

# UP MSME 1-Connect

## PROJECT REPORT

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PROJECT:

Biscuit Making Unit

# **PROJECT REPORT OF BISCUIT MAKING UNIT**

## **PURPOSE OF THE DOCUMENT**

This particular pre-feasibility is regarding Biscuit 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>	21.22 Rs. In Lakhs
<b>8 Means of Finance</b>	
<b>i) Own Contribution</b>	2.12 Rs. In Lakhs
<b>ii) Term Loan</b>	12.60 Rs. In Lakhs
<b>iii) Working Capital</b>	6.50 Rs. In Lakhs
<b>9 Debt Service Coverage Ratio</b>	2.84
<b>10 Break Even Point</b>	0.42
<b>11 Power Requirement</b>	15 KW
<b>12 Employment</b>	6 Persons
<b>13 Major Raw Materials</b>	Wheat Flour, sugar, Flavours, Oil, Glucose, Marie, sweet, cream and milk
<b>14 Details of Cost of Project &amp; Means of Finance</b>	

### Cost of Project

Particulars	Amount in Lacs
Land	Owned/Leased
Building & Civil Work	Owned/Leased
Plant & Machinery	12.50
Furniture & Fixture	0.50
Other Misc Assets	1.00
Working Capital Requirement	7.22
<b>Total</b>	<b>21.22</b>

### Means of Finance

Particulars	Amount in Lacs
Own Contribution	2.12
Term Loan	12.60
Working capital Loan	6.50
<b>Total</b>	<b>21.22</b>

## 1. INTRODUCTION

### BISCUIT MANUFACTURING UNIT



A biscuit is a flour-based baked food product. Biscuit demand is increasing due to the need for nutritious, easy-to-store, easy-to-carry, and long-lasting foods on long journeys. Biscuits Industry in India is the largest among all the food industries.

Biscuit is a term used for baked common flour packaged consumables. Traditionally it is perceived as low cost breakfast item as complement with tea. Today it is one of the most loved food products for people from all age groups. This is because it is affordable and easily available. Demand for healthy biscuits is increasing due to the active lifestyle of consumers who are looking for convenient eating options.

## **2. PRODUCT DESCRIPTION**

### **2.1 PRODUCT BENEFITS**

**1. High in fiber:** Biscuits are an excellent source of fiber if you want to avoid consumption of sugar and fructose corn syrups. While they are readily available in stores, you can buy the ingredients and make them instead. You will require brown sugar, butter, milk, rolled oats, baking powder, white flour and whole wheat flour.

**2. Nutritive Value:** Biscuits are considered to be a very high protein snack and the best part is that it is very tasty. There are no artificial sweeteners, preservatives and colours. So, this is safe for children as well. There is good for people with lifestyle based disorders including diabetes and obesity. The risk of any cardiovascular diseases can also be reduced to a great extent.

**3. Protein Rich:** One of the health benefits of biscuits is its rich protein content. Metabolism works on converting these materials into energy. So, when you feel you are lacking proteins in your diet, a cookie is sure to make up for it. Protein does a great job for developing new tissue and muscles.

**4. Gluten Free:** When you are looking at the health benefits of biscuits, the next thing you should know is that they are gluten free. Gluten is a substance which is commonly found in wheat and in oats. So, for those who are allergic to it will not be able to consume foods with gluten. At the same time, biscuits have no gluten and are safe to eat.

## **2.2 Raw Material**

Following raw material is required as the major raw material for the manufacturing of biscuits:

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

Other Major ingredients: Glucose, Marie, sweet, cream and milk. Average

raw material (cost per KG): Rs. 65-70

## **2.3 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 with the help of planetary mixer add refined wheat flour and flavors as required in it.
- Then keep ready mixture near depositor machine, where biscuits are designed according to size, type by the operator.
- Trays are then loaded to the back of machine, in which biscuits start coming on the conveyor drop by drop.
- After that these trays are loaded on trolley and biscuits are kept in the oven for baking process at required temperature for some minutes.
- After baking process biscuits are sent to packaging department.

