

14 JUICE PARLOUR



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1. INTRODUCTION

Establishing a juice parlour in Uttarakhand is a compelling venture driven by the region's abundant local fruits, including Kaafal, Plum, Amla, and Burans. Uttarakhand's status as a popular tourist destination adds to the appeal, presenting an opportunity to cater to both locals and visitors seeking refreshing beverages amidst the scenic landscapes. The global trend towards health and wellness aligns with the concept of a juice parlour, offering a wholesome alternative to processed drinks. Additionally, by emphasizing locally sourced fruits, such a venture contributes to community engagement, making it a strategic and rewarding business opportunity.

2. PRODUCT & ITS APPLICATION

Uttarakhand's diverse climate yields a variety of juicy fruits, including Kaafal berries, succulent plums, Amla, refreshing Burans, apples, juicy peaches, sweet cherries, and strawberries. These fruits, abundant and flavorful, define the region's culinary richness and agricultural diversity.

3. DESIRED QUALIFICATION FOR PROMOTER

For effective management of this venture, the promoter should ideally possess knowledge of the food and beverage industry, a grasp of local fruits and flavors specific to Uttarakhand, as well as skills in marketing and fundamental financial management. These qualifications are essential for ensuring the sustainable operation and growth of the Juice Parlour.

4. BUSINESS OUTLOOK AND TRENDS

The Indian fruit juice market is currently witnessing a substantial upswing, driven by a broader shift towards health-conscious consumer preferences. With their organic and healthful attributes, fruit juices are increasingly in demand. To further bolster this trend, the government has strategically implemented tax incentives within the Goods and Services Tax (GST) regime. Notably, beverage manufacturers that incorporate real fruit juice in their products are entitled to a reduced tax rate. This initiative not only encourages the utilization of genuine and natural ingredients but also aligns with the health and wellness goals of consumers.

5. KEY BUSINESS ELEMENTS

Being a prominent producer of pears, plums, peaches, and apples, Uttarakhand ensures a local and plentiful source of top-quality fruits, enhancing the freshness and authenticity of fruit juices. This abundance provides an opportunity for crafting distinctive and attractive fruit juice blends, addressing diverse taste preferences and elevating market competitiveness. Despite these advantages, ensuring an efficient and timely supply of fresh fruits to meet production demands poses a logistical challenge. To overcome this hurdle, businesses must establish robust supply chain networks, ensuring the consistent quality and availability of raw materials for the production of high-quality fruit juices.

6. RAW MATERIAL REQUIREMENTS

Following raw materials will be required for a Juice Parlour:

- For Fresh Fruit Juices: Apples, Oranges, Kaafal, Plum, Amla (Indian Gooseberry), Burans (Rhododendron) and Burans flowers for extracting the essence, providing a distinct local flavor.
- Additional Ingredients: Sugar, Salt, lemon, Chaat Masala, Cumin Powder, etc.

6. MANUFACTURING PROCESS

The standard procedure at a Juice Parlour typically involves the following steps:

1. Washing and Preparation:

- Thoroughly washing the fruits to eliminate any impurities.
- Peeling or cutting the fruits into appropriate sizes suitable for juicing preparation.

2. Juice Extraction:

- For Fresh Fruit Juices (Apple, Orange, Mixed Blends):
 - Using a fruit juicer or extractor to obtain fresh juice.
 - Straining the juice to eliminate any pulp or seeds.
 - Pouring the extracted juice into a glass and serving it immediately.
- For Locally Inspired Options (Kaafal, Plum, Amla, Burans):
 - Employing suitable methods such as crushing or pressing to extract the juice.
 - Straining the juice to achieve a smooth consistency.
 - Serving the freshly extracted juice immediately.

