# DETAILED PROJECT REPORT

# BREAD MAKING UNIT

# UNDER PMFME SCHEME

National Institute of Food Technology Entrepreneurship and Management

Ministry of Food Processing Industries

Plot No.97, Sector-56, HSIIDC, Industrial Estate, Kundli, Sonipat, Haryana-131028

Website: http://www.niftem.ac.in

Email: pmfmecell@niftem.ac.in

Call: 0130-2281089

# TABLE OF CONTENTS

# 1. PROJECT SUMMARY

| | | |
|---|---|---|
| 1. Name of the proposed project | : | Bread Making Unit |
| 2. Nature of proposed project | : | Proprietorship/Company/Partnership |
| 3. Proposed project capacity | : | 232800 Kg/annum(55,60,62,65,&70% capacity utilization in 1st to 5th Year respectively) |
| 4. Raw materials | : | Flour, Gluten Powder, Bread Improver, Calcium Powder, Sugar, Salt, Oil. |
| 5. Major product outputs | : | Bread |
| 6. Total project cost | : | Rs.18.69 Lakh |
| • Land development, building & Civil Construction | : | Nil |
| • Machinery and equipment's | : | Rs.13.60 Lakh |
| • Miscellaneous Fixed Assets | : | Rs.1.20 Lakh |
| • Working capital | : | Rs.3.89 Lakh |
| 8. Means of Finance | | |
| • Subsidy (max 10lakhs) | : | Rs.5.18 Lakh |
| • Promoter's contribution (min10%) | : | Rs.1.86 Lakh |
| • Term loan | : | Rs.8.14 Lakh |
| • Working Capital Requirement | : | Rs.3.50 Lakh |
| 9. Profit after Depreciation, Interest & Tax | | |
| • 1st year | : | Rs.1.11 Lakh |
| • 2nd year | : | Rs.2.44 Lakh |
| • 3rd year | : | Rs.3.49 Lakh |
| • 4th year | : | Rs.4.22 Lakh |
| • 5th year | : | Rs.5.80 Lakh |
| 11. Average DSCR | : | 2.65 |
| 12. Term loan repayment | : | 5 Years with 6 months grace period |

# 2. ABOUT THE PRODUCT

## 2.1. PRODUCT INTRODUCTION:

Bread is one of the oldest and largest foodstuffs eaten and is consumed by all age groups all over the world. It has been a popular food in large parts of the world throughout documented history and is one of the oldest man-made foods, having been of great significance since the dawn of agriculture. Bread is a mixture of flour, water, salt, yeast and other ingredients that is the result of baking. From a nutritional viewpoint, good bread has a variety of standards, from wheat production to methods of storage. The basic dietary minerals, mainly magnesium, calcium, potassium, sodium, and iron, are also given by bread. In those instances where it is finally reinforced with them, it may be a perfect supplier of micronutrients. Bread can be represented by a series of processes involving mixing, kneading, proofing, forming, baking as a fermented confectionery product that is produced primarily from wheat flour, yeast, water, sugar, salt and other necessary ingredients.

Bread is a staple food prepared, usually by baking, from flour and water dough. It has been a popular food in large parts of the globe throughout documented history. It is one of the oldest foods produced by man, which has been of major importance since the dawn of agriculture, and plays an important role in both religious rites and secular culture. To make good bread, dough created by any process must be sufficiently extensible to relax and expand while it rises. If it's going to stretch out when pulled, a strong dough is extendable. It must also be elastic, that is, have the power to hold the emitted gases when growing, and stable enough to preserve its shape and cell structure.

Bread may be leavened by naturally occurring bacteria, chemicals, yeast developed industrially, or aeration at high pressure. Commercial bread also includes additives in many countries to enhance taste, texture, color, shelf life, nutrition and ease of production.

## 2.2 MARKET POTENTIAL:

The global market bread product is divided by product type (Loaves, Baguettes, Rolls, Burger Buns, Sandwich Slices, Ciabatta, Frozen Bread, and Others), Distribution Channel (Convenience Stores, Specialist Retailers, Supermarkets and Hypermarkets, Online Retail, Variety Stores, and Others), and by Geography. Global bread market is projected to register a CAGR of 1.43% during the forecast period, 2019 - 2024. During the forecast period, 2019 - 2024, the global bread market is expected to register a CAGR of 1.43%. Since the nineties, the Indian bread industry has come a long way. For certain clients, bread has progressed from being viewed as a fundamental breakfast food item to being a confectionary item. Rising disposable sales, urbanization, and changing customer tastes and behaviors have provided the bread industry a boost over the years.

The Indian bread market stood at $640.73 million in 2017, and is projected to rise to $1024.54 million by 2024 at a CAGR of over 10.70 percent, in value terms, during 2019-2024. Market factors and demographic patterns are increasingly affecting supply and demand; India's bread market is aided by an expanding working population and a rising number of health-conscious consumers.. The bread industry in India is dominated by unorganized players, leading to about 55% of the total market.

