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PROJECT REPORT

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PROJECT:

**APPLE CIDER VINEGAR
MANUFACTURING UNIT**

**PROJECT REPORT
OF
APPLE CIDER VINEGAR
MANUFACTURING UNIT
PURPOSE OF THE DOCUMENT**

This particular pre-feasibility is regarding Apple Cider Vinegar Manufacturing 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 | 33.06 | Rs. In Lakhs |
| 8 Means of Finance | | |
| i) Own Contribution | 3.31 | Rs. In Lakhs |
| ii) Term Loan | 24.75 | Rs. In Lakhs |
| iii) Working Capital | 5.00 | Rs. In Lakhs |
| 9 Debt Service Coverage Ratio | 2.77 | |
| 10 Break Even Point | 0.21 | |
| 11 Power Requirement | 20 | KW |
| 12 Employment | 12 | Persons |
| 13 Major Raw Materials | Apple, Yeast and Acetic acid 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	25.00
Furniture & Fixture	1.00
Other Misc Assets	1.50
Working Capital Requirement	5.56
Total	33.06

Means of Finance	
Particulars	Amount
Own Contribution	3.31
Term Loan	24.75
Working capital Loan	5.00
Total	33.06

APPLE CIDER VINEGAR MANUFACTURING UNIT

1. INTRODUCTION



Apple cider vinegar is fermented juice from crushed apples. Like apple juice, apple cider vinegar may contain various vitamins and minerals, as well as dietary fiber. Apple cider vinegar may also contain acetic acid and citric acid. But it can be hard to know exactly what's in some apple cider vinegar products. In the U.S., there's no real definition of what a product must contain to be called apple cider vinegar. For this reason, the amount of each component of apple cider vinegar may vary from product to product.

Apple cider vinegar is used for obesity, diabetes, problems related to hair and skin, and other conditions, but there is no good scientific evidence to support these uses.

Vinegar has been used as a remedy for centuries. The ancient Greeks treated wounds with it. In recent years, people have explored apple cider vinegar as a way to lose weight, improve heart health, and even treat dandruff.

2. MARKET POTENTIAL

On the basis of form, the apple cider vinegar market can be segmented into powder, tablets, capsules, and liquid. The liquid segment is estimated to account for a significant revenue share of 87.6% in 2019-20 and is expected to register significant growth rate during the forecast period.

Apple cider vinegar market is expected to reach USD 1.46 billion by 2027 growing at a growth rate of 6.46% in the forecast period 2020 to 2027. Increasing usages of vinegar in baking, cooking, salad dressing, preservative and other which will act as a factor for the apple cider vinegar market in the forecast period of 2020- 2027.



3. PRODUCT DESCRIPTION

3.1 PRODUCT BENEFITS

Apple Cider Vinegar offers the following environmental benefits:

- Apple cider vinegar might help lower blood sugar levels in people with diabetes by changing how foods get absorbed from the gut.
- Apple cider vinegar might prevent the breakdown of some foods.
- Apple cider vinegar with a meal improves insulin sensitivity and insulin levels after the meal in people with insulin resistance.
- Apple cider vinegar along with a reduced-calorie diet may slightly decrease body weight, body mass index (BMI), and appetite compared to dieting alone in overweight Persons.
- Can help kill harmful bacteria: Vinegar can help kill pathogens, including bacteria.
- May help lower blood sugar levels and manage diabetes.
- Apple cider vinegar increases the acidity of your stomach, which helps your body create more pepsin, the enzyme that breaks down protein.

3.2 RAW MATERIAL REQUIREMENT

Following are Major raw material for apple cider vinegar processing plant:

- Apple Cost Rs.20-25 per KG.
- Yeast cost Rs.14000 per KG.
- Acetic acid

3.3 MANUFACTURING PROCESS

Process of Manufacture:

- The wafer batter is produced in batches, transferred to the batter depositing station of the automatic wafer baking machine and poured onto the baking plates.
- The wafer sheets are baked in accordance with the baking time and baking temperature, then removed automatically and transferred to the further processing production line. The wafer sheets are conveyed over a wafer sheet cooler to cool them down before they reach the wafer spreading machine. The cream for wafer filling is also produced in batches and fed into the cream hopper of the spreader head. The cream filling is applied in fully automatic mode. Then the wafer sheets are stacked on top of one another according to the preset number, and afterwards the wafer books are calibrated to the thickness desired. The wafer book sandwiches are then conveyed for the subsequent cutting and packing process. A fully automatic cutting machine is provided for cutting the wafer sandwich to the desired product dimensions.

