

# UP MSME 1-Connect

## PROJECT REPORT

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PROJECT:

Cookies making Unit

# **PROJECT REPORT OF COOKIES MAKING UNIT**

## **PURPOSE OF THE DOCUMENT**

This particular pre-feasibility is regarding Cookies making 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**

<b>1 Name of Proprietor/Director</b>	XXXXXXXXXX
<b>2 Firm Name</b>	XXXXXXXXXX
<b>3 Registered Address</b>	XXXXXXXXXX
<b>4 Nature of Activity</b>	XXXXXXXXXX
<b>5 Category of Applicant</b>	XXXXXXXXXX
<b>6 Location of Unit</b>	XXXXXXXXXX
<b>7 Cost of Project</b>	23.67 Rs. In Lakhs
<b>8 Means of Finance</b>	
<b>i) Own Contribution</b>	2.37 Rs. In Lakhs
<b>ii) Term Loan</b>	15.30 Rs. In Lakhs
<b>iii) Working Capital</b>	6.00 Rs. In Lakhs
<b>9 Debt Service Coverage Ratio</b>	3.48
<b>10 Break Even Point</b>	0.34
<b>11 Power Requirement</b>	20 KW
<b>12 Employment</b>	9 Persons
<b>13 Major Raw Materials</b>	Wheat Flour, sugar, Flavours, Oil, chemicals etc.,

### **14 Details of Cost of Project & Means of Finance**

#### **Cost of Project**

<b>Particulars</b>	<b>Amount in Lacs</b>
Land	Owned/Leased
Building & Civil Work	Owned/Leased
Plant & Machinery	15.50
Furniture & Fixture	0.50
Other Misc Assets	1.00
Working Capital Requirement	6.67
<b>Total</b>	<b>23.67</b>

#### **Means of Finance**

<b>Particulars</b>	<b>Amount in Lacs</b>
Own Contribution	2.37
Term Loan	15.30
Working capital Loan	6.00
<b>Total</b>	<b>23.67</b>

## 1. INTRODUCTION

### COOKIES MANUFACTURING UNIT



A cookie is a baked or cooked food that is typically small, flat and sweet. It usually contains flour, sugar and some type of oil or fat. It may include other ingredients such as raisins, oats, chocolate chips, nuts, etc.

Cookies are often served with beverages such as milk, coffee or tea and sometimes "dunked", an approach which releases more flavour from confections by dissolving the sugars, while also softening their texture.

Cookies are most commonly baked until crisp or just long enough that they remain soft, but some kinds of cookies are not baked at all. Cookies are made in a wide variety of styles, using an array of ingredients including sugars, spices, chocolate, butter, peanut butter, nuts, or dried fruits. The softness of the cookie may depend on how long it is baked.

## **2. PRODUCT DESCRIPTION**

### **2.1 PRODUCT BENEFIT**

- **Gives a sense of satisfaction:** When you eat some cake, cookies or any other treat, you will feel full. This is because there are carbohydrates in the cookie dough that causes satiety in the stomach. It's almost like when you eat rice or pasta and feel full almost instantly.
- **Adds energy:** Cookies are the perfect snack if you have a lot of activity in the morning. So, bake that Cookie Dough and feel refreshed, ready to take on the day!
- **Metabolism and body cells:** To produce a stable metabolism, you need protein. A good metabolism means that the process of digesting food is optimal and you will get your body healthier. Protein becomes a good intake to produce and replace damaged cells in the body so don't worry about the flour, it's doing some good!
- **Improving bone health:** To nourish your bones, calcium and potassium need to be taken in. Cookie dough has moderate levels of potassium so bake that dough and dip it in some milk. That's right, the delicious treat can prevent osteoporosis. Certainly, a win-win situation.
- **Maintaining brain health:** Potassium in cookie dough also maintains the health of the brain. It is crucial because it helps carry oxygen to the brain and works so the nerves are working effectively.

## **2.2 Raw Material**

Following raw material is required as the major raw material for the manufacturing of cookies.