8. MANPOWER REQUIREMENT

| Sr. No | Particulars | No. | No of month in year | Wages/Salaries per month (Rs. In Lakhs) | Annual Expense (Rs. In Lakhs) |
|--------|---------------|-----|---------------------|---|-------------------------------|
| 1 | Self-employed | 1 | - | - | - |
| 2 | Juice Maker | 1 | 12 | 0.2 | 2.4 |
| 3 | Helper | 1 | 12 | 0.12 | 1.44 |
| | Total | | | | 3.84 |

9. IMPLEMENTATION SCHEDULE

| Sr. No. | Activity | Time Required (in months) |
|---------|--|---------------------------|
| 1 | Acquisition of premises | 1 |
| 2 | Construction (if applicable) | 1.5 |
| 3 | Procurement & installation of Plant & Machinery | 2.5 |
| 4 | Arrangement of Finance | 1 |
| 5 | Recruitment of required manpower | 1 |
| 6 | Total time required (some activities shall run concurrently) | 3 |

10. COST OF PROJECT

| Sr. No | Particulars | Annual Expenses (Rs. in lakhs) |
|--------|---------------------------------|--------------------------------|
| 1 | Land | - |
| 2 | Building (Rented) | - |
| 3 | Plant & Machinery | 1.75 |
| 4 | Equipment and Furniture Exp. | 1.00 |
| 5 | Misc. Fixed Asset | 0.02 |
| 6 | Preoperative & Preliminary Exp. | 0.05 |
| 7 | Working Capital | 0.57 |
| | Total Project Cost | 3.39 |

11. MEANS OF FINANCE

Bank-term loans are assumed @ 60 %

| Sr. No. | Particulars | Annual Expenses (Rs. in lakhs) |
|---------|-------------------------|--------------------------------|
| 1 | Promoter's contribution | 1.36 |
| 2 | Bank Finance | 2.04 |
| | Total | 3.39 |

12. LIST OF MACHINERY REQUIRED

A. Machinery

| Sr. No | Particulars | Unit | Price per Unit (Rs. in lakhs) | Total Amount (Rs. in lakhs) |
|-------------------------------------|-----------------|------|-------------------------------|-----------------------------|
| 1 | Juice Extractor | 2 | 0.15 | 0.30 |
| 2 | Presses | 1 | 0.05 | 0.05 |
| 3 | Pulp Extractor | 1 | 0.20 | 0.20 |
| Total Amount | | | | 0.55 |
| Tax, Transportation, Insurance etc. | | | | 1.00 |
| Electrification Exp. | | | | 0.20 |
| Grand Total Amount | | | | 1.75 |

B. Furniture & Equipment

| Sr. No | Particulars | Unit | Price per Unit (Rs. in lakhs) | Total Amount (Rs. in lakhs) |
|--------|--|------|-------------------------------|-----------------------------|
| 1 | Tools & Equipment (Knives, mixing and juice filling utensils, cleaning tools etc.) | - | 0.20 | 0.20 |
| 2 | Furniture & Set-up (Lighting, kiosk, chairs, shelves and racks etc.) | - | 0.80 | 0.80 |
| | Total | | | 1.00 |

The availability of machines and equipment from local manufacturers is a promising advantage for the entrepreneur. It is essential to carefully choose the right mix of products and suitable machinery and tooling to facilitate modern and flexible production. Here are some of the suppliers of machinery an entrepreneur can consider:

1. Gupta Electronics
Dispensary Road, Dehradun City,
Dehradun-248001,
Uttarakhand, India

2. R. C. Electronics
54, Dispensary Road,
Back Side of Kothali,
Dehradun-248001,
Uttarakhand, India

3. Dev Enterprise
 Career House, G.M.S. Road,
 Behind Hotel Kamla Palace,
 Dehradun-248001,
 Uttarakhand, India

13. MEANS OF FINANCE

Bank-term loans are assumed @ 60%

| Sr. No | Product | Sales Realisation in Lakhs |
|--------|---|----------------------------|
| 1 | Juices(Kaafal, Plum, Amla, Buran, Apple, Orange Juice, etc.) <i>Annual Total Juice Sales is 22,000 glasses i.e. 50-60 glasses of juice per day</i> | 19.71 |