## 2.3 RAW MATERIAL DESCRIPTION:

In several countries, including developed countries, cereal products, mainly in the form of bread, play an important role in the diet, although some of these are experiencing a slow decline in cereal consumption. Fundamental Structure: Basic Structure: Three main components-

- Water
- Gluten proteins
- Starch granules

  The texture of bread and pastries depends 100% on how the "other stuff" interacts with these components.

| S.N. | Name |
|---|---|
| 1. | Flour |
| 2. | Gluten powder |
| 3. | Bread Improver |
| 5. | Sugar |
| 6. | Salt |
| 7. | Oil |

Owing to their nutritional benefits, the market for functional ingredients in bakery products is growing.

- Bread has catered to more practical demand, becoming a staple food that is a big part of the regular diet.
- The demand growth was sparked by new low-carb, high-fiber, multigrain, and fortified bread appealing to health-conscious customers.
- In addition to practical health benefits, there is an increase in the incorporation of natural ingredients, such as natural preservatives, antioxidants, and bread enzymes

  Average raw material cost is Rs.30-40 per Kg.

# 3. PROCESS FLOW CHART

- The production of bread begins with mixing of the ingredients. For this purpose, 32-45% Maida, 50-64% water, 2% yeast, 2% salt and optionally fat, emulsifiers and sugar are combined.

- After mixing the ingredients, the dough is kneaded. The dough is kneaded after the components have been combined. The dough creates the gluten network and creates air bubbles that can absorb carbon dioxide (Co2), created by fermentation.

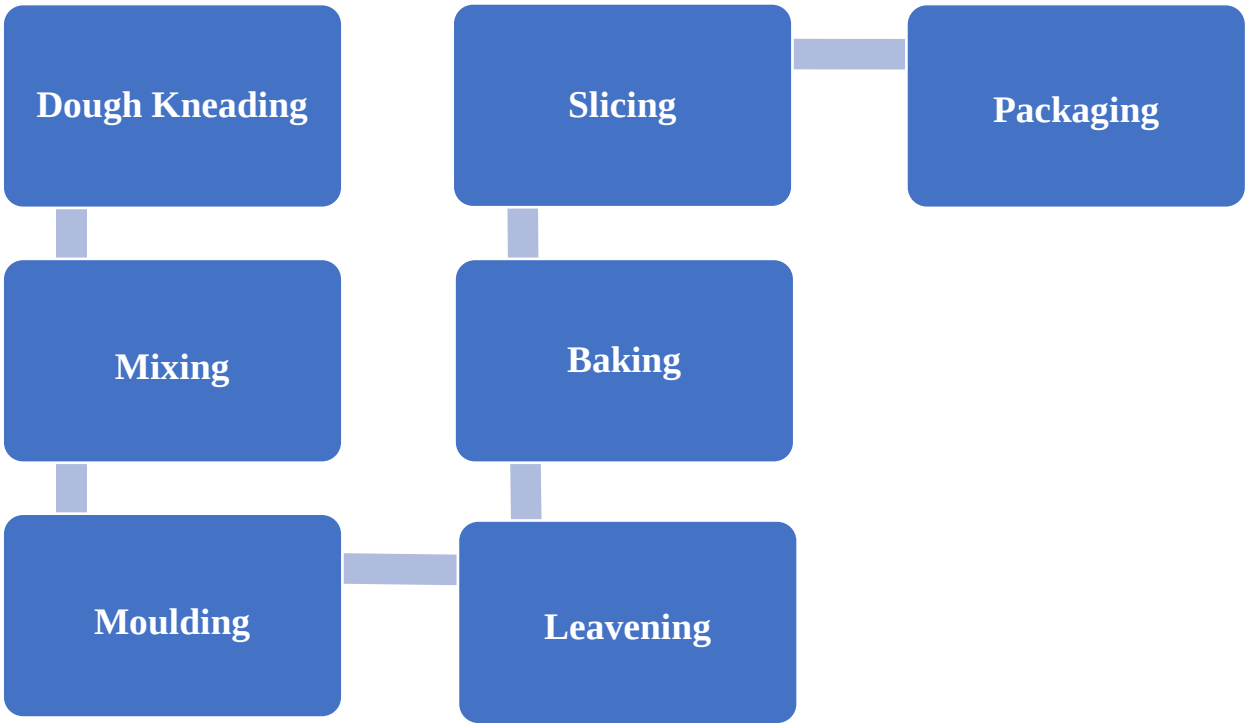
- Proofing is the process of leaving the dough in the machine for 30 to 50 minutes at a steady temperature of 27°C.

- The rising of the dough will take about 30 minutes, at a humidity of 85% and a temperature of 34°C. During this process the dough can rest and this will make it easier to (pre) shape later.

- After the folding, the dough is shaped for use in a baking tin. The forming of the dough into a long roll is called shaping. During the shaping process the dough ball is rolled into a slab. This slab is then rolled back up to fit into the backing tin.