S.N.	Description	Amount
1	Wheat flour	Rs. 30-40 Per KG
2	Sugar	Rs. 35 - 42 Per KG
3	Flavours	Rs.100- 300 Per Litre
4	Oil	Rs. 100-150 Per Litre
5	Chemicals	Rs. 150-300 Per KG

Average raw material (cost per KG): Rs. 65-72

## **2.3 Machine Description**

1. **Planetary Mixer:** The planetary mixer is an industrial equipment conceived/made to prepare food, chemical, ceramic dough or other type of product, replacing manual labour through a mechanical system that allows to produce, continuously, large quantities of dough.



2. **Rotary Oven:** Rotary ovens are used for some typical applications in certain industrial sectors and play a major role in the process of production and manufacturing.



### 3. Cookies Dropping Machine:



### 4. Sugar Mixture

#### **2.4 MANUFACTURING PROCESS**

- First of all, as a raw material bakery shortening is kept at a temperature of 8 degree Celsius to 10 degree Celsius to Colden its raw material, so that there will be no lumps issue arise at the time of mixing.
- After that sugar is grinded with the help of Sugar grinder.
- Then mix well the grinded sugar and bakery shortening together & for mixing use filtered water according to the season type.
- After preparation of mixture add refined wheat flour and flavours as required in it.

- Then keep ready mixture near dropping machine, where cookies are designed according to size, type by the operator.
- Trays are then loaded to the back of machine, in which cookies start coming on the conveyor drop by drop.
- After that these trays are loaded on trolley and cookies are kept in the open for baking process at 180 degree Celsius for 25 minutes.
- After baking process cookies are send to packaging department.

Checking of final product, packaging & sent for sale.

### **3 PROJECT COMPONENTS**

#### **4.3 Land**

Land required 2000-2500 square feet approx.

We have not considered the cost of Land purchase & Building Civil work in the project. It is assumed that land & building will be on rent & approx. rental of the same will be Rs.40,000-50,000 per month.

#### **4.4 Plant & Machinery**

##### **Main Machinery**

<b>S.N.</b>	<b>Item Description</b>	<b>Rate</b>
1	Planetary Mixer	6,00,000
2	Rotary Oven	7,00,000
3	Cookie Depositor	10,00,000
4	Sugar Mixture	2,00,000



5	Other Equipment's	1,00,000
	<b>Total</b>	<b>26,00,000</b>

Note: Cost is inclusive of GST and other transportation cost.

#### **4.5 Misc. Assets**

<b>S.N.</b>	<b>Item Description</b>	<b>Rate</b>
1	Electricity connection & fittings	1,00,000
2	Furniture and equipment's	50,000

#### **4.6 Power Requirement**

The borrower shall require power load of 20-25 KW which shall be applied with Power Corporation. However, for standby power arrangement the borrower shall also purchase DG Set.

#### **4.7 Manpower Requirement**

8-9 Manpower are required for the cookies Manufacturing unit.

Includes:

3 Skilled Labour

3 Unskilled Labour

2-3 Helper

## **5 LICENSE & APPROVALS**

- Obtain the GST registration.
- Additionally, obtain the Udyog Aadhar registration Number.
- FSSAI License
- Choice of a Brand Name of the product and secure the name with Trademark if required.

