Jai Laxmi Industrial Estate, Site IV  
Sahibabad Industrial Area - 201010  
Dist.Ghaziabad, UP

SSP (Pvt) Ltd.  
13<sup>th</sup> Milestone, Mathura Road  
Faridabad – 121003, Haryana

Narangs Corporation  
P-25/90 Connaught Place  
New Delhi – 110001

Nirmal Services  
2254/23 Rajguru Road, Chuna Mandi  
Paharganj  
New Delhi – 110055

Ganson Ltd.  
645 Anna Salai  
Chennai – 600006

Grovers Pvt. Ltd.  
223, Kaliandas Udyog Bhavan  
Prabhadevi  
Mumbai – 400 025

Macneill and Magor Ltd.  
4, Mangoe Lane  
Kolkata – 700 001