- The bread needs to cool down before it is cut and packed. Packing it before the bread is cooled down will lead to condensation in the bag.

## FLOW CHART OF BREAD MAKING PROCESS



# 4. ECONOMICS OF THE PROJECT

## 4.1. BASIS & PRESUMPTIONS

1. Production Capacity of Bread taken is 800 Kgs per day. First year, Capacity has been taken @ 55%.

2. Working shift of 8 hours per day has been considered.

3. Raw Material stock is for 20 days and finished goods Closing Stock has been taken for 3 days (due to perishable nature of product).

4. Credit period to Sundry Debtors has been given for 10 days.

5. Credit period by the Sundry Creditors has been provided for 10 days.

6. Depreciation and Income tax has been taken as per the Income tax Act,

1961.

7. Interest on working Capital Loan and Term loan has been taken at 11%.

8. Salary and wages rates are taken as per the Current Market Scenario.

9. Power Consumption has been taken at 10 KW.

10. Selling Prices & Raw material costing has been increased by 5% & 5% respectively in the subsequent years.

## 4.2. CAPACITY, UTILIZATION, PRODUCTION & OUTPUT

**COMPUTATION OF PRODUCTION OF BREAD**

**Items to be Manufactured**

Bread

| | | |
|---|---|---|
| Machine capacity Per hour | 100 | Kg |
| Total working Hours | 8 | |
| Machine capacity Per Day | 800 | Kg |
| Working days in a month | 25 | Days |
| Working days per annum | 300 | |
| Wastage Considered | 3% | |
| Raw material requirement | 240000 | Kg |
| Final Output per annum after wastage | 232800 | Kg |
| Final Product to be packed in 1 kg Packet | | |
| Number of Packets per annum | 232800 | Kg |

**Production of Bread**

| Production | Capacity | KG |
|---|---|---|
| 1st year | 55% | 1,28,040 |
| 2nd year | 60% | 1,39,680 |
| 3rd year | 62% | 1,44,336 |
| 4th year | 65% | 1,51,320 |
| 5th year | 70% | 1,62,960 |

| **Raw Material Cost** | | | |
|---|---|---|---|
| **Year** | **Capacity Utilisation** | **Rate (per Kg)** | **Amount (Rs. in lacs)** |
| 1st year | 55% | 30.00 | 39.60 |
| 2nd year | 60% | 32.00 | 46.08 |
| 3rd year | 62% | 34.00 | 50.59 |
| 4th year | 65% | 36.00 | 56.16 |
| 5th year | 70% | 38.00 | 63.84 |

| **COMPUTATION OF SALE** | | | | | |
|---|---|---|---|---|---|
| **Particulars** | **1st year** | **2nd year** | **3rd year** | **4th year** | **5th year** |
| Op Stock | - | 1,280 | 1,397 | 1,443 | 1,513 |
| Production | 1,28,040 | 1,39,680 | 1,44,336 | 1,51,320 | 1,62,960 |
| Less : Closing Stock | 1,280 | 1,397 | 1,443 | 1,513 | 1,630 |
| **Net Sale** | **1,26,760** | **1,39,564** | **1,44,289** | **1,51,250** | **1,62,844** |
| sale price per packet | 50.00 | 53.00 | 56.00 | 59.00 | 62.00 |
| **Sales (in Lacs)** | 63.38 | 73.97 | 80.80 | 89.24 | 100.96 |

## 4.3. PREMISES/INFRASTRUCTURE

The approximate total area required for complete small scale factory setup is 800-1000 square feet for smooth production including storage area. It is expected that the premises will be on rental.

## 4.4. MACHINERY & EQUIPMENTS

| Steps | Machines | Uses | Image |
|---|---|---|---|
| **Dough Kneading** | **Dough Kneading** | Bread machine to knead bread dough for you, or you could go with a heavy duty stand mixer with a dough hook attachment. |  |
| **Mixing** | **Mixer machine** | A mixer, depending on the type also called a hand mixer or stand mixer, is a kitchen device that uses a gear-driven mechanism to rotate a set of "beaters" in a bowl. |  |
| **Moulding** | **Moulding frames** | The container used to give the dough of the breads shape. |  |
| **Leavening** | **Leavening** | One of a number of substances that cause foaming results in doughs and batters that lighten and soften the mixture. |  |

| | | | |
|---|---|---|---|
| **Baking** | **Baking oven** | An oven is a thermally insulated chamber used for the heating, baking, or drying of a substance |  |
| **slicing** | **Bread Slicing machine** | Bread slicing machine, Cut loaves of bread evenly use for bread slicing machine. Bread slicing machines represent a milestone in the food processing business. |  |
| **Packaging** | **Impulse sealer** | Impulse sealing is typically used to seal the barrier sacks and sack bags with many layers, metal and oxygen. |  |

| **Machine** | **Unit** | **Rate** | **Price** |
|---|---|---|---|
| Dough Kneading (25 Kg) | 4 | 60,000 | 2,40,000 |
| Mixer machine (Capacity - 50 Kg) | 2 | 2,00,000 | 4,00,000 |
| Moulding Frames | 100 | 450 | 45,000 |
| Leavening (12 Trays) | 3 | 42,000 | 1,26,000 |
| Baking oven (36 Trays) | 1 | 5,00,000 | 5,00,000 |

| | | | |
|---|---|---|---|
| Bread Slicing machine (36 Slices) | 1 | 48,000 | 48,000 |
| Impulse sealer (50 pouches per hour) | | 1499 | 1,499 |

Note: Cost of the machinery is approx. Rs.13.60 Lakhs excluding GST and other transportation cost.

