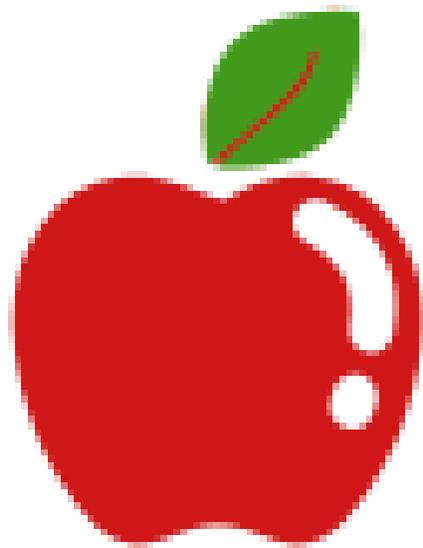


MAKE IN INDIA



SIP FRESH

Feel The Nature

DESTINED TRIUMPH

ANJALI KUMARI
ANKIT SINGH PUNDIR
GAURAV GOLA

KOMAL GAKHAD
PARAS VERMA
SUMIT KUMAR

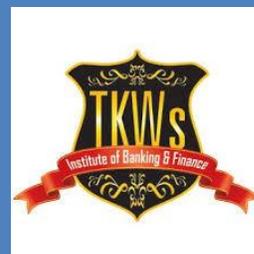


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1. PROJECT SUMMARY

The Proposed project is of setting up a manufacturing unit for naturally processed Apple Juice. The key raw material of the project is Apples. The plant will be set up nearby Himachal Pradesh as apples are easily available there. The juice will be freshly extracted by instant cold-pressing of fresh ripe apples. It will be then bottled without adding any sugars, water, colour, flavour or any type of additives or preservatives. In the current scenario there is a doubt in the customer's mind that whether to buy apples from vendors as they are not purified and they may be contaminated with COVID, here we come providing the customers with the purity of an apple along with safety, and as we all know that apples are great immunity boosters hence our juice will help in improving their immunity as well. The Apples will be procured from Himachal Pradesh and the Glass containers from Firozabad, these two are the major part of the total cost. The project highlights that how this business can generate 80% return in just 5 years from the beginning even after shrinking the debt simultaneously.

Ascertaining the start-up cost will be around Rs. 1 Crore out of which the required plant & machinery i.e. Juice manufacturing plant, Bottle filling machine and Labelling machine, also taking pre-operative expenses into the account will cost nearly 50% and rest amount would be taken for financing the working capital requirement. Forecasted plan requires an implementing period of 6 months to get the manufacturing unit ready for operations.

We Destined Triumph made a financing strategy for this project by which investors can enjoy 200% returns on their investment amount which will be just 40% of Rs. 1 Crore. The rest 60% will be financed by the bank in the form of term loan, the collateral for which will be owner's personal securities.

The other key mark outs and strategies have been mentioned further.

PROJECT AT GLANCE

Sl. No.	Particulars	Description					
A. Project Description							
1	Proposed Project	Food Processing Allied Products					
2	Capacity of the Plant/Unit (At 100% Capacity)	Apple Juice : 2880 Ton					
	Year wise Capacity Utilization	Year	1	2	3	4	5
		Capacity Utilization	40%	50%	55%	70%	80%
B. Project Cost							
1	Lease Hold Land & Buildings	On Rent					
2	Plant & Machinery	₹ 39,00,000					
3	Fixed Assets	₹ 5,00,000					
4	Pre-operative Expenses	₹ 3,00,000					
6	Margin for Working Capital	₹ 49,93,147					
	Total	₹ 96,93,147					
C. Means of Finance							
1	Equity @ 40%	₹ 38,77,259					
2	Loan from Bank @ 60%	₹ 58,15,888					
	Total	₹ 96,93,147					
D. Financial Benchmarks							
1	Break Even Point(at Operating Capacity on 5th Year)	46.40%					
2	Average DSCR	1.78					
3	Return on Equity (5th Year)	199.04					
E. Basic Assumptions Based on Market Data							
1	Power Connection and Rate Per Unit	66 HP: Rate Per Unit : Rs. 6.00/-					
2	Interest Rate	Term Loan: 15%; WC Loan: 12%					
3	Repayment Period	6 Years including moratorium period of 1 Year					

The project has been forecasted keeping in mind all types of risks and counter mitigation plans to maintain efficiency as well as saving the earnings.

Detailed Financial Model- https://drive.google.com/file/d/1WUuRRBZwqkamACTUFoSw5rDY7mTV_Gpo/view?usp=drivesdk

2. ACKNOWLEDGEMENT

It is always a pleasure to remind the fine people of **TKWs Institute of Banking and Finance** for their sincere guidance we received during our project.

First of all, we are grateful to **Prof. Amit Goyal and Mr. Prashant Kumar**, our project coordinators, for giving us this project and guiding us throughout the work with patience. Without their guidance and persistent efforts this project would not have been possible.

Secondly, we extend our gratitude to all the respondents who gave us their precious time and helped us in making this research successful.

We would also like to expand our deepest gratitude to all those who have directly and indirectly guided us in writing this assignment and to our institute's library, its members and all faculty members of our institute for their support.

Last but not the least we would like to thank our family members and other team members for encouraging us and helping us when needed.

3. INDUSTRY & MARKET ANALYSIS

3.1. Market Size

The global fruit juice market reached a volume of 46.3 Billion Liters in 2019, registering a CAGR of 1.8% during 2014-2019. The market is further projected to reach a volume of 51.8 Billion Liters by 2025.

3.2. Market Leader

On a geographical front, Europe enjoys the leading position in the global fruit juice market. The fast-paced modern lifestyle and high-income levels of the consumers in the region have led to a rise in the demand for on-the-go fruit juices. Europe is followed by North America, Asia Pacific, Latin America, and Middle East and Africa.

3.3. Potential Market

India has undoubtedly emerged as the biggest market in the entire periphery of the globe. As per Goldstein Research analyst forecast it has been observed that consumers are shifting from fruit-based drinks to fruit juices as they consider the latter a healthier breakfast/snack option. Countries like China and USA have realized the enormous potential and are trying to penetrate the market influentially. Similar to all fast-moving consumer goods, juice industry has also grown by leaps and bounds in last few years.

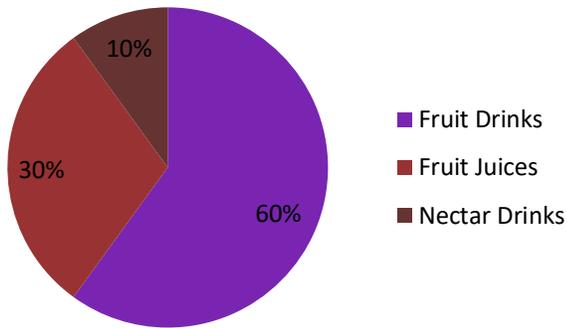
3.4. Government Obligations

The current Prime Minister of India Mr. Narendra Modi proposed the big players like Coca Cola, Pepsi to add 2% of fruit content in the aerated drinks, which will thereby help the farmers to cultivate more in fruits and can generate profit. This kind of initiatives will promote the inclusion of real fruits in the juices available in the market.

MICRO ANALYSIS

- Industry Revenue: Globally, Revenue in the Apple Juice segment amounts to US\$15,375 million in 2020. The market is expected to grow annually by 3.3% compounded annually in year 2020-2023 as compare to the Revenue from India that is amounts to US\$4.4 million in 2020. The market is expected to grow annually by 5.0% compounded annually for the same years with a volume of 4.6 Million liters by 2023.
- Earlier, a number of players were hesitant to sell their products in the emerging countries due to the lack of infrastructure and storage facilities. Nonetheless, with a rise in the number of organized retail outlets, several players are now willing to invest in these markets which are expected to bolster the growth of the fruit juice industry.

Indian Juice Market Segmentation



3.5. Division

The juice market is segregated into three segments: fruit drinks (with maximum 30% fruit content), fruit juices (with almost 100% fruit content) and nectar drinks. Currently, juice drinks account for the majority of the market share, representing the most popular product type.

4. MARKETING PLAN

4.1. Customer Analysis

Earlier, the consumers of India were rather price sensitive and go for the cheaper options without realizing the side effects. But with the increasing awareness about the deteriorating health due to such drinks is expected to decline the market in the coming years.

