

SQUASHES MANUFACTURING

1. INTRODUCTION

Squashes are a concentrated form of fruit beverages. They are normally consumed after reconstitution with water to the extent of 5 to 7 times. They are preferred because of their ready to serve nature. They need no terminal processing except dilution with water to form a ready to serve beverage. They also have a good nutritive value and therefore are liked by one and all. Among the squashes Orange, mango, lemon and grapes are the most commonly consumed.

2. MARKET

The products find placement in all departmental stores, self service counters A and B class retail outlets. Despite various brands such as Kissan, Noga etc being available in the market, on a national scale, many small scale manufacturers have a market share because of the ever increasing market size and demand for the product.

3. MANUFACTURING PROCESS

Ripe fruits such as loose skinned oranges of Coorg or Nagpur varieties or black grapes are taken. The outer jacket of the oranges are peeled manually. The rag sticking to the segments is removed as it creates some bitterness in the juice if allowed to remain. The segments are passed through the juice extractor for juice. The juice is kept separately. In the jacketed vessels, sugar, citric acid and water are mixed together and heated. The solution is cooled and filtered through cloth. The clear syrup is mixed with the juice and stirred till a uniform solution is obtained. To improve the flavour and colour of the end product, small quantities of appropriate flavour and colours are added finally, stirred to get a perfect homogenous mix. After mixing all ingredients, the preservatives potassium meta-bi-sulphite is to be added. The compound dissolved previously in small quantities of juice is added and mixed thoroughly. The squash is then filled in washed and sterilised bottles leaving about one inch space. The bottles are then closed with crown or ordinary corks, capped and labelled. They are then stored in a cool dry place. The product keeps well for one year without change in colour or taste.

4. PRODUCTION CAPACITY PER ANNUM

Capacity 600000 Ltrs per annum
Selling Price Rs. 26.9 Per ltr

5. PROJECT COST/CAPITAL INVESTMENT

S.No	Description	Amount Rs.
1	Preliminary & Preoperative Exps	4000
2	Fixed Capital	351000
3	Working Capital for 1 month(s)	1294900
	Total Project Cost	1649900

6. MEANS OF FINANCE

S.No	Description	%age	Amount Rs.
1	Promoter Contribution	15%	247485
2	Subsidy /Soft Loan	20%	329980
3	Term Loan	65%	1072435
	Total		1649900

7. FINANCIAL ASPECTS

A. FIXED CAPITAL

i. Land and Buildings Rented 3000 per month

ii. Machinery and Equipment

S.No	Description	Qty.	Rate	Amount Rs.
1	Fruits washing tank	Nos 1	5000	5000
2	Juice extractor	Nos 1	30000	30000
3	Steam jacketed kettle	Nos 1	38000	38000
4	Stirrer	Nos 1	15000	15000
5	Bottle washing machine	1	23000	23000
6	Stainless steel accessories	1	80000	80000
7	Baby boiler and accessories	1	100000	100000
8	Working tools	1	20000	20000
9	Electrification testing machine	Lum 1	40000	40000
	Total			351000

B. WORKING CAPITAL

i. Salaries & Wages (per month)

S.No	Description	Nos.	Sal/mon.	Amount Rs.
1	Supervisor/Entrepreneur	1	3000	3000
2	Skilled workers	10	2000	20000
3	Technicians	5	2000	10000
4	workers	6	1500	9000
5		0	0	0
	Total			42000

ii. Raw Material (per month)

S.No	Description	Unit	Qty.	Rate	Amount Rs.
1	Fruits	Kgs	50000	15	750000
2	Sugar	Kgs	6000	15	90000
3	Citric acid	Kgs	560	70	39200
4	Flavours, colours etc		250	220	55000
5	Packing material		25250	10	252500
6	Secondary packing material	Kgs	2600	12	31200
7					0
	Total				1217900

iii. Utilities (per month)

S.No	Description	Unit	Amount Rs.
1	Power	LS	20000
2	Water	LS	1000
	Total		21000

iv. Other Expenses (per month)

S.No	Description	Amount Rs.
1	Postage & Stationery Expenses	3000
2	Transportation Expenses	3000
3	Advertisement Expenses	2000
4	Consumable Stores	2000
5	Miscellaneous Expenses	1000
	Total	11000

v. Total Working Capital (per month)

S.No	Description	Amount Rs.
1	Rent	3000
2	Salaries and Wages	42000
3	Raw Material	1217900
4	Utilities	21000
5	Other Expenses	11000
	Total	1294900

8. COST OF PRODUCTION (PER ANNUM)

S.No	Description	Amount Rs.
1	Total Working Capital	1538800
2	Depreciation @ 15%	52650
3	Interest @ 12%	128692
	Total	15720142

9. TURNOVER (PER YEAR)

S.No	Description	Unit	Qty.	Rate Rs.	Amount Rs.
1		Ltrs per annu	600000	26.9	16140000
	Total				16140000

10. FIXED COST (PER YEAR)

S.No	Description	Amount Rs.
1	Depreciation	52650
2	Interest	128692
3	Rent	36000
4	Salaries & Wages @ 40%	201600
5	Other Expenses incl. Utilities @ 40%	153600
	Total	572542

11. PROFIT ANALYSIS & RATIOS

1	Net Profit	Rs.	419858
2	Percentage of Profit on Sales		3%
3	Percentage of Return on Investment		25%
4	Break Even Point		58%