## 4.5. MISCELLANEOUS FIXED ASSETS

- Electricity Connection & Fitting
- Furniture & Equipment's

## 4.6. TOTAL COST OF PROJECT

| **COST OF PROJECT** (in Lacs) | |
|---|---|
| **PARTICULARS** | **Amount** |
| Land & Building | Owned/Rented |
| Plant & Machinery | 13.60 |
| Miscellaneous Assets | 1.20 |
| Working capital | 3.89 |
| **Total** | **18.69** |

## 4.7. MEANS OF FINANCE

| MEANS OF FINANCE | |
|---|---|
| **PARTICULARS** | **AMOUNT** |
| Own Contribution (min 10%) | 1.86 |
| Subsidy @35%(Max. Rs 10 Lac) | 5.18 |
| Term Loan @ 55% | 8.14 |
| Working Capital (Bank Finance) | 3.50 |
| **Total** | **18.69** |

**4.8. TERM LOAN:** Term loan of Rs.8.14 Lakh is required for project cost of Rs.18.69 Lakh.

## 4.9. TERM LOAN REPAYMENT & INTEREST SCHEDULE

| REPAYMENT SCHEDULE OF TERM LOAN | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | | | | Interest | | 11.00% |
| **Year** | **Particulars** | **Amount** | **Addition** | **Total** | **Interest** | **Repayment** | **Closing Balance** |
| **1st** | Opening Balance | | | | | | |
| | 1st month | - | 8.14 | 8.14 | - | - | 8.14 |
| | 2nd month | 8.14 | - | 8.14 | 0.07 | - | 8.14 |
| | 3rd month | 8.14 | - | 8.14 | 0.07 | - | 8.14 |
| | 4th month | 8.14 | - | 8.14 | 0.07 | | 8.14 |
| | 5th month | 8.14 | - | 8.14 | 0.07 | | 8.14 |
| | 6th month | 8.14 | - | 8.14 | 0.07 | | 8.14 |
| | 7th month | 8.14 | - | 8.14 | 0.07 | 0.15 | 7.99 |
| | 8th month | 7.99 | - | 7.99 | 0.07 | 0.15 | 7.84 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | 9th month | 7.84 | - | 7.84 | 0.07 | 0.15 | 7.69 |
| | 10th month | 7.69 | - | 7.69 | 0.07 | 0.15 | 7.54 |
| | 11th month | 7.54 | - | 7.54 | 0.07 | 0.15 | 7.39 |
| | 12th month | 7.39 | - | 7.39 | 0.07 | 0.15 | 7.24 |
| | | | | | 0.80 | 0.90 | |
| **2nd** | Opening Balance | | | | | | |
| | 1st month | 7.24 | - | 7.24 | 0.07 | 0.15 | 7.08 |
| | 2nd month | 7.08 | - | 7.08 | 0.06 | 0.15 | 6.93 |
| | 3rd month | 6.93 | - | 6.93 | 0.06 | 0.15 | 6.78 |
| | 4th month | 6.78 | - | 6.78 | 0.06 | 0.15 | 6.63 |
| | 5th month | 6.63 | - | 6.63 | 0.06 | 0.15 | 6.48 |
| | 6th month | 6.48 | - | 6.48 | 0.06 | 0.15 | 6.33 |
| | 7th month | 6.33 | - | 6.33 | 0.06 | 0.15 | 6.18 |
| | 8th month | 6.18 | - | 6.18 | 0.06 | 0.15 | 6.03 |
| | 9th month | 6.03 | - | 6.03 | 0.06 | 0.15 | 5.88 |
| | 10th month | 5.88 | - | 5.88 | 0.05 | 0.15 | 5.73 |
| | 11th month | 5.73 | - | 5.73 | 0.05 | 0.15 | 5.58 |
| | 12th month | 5.58 | - | 5.58 | 0.05 | 0.15 | 5.43 |
| | | | | | **0.70** | **1.81** | |
| **3rd** | Opening Balance | | | | | | |
| | 1st month | 5.43 | - | 5.43 | 0.05 | 0.15 | 5.28 |
| | 2nd month | 5.28 | - | 5.28 | 0.05 | 0.15 | 5.13 |
| | 3rd month | 5.13 | - | 5.13 | 0.05 | 0.15 | 4.97 |
| | 4th month | 4.97 | - | 4.97 | 0.05 | 0.15 | 4.82 |
| | 5th month | 4.82 | - | 4.82 | 0.04 | 0.15 | 4.67 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | 6th month | 4.67 | - | 4.67 | 0.04 | 0.15 | 4.52 |
| | 7th month | 4.52 | - | 4.52 | 0.04 | 0.15 | 4.37 |
| | 8th month | 4.37 | - | 4.37 | 0.04 | 0.15 | 4.22 |
| | 9th month | 4.22 | - | 4.22 | 0.04 | 0.15 | 4.07 |
| | 10th month | 4.07 | - | 4.07 | 0.04 | 0.15 | 3.92 |
| | 11th month | 3.92 | - | 3.92 | 0.04 | 0.15 | 3.77 |
| | 12th month | 3.77 | - | 3.77 | 0.03 | 0.15 | 3.62 |
| | | | | | **0.51** | **1.81** | |
| **4th** | Opening Balance | | | | | | |
| | 1st month | 3.62 | - | 3.62 | 0.03 | 0.15 | 3.47 |
| | 2nd month | 3.47 | - | 3.47 | 0.03 | 0.15 | 3.32 |
| | 3rd month | 3.32 | - | 3.32 | 0.03 | 0.15 | 3.17 |
| | 4th month | 3.17 | - | 3.17 | 0.03 | 0.15 | 3.01 |
| | 5th month | 3.01 | - | 3.01 | 0.03 | 0.15 | 2.86 |
| | 6th month | 2.86 | - | 2.86 | 0.03 | 0.15 | 2.71 |
| | 7th month | 2.71 | - | 2.71 | 0.02 | 0.15 | 2.56 |
| | 8th month | 2.56 | - | 2.56 | 0.02 | 0.15 | 2.41 |
| | 9th month | 2.41 | - | 2.41 | 0.02 | 0.15 | 2.26 |
| | 10th month | 2.26 | - | 2.26 | 0.02 | 0.15 | 2.11 |
| | 11th month | 2.11 | - | 2.11 | 0.02 | 0.15 | 1.96 |
| | 12th month | 1.96 | - | 1.96 | 0.02 | 0.15 | 1.81 |
| | | | | | **0.31** | **1.81** | |
| **5th** | Opening Balance | | | | | | |
| | 1st month | 1.81 | - | 1.81 | 0.02 | 0.15 | 1.66 |
| | 2nd month | 1.66 | - | 1.66 | 0.02 | 0.15 | 1.51 |