Each customer segment has different needs like:

- **Youth-** Today's youth is more into fitness as we can see the rush in gyms, parks etc. And they are consuming juices on regular basis to stay in shape but they are not getting the raw fruits as all the juices available in market contains added sugars, flavours etc. They want something which is 100% natural.
- **Working People-** The working people segment that is the busiest one as they have to manage professional as well as personal life don't have the time for making juice at home and they usually drink packed juices which are not pure, they want 100% pure juice at ease.
- **Teens-** Well teens are more conscious about good taste and they are very curious to try out new flavours every day.
- **Elders-** Elders are always in favour of purity as the miss their good old days when everything was used to be so much pure and natural without any pollution and infiltration.
- **Kids-** Parents want them to consume healthy food full of nutrients so our tasty apple juice will solve the problem.



4.2. Target Market

Targeting is mostly done through segmentation we have done it through Geographic segmentation & Demographic segmentation.

➤ Geographic Segmentation

We are mainly going to segment in the urban areas as the paying capacity of the people will be higher and they are willing to buy such products these days that are pure and real.

➤ Demographic Segmentation

Age – Age is one of the major determinants in targeting the consumers, the primary target is only the young generation where the age may vary from 16-27. But it is not limited within this age; it will also be spread out among children as well as people above age 27 years. There is a ranking of our target audience

- 1) Youth & Young generation {Experimental}
- 2) Working professionals { More buying power}
- 3) Teens {More experimental}
- 4) Elders
- 5) Kids {Fond of fruit juices}

➤ **Special Segment**

- 1) The diabetic patients are also a main segment for the product as they cannot consume the regular juices that consists of added flavors, sugar etc.
- 2) Persons involved in athletic activities as they are more intent towards consuming quality products.

4.3. Unique Selling Proposition

- Firstly, this apple juice is free from any added sugars, water, colour, flavour or any kind of additives, preservatives or sweeteners, in other words its 100% natural.
- In the post corona world everyone needs to have a strong immunity, Apples are great sources of fiber and natural sugars—but you knew that already. What you might not know is that apple skins contain quercetin, a type of plant pigment flavonoid that helps boost your immune system and reduce inflammation. An apple a day really can keep the doctor away! In the post corona world where customers will be worried about buying apples from vendors as they may contain impurities our product ensure the 100% purity of the apples.

4.4. Social Responsibility

- The main focus is to provide the citizens of the country 100% natural juice that will boost their health.
- Generation of employment is also a main focus so that the economy of the country will grow.
- To make India the global manufacturing hub of the world.

4.5. Competition Analysis

- The market is highly fragmented in nature with the presence of several small and large manufacturers who are competing against each other in terms of prices and quality. Some of the leading key players around the globe include:
 - 1) Dabur's Real Activ 100%
 - 2) PepsiCo's Tropicana 100%

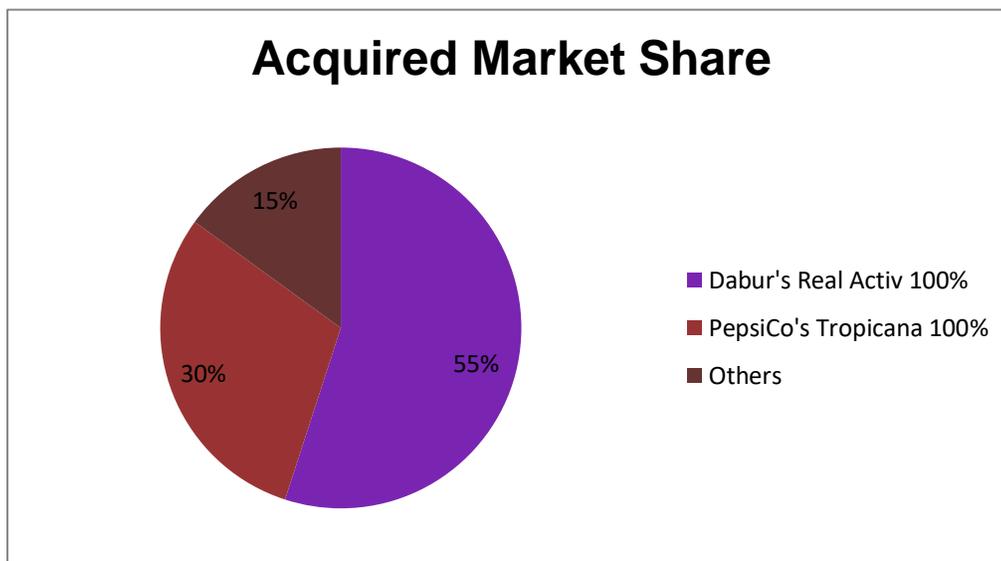
➤ **Dabur's Real Activ 100%**

Dabur Real Juice is the product of Dabur Foods which in turn is a subsidiary of its parent company Dabur India. It includes 100% juice content rich in essential nutrients and it is famous for its Low in sodium content. Dabur Real acquires 55% of market share.

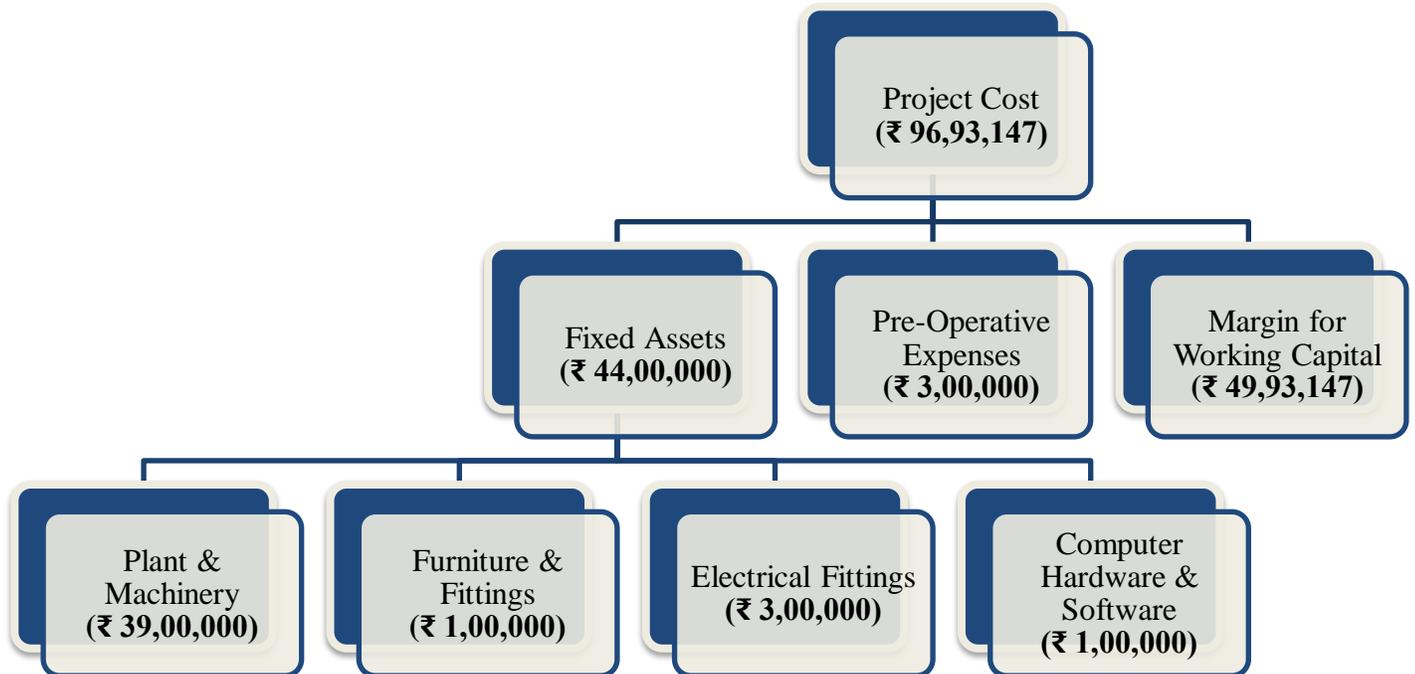


➤ **PepsiCo's Tropicana 100%**

Tropicana 100% is a product of PepsiCo. It includes 100% vitamin C and also known for its richness of potassium. PepsiCo Tropicana 100% acquires 30% of market share.



