

## Detailed Project Report for Small Bakery Plant

### Introduction

Bakery is traditional products and occupy an important place in food processing industry. Bakery products are become a common item of consumption among all classes of people. Despite of the fully automatic and large capacity of bakery plant, large section of people, especially in semi-urban and rural areas, still prefer fresh bakery products from local bakery as they are low in cost and offer many varieties. Thus, bakery industry has potential in terms of jobs, household oriented business opportunities, as well as providing a wide range of cake, bread and biscuit at relatively low price with high nutritional value.

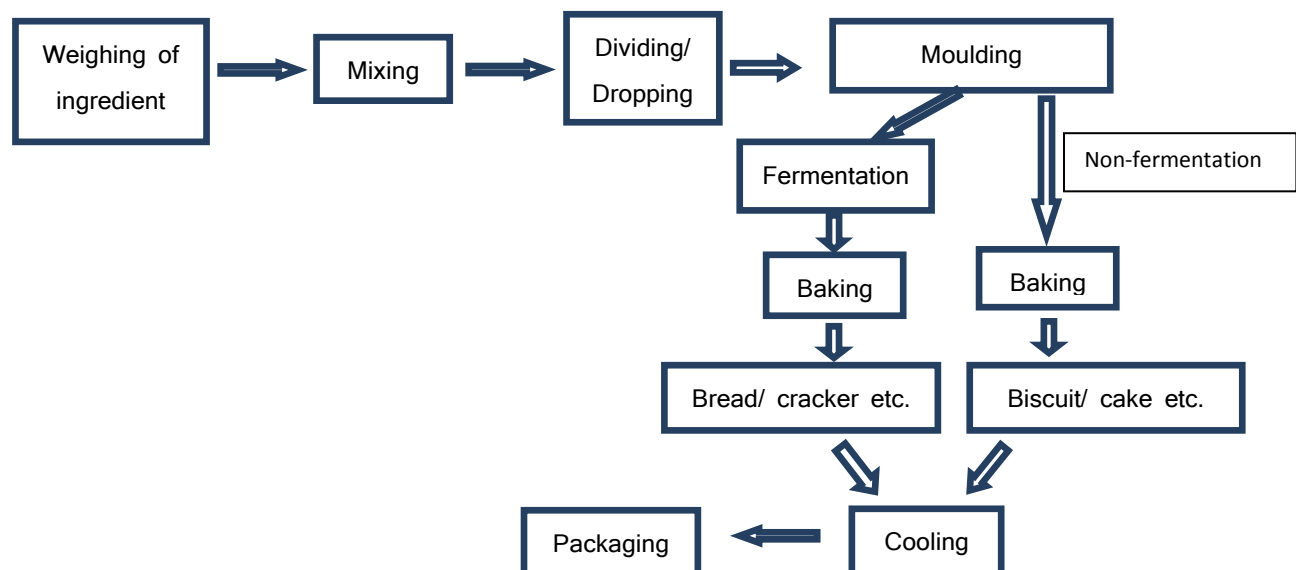
### Products

The bakery segment in India can be classified into the three broad segments of bread, biscuits and cakes. Today, bakery is no longer restricted to bread, biscuits, cakes and pastries as it was traditionally known and now classified in terms of state and art technology. Other bakery products which are becoming popular now a days are Pastries, Danish Pastries, Croissants, Rusk, Pizzas, Pancake, Crisp Bread, Bread Sticks, Kulchas, Crackers, Garlic bread, fruit bread, Focaccia, Buns and Pav, Ciabatta, French Baguette and Rye Bread etc.

### Market potential

Bakery products still remain the cheapest of the processed ready to eat products in the country. The higher consumption of bakery products in rural and urban area could be attributed to its position as a snack, longer shelf life, better taste. These products don't face any marketing problem as every shop is a market for bakery products. Bakery can be set up in urban as well as rural areas. Depending upon its location, a suitable product can be worked out. This profile primarily considers semi-urban and rural location for bread, rusk, cookies and cake.

### Manufacturing Process



### Plant and machinery

It is suggested to install following set up to manufacture bread, cake, biscuit and cookies:

Sl.No.	Equipment	Qt.	Cost
1	Weighing balance	1	4000.00
2	Planetary Mixer	1	80000.00
3	Double deck oven	1	200000.00
4	Slicer	1	20000.00
5	Dough sheeter	1	100000.00
6	Packaging machine( sealing machine	1	20000.00
7	Miscellaneous equipment includes different types of tray, mold, nozzles and cutter, spatula, shifter, grinder, working table etc		100000.00
		<b>Total</b>	<b>524000.00</b>

### Manpower requirements and monthly salary

Particulars	Monthly salary
Plant Manager	10000
Accountants	7000
Supervisor	6000
Machine Operators	6000
Salesman	7000
Labour	5000
Total	<b>41000.00</b>

### Working Capital Requirement Per Month

Si.No.	Particulars	Amount in Rs. Lakhs
1	Raw Material Cost	3.61
2	Power Charges	0.12
3	Indirect Expenses	0.69
4	Salary to staff	0.88
	Working Capital Total/ Month	<b>5.30</b>

### Cost of the Project and Means of Financing

Financial assistance in the form of grant is available from the Ministry of Food Processing Industries, Govt. of India, KVIC and other agencies towards expenditure on technical civil works, plant and machinery for eligible projects subject to certain terms and conditions.