| | | | | | | |
|---|---|---|---|---|---|---|
| 3rd month | 1.51 | - | 1.51 | 0.01 | 0.15 | 1.36 |
| 4th month | 1.36 | - | 1.36 | 0.01 | 0.15 | 1.21 |
| 5th month | 1.21 | - | 1.21 | 0.01 | 0.15 | 1.06 |
| 6th month | 1.06 | - | 1.06 | 0.01 | 0.15 | 0.90 |
| 7th month | 0.90 | - | 0.90 | 0.01 | 0.15 | 0.75 |
| 8th month | 0.75 | - | 0.75 | 0.01 | 0.15 | 0.60 |
| 9th month | 0.60 | - | 0.60 | 0.01 | 0.15 | 0.45 |
| 10th month | 0.45 | - | 0.45 | 0.00 | 0.15 | 0.30 |
| 11th month | 0.30 | - | 0.30 | 0.00 | 0.15 | 0.15 |
| 12th month | 0.15 | - | 0.15 | 0.00 | 0.15 | - |
| | | | | **0.11** | **1.81** | |

| | | |
|---|---|---|
| DOOR TO DOOR | 60 | Months |
| MORATORIUM PERIOD | 6 | Months |
| REPAYMENT PERIOD | 54 | Months |

## 4.10. WORKING CAPITAL CALCULATIONS

| COMPUTATION OF CLOSING STOCK & WORKING CAPITAL | | | | | (in Lacs) |
|---|---|---|---|---|---|
| **PARTICULARS** | **1st year** | **2nd year** | **3rd year** | **4th year** | **5th year** |
| **Finished Goods** | | | | | |
| | 0.56 | 0.64 | 0.70 | 0.77 | 0.87 |
| **Raw Material** | | | | | |
| | 2.64 | 3.07 | 3.37 | 3.74 | 4.26 |
| **Closing Stock** | **3.20** | **3.72** | **4.07** | **4.51** | **5.12** |

| COMPUTATION OF WORKING CAPITAL REQUIREMENT | | | | | |
|---|---|---|---|---|---|
| **TRADITIONAL METHOD** | | | | | (in Lacs) |
| **Particulars** | **Amount** | **Own Margin** | | **Bank Finance** | |
| Finished Goods & Raw Material | 3.20 | | | | |
| Less : Creditors | 1.32 | | | | |
| **Paid stock** | **1.88** | **10%** | **0.19** | **90%** | **1.69** |
| **Sundry Debtors** | **2.11** | **10%** | **0.21** | **90%** | **1.90** |
| | **3.99** | | **0.40** | | **3.59** |
| **MPBF** | | | | | **3.59** |
| **WORKING CAPITAL LIMIT DEMAND ( from Bank)** | | | | | **3.50** |
| **Working Capital Margin** | | | | | **0.39** |

