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PROJECT REPORT

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PROJECT:

AONLA PROCESSING UNIT

**PROJECT REPORT
OF
AONLA PROCESSING UNIT
PURPOSE OF THE DOCUMENT**

This particular pre-feasibility is regarding Aonla Processing Unit.

The objective of the pre-feasibility report is primarily to facilitate potential entrepreneurs in project identification for investment and in order to serve his objective; the document covers various aspects of the project concept development, start-up, marketing, finance and management.

[We can modify the project capacity and project cost as per your requirement. We can also prepare project report on any subject as per your requirement.]

PROJECT AT GLANCE

1	Name of Proprietor/Director	XXXXXXXXXX	
2	Firm Name	XXXXXXXXXX	
3	Registered Address	XXXXXXXXXX	
4	Nature of Activity	XXXXXXXXXX	
5	Category of Applicant	XXXXXXXXXX	
6	Location of Unit	XXXXXXXXXX	
7	Cost of Project	10.28	Rs. In Lakhs
8	Means of Finance		
i)	Own Contribution	1.03	Rs. In Lakhs
ii)	Term Loan	6.75	Rs. In Lakhs
iii)	Working Capital	2.50	Rs. In Lakhs
9	Debt Service Coverage Ratio	2.49	
10	Break Even Point	0.41	
11	Power Requirement	15	KW
12	Employment	5	Persons

13 Major Raw Materials Fresh Aonla sound mature fruit, Sugar, citric acid and other ingredients etc.

14 Details of Cost of Project & Means of Finance

Cost of Project		Amount in Lacs
Particulars		Amount
Land	Owned/Rented	
Building & Civil Work	Owned/Rented	
Plant & Machinery		5.00
Furniture & Fixture		1.00
Other Misc Assets		1.50
Working Capital Requirement		2.78
Total		10.28

Means of Finance		
Particulars		Amount
Own Contribution		1.03
Term Loan		6.75
Working capital Loan		2.50
Total		10.28

AONLA PROCESSING UNIT

1. INTRODUCTION



Aonla is an important fruit crop that grows in tropical and subtropical parts of India. Aonla is considered as a "wonder fruit for health" as it is a rich source of Vitamins and tannins. It is known by different names like Nelli, amalakki, Aonla, Indian gooseberry, etc. It is highly valued among indigenous medicines.

As compared to an apple, the fruit of aonla contains three times more protein and 160 times more vitamin C (699 mg/100 g). Except for Barbados cherry; it is the richest source of vitamin C among all the fruit. Aonla is not popular as table fruit because of its astringent taste but it shows great potential for processing and medicinal uses in various products and the demand for aonla product in the market is very high.

2. MARKET POTENTIAL

Aonla is consumed as such in large quantities. The major quantity of Aonla is used in making chawanprash, ayurvedic medicines, cosmetic products and other value added products like preserve, juice, ready-to-serve drink, jam, fruit bar,

dehydrated Aonla whole or powder, mouth fresheners, etc. Aonla extract (ingredients) are useful in various food and beverage applications such as nutritional bars, cereals, jams, powder drink mixes, yogurts and dietary supplements. The potential for Aonla extract as a food ingredient is increasing substantially, owing to the growing global nutraceuticals and functional food market. Aonla extract also provides broad spectrum skin protection against heavy metals due to its anti-oxidant properties. India exports a significant amount of Aonla and Aonla extracts to countries like the U.S., Japan, Nepal, Bangladesh, Malaysia, Germany and the Netherlands. Various herbal medicine manufacturing companies are using Aonla extracts to provide novel dietary supplements in herbal tea and powders forms. Effective production, processing and marketing of Aonla extracts is expected to boost the market size during the next decade.

3. PRODUCT DESCRIPTION

3.1 PRODUCT APPLICATION/ USES

There are various product can be prepared from Aonla fruit viz., jam, sauce, chutney, preserve, candy, Osmo-air dried aonla slices, pills, pickle, shreds, etc. Aonla preserve is a very popular traditional product, which is also known as Murabba in India. Murraba of Aonla is a very popular traditional product of India. It has the beneficial effect of purifying blood and also helps in reducing the cholesterol level and improving eyesight. Aonla Murabba is prepared from sound matured fruits which can be whole or in large pieces of fruit. In which sugar syrup are ads till it becomes tender and transparent. The minimum fruit portion in the preserve should be 55 percent. Pricking (piercing) is done in aonla to remove the astringency and to allow the syrup to go inside the fruits. 55% of

fruit are pierced manually or by machine to allow the sugar syrup to go inside the fruit to remove the astringency.