5. CAPITAL ALLOCATION



(Refer to required fund sheet in financial model)

5.2. Capacity Utilization

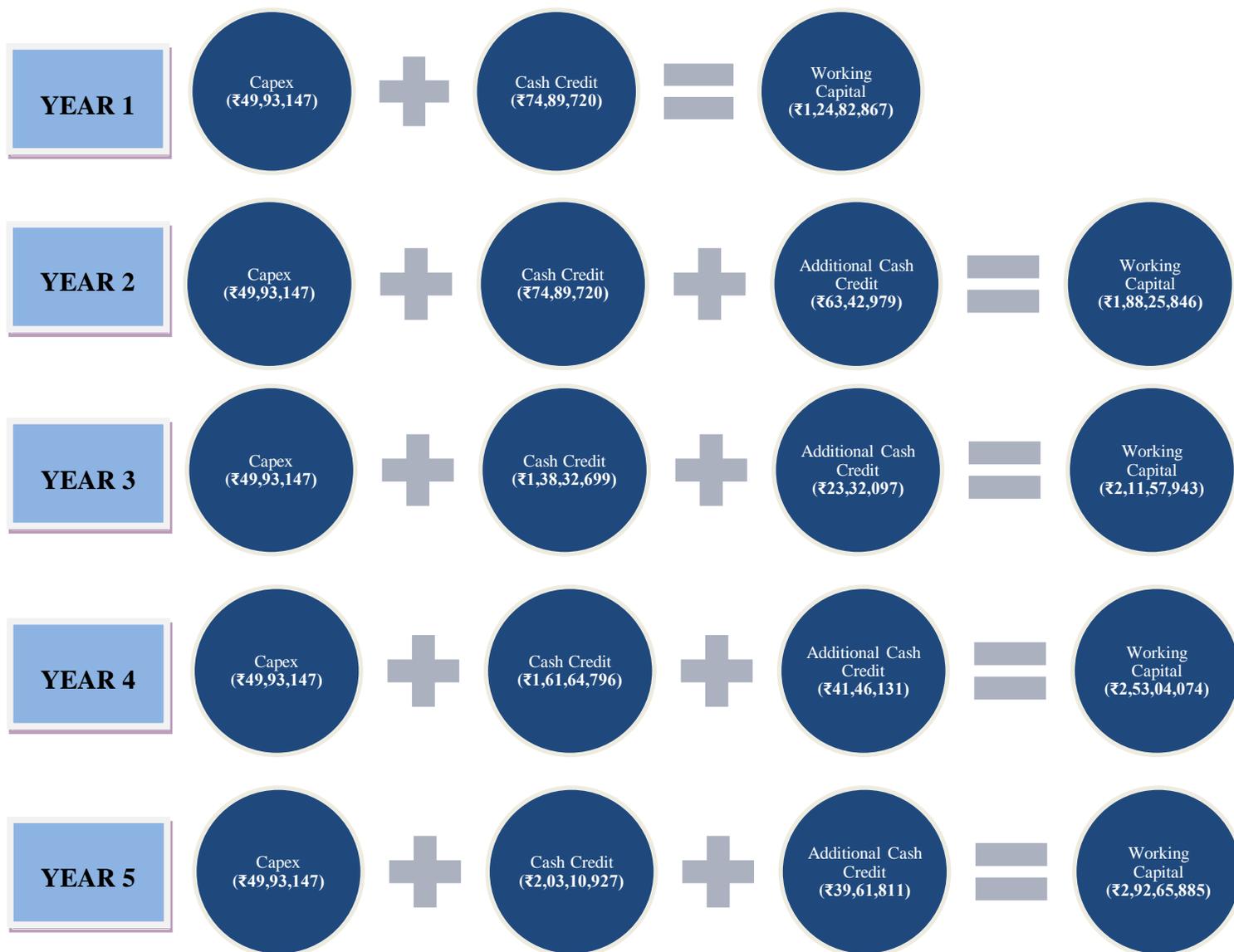
- The installed production capacity of the unit per annum is 2880 Ton.
- For the purpose of carrying out this economic viability of the proposed project, it is assumed that the plant will operate at following efficiencies during the first 5(Five) years.

Year	01	02	03	04	05
Capacity Utilization	40%	50%	55%	70%	80%

(Refer to project at glance sheet in financial model)

5.3. Growth Phasing

Working capital increment according to capacity use



(Refer to means of finance sheet in financial model)

6. LOCATION, LAND & BUILDING

6.1. Location

Plot-C 13, Sector -1 IIE (Growth Centre) Sigaddi, Kotdwar.

6.2. Land & Building

- Land & Building will be taken on lease for 5 years and will be renewed after 5 years (Refer to calculation sheet in financial model).
- Rent agreement will be signed during implementing period & the cost of agreement will be included in pre-operative expenses (Refer to calculation sheet in financial model).
- At the plant site, availability of unskilled labour is not a problem. Skilled and unskilled labour can be recruited for operating the plant. Initial training will be required for smooth and efficient running of the plant. It is felt that the skilled manpower available locally having some experience in operation can be recruited to satisfy the manpower need.
- Project would be set up at a site that is well connected by road and there is adequate supply of power and water.

7. PLANT & MACHINERY

7.1. Technological Aspects

As we are planning to have a fully automatic plant setup, we are using latest manufacturing tools to maintain efficiency.

- Conveyor Belt
- Inspection Belt
- Spiral Sorter
- Hydraulic Unloading System

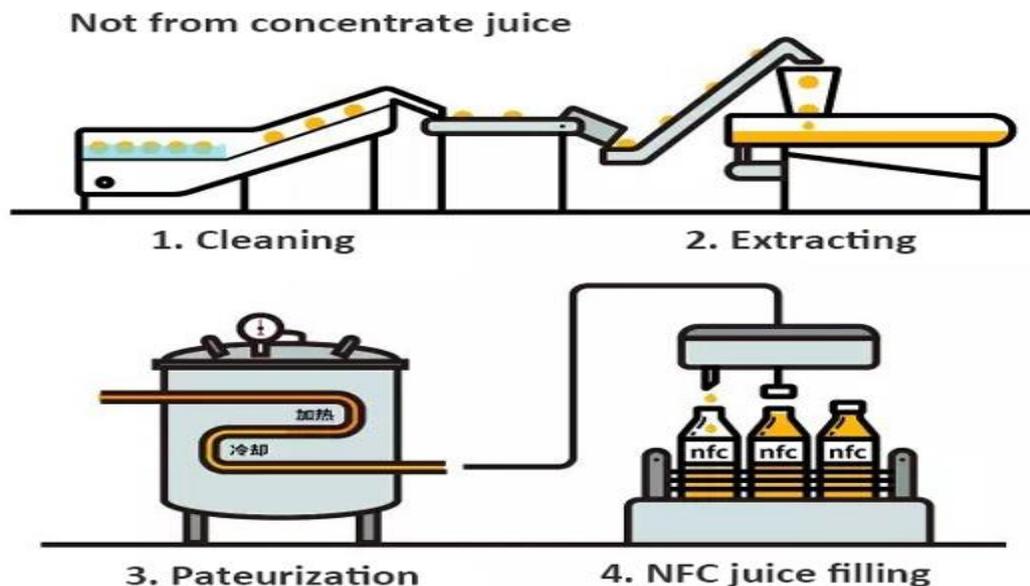
7.2. Machinery Required

- Juice Manufacturing Plant- HP: 50- Bottles per minute: 40
 - Bottle Filling Machine- HP: 15- Bottles per minute: 40
 - Labeling Machine- HP: 1- Bottles per minute: 40
- (Refer to note: 17 calculation sheet in financial model)

As per the capacity of the plant & machinery the holding period of work in progress is 3 days. In work in progress direct material, direct labour & direct expenses will be considered at 100%, 50% & 50% respectively.