**PROJECTED BALANCE SHEET****(in Lacs)**

<b>PARTICULARS</b>	<b>1st year</b>	<b>2nd year</b>	<b>3rd year</b>	<b>4th year</b>	<b>5th year</b>
<b><u>Liabilities</u></b>					
Capital					
Opening Balance		5.37	8.76	11.92	15.80
Add:- Own Capital	2.37				
Add:- Retained Profit	6.50	8.39	10.66	12.88	15.51
Less:- Drawings	3.50	5.00	7.50	9.00	12.00
Closing Balance	<u>5.37</u>	<u>8.76</u>	<u>11.92</u>	<u>15.80</u>	<u>19.32</u>
Term Loan	13.60	10.20	6.80	3.40	-
Working Capital Limit	6.00	6.00	6.00	6.00	6.00
Sundry Creditors	4.32	4.89	5.50	6.14	6.81
Provisions & Other Liabilities	0.50	0.70	0.84	1.01	0.90
<b>TOTAL :</b>	<b>29.79</b>	<b>30.55</b>	<b>31.06</b>	<b>32.35</b>	<b>33.02</b>
<b><u>Assets</u></b>					
<b>Fixed Assets ( Gross)</b>	17.00	17.00	17.00	17.00	17.00
Gross Depreciation	2.53	4.67	6.50	8.06	9.38
<b>Net Fixed Assets</b>	<b>14.48</b>	<b>12.33</b>	<b>10.50</b>	<b>8.94</b>	<b>7.62</b>
<b>Current Assets</b>					
Sundry Debtors	5.10	7.44	8.33	9.26	10.31
Stock in Hand	6.27	7.24	8.12	9.04	10.05
Cash and Bank	1.94	2.05	2.36	3.11	3.55
Loans and advances	2.00	1.50	1.75	2.00	1.50
<b>TOTAL :</b>	<b>29.79</b>	<b>30.55</b>	<b>31.06</b>	<b>32.35</b>	<b>33.02</b>

<b>PROJECTED PROFITABILITY STATEMENT</b>					(in Lacs)
<b>PARTICULARS</b>	<b>1st year</b>	<b>2nd year</b>	<b>3rd year</b>	<b>4th year</b>	<b>5th year</b>
Capacity Utilisation %	<b>50%</b>	<b>55%</b>	<b>60%</b>	<b>65%</b>	<b>70%</b>
<b><u>SALES</u></b>					
Besan Sev & Bhujia	127.60	148.71	166.58	185.16	206.15
<b>Total</b>	<b>127.60</b>	<b>148.71</b>	<b>166.58</b>	<b>185.16</b>	<b>206.15</b>
<b><u>COST OF SALES</u></b>					
Raw material cost	86.40	97.89	109.99	122.73	136.13
Electricity Expenses	1.92	2.53	2.76	3.00	3.23
Depreciation	2.53	2.15	1.83	1.56	1.32
Wages & labour	9.18	9.64	10.12	10.63	11.48
Repair & maintenance	1.28	1.49	1.67	1.85	2.06
Consumables	5.10	5.95	6.66	7.41	8.25
Packaging cost	4.47	5.20	5.83	6.48	7.22
<b>Cost of Production</b>	<b>110.87</b>	<b>124.85</b>	<b>138.86</b>	<b>153.64</b>	<b>169.68</b>
<b>Add: Opening Stock</b>	<b>-</b>	<b>4.25</b>	<b>4.96</b>	<b>5.55</b>	<b>6.17</b>
<b>Less: Closing Stock</b>	<b>4.25</b>	<b>4.96</b>	<b>5.55</b>	<b>6.17</b>	<b>6.87</b>
Cost of Sales	106.62	124.15	138.26	153.02	168.98
<b>GROSS PROFIT</b>	<b>20.98</b>	<b>24.56</b>	<b>28.31</b>	<b>32.14</b>	<b>37.17</b>
<b>GROSS PROFIT RATIO</b>	<b>16.44%</b>	<b>16.51%</b>	<b>17.00%</b>	<b>17.36%</b>	<b>18.03%</b>
Salary to Staff	3.48	4.18	5.01	6.01	7.22
Interest on Term Loan	1.50	1.32	0.95	0.58	0.20
Interest on working Capital	0.66	0.66	0.66	0.66	0.66
Rent	4.80	5.28	5.81	6.39	7.03
Selling & Administration Expenses	3.51	3.72	3.33	2.78	2.58
<b>TOTAL</b>	<b>13.95</b>	<b>15.16</b>	<b>15.76</b>	<b>16.42</b>	<b>17.68</b>
NET PROFIT	7.03	9.40	12.55	15.72	19.48
Taxation	0.53	1.00	1.89	2.84	3.97
PROFIT (After Tax)	6.50	8.39	10.66	12.88	15.51
<b>NET PROFIT RATIO</b>	<b>5.09%</b>	<b>5.65%</b>	<b>6.40%</b>	<b>6.96%</b>	<b>7.53%</b>