Checking of final product, packaging & sent for sale

### **3. PROJECT COMPONENTS**

#### **3.1 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

#### **3.2 Plant & Machinery**

**3.2.1 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.



**3.2.2 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.



**3.2.3 Biscuit Depositor:**





## **5. LICENSE & APPROVALS**

- Obtain the GST registration.
- Additionally, obtain the Udyog Aadhar registration Number.
- FSSAI License

**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		3.36	5.56	8.36	10.99
Add:- Own Capital	2.12				
Add:- Retained Profit	3.24	5.19	6.80	8.13	10.84
Less:- Drawings	2.00	3.00	4.00	5.50	7.25
Closing Balance	3.36	5.56	8.36	10.99	14.58
Term Loan	11.20	8.40	5.60	2.80	-
Working Capital Limit	6.50	6.50	6.50	6.50	6.50
Sundry Creditors	2.54	2.85	3.17	3.51	3.86
Provisions & Other Liabilities	0.50	0.70	0.84	1.01	0.90
<b>TOTAL :</b>	<b>24.11</b>	<b>24.01</b>	<b>24.47</b>	<b>24.81</b>	<b>25.84</b>
<b><u>Assets</u></b>					
<b>Fixed Assets ( Gross)</b>	14.00	14.00	14.00	14.00	14.00
Gross Depreciation	2.08	3.84	5.34	6.62	7.71
<b>Net Fixed Assets</b>	<b>11.93</b>	<b>10.16</b>	<b>8.66</b>	<b>7.38</b>	<b>6.29</b>
<b>Current Assets</b>					
Sundry Debtors	3.79	4.46	4.96	5.48	6.07
Stock in Hand	6.33	7.31	8.13	8.99	9.93
Cash and Bank	1.55	1.09	1.23	1.71	1.56
Loans and advances	0.50	1.00	1.50	1.25	2.00
<b>TOTAL :</b>	<b>24.11</b>	<b>24.01</b>	<b>24.47</b>	<b>24.81</b>	<b>25.84</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>55%</b>	<b>60%</b>	<b>65%</b>	<b>70%</b>	<b>75%</b>
<b><u>SALES</u></b>					
Besan Sev & Bhujia	75.87	89.12	99.15	109.56	121.36
<b>Total</b>	<b>75.87</b>	<b>89.12</b>	<b>99.15</b>	<b>109.56</b>	<b>121.36</b>
<b><u>COST OF SALES</u></b>					
Raw material cost	50.82	57.02	63.49	70.22	77.22
Electricity Expenses	1.58	2.07	2.25	2.42	2.59
Depreciation	2.08	1.77	1.50	1.28	1.09
Wages & labour	4.92	5.41	5.95	6.55	7.20
Repair & maintenance	1.52	1.78	1.98	2.19	2.43
Consumables	2.28	2.67	2.97	3.29	3.64
Packaging cost	3.79	3.56	2.97	3.29	2.43