7.3. Production Process

Apple Juice NFC Aseptic is processed from ripe apples and contains no artificial ingredients or fillers. It has a typical appearance for apple juice concentrate with good clarity and a flavor and aroma that is typical of apples. This product is aseptically packed and therefore free from harmful microbiological contaminants. Apples are a rich source of antioxidants, Vitamin C, and dietary fiber and are useful additives for juices, smoothies, baked goods, and other products apple juice is simply pressed, then pasteurized for a longer shelf life. It retains as many of the original characteristics (flavor, color, and aroma) of the apple as possible, with only the skin, core and seeds removed.



➤ **Cleaning**

The production process of fruit juice begins with raw material purchasing. Fruit is verified in terms of quality before unloading. It should look healthy and be ripe. Apples should be stored in small prisms. The producer aims at the fastest processing of the raw material received in order to prevent putrefactive processes and quality deterioration. Trained employees carry out inspection and reject raw material which does not satisfy the requirements. Sorted material falls down to the mill. Replaceable or adjustable mill elements, such as: knives, sieves, pressing rollers enable adjusting to the quality of raw material and obtaining optimal pulp parameters. The sorted raw material is then washed in big tanks.

➤ **Extracting**

A correctly performed pressing stage guarantees maximum yield of juice from raw material. An extrusion process starts with pre-filling. Pulp is pumped to a closed cylinder, filling up the pressure chamber space. It is a fully automated process owing to the self-optimizing press control system, which determines the level of product extrusion at each process stage. After completing the press filling-up cycle, pressing takes place.

➤ **Pasteurization**

When fruits are made into fresh-squeezed juice, harmful bacteria may be present and become part of the finished product so, pasteurized juices have been heated to high temperatures for a short time in order to kill any bacteria or other microorganisms that may be present. Unqualified juice from presses is directed from intermediate tanks to the section of pasteurization and aroma recovery in evaporation. Pasteurization takes place in the temperature from 95-105°C.

➤ **Bottle Filling**

Filling process has cold-filling. Cold filling requires lowering the temperature of pasteurized juice to 20°C and filling it into glass bottles. The bottles are then packed in cardboard boxes and are ready for sale.

8. FIXED COST

8.1. Communication Cost

This includes the cost of telephone and fax equipment, internet access, fixed phone line rates and cell phone costs etc indulged in production.

(Refer to note: 7 calculation sheet in financial model)

8.2. Administrative & Selling Expenses

This has been considered in the cost and profitability statement under other expenses etc. It includes manager's salaries, marketing personnel salaries, accountant & auditor fees, selling & marketing supplies, administrative & general supplies, utilities, commission and travel expenses.

(Refer to note: 4 calculation sheet in financial model)

8.3. Rent on Land & Building

The rent amount will be pre-determined in the rent agreement for 5 years.

(Refer to note: 15 calculation sheet in financial model)

8.4. Quality Control & Standard Maintenance Fee

FPO renewal fees

(Refer to note: 7 calculation sheet in financial model)

8.5. Insurance Premium

Insurance premium will be paid for:

- Accidental Insurance
- Term Insurance
- Health Insurance
- ESI
- Stock Insurance
- Machine Erection Policy
- Plant & Machinery Insurance
- Commercial 3rd Party Liability

(Refer to note: 7 calculation sheet in financial model)

9. MAN POWER, RAW MATERIAL

9.1. Raw Material

The consumable required is Apples which will be availed from Himachal Pradesh from apple dealer at Rs. 22.5 per/kg throughout the year as per the deal.

(Refer to note: 2 calculation sheet in financial model)

9.2. Glass Containers

The containers having 500ml capacity will be availed from Firozabad from glass manufacturer at Rs. 10 per bottle.

(Refer to note: 3 calculation sheet in financial model)

9.3. Power & Utilities

- The total requirement of power for plant & machinery is 49.22 KW and the other requirement of power is assumed Rs. 42,217.
- Power rate is Rs.6.00 per unit and monthly fixed rental charges.
- Water would be made available through bore well facility at the project site.
- It's assumed that other power utilities cost increase by 2% every subsequent year.

(Refer to note: 13 & 14 calculation sheet in financial model)

9.4. Labour

- Manpower requirement for the project has been planned considering the size of the unit.
- The project is based on a single shift basis and 300 days of working schedule in a year, working for 8 hours a day, 25 days a month.
- Manpower required is as follows:

Particulars of Employee	Numbers
Machine Operator	2
Skilled Labour	4
Unskilled Labour	6
Mechanic	1

(Refer to labour cost sheet in financial model)

9.5. Printing & Stationery

The printing cost per label is Rs. 0.50 throughout all the years.

(Refer to note: 6 calculation sheet in financial model)

9.6. Repair & Maintenance

Cost under Repair and Maintenance expenses have been assessed by charging 5% on Machineries and 2.5% on Fixed Assets on first year with increase of 2% on subsequent years.

(Refer to note: 11 calculation sheet in financial model)

9.7. Packaging Cost

The cost of the cardboard box is Rs. 25 per box & 1 box can contain 15 bottles.
(Refer to note: 5 calculation sheet in financial model)

10. FINANCIAL SUMMARY

10.1. Income Statement

Particulars	Year 1	Year 2	Year 3	Year 4	Year 5
A. REVENUE					
Production Capacity (Ton/annum)	2880	2880	2880	2880	2880
Capacity utilization	40%	50%	55%	70%	80%
Production at capacity utilization	1152	1440	1584	2016	2304
Total Revenue	₹ 8,75,52,000	₹11,40,48,000	₹12,61,44,000	₹15,95,52,000	₹18,31,68,000
B. VARIABLE COST					
Raw Materials Consumed	₹ 5,18,40,000	₹ 6,48,00,000	₹ 7,12,80,000	₹ 9,07,20,000	₹10,36,80,000
Glass Containers	₹ 2,30,40,000	₹ 2,88,00,000	₹ 3,16,80,000	₹ 4,03,20,000	₹ 4,60,80,000
Labour	₹ 14,64,000	₹ 16,26,667	₹ 17,89,333	₹ 22,77,333	₹ 26,02,667
Printing & Stationery	₹ 11,52,000	₹ 14,40,000	₹ 15,84,000	₹ 20,16,000	₹ 23,04,000
Power & Utility	₹ 85,330	₹ 96,953	₹ 1,03,203	₹ 1,20,249	₹ 1,31,924
Repair & Maintenance	₹ 2,07,500	₹ 2,11,650	₹ 2,15,883	₹ 2,20,201	₹ 2,24,605
Packaging Cost	₹ 39,16,800	₹ 48,96,000	₹ 53,85,600	₹ 68,54,400	₹ 78,33,600
Total Variable Cost	₹ 8,17,05,630	₹10,18,71,270	₹11,20,38,020	₹14,25,28,183	₹16,28,56,795
Opening Stock	₹ 0	₹ 52,59,433	₹ 54,30,724	₹ 69,08,504	₹ 78,70,275
Closing Stock	₹ 52,59,433	₹ 54,30,724	₹ 69,08,504	₹ 78,70,275	₹ 97,16,181
Contribution	₹ 1,11,05,802	₹ 1,23,48,022	₹ 1,55,83,759	₹ 1,79,85,588	₹ 2,21,57,111
C. FIXED COST					
Rent on Land & Building	₹ 6,00,000	₹ 6,00,000	₹ 6,00,000	₹ 6,00,000	₹ 6,00,000
Communication Cost	₹ 2,00,000	₹ 2,00,000	₹ 2,00,000	₹ 2,00,000	₹ 2,00,000
Administrative and Selling Expenses	₹ 80,00,000	₹ 81,60,000	₹ 83,23,200	₹ 84,89,664	₹ 86,59,457
Quality Control & Standards	₹ 1,000	₹ 1,000	₹ 1,000	₹ 1,000	₹ 1,000
Insurance Premium	₹ 83,000	₹ 87,000	₹ 89,000	₹ 95,000	₹ 99,000
Total Fixed Cost	₹ 88,84,000	₹ 90,48,000	₹ 92,13,200	₹ 93,85,664	₹ 95,59,457
EBITDA	₹ 22,21,802	₹ 33,00,022	₹ 63,70,559	₹ 85,99,924	₹ 1,25,97,654
Depreciation	₹ 6,65,000	₹ 5,57,250	₹ 4,69,463	₹ 3,97,063	₹ 3,36,802
EBIT	₹ 15,56,802	₹ 27,42,772	₹ 59,01,097	₹ 82,02,861	₹ 1,22,60,852
Interest on Working Capital Loan	₹ 8,98,766	₹ 16,59,924	₹ 19,39,776	₹ 24,37,311	₹ 29,12,729
Interest on Term Loan	₹ 8,72,383	₹ 7,92,415	₹ 6,17,938	₹ 4,43,461	₹ 2,68,985
PBT	-₹ 2,14,347	₹ 2,90,433	₹ 33,43,383	₹ 53,22,088	₹ 90,79,138
Tax	₹ 0	₹ 43,565	₹ 5,01,507	₹ 7,98,313	₹ 13,61,871
PAT	-₹ 2,14,347	₹ 2,46,868	₹ 28,41,876	₹ 45,23,775	₹ 77,17,268
Net Cash Accruals	₹ 4,50,653	₹ 8,04,118	₹ 33,11,338	₹ 49,20,838	₹ 80,54,069
Principal Repayment	₹ 0	₹ 11,63,178	₹ 11,63,178	₹ 11,63,178	₹ 11,63,178