4. PROJECT COMPONENTS

Plant & Machinery

S. No.	Machine
1.	Wafer Baking Machine
2.	Wafer Sheet Cooler
3.	Wafer Spreading Machine
4.	Book Cooler Machine
5.	Water Cutting Machine
6.	Batter Mixer
7.	Moulds
8.	Other Equipment's

PROJECTED PROFITABILITY STATEMENT					(in Lacs)
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
Capacity Utilisation %	30%	35%	40%	45%	50%
<u>SALES</u>					
Gross Sale					
Apple Cider Vinegar	95.70	120.80	145.07	171.35	200.03
Total	95.70	120.80	145.07	171.35	200.03
<u>COST OF SALES</u>					
Raw Material Consumed	59.40	71.40	84.00	97.47	111.60
Electricity Expenses	1.26	1.76	2.02	2.27	2.52
Depreciation	4.08	3.47	2.95	2.51	2.14
Wages & labour	9.60	11.52	13.82	16.59	19.91
Repair & maintenance	2.87	3.62	5.08	6.00	7.00
Consumables	1.91	3.62	4.35	5.14	6.00
Packaging	2.20	3.02	4.06	5.65	6.60
Cost of Production	81.32	98.42	116.28	135.63	155.77
Add: Opening Stock	-	2.71	3.28	3.88	4.52
Less: Closing Stock	2.71	3.28	3.88	4.52	5.19
Cost of Sales	78.61	97.85	115.69	134.99	155.10
GROSS PROFIT	17.09	22.95	29.38	36.36	44.93
Gross Profit Ratio	17.86%	19.00%	20.25%	21.22%	22.46%
Salary to Staff	3.96	4.75	5.70	6.84	7.53
Interest on Term Loan	2.43	2.14	1.54	0.93	0.33
Interest on working Capital	0.55	0.55	0.55	0.55	0.55
Rent	2.40	2.64	2.90	3.19	3.51
Selling & Administrative Exp.	1.24	2.42	4.35	5.14	6.00
TOTAL	10.59	12.50	15.05	16.66	17.92
NET PROFIT	6.50	10.45	14.34	19.70	27.01
Taxation	0.28	0.84	1.71	3.29	5.48
PROFIT (After Tax)	6.23	9.61	12.63	16.42	21.53
Net Profit Ratio	6.51%	7.96%	8.70%	9.58%	10.77%

PROJECTED BALANCE SHEET					
(in Lacs)					
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
<u>Liabilities</u>					
Capital					
Opening balance		5.53	9.64	14.77	19.69
Add: - Own Capital	3.31				
Add: - Retained Profit	6.23	9.61	12.63	16.42	21.53
Less: - Drawings	4.00	5.50	7.50	11.50	16.00
Closing Balance	<u>5.53</u>	<u>9.64</u>	<u>14.77</u>	<u>19.69</u>	<u>25.22</u>
Term Loan	22.00	16.50	11.00	5.50	-
Working Capital Limit	5.00	5.00	5.00	5.00	5.00
Sundry Creditors	2.97	3.57	4.20	4.87	5.58
Provisions & Other Liability	1.00	1.30	1.56	1.87	2.25
TOTAL:	36.50	36.01	36.53	36.93	38.05
<u>Assets</u>					
Fixed Assets (Gross)					
Gross Dep.	4.08	7.54	10.50	13.01	15.15
Net Fixed Assets	23.43	19.96	17.00	14.49	12.35
Current Assets					
Sundry Debtors	4.79	6.04	7.25	8.57	10.00
Stock in Hand	4.69	5.66	6.68	7.77	8.91
Cash and Bank	2.60	2.86	3.20	3.56	4.04
Loans & Advances	1.00	1.50	2.40	2.55	2.75
TOTAL:	36.50	36.01	36.53	36.93	38.05
	-	-	-	-	-

PROJECTED CASH FLOW STATEMENT					(in Lacs)
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
<u>SOURCES OF FUND</u>					
Own Margin	3.31				
Net Profit	6.50	10.45	14.34	19.70	27.01
Depreciation & Exp. W/off	4.08	3.47	2.95	2.51	2.14
Increase in Cash Credit	5.00	-	-	-	-
Increase In Term Loan	24.75	-	-	-	-
Increase in Creditors	2.97	0.60	0.63	0.67	0.71
Increase in Provisions & Oth liabilities	1.00	0.30	0.26	0.31	0.37
	-				
TOTAL:	47.60	14.82	18.18	23.20	30.23
<u>APPLICATION OF FUND</u>					
Increase in Fixed Assets	27.50				
Increase in Stock	4.69	0.97	1.02	1.09	1.14
Increase in Debtors	4.79	1.26	1.21	1.31	1.43
Repayment of Term Loan	2.75	5.50	5.50	5.50	5.50
Loans & Advances	1.00	0.50	0.90	0.15	0.20
Drawings	4.00	5.50	7.50	11.50	16.00
Taxation	0.28	0.84	1.71	3.29	5.48
TOTAL:	45.00	14.57	17.84	22.84	29.75
Opening Cash & Bank Balance	-	2.60	2.86	3.20	3.56
Add : Surplus	2.60	0.25	0.34	0.36	0.48
Closing Cash & Bank Balance	2.60	2.86	3.20	3.56	4.04