<b>Cost of Production</b>	<b>66.99</b>	<b>74.30</b>	<b>81.13</b>	<b>89.24</b>	<b>96.60</b>
<b>Add: Opening Stock</b>	<b>-</b>	<b>3.79</b>	<b>4.46</b>	<b>4.96</b>	<b>5.48</b>
<b>Less: Closing Stock</b>	<b>3.79</b>	<b>4.46</b>	<b>4.96</b>	<b>5.48</b>	<b>6.07</b>
Cost of Sales	63.19	73.63	80.63	88.72	96.01
<b>GROSS PROFIT</b>	<b>12.67</b>	<b>15.49</b>	<b>18.52</b>	<b>20.85</b>	<b>25.35</b>
<b>GROSS PROFIT RATIO</b>	<b>16.71%</b>	<b>17.38%</b>	<b>18.68%</b>	<b>19.03%</b>	<b>20.89%</b>
Salary to Staff	3.12	3.43	3.78	4.15	4.57
Interest on Term Loan	1.24	1.09	0.78	0.47	0.17
Interest on working Capital	0.72	0.72	0.72	0.72	0.72
Rent	3.60	3.96	4.36	4.79	5.27
Selling & Administration Expenses	0.76	0.89	1.49	1.64	1.82
<b>TOTAL</b>	<b>9.43</b>	<b>10.09</b>	<b>11.12</b>	<b>11.78</b>	<b>12.54</b>
<b>NET PROFIT</b>	<b>3.24</b>	<b>5.40</b>	<b>7.40</b>	<b>9.07</b>	<b>12.81</b>
Taxation	-	0.20	0.61	0.94	1.97
<b>PROFIT (After Tax)</b>	<b>3.24</b>	<b>5.19</b>	<b>6.80</b>	<b>8.13</b>	<b>10.84</b>
<b>NET PROFIT RATIO</b>	<b>4.27%</b>	<b>5.83%</b>	<b>6.86%</b>	<b>7.42%</b>	<b>8.93%</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	2.12				
Net Profit	3.24	5.40	7.40	9.07	12.81
Depriciation & Exp. W/off	2.08	1.77	1.50	1.28	1.09
Increase in Cash Credit	6.50	-	-	-	-
Increase In Term Loan	12.60	-	-	-	-
Increase in Creditors	2.54	0.31	0.32	0.34	0.35
Increase in Provisions & Other liabilities	0.50	0.20	0.14	0.17	- 0.11
<b>TOTAL :</b>	<b>29.58</b>	<b>7.68</b>	<b>9.37</b>	<b>10.85</b>	<b>14.14</b>
<b><u>APPLICATION OF FUND</u></b>					
Increase in Fixed Assets	14.00				
Increase in Stock	6.33	0.97	0.82	0.86	0.94
Increase in Debtors	3.79	0.66	0.50	0.52	0.59
Increase in loans and advances	0.50	0.50	0.50	- 0.25	0.75
Repayment of Term Loan	1.40	2.80	2.80	2.80	2.80
Drawings	2.00	3.00	4.00	5.50	7.25
Taxation	-	0.20	0.61	0.94	1.97
<b>TOTAL :</b>	<b>28.03</b>	<b>8.14</b>	<b>9.23</b>	<b>10.37</b>	<b>14.30</b>
Opening Cash & Bank Balance	-	1.55	1.09	1.23	1.71
Add : Surplus	1.55	-0.46	0.14	0.49	-0.15
Closing Cash & Bank Balance	<b>1.55</b>	<b>1.09</b>	<b>1.23</b>	<b>1.71</b>	<b>1.56</b>