## 4.11. SALARY & WAGES

**BREAK UP OF LABOUR CHARGES**

| Particulars | Wages Rs. per Month | No of Employees | Total Salary |
|---|---|---|---|
| Skilled (in thousand rupees) | 12,000 | 3 | 36,000 |
| Unskilled (in thousand rupees) | 6,000 | 2 | 12,000 |
| **Total salary per month** | | | **48,000** |
| **Total annual labour charges** | **(in lacs)** | | **5.76** |

**BREAK UP OF STAFF SALARY CHARGES**

| Particulars | Salary Rs. per Month | No of Employees | Total Salary |
|---|---|---|---|
| Helper | 7,500 | 1 | 7,500 |
| **Total salary per month** | | | **7,500** |
| **Total annual Staff charges** | **(in lacs)** | | **0.90** |

## 4.12 POWER REQUIREMENT

**Utility Charges (per month)**

| Particulars | value | Description |
|---|---|---|
| Power connection required | 10 | KWH |
| consumption per day | 80 | units |
| Consumption per month | 2,000 | units |
| Rate per Unit | 10 | Rs. |
| power Bill per month | 20,000 | Rs. |

## 4.13. DEPRECIATION CALCULATION

| **COMPUTATION OF DEPRECIATION** | | | (in Lacs) |
|---|---|---|---|
| **Description** | **Plant & Machinery** | **Miss. Assets** | **TOTAL** |
| Rate of Depreciation | **15.00%** | **10.00%** | |
| **Opening Balance** | - | - | - |
| Addition | 13.60 | 1.20 | 14.80 |
| Total | 13.60 | 1.20 | 14.80 |
| Less : Depreciation | 2.04 | 0.12 | 2.16 |
| **WDV at end of Year** | **11.56** | **1.08** | **12.64** |
| Additions During The Year | - | - | - |
| Total | 11.56 | 1.08 | 12.64 |
| Less : Depreciation | 1.73 | 0.11 | 1.84 |
| **WDV at end of Year** | **9.83** | **0.97** | **10.80** |
| Additions During The Year | - | - | - |
| Total | 9.83 | 0.97 | 10.80 |
| Less : Depreciation | 1.47 | 0.10 | 1.57 |
| **WDV at end of Year** | **8.35** | **0.87** | **9.23** |
| Additions During The Year | - | - | - |
| Total | 8.35 | 0.87 | 9.23 |
| Less : Depreciation | 1.25 | 0.09 | 1.34 |
| **WDV at end of Year** | **7.10** | **0.79** | **7.89** |
| Additions During The Year | - | - | - |
| Total | 7.10 | 0.79 | 7.89 |
| Less : Depreciation | 1.06 | 0.08 | 1.14 |
| **WDV at end of Year** | **6.03** | **0.71** | **6.74** |

**4.14. REPAIR & MAINTENANCE:** Repair & Maintenance is 2.5% of Gross Sale.

## 4.15. PROJECTIONS OF PROFITABILITY ANALYSIS

| **PROJECTED PROFITABILITY STATEMENT** | | | | | **(in Lacs)** |
|---|---|---|---|---|---|
| **PARTICULARS** | **1st year** | **2nd year** | **3rd year** | **4th year** | **5th year** |
| Capacity Utilisation % | **55%** | **60%** | **62%** | **65%** | **70%** |
| **SALES** | | | | | |
| **Gross Sale** | | | | | |
| Bread | 63.38 | 73.97 | 80.80 | 89.24 | 100.96 |
| **Total** | **63.38** | **73.97** | **80.80** | **89.24** | **100.96** |
| **COST OF SALES** | | | | | |
| Raw Material Consumed | 39.60 | 46.08 | 50.59 | 56.16 | 63.84 |
| Electricity Expenses | 2.40 | 2.76 | 3.17 | 3.65 | 4.02 |
| Depreciation | 2.16 | 1.84 | 1.57 | 1.34 | 1.14 |
| Wages & labour | 5.76 | 6.34 | 6.97 | 7.53 | 8.13 |
| Repair & maintenance | 1.58 | 1.85 | 2.02 | 2.23 | 2.52 |
| Packaging | 4.44 | 5.55 | 5.49 | 6.07 | 6.87 |
| **Cost of Production** | 55.94 | 64.41 | 69.82 | 76.98 | 86.52 |
| **Add: Opening Stock /WIP** | - | 0.56 | 0.64 | 0.70 | 0.77 |
| **Less: Closing Stock /WIP** | 0.56 | 0.64 | 0.70 | 0.77 | 0.87 |
| Cost of Sales | 55.38 | 64.33 | 69.77 | 76.91 | 86.42 |
| **GROSS PROFIT** | **8.00** | **9.64** | **11.03** | **12.33** | **14.54** |
| | **12.62%** | **13.03%** | **13.66%** | **13.82%** | **14.40%** |
| Salary to Staff | 0.90 | 1.04 | 1.27 | 1.46 | 1.61 |
| Interest on Term Loan | 0.80 | 0.70 | 0.51 | 0.31 | 0.11 |
| Interest on working Capital | 0.39 | 0.39 | 0.39 | 0.39 | 0.39 |
| Rent | 3.60 | 3.96 | 4.36 | 4.79 | 5.27 |
| selling & adm exp | 1.20 | 1.11 | 0.97 | 1.07 | 1.01 |
| **TOTAL** | **6.89** | **7.20** | **7.49** | **8.02** | **8.38** |
| NET PROFIT | 1.11 | 2.44 | 3.54 | 4.31 | 6.16 |
| | **1.75%** | **3.29%** | **4.39%** | **4.83%** | **6.10%** |
| Taxation | - | - | 0.05 | 0.09 | 0.36 |
| PROFIT (After Tax) | 1.11 | 2.44 | 3.49 | 4.22 | 5.80 |