3.2 RAW MATERIAL REQUIREMENT

- The fresh Aonla sound mature fruit are required for this entire product..
- Sugar, citric acid and other ingredients are required for adding test and flavored.
- Good Packaging material required for the packaging the final product.

3.3 MANUFACTURING PROCESS

Process for Aonla Preserve/Murabba in in following steps:

A mature fruit or its pieces impregnated with heavy sugar syrup till it becomes tender and transparent is known as preserve. An FPO specification for preserve is TSS – 68o brix and fruit pulp – 55%.

1. Rapid process

- Aonla are cooked in low sugar syrup. Boiling is continued with gentle heating until the syrup becomes sufficiently thick.
- Rapid boiling should, however be avoided as it makes the fruit tough, especially when heating is done in a large shallow pan with only a small quantity of syrup.
- The final concentration of sugar should not be less than 68% which corresponds to a boiling point of 106° C.
- This is a simple and cheap process but the flavour and colour of the product are lost considerably during boiling.

2. Slow process

- The Aonla is blanched until it becomes soft.
- Sugar, equal to the weight of fruit, is then added to the fruit in alternate layers and the mixture allowed standing for 24 hrs.
- During this period, the Aonla gives out water and the sugar goes into solution, resulting in a syrup containing 37-38% TSS.
- Next day, the syrup is boiled after removal of Aonla to raise its strength to about 60% TSS.
- A small quantity of citric acid (1 to 1.5 g/ kg sugar) is also added to invert a portion of the cane sugar and thus prevent crystallization.
- The whole mass is then boiled for 4-5 min. and kept for 24 hrs.
- On the third day, the strength of syrup is raised to about 65% TSS by boiling.
- The fruit is then left in the syrup for a day.
- Finally, the strength of the syrup is raised to 70% TSS and the Aonla are left in it for a week.
- The preserve is now ready and is packed in containers. This method is usually practiced.

4. PROJECT COMPONENTS

Plant & Machinery

S. No.	Machine
1.	Fruit Washing Machine
2.	Cooking Kettle
3.	Storage Tank
4.	Semi-automatic Induction sealing machine

PROJECTED PROFITABILITY STATEMENT					(in Lacs)
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
Capacity Utilisation %	50%	55%	60%	65%	70%
<u>SALES</u>					
Gross Sale					
Aonla Processing	43.50	51.98	59.59	67.69	76.68
Total	43.50	51.98	59.59	67.69	76.68
<u>COST OF SALES</u>					
Raw Material Consumed	27.00	30.69	34.56	38.61	42.84
Electricity Expenses	1.58	2.08	2.27	2.46	2.65
Depreciation	1.08	0.92	0.79	0.67	0.57
Wages & labour	5.28	5.81	6.39	7.03	8.08
Repair & maintenance	1.31	1.56	2.09	2.37	2.91
Consumables	0.87	1.04	1.19	1.69	1.92
Packaging	1.00	1.46	1.91	2.71	3.07
Cost of Production	38.11	43.55	49.19	55.53	62.04
Add: Opening Stock	-	1.27	1.45	1.64	1.85
Less: Closing Stock	1.27	1.45	1.64	1.85	2.07
Cost of Sales	36.84	43.37	49.00	55.32	61.82
GROSS PROFIT	6.66	8.61	10.59	12.36	14.85
Gross Profit Ratio	15.32%	16.57%	17.78%	18.26%	19.37%
Salary to Staff	1.56	1.87	2.25	2.70	3.10
Interest on Term Loan	0.66	0.58	0.42	0.25	0.09
Interest on working Capital	0.28	0.28	0.28	0.28	0.28
Rent	2.40	2.64	2.90	3.19	3.67
Selling & Administrative Exp.	0.22	1.04	1.79	2.03	2.30
TOTAL	5.12	6.41	7.63	8.45	9.44
NET PROFIT	1.55	2.20	2.96	3.91	5.42
Taxation	-	-	0.02	0.07	0.17
PROFIT (After Tax)	1.55	2.20	2.94	3.84	5.25
Net Profit Ratio	3.56%	4.24%	4.93%	5.68%	6.85%