<b><u>CALCULATION OF D.S.C.R</u></b>					
<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	5.32	6.96	8.30	9.41	11.93
Interest on Term Loan	1.24	1.09	0.78	0.47	0.17
<b>Total</b>	<b>6.56</b>	<b>8.05</b>	<b>9.08</b>	<b>9.89</b>	<b>12.10</b>
<b><u>REPAYMENT</u></b>					
Instalment of Term Loan	1.40	2.80	2.80	2.80	2.80
Interest on Term Loan	1.24	1.09	0.78	0.47	0.17
Total	2.64	3.89	3.58	3.27	2.97
<b>DEBT SERVICE COVERAGE RATIO</b>	<b>2.48</b>	<b>2.07</b>	<b>2.54</b>	<b>3.02</b>	<b>4.08</b>
<b>AVERAGE D.S.C.R.</b>	<b>2.84</b>				

REPAYMENT SCHEDULE OF TERM LOAN							
						Interest	11.00%
Year	Particulars	Amount	Addition	Total	Interest	Repayment	Closing Balance
1st	Opening Balance	-					
	1st month		12.60	12.60	-	-	12.60
	2nd month	12.60	-	12.60	0.12	-	12.60
	3rd month	12.60	-	12.60	0.12	-	12.60
	4th month	12.60	-	12.60	0.12	-	12.60
	5th month	12.60	-	12.60	0.12	-	12.60
	6th month	12.60	-	12.60	0.12	-	12.60
	7th month	12.60	-	12.60	0.12	0.23	12.37
	8th month	12.37	-	12.37	0.11	0.23	12.13
	9th month	12.13	-	12.13	0.11	0.23	11.90
	10th month	11.90	-	11.90	0.11	0.23	11.67
	11th month	11.67	-	11.67	0.11	0.23	11.43
	12th month	11.43	-	11.43	0.10	0.23	11.20
					1.24	1.40	
2nd	Opening Balance						
	1st month	11.20	-	11.20	0.10	0.23	10.97
	2nd month	10.97	-	10.97	0.10	0.23	10.73
	3rd month	10.73	-	10.73	0.10	0.23	10.50
	4th month	10.50	-	10.50	0.10	0.23	10.27
	5th month	10.27	-	10.27	0.09	0.23	10.03
	6th month	10.03	-	10.03	0.09	0.23	9.80
	7th month	9.80	-	9.80	0.09	0.23	9.57
	8th month	9.57	-	9.57	0.09	0.23	9.33
	9th month	9.33	-	9.33	0.09	0.23	9.10
	10th month	9.10	-	9.10	0.08	0.23	8.87
	11th month	8.87	-	8.87	0.08	0.23	8.63
	12th month	8.63	-	8.63	0.08	0.23	8.40
					1.09	2.80	
3rd	Opening Balance						
	1st month	8.40	-	8.40	0.08	0.23	8.17
	2nd month	8.17	-	8.17	0.07	0.23	7.93
	3rd month	7.93	-	7.93	0.07	0.23	7.70
	4th month	7.70	-	7.70	0.07	0.23	7.47
	5th month	7.47	-	7.47	0.07	0.23	7.23
	6th month	7.23	-	7.23	0.07	0.23	7.00
	7th month	7.00	-	7.00	0.06	0.23	6.77
	8th month	6.77	-	6.77	0.06	0.23	6.53
	9th month	6.53	-	6.53	0.06	0.23	6.30
	10th month	6.30	-	6.30	0.06	0.23	6.07
	11th month	6.07	-	6.07	0.06	0.23	5.83
	12th month	5.83	-	5.83	0.05	0.23	5.60
					0.78	2.80	

4th	Opening Balance						
	1st month	5.60	-	5.60	0.05	0.23	5.37
	2nd month	5.37	-	5.37	0.05	0.23	5.13
	3rd month	5.13	-	5.13	0.05	0.23	4.90
	4th month	4.90	-	4.90	0.04	0.23	4.67
	5th month	4.67	-	4.67	0.04	0.23	4.43
	6th month	4.43	-	4.43	0.04	0.23	4.20
	7th month	4.20	-	4.20	0.04	0.23	3.97
	8th month	3.97	-	3.97	0.04	0.23	3.73
	9th month	3.73	-	3.73	0.03	0.23	3.50
	10th month	3.50	-	3.50	0.03	0.23	3.27
	11th month	3.27	-	3.27	0.03	0.23	3.03
	12th month	3.03	-	3.03	0.03	0.23	2.80
					0.47	2.80	
5th	Opening Balance						
	1st month	2.80	-	2.80	0.03	0.23	2.57
	2nd month	2.57	-	2.57	0.02	0.23	2.33
	3rd month	2.33	-	2.33	0.02	0.23	2.10
	4th month	2.10	-	2.10	0.02	0.23	1.87
	5th month	1.87	-	1.87	0.02	0.23	1.63
	6th month	1.63	-	1.63	0.01	0.23	1.40
	7th month	1.40	-	1.40	0.01	0.23	1.17
	8th month	1.17	-	1.17	0.01	0.23	0.93
	9th month	0.93	-	0.93	0.01	0.23	0.70
	10th month	0.70	-	0.70	0.01	0.23	0.47
	11th month	0.47	-	0.47	0.00	0.23	0.23
	12th month	0.23	-	0.23	0.00	0.23	-
					0.17	2.80	
DOOR TO DOOR		60	MONTHS				
MORATORIUM PERIOD		6	MONTHS				
REPAYMENT PERIOD		54	MONTHS				

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