## 4.16. BREAK EVEN POINT ANALYSIS

| **BREAK EVEN POINT ANALYSIS** | | | | | |
|---|---|---|---|---|---|
| **Year** | **I** | **II** | **III** | **IV** | **V** |
| | | | | | |
| **Net Sales & Other Income** | 63.38 | 73.97 | 80.80 | 89.24 | 100.96 |
| Less : Op. WIP Goods | - | 0.56 | 0.64 | 0.70 | 0.77 |
| Add : Cl. WIP Goods | 0.56 | 0.64 | 0.70 | 0.77 | 0.87 |
| | | | | | |
| **Total Sales** | **63.94** | **74.05** | **80.86** | **89.31** | **101.06** |
| | | | | | |
| **Variable & Semi Variable Exp.** | | | | | |
| Raw Material Consumed | 39.60 | 46.08 | 50.59 | 56.16 | 63.84 |
| Electricity Exp/Coal Consumption at 85% | 2.04 | 2.35 | 2.70 | 3.10 | 3.41 |
| Wages & Salary at 60% | 4.00 | 4.43 | 4.95 | 5.40 | 5.84 |
| Selling & adminstrative Expenses 80% | 0.96 | 0.89 | 0.78 | 0.86 | 0.81 |
| Interest on working Capital | 0.385 | 0.385 | 0.385 | 0.385 | 0.385 |
| Repair & maintenance | 1.58 | 1.85 | 2.02 | 2.23 | 2.52 |
| Packaging | 4.44 | 5.55 | 5.49 | 6.07 | 6.87 |
| **Total Variable & Semi Variable Exp** | **53.01** | **61.52** | **66.91** | **74.20** | **83.68** |
| **Contribution** | **10.93** | **12.53** | **13.94** | **15.11** | **17.38** |
| | | | | | |
| **Fixed & Semi Fixed Expenses** | | | | | |
| Electricity Exp/Coal Consumption at 15% | 0.36 | 0.41 | 0.48 | 0.55 | 0.60 |
| Wages & Salary at 40% | 2.66 | 2.95 | 3.30 | 3.60 | 3.90 |
| Interest on Term Loan | 0.80 | 0.70 | 0.51 | 0.31 | 0.11 |
| Depreciation | 2.16 | 1.84 | 1.57 | 1.34 | 1.14 |
| Selling & adminstrative Expenses 20% | 0.24 | 0.22 | 0.19 | 0.21 | 0.20 |
| Rent | 3.60 | 3.96 | 4.36 | 4.79 | 5.27 |
| **Total Fixed Expenses** | **9.82** | **10.09** | **10.40** | **10.80** | **11.22** |
| | | | | | |
| **Capacity Utilization** | **55%** | **60%** | **62%** | **65%** | **70%** |
| **OPERATING PROFIT** | **1.11** | **2.44** | **3.54** | **4.31** | **6.16** |
| **BREAK EVEN POINT** | **49%** | **48%** | **46%** | **46%** | **45%** |
| **BREAK EVEN SALES** | **57.45** | **59.66** | **60.30** | **63.81** | **65.26** |
| | | | | | |