<u>CALCULATION OF D.S.C.R.</u>					
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
CASH ACCRUALS	10.30	13.08	15.58	18.93	23.67
Interest on Term Loan	2.43	2.14	1.54	0.93	0.33
Total	12.74	15.22	17.12	19.86	24.00
<u>REPAYMENT</u>					
Instalment of Term Loan	2.75	5.50	5.50	5.50	5.50
Interest on Term Loan	2.43	2.14	1.54	0.93	0.33
Total	5.18	7.64	7.04	6.43	5.83
DEBT SERVICE COVERAGE RATIO	2.46	1.99	2.43	3.09	4.12
AVERAGE D.S.C.R.	2.77				

REPAYMENT SCHEDULE OF TERM LOAN							
						Interest	11.00%
Year	Particulars	Amount	Addition	Total	Interest	Repayment	Closing Balance
1st	Opening Balance						
	1st month	-	24.75	24.75	-	-	24.75
	2nd month	24.75	-	24.75	0.23	-	24.75
	3rd month	24.75	-	24.75	0.23	-	24.75
	4th month	24.75	-	24.75	0.23		24.75
	5th month	24.75	-	24.75	0.23		24.75
	6th month	24.75	-	24.75	0.23		24.75
	7th month	24.75	-	24.75	0.23	0.46	24.29
	8th month	24.29	-	24.29	0.22	0.46	23.83
	9th month	23.83	-	23.83	0.22	0.46	23.38
	10th month	23.38	-	23.38	0.21	0.46	22.92
	11th month	22.92	-	22.92	0.21	0.46	22.46
	12th month	22.46	-	22.46	0.21	0.46	22.00
					2.43	2.75	
2nd	Opening Balance						
	1st month	22.00	-	22.00	0.20	0.46	21.54
	2nd month	21.54	-	21.54	0.20	0.46	21.08
	3rd month	21.08	-	21.08	0.19	0.46	20.63
	4th month	20.63	-	20.63	0.19	0.46	20.17
	5th month	20.17	-	20.17	0.18	0.46	19.71
	6th month	19.71	-	19.71	0.18	0.46	19.25
	7th month	19.25	-	19.25	0.18	0.46	18.79
	8th month	18.79	-	18.79	0.17	0.46	18.33
	9th month	18.33	-	18.33	0.17	0.46	17.88
	10th month	17.88	-	17.88	0.16	0.46	17.42
	11th month	17.42	-	17.42	0.16	0.46	16.96
	12th month	16.96	-	16.96	0.16	0.46	16.50
					2.14	5.50	
3rd	Opening Balance						
	1st month	16.50	-	16.50	0.15	0.46	16.04
	2nd month	16.04	-	16.04	0.15	0.46	15.58
	3rd month	15.58	-	15.58	0.14	0.46	15.13
	4th month	15.13	-	15.13	0.14	0.46	14.67
	5th month	14.67	-	14.67	0.13	0.46	14.21
	6th month	14.21	-	14.21	0.13	0.46	13.75
	7th month	13.75	-	13.75	0.13	0.46	13.29
	8th month	13.29	-	13.29	0.12	0.46	12.83
	9th month	12.83	-	12.83	0.12	0.46	12.38
	10th month	12.38	-	12.38	0.11	0.46	11.92
	11th month	11.92	-	11.92	0.11	0.46	11.46
	12th month	11.46	-	11.46	0.11	0.46	11.00
					1.54	5.50	

4th	Opening Balance						
	1st month	11.00	-	11.00	0.10	0.46	10.54
	2nd month	10.54	-	10.54	0.10	0.46	10.08
	3rd month	10.08	-	10.08	0.09	0.46	9.63
	4th month	9.63	-	9.63	0.09	0.46	9.17
	5th month	9.17	-	9.17	0.08	0.46	8.71
	6th month	8.71	-	8.71	0.08	0.46	8.25
	7th month	8.25	-	8.25	0.08	0.46	7.79
	8th month	7.79	-	7.79	0.07	0.46	7.33
	9th month	7.33	-	7.33	0.07	0.46	6.88
	10th month	6.88	-	6.88	0.06	0.46	6.42
	11th month	6.42	-	6.42	0.06	0.46	5.96
	12th month	5.96	-	5.96	0.05	0.46	5.50
					0.93	5.50	
5th	Opening Balance						
	1st month	5.50	-	5.50	0.05	0.46	5.04
	2nd month	5.04	-	5.04	0.05	0.46	4.58
	3rd month	4.58	-	4.58	0.04	0.46	4.13
	4th month	4.13	-	4.13	0.04	0.46	3.67
	5th month	3.67	-	3.67	0.03	0.46	3.21
	6th month	3.21	-	3.21	0.03	0.46	2.75
	7th month	2.75	-	2.75	0.03	0.46	2.29
	8th month	2.29	-	2.29	0.02	0.46	1.83
	9th month	1.83	-	1.83	0.02	0.46	1.38
	10th month	1.38	-	1.38	0.01	0.46	0.92
	11th month	0.92	-	0.92	0.01	0.46	0.46
	12th month	0.46	-	0.46	0.00	0.46	-
					0.33	5.50	
	DOOR TO DOOR	60	MONTHS				
	MORATORIUM PERIOD	6	MONTHS				
	REPAYMENT PERIOD	54	MONTHS				

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