10.2. Balance Sheet

Particulars	Implementing Period	Year 1	Year 2	Year 3	Year 4	Year 5
Equity & Liability						
Shareholder's Fund						
ESC	₹ 18,80,000	₹ 38,77,259	₹ 38,77,259	₹ 38,77,259	₹ 38,77,259	₹ 38,77,259
Reserves & Surplus	₹ 0	-₹ 2,14,347	₹ 32,521	₹ 28,74,397	₹ 73,98,172	₹ 1,51,15,439
Non-current Liabilities						
Long term borrowings	₹ 28,20,000	₹ 58,15,888	₹ 46,52,710	₹ 34,89,533	₹ 23,26,355	₹ 11,63,178
Current Liabilities						
Short Term Borrowings	₹ 0	₹ 74,89,720	₹ 1,38,32,699	₹ 1,61,64,796	₹ 2,03,10,927	₹ 2,42,72,739
Creditors	₹ 0	₹ 22,68,000	₹ 27,00,000	₹ 29,70,000	₹ 37,80,000	₹ 43,20,000
TOTAL EQUITY & LIABILITIES	₹ 47,00,000	₹ 1,92,36,520	₹ 2,50,95,189	₹ 2,93,75,984	₹ 3,76,92,713	₹ 4,87,48,614
Assets						
Non-current Assets						
Plant & Machinery	₹ 39,00,000	₹ 33,15,000	₹ 28,17,750	₹ 23,95,088	₹ 20,35,824	₹ 17,30,451
Furniture & Fittings	₹ 1,00,000	₹ 90,000	₹ 81,000	₹ 72,900	₹ 65,610	₹ 59,049
Electrical Fittings	₹ 3,00,000	₹ 2,70,000	₹ 2,43,000	₹ 2,18,700	₹ 1,96,830	₹ 1,77,147
Computer Hardware & Software	₹ 1,00,000	₹ 60,000	₹ 36,000	₹ 21,600	₹ 12,960	₹ 7,776
Preliminary Expenses Not Written Off	₹ 3,00,000	₹ 2,40,000	₹ 1,80,000	₹ 1,20,000	₹ 60,000	₹ 0
Current Assets						
Inventory	₹ 0	₹ 78,51,433	₹ 80,22,724	₹ 95,00,504	₹ 1,04,62,275	₹ 1,23,08,181
Debtors	₹ 0	₹ 1,09,44,000	₹ 1,42,56,000	₹ 1,57,68,000	₹ 1,99,44,000	₹ 2,28,96,000
Cash & Cash Equivalent	₹ 0	-₹ 35,33,913	-₹ 5,41,285	₹ 12,79,193	₹ 49,15,214	₹ 1,15,70,011
TOTAL ASSETS	₹ 47,00,000	₹ 1,92,36,520	₹ 2,50,95,189	₹ 2,93,75,984	₹ 3,76,92,713	₹ 4,87,48,614

10.3. Returns

RETURN ON INVESTMENT					
Particulars	Year 1	Year 2	Year 3	Year 4	Year 5
PAT	-₹ 2,14,347	₹ 2,46,868	₹ 28,41,876	₹ 45,23,775	₹ 77,17,268
Cost of Project	₹ 96,93,147	₹ 96,93,147	₹ 96,93,147	₹ 96,93,147	₹ 96,93,147
ROI	-2.21	2.55	29.32	46.67	79.62

RETURN ON EQUITY					
Particulars	Year 1	Year 2	Year 3	Year 4	Year 5
PAT	-₹ 2,14,347	₹ 2,46,868	₹ 28,41,876	₹ 45,23,775	₹ 77,17,268
Equity	₹ 38,77,259	₹ 38,77,259	₹ 38,77,259	₹ 38,77,259	₹ 38,77,259
ROE	-5.53	6.37	73.30	116.67	199.04

RETURN ON CAPITAL EMPLOYED					
Particulars	Year 1	Year 2	Year 3	Year 4	Year 5
EBIT	₹ 15,56,802	₹ 27,42,772	₹ 59,01,097	₹ 82,02,861	₹ 1,22,60,852
Capital Employed	₹ 94,78,799	₹ 85,62,490	₹ 1,02,41,188	₹ 1,36,01,786	₹ 2,01,55,876
ROCE	16.42	32.03	57.62	60.31	60.83

Debt Service Coverage Ratio	1.25	0.91	1.71	2.13	2.90
Inventory Turnover Ratio	37.47	22.12	20.67	22.22	21.08

10.4. Break Even

OPERATING BREAK EVEN POINT					
Particulars	Amount				
	Year 1	Year 2	Year 3	Year 4	Year 5
Fixed Cost	₹ 95,49,000	₹ 96,05,250	₹ 96,82,663	₹ 97,82,727	₹ 98,96,259
Sales Price Per Unit	₹ 40	₹ 40	₹ 40	₹ 40	₹ 40
Variable Cost Per Unit	₹ 35.46	₹ 35.37	₹ 35.37	₹ 35.35	₹ 35.34
Break Even Point in Units	2104469	2075451	2089274	2103474	2124658
Break Even Point Sales	₹8,41,78,757	₹8,30,18,020	₹8,35,70,947	₹8,41,38,954	₹8,49,86,304
Bottles Sold Per Day	5997	7812	8640	10928	12546
Days Required to Achieve Break Even Point	351	266	242	192	169

BREAK EVEN FROM INVESTORS POINT OF VIEW	
Particulars	Year 1
Capex Break Even	₹ 96,93,147
Sales Price Per Unit	₹ 40
Variable Cost Per Unit	₹ 35.46
Break Even Point in Units	2136237
Break Even Point Sales	₹ 8,54,49,476
Bottles Sold Per Day	5997
Days Required to Achieve Break Even Point	356

Detailed Financial Model- https://drive.google.com/file/d/1WUuRRBZwqkamACTUFoSw5rDY7mTV_Gpo/view?usp=drivesdk

11. LICENSES & QUALITY STANDARDS

- **FPO:** An FPO license is necessary to start a fruit processing industry in India. The FPO mark is a certification mark mandatory on all processed fruit products sold in India such as packaged fruit beverages and fruit extracts following the Food Safety and Standards Act of 2006. The FPO mark guarantees that the product was manufactured in a hygienic 'food-safe' environment, thus ensuring that the product is fit for consumption.
- **FSSAI License:** FSSAI License is issued by the Food Safety and Standards Authority of India (FSSAI), Ministry of Family Health & Welfare, Government of India. Application to commence a food business must be made to the FSSAI in the prescribed format. Based on the application and supporting documents, FSSAI will accord approval. The Food Safety and Standards (Licensing and Registration of Food Businesses) Regulations 2011 introduced to improve the hygiene and quality of food has brought about tremendous changes in the food industry. As per the Act, no person shall commence or carry on any food business except under a FSSAI license or FSSAI registration. Therefore, any food manufacturing or processing or packaging or distributing entity is now required to obtain a FSSAI License or Registration.
- **SMC License:** It is a trade license every business needs to take before commencement of the business.
- **GST Registration:** In the GST Regime, a business whose turnover exceeds Rs. 40 Lakhs is required to register as a normal taxable person.
- **Digital Signature Certificate:** Digital Signature Certificates (DSC) are the digital equivalent (that is electronic format) of physical or paper certificates. Certificates serve as proof of identity of an individual for a certain purpose.
- **Rent Agreement:** A rental agreement is a contract of rental, usually written, between the owner of a property and a renter who desires to have temporary possession of the property.
- **Pollution Control:** There is no major pollution problem associated with this industry except for disposal of waste which should be managed appropriately. However, waste water resulting from washing of ginger & lime treated ginger water may be safely dispersed over a large area of land for irrigation purpose. The promoter is advised to take "No Objection Certificate" from the State Pollution Control Board.
- **Effluent Disposal:** Disposal of any effluent out of the project unit should be treated with recycling facility or dumped in such a way that these does not cause hazard in the vicinity of the site.
- **Energy Conservation:** Proper care should be taken in running the machineries and equipment to avoid over run and high electricity consumption. The machineries selected for the plant should be most energy efficient for economical production.
(Refer to note: 12 calculation sheet in financial model)