PROJECTED BALANCE SHEET					(in Lacs)
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
<u>Liabilities</u>					
Capital					
Opening balance		2.08	3.48	5.42	7.46
Add: - Own Capital	1.03				
Add: - Retained Profit	1.55	2.20	2.94	3.84	5.25
Less: - Drawings	0.50	0.80	1.00	1.80	3.50
Closing Balance	2.08	3.48	5.42	7.46	9.21
Term Loan	6.00	4.50	3.00	1.50	-
Working Capital Limit	2.50	2.50	2.50	2.50	2.50
Sundry Creditors	1.35	1.53	1.73	1.93	2.14
Provisions & Other Liability	1.00	1.30	1.56	1.87	2.25
TOTAL:	12.93	13.31	14.21	15.26	16.10
<u>Assets</u>					
Fixed Assets (Gross)					
Gross Dep.	1.08	1.99	2.78	3.45	4.03
Net Fixed Assets	6.43	5.51	4.72	4.05	3.47
Current Assets					
Sundry Debtors	2.18	2.60	2.98	3.38	3.83
Stock in Hand	2.17	2.47	2.79	3.14	3.50
Cash and Bank	1.66	1.73	2.21	2.69	2.99
Loans & Advances	0.50	1.00	1.50	2.00	2.30
TOTAL:	12.93	13.31	14.21	15.26	16.10
	-	-	-	-	-

PROJECTED CASH FLOW STATEMENT					(in Lacs)
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
<u>SOURCES OF FUND</u>					
Own Margin	1.03				
Net Profit	1.55	2.20	2.96	3.91	5.42
Depreciation & Exp. W/off	1.08	0.92	0.79	0.67	0.57
Increase in Cash Credit	2.50	-	-	-	-
Increase In Term Loan	6.75	-	-	-	-
Increase in Creditors	1.35	0.18	0.19	0.20	0.21
Increase in Provisions & Oth liabilities	1.00	0.30	0.26	0.31	0.37
	-				
TOTAL:	15.25	3.61	4.20	5.10	6.58
<u>APPLICATION OF FUND</u>					
Increase in Fixed Assets	7.50				
Increase in Stock	2.17	0.30	0.32	0.35	0.36
Increase in Debtors	2.18	0.42	0.38	0.40	0.45
Repayment of Term Loan	0.75	1.50	1.50	1.50	1.50
Loans & Advances	0.50	0.50	0.50	0.50	0.30
Drawings	0.50	0.80	1.00	1.80	3.50
Taxation	-	-	0.02	0.07	0.17
TOTAL:	13.60	3.53	3.72	4.62	6.27
Opening Cash & Bank Balance	-	1.66	1.73	2.21	2.69
Add : Surplus	1.66	0.08	0.48	0.48	0.30
Closing Cash & Bank Balance	1.66	1.73	2.21	2.69	2.99

<u>CALCULATION OF D.S.C.R.</u>					
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
CASH ACCRUALS	2.62	3.12	3.72	4.51	5.82
Interest on Term Loan	0.66	0.58	0.42	0.25	0.09
Total	3.29	3.71	4.14	4.77	5.91
<u>REPAYMENT</u>					
Instalment of Term Loan	0.75	1.50	1.50	1.50	1.50
Interest on Term Loan	0.66	0.58	0.42	0.25	0.09
Total	1.41	2.08	1.92	1.75	1.59
DEBT SERVICE COVERAGE RATIO	2.33	1.78	2.16	2.72	3.72
AVERAGE D.S.C.R.	2.49				

