Profile No.: 53 **NIC Code: 11045**

SHERBOTS

1. INTRODUCTION:

Sherbet/sherbots or Syrups are extensively used in a country like India where many regions experience long summer. People, here, need refreshing and thirst quenching beverages. Use of flavored thick sugar syrups is very common in every other household. Syrups are largely made with synthetic process. Use of various fruits and mixes makes sherbet/sherbots nutritious for consumption.

2. PRODUCT & ITS APPLICATION:

Sherbet/sherbots made from various mixes of fruits and sugar have good amount of nutrition and refreshing qualities to satisfy thirst. With easy to make application, housewives find it suitable for serving to guests on occasions and festivals. The use of fruits by industry for the preparation of such products will not only reduce wastage of fruits during handling but also add nutrition and palatability to the drink.

3. DESIRED QUALIFICATIONS FOR PROMOTER:

Successful running this project does not require any specific qualification.

4. MARKET POTENTIAL AND MARKETING ISSUES, IF ANY:

With the changing pace of human activity and changing life style, the demand for easy-to-prepare drink is also increasing. Besides consumption in the households, it is served in hotels, restaurants, clubs, airlines, railways etc. There has been an appreciable increase in the export of processed foods which includes squashes and syrups. With the fast growth of the urban areas and the living standards of the Indian people growing higher, there is a good potential to develop this industry in the small

scale sector. With implementation various food standards such as FSSAI, FSMS, ISI and ISO standards, there can be huge market growth for manufacturer.

5. RAW MATERIAL REQUIREMENTS:

Assorted fruits, sugar, chemicals like citric acid, food color, essence, and preservatives are raw materials required for manufacturing syrups. For packing, PP bottles, caps and cardboard boxes are required.

6. MANUFACTURING PROCESS:

The process of making synthetic juice is quite simple. First, sugar syrup is made with the jacketed mixing tank from the sugar granules, then this sugar syrup is mixed up with water, synthetic juice flavors, colors, preservatives etc. in the other mixing tank for some time and once juice gets ready, it is stored in the storage tank and there after it is packed in the suitable packing with the help of packing machine. For better and perfect quality preparation, there should be an RO plant installed at facility such that manufacturer need not be dependent on quality of water supplied by local suppliers.

7. MANPOWER REQUIREMENT:

The enterprise requires 15 employees as detailed below**:**

Sr. No.	**Designation of Employees**	**Salary Per Person**	**Monthly Salary ₹**	**Number of employees required**				
				Year-1	**Year-2**	**Year-3**	**Year-4**	**Year-5**
1	Operator	₹ 10,000.00	₹ 10,000.00	2	2	2	3	3
2	Un Skilled Workers	₹ 8,000.00	₹ 24,000.00	6	6	6	10	10
3	Accountant	₹ 12,000.00	₹ 12,000.00	1	1	1	1	1
4	Store Keeper	₹ 8,000.00	₹ 8,000.00	2	2	2	4	4
5	Sales Staff	₹ 12,000.00	₹ 24,000.00	4	4	4	6	6
	Total		₹ 78,000.00	15	15	15	24	24

8. IMPLEMENTATION SCHEDULE:

The project can be implemented in 6 to 8 months' time as detailed below:

Sr. No.	Activity	Time Required *(in months)*
1	Acquisition of premises	2.00
2	Construction (if applicable)	2.00
3	Procurement & installation of Plant & Machinery	1.50
4	Arrangement of Finance	1.50
5	Recruitment of required manpower	1.00
	Total time required *(some activities shall run concurrently)*	6.00 – 8.00

9. COST OF PROJECT:

The project shall cost ₹ 110.31 lacs as detailed below:

Sr. No.	Particulars	₹ in Lacs
1	Land	5.60
2	Building	4.50
3	Plant & Machinery	5.10
4	Furniture, other Misc. Equipments	0.85
5	Other Assets including Preliminary / Pre-operative expenses	0.51
6	Margin for Working Capital	93.75
	Total	**110.31**

10. MEANS OF FINANCE:

Bank term loans are assumed @ 60% of fixed assets. The proposed funding pattern is as under:

Sr. No.	Particulars	₹ in Lacs
1	Promoter's contribution	27.58
2	Bank Finance	82.73
	Total	**110.31**

11. WORKING CAPITAL CALCULATION:

The project requires working capital of ₹93.75 lacs as detailed below:

Sr. No.	Particulars	Gross Amt	Margin %	Margin Amt	Bank Finance
1	Inventories	46.88	0.25	11.72	35.16
2	Receivables	23.44	0.25	5.86	17.58
3	Overheads	23.44	100%	23.44	0.00
4	Creditors	-		0.00	0.00
	Total	93.75		41.02	52.73

12. LIST OF MACHINERY REQUIRED:

A detail of important machinery is given below:

Sr. No.	Particulars	UOM	Qtty	Rate (₹ in lacs)	Value (₹ in Lacs)
a)	***Main Machinery***				
1	Sugar Syrup Preparation Tank	Nos	1	₹ 0.53	₹ 0.53
2	Filter Press for Sugar Filtration	Nos	1	₹ 0.68	₹ 0.68
3	Blending Tank for Beverage Preparation	Nos	1	₹ 0.47	₹ 0.47
4	Storage Tank for Sugar Syrup	Nos	1	₹ 0.35	₹ 0.35
5	RO - Mineral Water Plant	Nos	1	₹ 0.75	₹ 0.75
6	Rinsing, Filling Sealing Capping Machine	Nos	1	₹ 0.63	₹ 0.63
7	Boiler for Sugar Syrup Tank	Nos	1	₹ 0.35	₹ 0.35
8	Wrapping and Labelling Machine	Nos	1	₹ 0.32	₹ 0.32
9	Material Handling Equipment	LS		₹ 0.72	₹ 0.72
10	Misc. Tools	LS		₹ 0.30	₹ 0.30
	sub-total Plant & Machinery				**₹ 5.10**
	Furniture / Electrical installations				
1	Office furniture and Electrification	LS	1	₹ 0.85	₹ 0.85
	sub total				**₹ 0.85**
	Other Assets				
1	preliminary and preoperative	LS		0.51	₹ 0.51
	sub-total Other Assets				**₹ 0.51**
	Total				**₹ 6.46**

13. PROFITABILITY CALCULATIONS:

Sr. No.	Particulars	UOM	Year-1	Year-2	Year-3	Year-4	Year-5
1	Capacity Utilization	%	60%	70%	80%	90%	100%
2	Sales	₹. In Lacs	324.00	378.00	432.00	486.00	540.00
3	Raw Materials & Other direct inputs	₹. In Lacs	231.85	270.49	309.13	347.77	386.41
4	Gross Margin	₹. In Lacs	92.15	107.51	122.87	138.23	153.59
5	Overheads except interest	₹. In Lacs	17.38	18.47	20.64	21.30	21.73
6	Interest @ 10 %	₹. In Lacs	8.27	8.27	5.52	4.14	3.31
7	Depreciation @ 30 %	₹. In Lacs	3.57	2.55	1.79	1.28	1.15
8	**Net Profit before tax**	₹. In Lacs	**62.93**	**78.22**	**94.93**	**111.52**	**127.40**

14. BREAKEVEN ANALYSIS:

The project shall reach cash break-even at 16.30 % of projected capacity as detailed below:

Sr. No.	Particulars	UOM	Value
1	Sales at full capacity	₹. In Lacs	540.00
2	Variable costs	₹. In Lacs	386.41
3	Fixed costs incl. interest	₹. In Lacs	25.04
4	BEP = FC/(SR-VC) x 100 =	% of capacity	16.30%