<b>PROJECTED CASH FLOW STATEMENT</b>					(in Lacs)
<b>PARTICULARS</b>	<b>1st year</b>	<b>2nd year</b>	<b>3rd year</b>	<b>4th year</b>	<b>5th year</b>
<b><u>SOURCES OF FUND</u></b>					
Own Margin	2.37				
Net Profit	7.03	9.40	12.55	15.72	19.48
Depriciation & Exp. W/off	2.53	2.15	1.83	1.56	1.32
Increase in Cash Credit	6.00	-	-	-	-
Increase In Term Loan	15.30	-	-	-	-
Increase in Creditors	4.32	0.57	0.60	0.64	0.67
Increase in Provisions & Other liabilities	0.50	0.20	0.14	0.17	- 0.11
<b>TOTAL :</b>	<b>38.04</b>	<b>12.32</b>	<b>15.12</b>	<b>18.09</b>	<b>21.37</b>
<b><u>APPLICATION OF FUND</u></b>					
Increase in Fixed Assets	17.00				
Increase in Stock	6.27	0.97	0.88	0.92	1.01
Increase in Debtors	5.10	2.33	0.89	0.93	1.05
Increase in loans and advances	2.00	- 0.50	0.25	0.25	- 0.50
Repayment of Term Loan	1.70	3.40	3.40	3.40	3.40
Drawings	3.50	5.00	7.50	9.00	12.00
Taxation	0.53	1.00	1.89	2.84	3.97
<b>TOTAL :</b>	<b>36.10</b>	<b>12.21</b>	<b>14.81</b>	<b>17.34</b>	<b>20.93</b>
Opening Cash & Bank Balance	-	1.94	2.05	2.36	3.11
Add : Surplus	1.94	0.12	0.31	0.75	0.44
Closing Cash & Bank Balance	<b>1.94</b>	<b>2.05</b>	<b>2.36</b>	<b>3.11</b>	<b>3.55</b>

**CALCULATION OF D.S.C.R**

<b>PARTICULARS</b>	<b>1st year</b>	<b>2nd year</b>	<b>3rd year</b>	<b>4th year</b>	<b>5th year</b>
CASH ACCRUALS	9.02	10.54	12.49	14.44	16.84
Interest on Term Loan	1.50	1.32	0.95	0.58	0.20
<b>Total</b>	<b>10.53</b>	<b>11.87</b>	<b>13.44</b>	<b>15.02</b>	<b>17.04</b>
<b><u>REPAYMENT</u></b>					
Instalment of Term Loan	1.70	3.40	3.40	3.40	3.40
Interest on Term Loan	1.50	1.32	0.95	0.58	0.20
Total	3.20	4.72	4.35	3.98	3.60
<b>DEBT SERVICE COVERAGE RATIO</b>	<b>3.29</b>	<b>2.51</b>	<b>3.09</b>	<b>3.78</b>	<b>4.73</b>
<b>AVERAGE D.S.C.R.</b>	<b>3.48</b>				