12. RISK IMPACT & MITIGATION PLAN

- **Risk** - Fire, Theft, Flood, etc. of Stocks or Plant and Machinery

Loss - Huge monetary loss if any of the above thing happens inside the factory premises

Mitigation –

1. Take an appropriate cover of plant and machinery and for stocks.
2. The Building will be equipped with a fire alarm system. Hand-held fire extinguishers will be placed in visible locations throughout the building.
3. All Staff will be trained in the use of fire extinguishers.

- **Risk** – Debtor (Supplier) becoming Bad debt

Loss - Loss of payment from supplier can be intentional/ unintentional

Mitigation –

1. Will always do credit checks of the supplier.
2. Will also consider setting the credit limits of a supplier at any given point of time.
3. Another thing will do is setting payment terms for the supplier and that will be strict to our business policy.

Business Continuity Plans – All the dispute of the organization will be solved by the Arbitrator By entering the arbitration clause in the agreement between the parties. If the organization file a petition in the court it will take more time and fees of the advocate will be burden on the organization, so the organization seek help from the arbitrator for quick remedy.

- **Risk** – Increase in cost of Apples

Loss – Due to increase in the price of apples either in on season or in off season this will affect our production cost and ultimately have to compromise in the margins per bottle of apple juice.

Mitigation - Organization will enter into forward contract with raw material supplier.

- **Risk** – Failure of utilities e.g., water, electricity.

Loss – Suddenly loss of power due to any unforeseen condition happening will ultimately affect the production since the machine need power to operate and hence losing our daily target of production and end up with less production for a particular month or paying overtime wages to workers to mitigate the loss of production in both the cases loss is there for the Organization.

Mitigation -

1. A backup plan of Generator not renting for the entire month rather tie up with them to get it real-time hence saving the cost of renting for the entire month.
2. Water storage on site or own bore hole to avoid paying any extra in case of interrupted water supply.

➤ **Risk – Machine Failure**

Loss – Machine failure can be a big time trouble as ultimately production has to be done by machines only and hence its failure means disruption of the entire manufacturing chain.

Mitigation –

1. Will follow the recommended servicing and maintenance schedules so as to avoid this situation totally before its happening.
2. Will always keep the stock of parts ready inside the factory premises so that factory owned mechanic can fix it without much time loss.
3. Have contract with emergency repair services 24*7.

➤ **Risk – Recession/Pandemic**

Loss – Recession means less demand and less demand means less production and hence less profits. While in case of a Pandemic like Covid-19 which means a complete shutdown for couple of months a huge loss has to be incurred.

Mitigation - Recession means less sales and hence less profit for that what we can do is do some calculated cost cutting like for time being, work with less number of labour force and salary cut and other avoidable expenses which is not necessary and production can be done without incurring those expenses for some time.

Business Continuity Plans - A double shift or extended working hours will be need of the hour to meet the estimated production target after the things will get normal in case of Pandemic. And that's what we will do after Pandemic period.

➤ **Risk- Employees Accident, Health & Life**

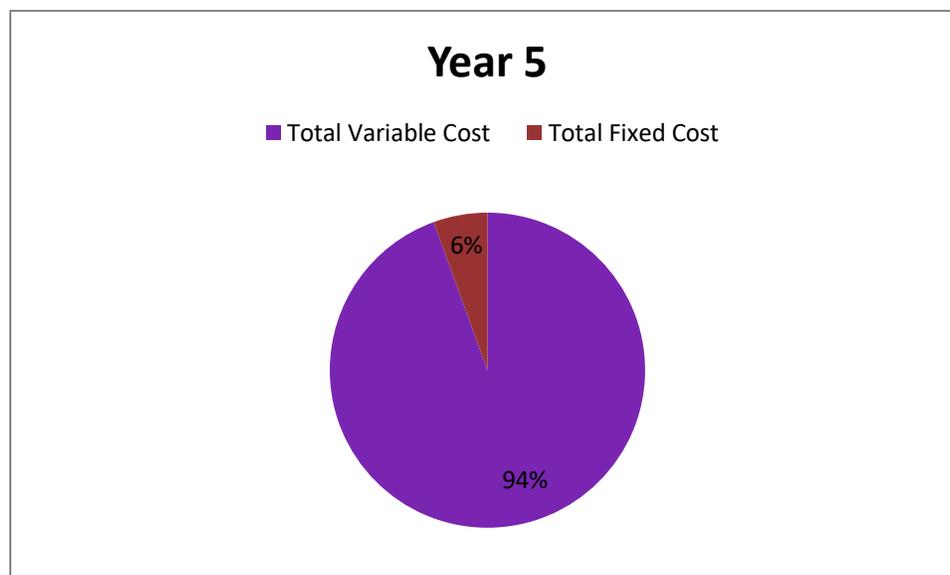
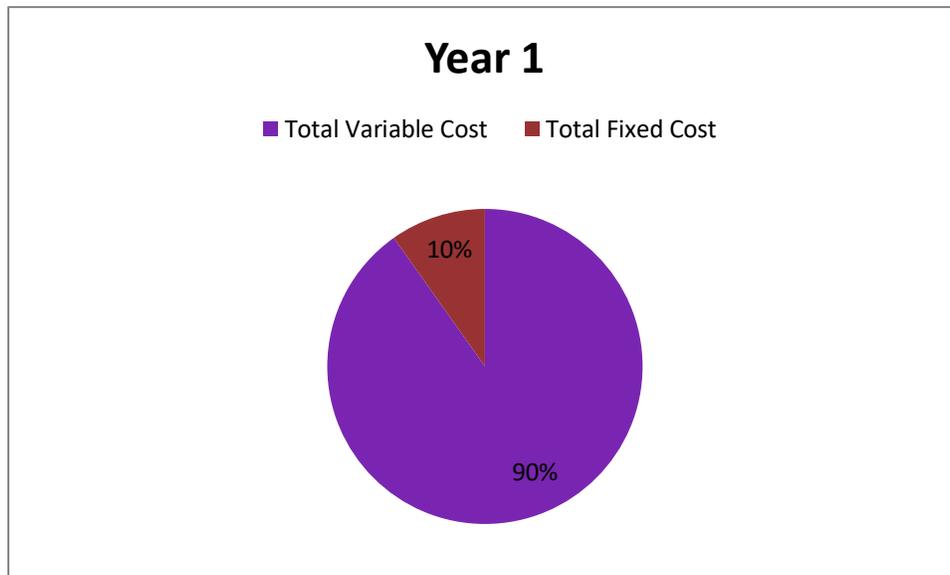
Loss- As a business's social responsibility we need to take care of our employees as they are an essential part of our production process.

Mitigation- We will be taking all the essential covers like accidental insurance, term insurance, health insurance & ESI in order to safeguard their health and future. Commercial 3rd party liability insurance will also be considered for the safety of third parties associated with business.