14. PROFITABILITY CALCULATIONS

The basis of profitability calculation:

| Sr. No | Particulars | Annual Expenses (Rs. in lakhs) |
|--------|---------------------------------|--------------------------------|
| A. | Sales realisation | 19.71 |
| B. | Cost of production | |
| i) | Raw materials | 9.86 |
| ii) | Utilities | 0.40 |
| iii) | Manpower Cost (Salaries/wages) | 3.84 |
| iv) | Administrative expenses | 0.28 |
| v) | Packaging Cost | 0.05 |
| vi) | Material Lost Cost | 0.05 |
| vii) | Selling & distribution expenses | 0.90 |
| viii) | Repairs & maintenance | 0.00 |
| ix) | Rent | 0.40 |
| x) | Interest | 0.23 |
| xi) | Misc. expenses | 0.00 |
| | Total (B) | 16.00 |
| | Gross profit/loss (A – B) | 3.71 |
| | Less: Depreciation | 0.21 |
| C. | PBIT | 3.50 |
| D. | Income-tax | - |
| E. | Net profit/loss | 3.50 |
| F. | Repayment (Annual) | 0.19 |
| G. | Retained surplus (E-F) | 3.50 |

The production capacity of the unit is estimated at 90%.

15. BREAKEVEN ANALYSIS

(Rs. in lakhs)

| Fixed cost | |
|---------------------------------|--------------|
| Land & Building Rent | 0.40 |
| Depriciation | 0.21 |
| Interest | 0.23 |
| Manpower | 1.15 |
| Total Fixed cost | 1.99 |
| Variable cost | |
| Raw materials | 9.86 |
| Utilities | 0.40 |
| ManPower | 2.69 |
| Administrative expenses | 0.28 |
| Selling & distribution expenses | 0.90 |
| Total Variable cost | 14.12 |
| Contribution margin | 20% |
| Break-Even Point in Value | 9.94 |

16. STATUTORY/GOVERNMENT APPROVALS

The Food Safety and Standards Authority of India (FSSAI) is the regulatory body responsible for ensuring food safety and standards in India. It is established under the Food Safety and Standards Act, of 2006, and governs all matters related to food, storage, distribution, sales, and import. Any entity operating a food business has to abide by the food safety rules and regulations and fulfill the legal requirements. Non-compliance with FSSAI regulations can lead to penalties, fines, and even closure of the business.

Besides an FBO license, a food processing unit has to secure and register a business under MSME. It also has to secure various types of licenses such as:

1. Trade License: This license is important for any food-related business. The local municipal authority gives it.
2. GST Registration: Registration under the GST is mandatory for any business with a certain turnover and is involved in the sales of goods including food products.
3. Other legal approvals include meeting with labeling compliance, local permits, and state-specific licenses if any.

17. TRAINING CENTERS AND COURSES

There are few specialized Institutes that provide degree certification in Food Technology, The most famous and authenticate Institutions are as follows:

1. FCI Institute of Management
11, Subash Road, Opposite Police HQ,
Dehradun, Uttarakhand, India
2. Food Industry Capacity & Skill Initiative (FICSI)
1, 3rd floor, Shriram Bharatiya Kala Kendra,
Copernicus Marg, Mandi House-110001,
Delhi, India

3. National Institute of Food Technology Entrepreneurship and Management
97, Niftem Rd, HSIIIDC, Industrial Estate,
Kundli, Sonipat- 131028,
Haryana, India

Swayam portal (link: <https://swayam.gov.in/>) can also be accessed for enhanced learning on business commerce, accounting, production, marketing, and areas of entrepreneurship.

Disclaimer

Only few machine manufacturers are mentioned in the profile, although many machine manufacturers are available in the market. The addresses given for machinery manufacturers have been taken from reliable sources, to the best of knowledge and contacts. However, no responsibility is admitted, in case any inadvertent error or incorrectness is noticed therein. Further the same have been given by way of information only and do not carry any recommendation.