## 4.17. PROJECTED BALANCE SHEET

| **PROJECTED BALANCE SHEET** | | | | | **(in Lacs)** |
|---|---|---|---|---|---|
| **PARTICULARS** | **1st year** | **2nd year** | **3rd year** | **4th year** | **5th year** |
| ***Liabilities*** | | | | | |
| Capital | | | | | |
| opening balance | | 8.15 | 10.08 | 12.08 | 14.30 |
| *Add:- Own Capital* | 1.86 | | | | |
| Add:- Retained Profit | 1.11 | 2.44 | 3.49 | 4.22 | 5.80 |
| Less:- Drawings | - | 0.50 | 1.50 | 2.00 | 3.50 |
| Subsidy/grant | 5.18 | | | | |
| Closing Balance | 8.15 | 10.08 | 12.08 | 14.30 | 16.60 |
| Term Loan | 7.24 | 5.43 | 3.62 | 1.81 | - |
| Working Capital Limit | 3.50 | 3.50 | 3.50 | 3.50 | 3.50 |
| Sundry Creditors | 1.32 | 1.54 | 1.69 | 1.87 | 2.13 |
| Provisions & Other Liab | 0.40 | 0.50 | 0.60 | 0.72 | 0.86 |
| **TOTAL :** | **20.60** | **21.05** | **21.48** | **22.20** | **23.09** |
| ***Assets*** | | | | | |
| **Fixed Assets ( Gross)** | 14.80 | 14.80 | 14.80 | 14.80 | 14.80 |
| Gross Dep. | 2.16 | 4.00 | 5.57 | 6.91 | 8.06 |
| **Net Fixed Assets** | **12.64** | **10.80** | **9.23** | **7.89** | **6.74** |
| **Current Assets** | | | | | |
| Sundry Debtors | 2.11 | 2.47 | 2.69 | 2.97 | 3.37 |
| Stock in Hand | 3.20 | 3.72 | 4.07 | 4.51 | 5.12 |
| Cash and Bank | 2.65 | 4.07 | 5.49 | 6.82 | 7.86 |
| **TOTAL :** | **20.60** | **21.05** | **21.48** | **22.20** | **23.09** |

## 4.18. CASH FLOW STATEMENT

| **PROJECTED CASH FLOW STATEMENT** | | | | | **(in Lacs)** |
|---|---|---|---|---|---|
| **PARTICULARS** | **1st year** | **2nd year** | **3rd year** | **4th year** | **5th year** |
| ***SOURCES OF FUND*** | | | | | |
| Own Margin | 1.86 | | | | |
| Net Profit | 1.11 | 2.44 | 3.54 | 4.31 | 6.16 |
| Depriciation & Exp. W/off | 2.16 | 1.84 | 1.57 | 1.34 | 1.14 |
| Increase in Cash Credit | 3.50 | - | - | - | - |
| Increase In Term Loan | 8.14 | - | - | - | - |
| Increase in Creditors | 1.32 | 0.22 | 0.15 | 0.19 | 0.26 |
| Increase in Provisions & Oth lib | 0.40 | 0.10 | 0.10 | 0.12 | 0.14 |
| Sunsidy/grant | 5.18 | | | | |
| **TOTAL :** | **23.67** | **4.59** | **5.37** | **5.96** | **7.70** |
| ***APPLICATION OF FUND*** | | | | | |
| Increase in Fixed Assets | 14.80 | | | | |
| Increase in Stock | 3.20 | 0.52 | 0.35 | 0.44 | 0.61 |
| Increase in Debtors | 2.11 | 0.35 | 0.23 | 0.28 | 0.39 |
| Repayment of Term Loan | 0.90 | 1.81 | 1.81 | 1.81 | 1.81 |
| Drawings | - | 0.50 | 1.50 | 2.00 | 3.50 |
| Taxation | - | - | 0.05 | 0.09 | 0.36 |
| **TOTAL :** | **21.02** | **3.18** | **3.94** | **4.62** | **6.66** |
| Opening Cash & Bank Balance | - | 2.65 | 4.07 | 5.49 | 6.82 |
| Add : Surplus | 2.65 | 1.41 | 1.42 | 1.34 | 1.04 |
| Closing Cash & Bank Balance | **2.65** | **4.07** | **5.49** | **6.82** | **7.86** |

## 4.19. DEBT SERVICE COVERAGE RATIO

| **CALCULATION OF D.S.C.R** | | | | | |
|---|---|---|---|---|---|
| **PARTICULARS** | **1st year** | **2nd year** | **3rd year** | **4th year** | **5th year** |
| | | | | | |
| CASH ACCRUALS | 3.27 | 4.28 | 5.06 | 5.56 | 6.94 |
| Interest on Term Loan | 0.80 | 0.70 | 0.51 | 0.31 | 0.11 |
| **Total** | 4.07 | 4.98 | 5.57 | 5.87 | 7.05 |
| | | | | | |
| **REPAYMENT** | | | | | |
| Instalment of Term Loan | 0.90 | 1.81 | 1.81 | 1.81 | 1.81 |
| Interest on Term Loan | 0.80 | 0.70 | 0.51 | 0.31 | 0.11 |
| | | | | | |
| Total | 1.70 | 2.51 | 2.31 | 2.12 | 1.92 |
| | | | | | |
| **DEBT SERVICE COVERAGE RATIO** | **2.39** | **1.98** | **2.41** | **2.77** | **3.68** |
| **AVERAGE D.S.C.R.** | | | | | **2.65** |