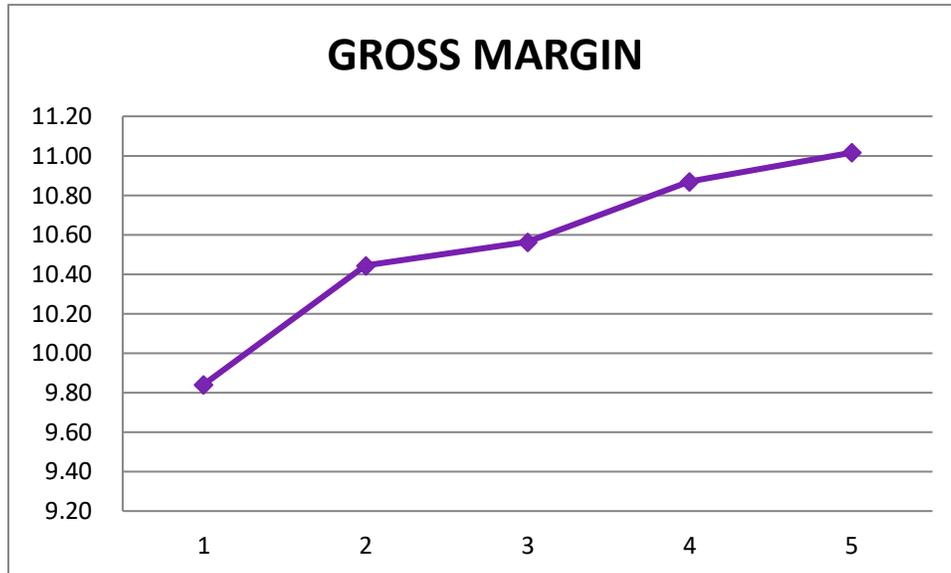
(Refer to note: 8 calculation sheet in financial model)

13. CHARTS & GRAPHS

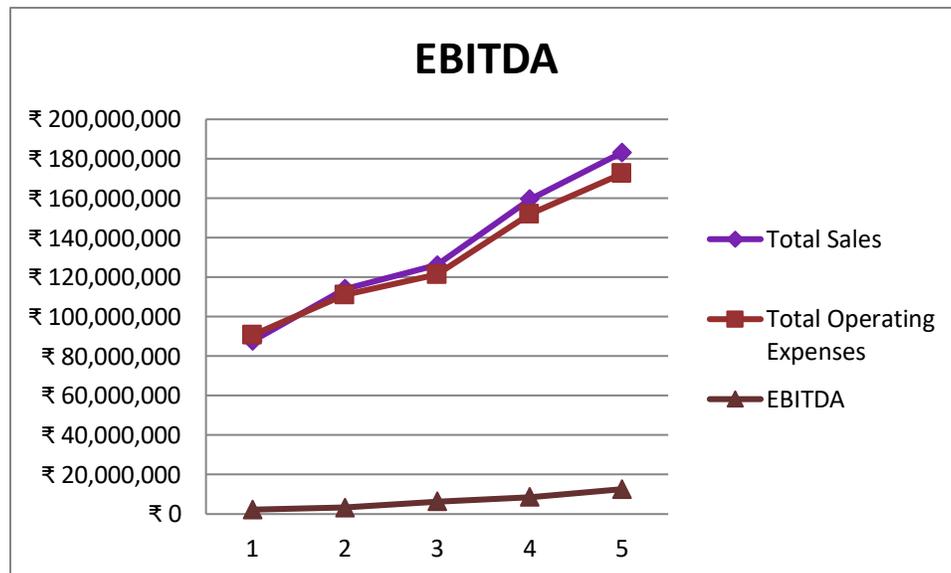
13.1. Expenses Distribution



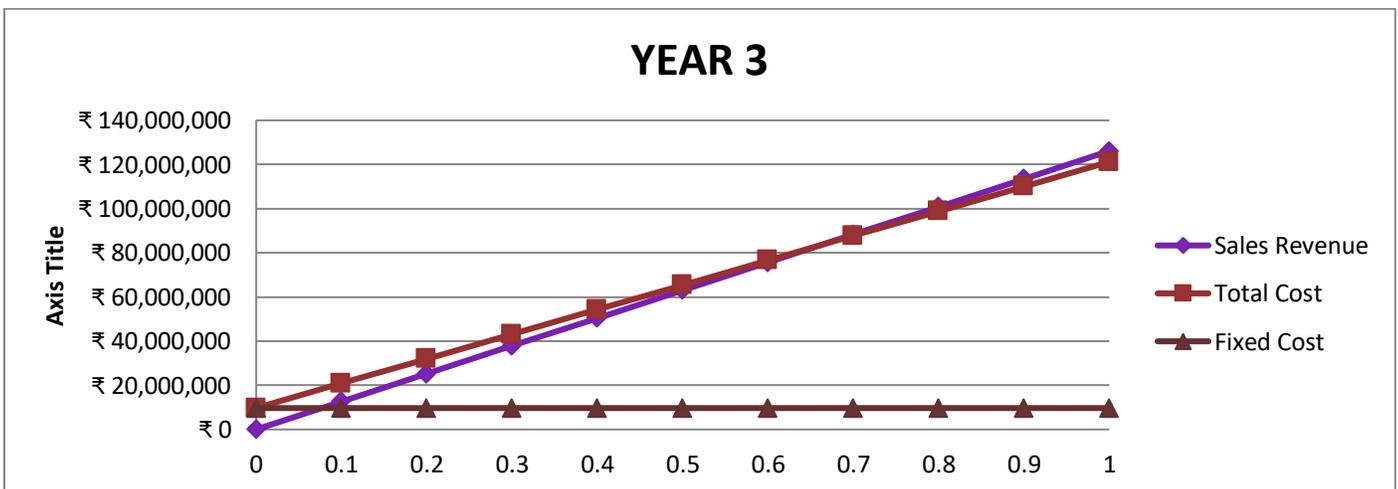
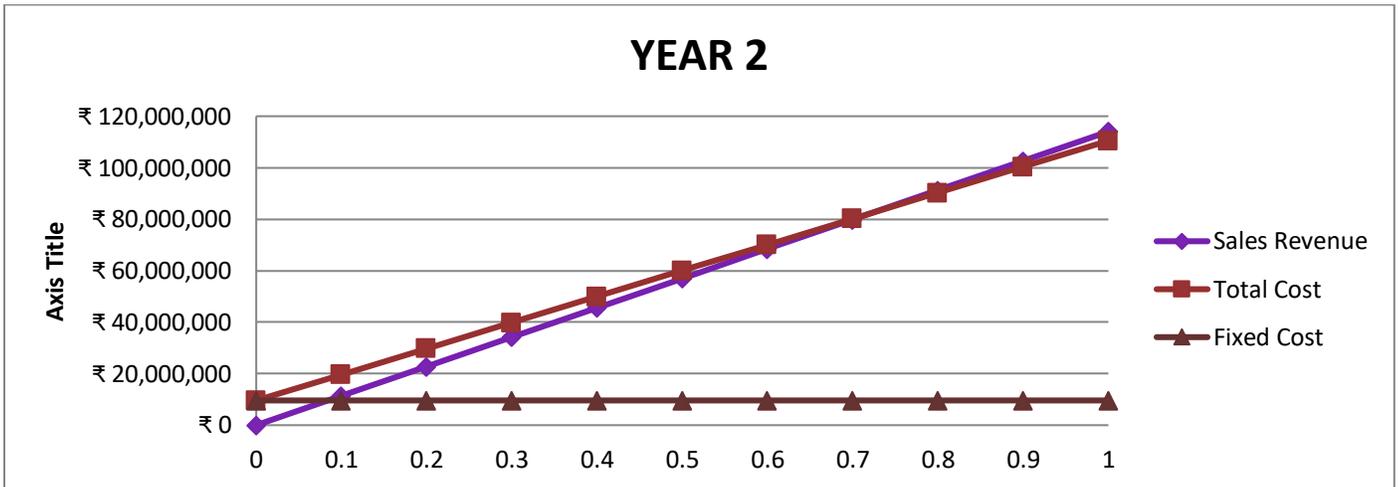
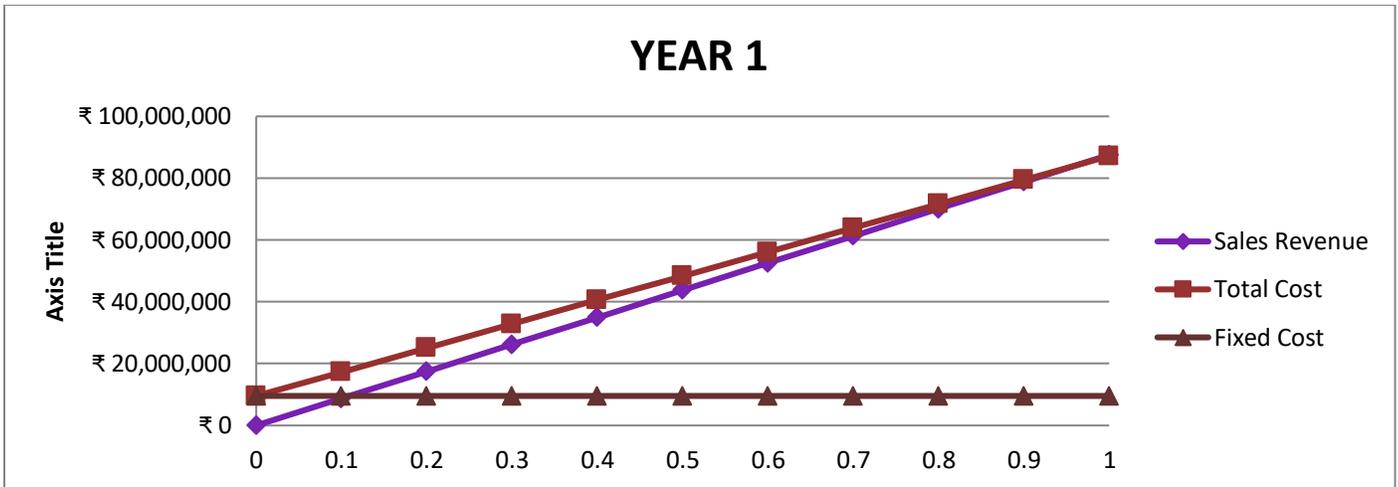
13.2. Gross Margin

