

Project Profile on Bakery Products



**National Institute of Micro, Small and Medium Enterprises (ni-msme) an Organisation of Ministry of MSME, Govt. of India
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Introduction

The bakery industry plays an important role in industrial activities of food processing industry in the country. In the modern times, it provides nutritious food to a large number of households in cities. The Indian Bakery sector consists of some of the foods like cakes, breads, biscuits, and chips etc.. Since the development of new food technology, a variety of products are prepared in the Bakery.

Promoter:

The promoter of the unit is well experienced in manufacturing and marketing bakery products. He can manage the whole unit successfully using his good social contacts and great managing power.

Location of the unit:

The promoter proposes to start the unit in a free hold building in Thrissur District. The location is well suited for the proposed activity and all infrastructure facilities are available.

Market potential:

Now a days, Bakery products are an item of mass consumption. In view of its low price and with rapid growth and changing eating habits of people, bakery products have gained popularity among masses of the sector overall. The growth rate of bakery products has been tremendous in both urban and rural areas. Increased number of working women, Change in Indian meal pattern, increased income, urbanization etc., has increased the demand for bakery products.

Quality control & standard:

Strict quality control norms and hygienic conditions as per Health regulations will have to be maintained at every stage in the production process. All ingredients used and expiry date will have to be clearly spelt out on each packed snack food.

Manufacturing process:

Mixing of ingredients except flour in required proportion in paste form.



Preparation of dough by mixing with flour.



Placing dough in moulding and cutting machine



Frying

cooling& packing

Cakes:

To make cakes, wheat flour and baking powder along with cream, sugar and ghee is mixed thoroughly till it becomes fluffy. Then mixture of beaten eggs is added to it along with caramel colour and chopped fruits before the mixture are poured into cake pans and baked for around 3040 minutes.

Raw Materials:

The major raw material required is flour, maida, etc .Other items are yeast, sugar, ghee, milk powder, salt, edible colour and flavours. All the materials are locally available.

Cost of the Project

Particulars	Amount
Land	Owned
Building	Owned
Machinery	3,50,000.00
Working capital	1,86,000.00
TOTAL	5,36,000.00

MEANS OF FINANCE

Particulars	Amount
Promoters Contribution	89,700.00
Term Loan From Bank	2,97,500.00
Working Capital Loan from Bank	1,49,000.00

Total	5,36,000.00
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WORKING CAPITAL REQUIREMENTS

Sl.No.	Item	Period	Amount(Rs)
1	Stock of raw material	25 days	81,750.00
2	Work in process	2 days	6,540.00
3	Stock of finished goods	3days	9,810.00
4	Receivable	15 days	49,050.00
5	Working expense	30 days	39,150.00
	Total		1,86,300.00
		rounded to	1,86,000.00

PRODUCTION AND SALES AT 60% CAPACITY(MONTH)

No.	Item	Quantity	unit	rate	Amount
1	Fried Chips	100	kg	75	7,500.00
2	Pakka Vada, Mixture, Sweet fry etc	70	kg	70	4,900.00
3	Cake of different types	150	kg	300	45,000.00
4	Puffs Cuttlet Samosa	15000	Nos.	5	75,000.00
5	Other food items	7500	Nos	5	37,500.00
	Total				1,69,900.00

COST OF PRODUCTION AND PROFITABILITY ANALYSIS

Particulars	1st Year
No. of working days	300
No.of shifts	1
Installed Capacity	27,74,000.00
Capacity Utilization	60%
Production	20,38,800.00
Sales	20,38,800.00
Cost of Production	
Raw materials	9,81,000.00
Salaries	42,000.00
Wages	3,24,000.00

Power Charges	33,600.00
Repairs & Maintenance	7,000.00
Insurance	3,500.00
Depreciation	35,000.00
Total	14,26,100.00
Gross Operating Profit	6,12,700.00
Administrative & Selling expenses	70,200.00
Financial expenses	
1. Interest on Term loan	39,420.00
2. Interest on WC loan	20,860.00
Total	1,30,480.00
Net Operating Profit	4,82,220.00
Income Tax	13,000.00
Net Profit	4,69,220.00
withdrawals	1,00,000.00
Add Depreciation	35,000.00
Cash Surplus	4,04,220.00

BREAK EVEN ANALYSIS

Sales	20,38,800.00
Variable cost	14,14,660.00
Contribution	6,24,140.00
Fixed cost	1,41,920.00
BEP (%)	23 %

CONCLUSION

On examining the technical aspects like availability of raw materials availability of skills and opportunity of market, it can be stated that the project is technically feasible and economically viable.