REPAYMENT SCHEDULE OF TERM LOAN							
						Interest	11.00%
Year	Particulars	Amount	Addition	Total	Interest	Repayment	Closing Balance
1st	Opening Balance						
	1st month	-	6.75	6.75	-	-	6.75
	2nd month	6.75	-	6.75	0.06	-	6.75
	3rd month	6.75	-	6.75	0.06	-	6.75
	4th month	6.75	-	6.75	0.06		6.75
	5th month	6.75	-	6.75	0.06		6.75
	6th month	6.75	-	6.75	0.06		6.75
	7th month	6.75	-	6.75	0.06	0.13	6.63
	8th month	6.63	-	6.63	0.06	0.13	6.50
	9th month	6.50	-	6.50	0.06	0.13	6.38
	10th month	6.38	-	6.38	0.06	0.13	6.25
	11th month	6.25	-	6.25	0.06	0.13	6.13
	12th month	6.13	-	6.13	0.06	0.13	6.00
					0.66	0.75	
2nd	Opening Balance						
	1st month	6.00	-	6.00	0.06	0.13	5.88
	2nd month	5.88	-	5.88	0.05	0.13	5.75
	3rd month	5.75	-	5.75	0.05	0.13	5.63
	4th month	5.63	-	5.63	0.05	0.13	5.50
	5th month	5.50	-	5.50	0.05	0.13	5.38
	6th month	5.38	-	5.38	0.05	0.13	5.25
	7th month	5.25	-	5.25	0.05	0.13	5.13
	8th month	5.13	-	5.13	0.05	0.13	5.00
	9th month	5.00	-	5.00	0.05	0.13	4.88
	10th month	4.88	-	4.88	0.04	0.13	4.75
	11th month	4.75	-	4.75	0.04	0.13	4.63
	12th month	4.63	-	4.63	0.04	0.13	4.50
					0.58	1.50	
3rd	Opening Balance						
	1st month	4.50	-	4.50	0.04	0.13	4.38
	2nd month	4.38	-	4.38	0.04	0.13	4.25
	3rd month	4.25	-	4.25	0.04	0.13	4.13
	4th month	4.13	-	4.13	0.04	0.13	4.00
	5th month	4.00	-	4.00	0.04	0.13	3.88
	6th month	3.88	-	3.88	0.04	0.13	3.75
	7th month	3.75	-	3.75	0.03	0.13	3.63
	8th month	3.63	-	3.63	0.03	0.13	3.50
	9th month	3.50	-	3.50	0.03	0.13	3.38
	10th month	3.38	-	3.38	0.03	0.13	3.25
	11th month	3.25	-	3.25	0.03	0.13	3.13
	12th month	3.13	-	3.13	0.03	0.13	3.00
					0.42	1.50	

4th	Opening Balance					
	1st month	3.00	-	3.00	0.03	2.88
	2nd month	2.88	-	2.88	0.03	2.75
	3rd month	2.75	-	2.75	0.03	2.63
	4th month	2.63	-	2.63	0.02	2.50
	5th month	2.50	-	2.50	0.02	2.38
	6th month	2.38	-	2.38	0.02	2.25
	7th month	2.25	-	2.25	0.02	2.13
	8th month	2.13	-	2.13	0.02	2.00
	9th month	2.00	-	2.00	0.02	1.88
	10th month	1.88	-	1.88	0.02	1.75
	11th month	1.75	-	1.75	0.02	1.63
	12th month	1.63	-	1.63	0.01	1.50
					0.25	1.50
5th	Opening Balance					
	1st month	1.50	-	1.50	0.01	1.38
	2nd month	1.38	-	1.38	0.01	1.25
	3rd month	1.25	-	1.25	0.01	1.13
	4th month	1.13	-	1.13	0.01	1.00
	5th month	1.00	-	1.00	0.01	0.88
	6th month	0.88	-	0.88	0.01	0.75
	7th month	0.75	-	0.75	0.01	0.63
	8th month	0.63	-	0.63	0.01	0.50
	9th month	0.50	-	0.50	0.00	0.38
	10th month	0.38	-	0.38	0.00	0.25
	11th month	0.25	-	0.25	0.00	0.13
	12th month	0.13	-	0.13	0.00	-
					0.09	1.50
DOOR TO DOOR		60	MONTHS			
MORATORIUM PERIOD		6	MONTHS			
REPAYMENT PERIOD		54	MONTHS			

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