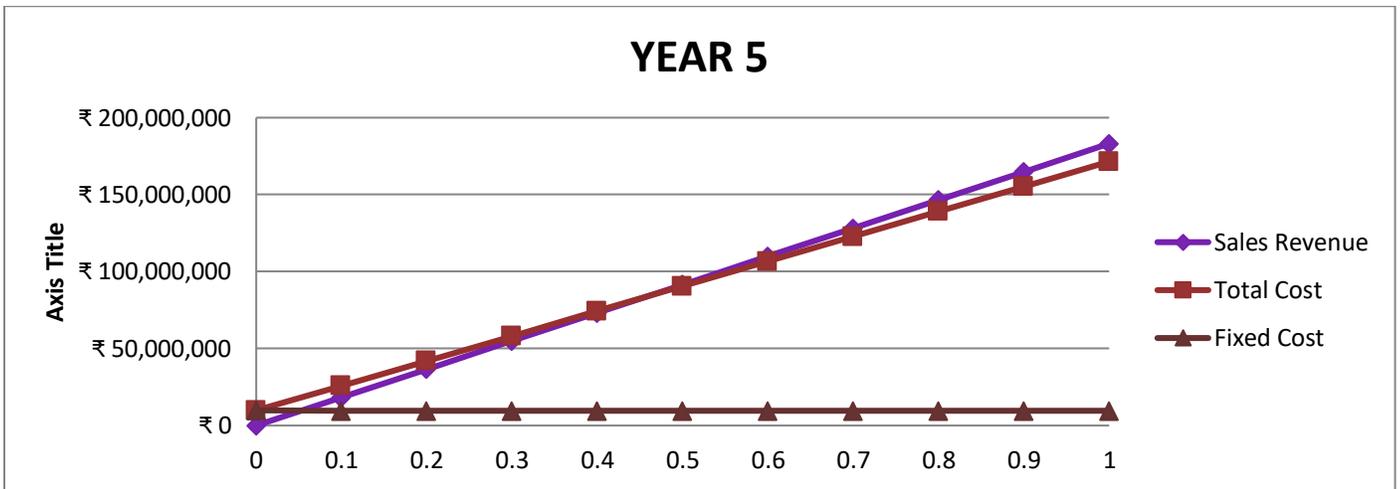
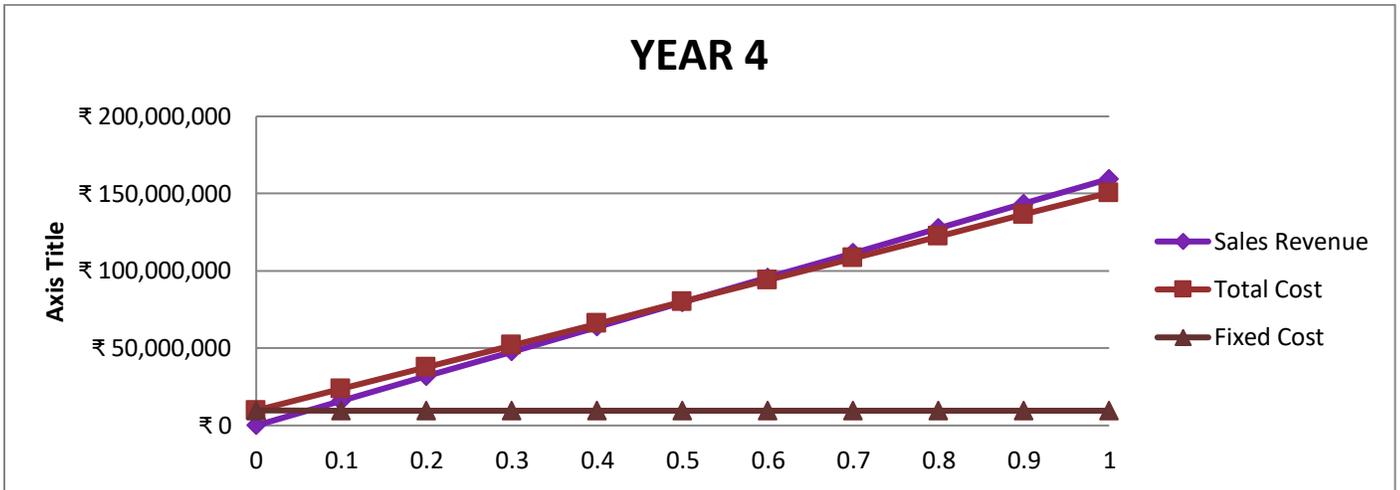


13.3. EBITDA



13.4. Break Even





14. ANNEXURES

- **Fruit Merchant-** Providing us with raw material (apples)
Name: Mukesh Kumar
Designation: Fruit Merchant/ Broker
Contact: 9999685385
- **Glass Manufacturer-** Providing us with glass containers
Name: Glassko India
Contact: 7248525000
Quotation: <https://www.glasskoindia.com/product/1/glass-bottles-and-jars>
- **Plant & Machinery-** Requirement for plant & machinery is crucial for any manufacturing unit

Juice Manufacturing Plant-

Name- Packaging Solutions

Contact- 8048084690

Quotation- <https://m.indiamart.com/proddetail/fruit-juice-processing-plant-12793075633.html>

Labeling Machine-

Name- Ordee Systems Private Limited

Contact- 8048739731

Quotation- <https://m.indiamart.com/proddetail/automatic-labelling-machine-20493276212.html>

Bottle Filling Machine-

Name- Reliable Industries

Contact- 8048950135

Quotation- <https://m.indiamart.com/proddetail/40-bpm-bottle-filling-machine-7670638973.html>

- **Computer Hardware**

Name- Amazon

Quotation-

https://www.amazon.in/gp/product/B089F3WL8T/ref=s9_acss_bw_cg_Lap_1c1_w?pf_rd_m=A1K21FY43GMZF8&pf_rd_s=merchandised-search-2&pf_rd_r=04K7MJKXN0736JPF0TND&pf_rd_t=101&pf_rd_p=09aff0c5-106a-492a-a8a4-89edfebf5255&pf_rd_i=21570146031

- **Insurance**

Name- Mahendra Pratap

Designation- Senior Manager (Aditya Birla Capital)

Contact- mahendra.pratap@rcap.co.in

Quotation- <https://drive.google.com/file/d/1TBp7M3LH9S-eUWlf-srPNIGAvZqQdyB9/view>