REPAYMENT SCHEDULE OF TERM LOAN							
						Interest	11.00%
Year	Particulars	Amount	Addition	Total	Interest	Repayment	Closing Balance
1st	Opening Balance	-					
	1st month		15.30	15.30	-	-	15.30
	2nd month	15.30	-	15.30	0.14	-	15.30
	3rd month	15.30	-	15.30	0.14	-	15.30
	4th month	15.30	-	15.30	0.14	-	15.30
	5th month	15.30	-	15.30	0.14	-	15.30
	6th month	15.30	-	15.30	0.14	-	15.30
	7th month	15.30	-	15.30	0.14	0.28	15.02
	8th month	15.02	-	15.02	0.14	0.28	14.73
	9th month	14.73	-	14.73	0.14	0.28	14.45
	10th month	14.45	-	14.45	0.13	0.28	14.17
	11th month	14.17	-	14.17	0.13	0.28	13.88
	12th month	13.88	-	13.88	0.13	0.28	13.60
					1.50	1.70	
2nd	Opening Balance						
	1st month	13.60	-	13.60	0.12	0.28	13.32
	2nd month	13.32	-	13.32	0.12	0.28	13.03
	3rd month	13.03	-	13.03	0.12	0.28	12.75
	4th month	12.75	-	12.75	0.12	0.28	12.47
	5th month	12.47	-	12.47	0.11	0.28	12.18
	6th month	12.18	-	12.18	0.11	0.28	11.90
	7th month	11.90	-	11.90	0.11	0.28	11.62
	8th month	11.62	-	11.62	0.11	0.28	11.33
	9th month	11.33	-	11.33	0.10	0.28	11.05
	10th month	11.05	-	11.05	0.10	0.28	10.77
	11th month	10.77	-	10.77	0.10	0.28	10.48
	12th month	10.48	-	10.48	0.10	0.28	10.20
					1.32	3.40	
3rd	Opening Balance						
	1st month	10.20	-	10.20	0.09	0.28	9.92
	2nd month	9.92	-	9.92	0.09	0.28	9.63
	3rd month	9.63	-	9.63	0.09	0.28	9.35
	4th month	9.35	-	9.35	0.09	0.28	9.07
	5th month	9.07	-	9.07	0.08	0.28	8.78
	6th month	8.78	-	8.78	0.08	0.28	8.50
	7th month	8.50	-	8.50	0.08	0.28	8.22
	8th month	8.22	-	8.22	0.08	0.28	7.93
	9th month	7.93	-	7.93	0.07	0.28	7.65
	10th month	7.65	-	7.65	0.07	0.28	7.37
	11th month	7.37	-	7.37	0.07	0.28	7.08
	12th month	7.08	-	7.08	0.06	0.28	6.80
					0.95	3.40	

<b>4th Opening Balance</b>						
1st month	6.80	-	6.80	0.06	0.28	6.52
2nd month	6.52	-	6.52	0.06	0.28	6.23
3rd month	6.23	-	6.23	0.06	0.28	5.95
4th month	5.95	-	5.95	0.05	0.28	5.67
5th month	5.67	-	5.67	0.05	0.28	5.38
6th month	5.38	-	5.38	0.05	0.28	5.10
7th month	5.10	-	5.10	0.05	0.28	4.82
8th month	4.82	-	4.82	0.04	0.28	4.53
9th month	4.53	-	4.53	0.04	0.28	4.25
10th month	4.25	-	4.25	0.04	0.28	3.97
11th month	3.97	-	3.97	0.04	0.28	3.68
12th month	3.68	-	3.68	0.03	0.28	3.40
				<b>0.58</b>	<b>3.40</b>	
<b>5th Opening Balance</b>						
1st month	3.40	-	3.40	0.03	0.28	3.12
2nd month	3.12	-	3.12	0.03	0.28	2.83
3rd month	2.83	-	2.83	0.03	0.28	2.55
4th month	2.55	-	2.55	0.02	0.28	2.27
5th month	2.27	-	2.27	0.02	0.28	1.98
6th month	1.98	-	1.98	0.02	0.28	1.70
7th month	1.70	-	1.70	0.02	0.28	1.42
8th month	1.42	-	1.42	0.01	0.28	1.13
9th month	1.13	-	1.13	0.01	0.28	0.85
10th month	0.85	-	0.85	0.01	0.28	0.57
11th month	0.57	-	0.57	0.01	0.28	0.28
12th month	0.28	-	0.28	0.00	0.28	-
				<b>0.20</b>	<b>3.40</b>	
DOOR TO DOOR	60	MONTHS				
MORATORIUM PERIOD	6	MONTHS				
REPAYMENT PERIOD	54	MONTHS				



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