<b>COST OF PROJECT (in Rs. Lacs)</b>		
1	Building	
2	Plant & Machinery	5.24
3	Working Capital requirement	5.30
4	Furniture & Fixtures	0.50
5	Computer	0.50
	<b>Total</b>	<b>11.54</b>
<b>MEANS OF FINANCE (in Rs. Lacs)</b>		
1	Promoter's Equity	1.25
2	Grant from Govt. of India	2.18
3	Bank Term Loan	2.81
4	Bank CC Limit	5.30
	<b>Total</b>	<b>12.00</b>

### Sales revenue at 100% capacity utilization

	<b>Output</b>	<b>Rate</b>	<b>Amount</b>
<b>Product</b>	MT	₹/MT	₹ in LACS
<b>Cake</b>	15	250000	37.5
<b>Bread</b>	35	80000	28
<b>Biscuit</b>	25	100000	25
<b>Cookie</b>	15	20000	3
<b>TOTAL</b>			<b>93.5</b>

### Projected Income Statement

<b>Projected Income Statement</b>						
<i>(Rupees in Lakhs)</i>						
S.no.	Particular	Year				
		1	2	3	4	5
1	<b>INCOME</b>					
	Sales	65.45	74.80	84.15	93.50	93.50
	<b>TOTAL INCOME</b>	65.45	74.80	84.15	93.50	93.50
2	<b>DIRECT EXPENSES</b>					
	Raw Material Consumed	34.45	39.37	44.29	49.21	49.21
	Power Charges	1.14	1.37	1.55	1.72	1.72
	Salary to Production Staff	5.88	6.17	6.48	6.81	7.15

	Packing cost (3% of Sale)	2.62	2.99	3.37	3.74	3.74
	<b>COST OF GOODS SOLD</b>	44.09	49.91	55.68	61.48	61.82
3	<b>GROSS PROFIT (₹ Lac)</b>	21.36	24.89	28.47	32.02	31.68
4	<b>INDIRECT EXPENSES</b>					
	(a) Salary to Other Staff	3.72	3.91	4.10	4.31	4.52
	(c) Interest on W.C.	0.58	0.58	0.58	0.58	0.58
	(d) Interest on Term Loan	0.31	0.27	0.21	0.14	0.08
	(e) Taxes, Rent & Duty	8.18	9.35	10.52	11.69	11.69
	Total	12.79	14.11	15.41	16.72	16.87
5	<b>OPERATING PROFIT</b>	8.57	10.78	13.06	15.31	14.82
6	Less: Depreciation	1.14	0.83	0.66	0.54	0.45
7	Profit before tax	7.43	9.95	12.40	14.77	14.37
8	Income tax *	0.00	0.00	0.00	0.00	0.00
	<b>PROFIT AFTER TAX</b>	7.43	9.95	12.40	14.77	14.37
<i>* 100% deduction of profit for 5 years annd 25 % for the next 5 years U/s 80 IB</i>						

#### Projected balance sheet

<b>PROJECTED BALANCE SHEET</b>					
<b>PARTICULARS</b>	<b>END OF YEAR (Rupees in Lakhs)</b>				
	1	2	3	4	5
<b>A. EQUITY &amp; LIABILITIES</b>					
Share Capital	1.25	1.25	1.25	1.25	1.25
Capital reserve (Govt. Grant)	2.18	2.18	2.18	2.18	2.18
General Reserve	6.54	16.53	25.26	35.65	45.77
W.C. Loan	5.30	5.30	5.30	5.30	5.30
Term Loan	2.81	2.21	1.61	1.01	0.41
<b>TOTAL</b>	<b>18.08</b>	<b>27.47</b>	<b>35.60</b>	<b>45.40</b>	<b>54.91</b>
<b>B. ASSETS</b>					
Fixed Assets	5.10	4.27	3.61	3.08	2.63
Preliminary Expenses	0	0	0	0	0
Investment in Land	0	0	0	0	0
Inventory	0	0	0	0	0
Debtors	1.26	1.43	1.61	1.79	1.79
Cash in Hand	11.72	21.77	30.37	40.53	50.49
<b>TOTAL</b>	<b>18.08</b>	<b>27.47</b>	<b>35.60</b>	<b>45.40</b>	<b>54.91</b>

### Key ratios- average

1	CURRENT RATIO	6.14
2	D.S.C.R	2.43
3	DEBT/EQUITY	0.12
4	NET PROFIT RATIO	0.15

### Addresses of some Machinery and Raw Material Suppliers

- Pritul machines, begrajpur, industrial area, muzaffarnagar,UP-251203
- HCS Enterprises plot no.333,Rai Industrial Estate, sector 38 Sonapat-131029
- Foodmac Engg. Pvt. Ltd. 37038, Sector 2, Parwanoo-173220 (HP).
- Good luck bakery machines, Opp. Metro Pillar No. 79, Preet Vihar Delhi-110092
- M/s. Control Print (India) Ltd. A-27, Swasthya Vihar, Vikas Marg, Delhi-110 092.
- M/s. Ambica Packers and Printers 2687, Kinari Bazar, Dariba Kalan, Delhi-110 006.
- M/s. United Packaging 19/21, Shakti Nagar, Delhi-110 007.
- M/s. Gemini Engineers F-4, IDA Kukatpally, Balanagar, Hyderabad-500 037.