

PROJECT REPORT FOR  
**BAKERY PRODUCTS**



**PROMOTER:**

MR. XXXXXXXXXXXXXXXXXXXX

ADDRESS : XXXXXXXXXXXXXXXXXXXX

**PREPARED BY:**

DOWNLOAD PROJECT REPORT.COM  
1 187/67, GROUND FLOOR, GRUHALAXMI,  
J.M. ROAD, NEAR BALGANDHARVA CHOWK,  
PUNE, MAHARASHTRA 41 1005.

## **C O N T E N T**

---

<b>CHAPTER NO.</b>	<b>PARTICULAR</b>
I.	PROJECT AT A GLANCE
II.	ABOUT THE PROJECT
III.	ECONOMICS OF THE PROJECT
A.	TOTAL COST OF THE PROJECT & MEANS OF FINANCE
B.	PROFITABILITY STATEMENT
C.	CASH FLOW STATEMENT
D.	BALANCE SHEET
E.	CAPITAL ACCOUNT
F.	PRODUCTION AND SALE
G.	RAW MATERIAL CONSUMPTION AND INVENTORY
H.	DIRECT OVERHEADS
I.	INDIRECT OVERHEADS
J.	TERM LOAN REPAYMENT AND INTEREST THEREON
K.	WORKING CAPITAL
L.	CURRENT ASSETS
M.	FIXED ASSETS AND DEPRECIATION

## I. PROJECT AT A GLANCE

1. About the Promoter : **MR.**XXXXXXXXXXXXXXXXXXXXXXXXXXXX  
Address: XXXXXXXXXXXXXXXXXXXXXXXX
  
2. Project Cost : Rs.18.42 Lakhs
  
3. Mean of Finance :
  - A) T. L. facility from Bank : Rs.14.73 Lakhs
  - B) Beneficiary contribution : Rs.0.92 Lakhs
  - C) C.C. Facility from Bank : Rs.2.78 Lakhs
  - D) Subsidy : Rs.6.45 Lakhs
  
4. Rate of Interest : 11.00% Per Annum
  
5. Repayment :60 monthly installments, EMI @ 0.32 Lakhs
  
6. Nature of Project : Bakery Products
  
7. Employment Potential : 2 Nos.
  
8. Nature of the Firm : Proprietary Firm
  
9. Average Debt Coverage ratios : **1.93**

## **II. ABOUT THE PROJECT**

### **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 go 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 free hold building i.in Amravati 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.

### **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.

**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**

Project For :  
**Bakery Products**

### III. ECONOMICS OF THE PROJECT

#### A. COST OF PROJECT

(Rs. Lacs)

S.No.	Particulars	Total	Spent	Bal. To be spent
1	Land & Buildings (Own)	-	-	-
2	Plant & Machinery	14.75	0.00	14.75
3	Furniture & Electricals	0.50	0.00	0.50
4	Preliminary and pre operative expenses.	0.25	0.00	0.25
5	Working Capital	2.92	0.00	2.92
		<b>18.42</b>	<b>0.00</b>	<b>18.42</b>

#### Means of Finance :

a) Own Contribution (5%)	0.92
b) T L facility from Bank (95%)	14.73
c) C.C. Facility from Bank (95%)	2.78
<hr/>	
	<b>18.42</b>
<hr/>	
d) Subsidy Entitlement Under CMEGP scheme @ 35%	6.45

## B. PROFITABILITY STATEMENT

(Rs. Lacs)

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1	Sales	20.66	24.79	28.93	33.06	35.12	37.19
	Add : Increase in Cl.Stock	2.06	1.23	1.40	1.57	1.56	1.65
	Total Turnover	22.73	26.02	30.33	34.63	36.69	38.84
2	RM Consumption	10.99	13.19	15.38	17.58	18.68	19.78
3	Overheads						
	a) Direct	3.63	3.99	4.39	4.79	5.22	5.69
	b) Indirect	1.65	1.81	2.00	2.17	2.35	2.55
4	Balance	6.46	7.03	8.55	10.09	10.44	10.82
5	Interest on TL & CC	1.84	1.57	1.27	0.93	0.55	0.33
6	Depreciation	2.26	1.93	1.64	1.40	1.19	1.01
7	Preliminary expenses W/off	0.05	0.05	0.05	0.05	0.05	-
8	Profit after Interest & Dep.	2.31	3.49	5.60	7.72	8.65	9.48
9	Income Tax	-	0.35	0.32	0.74	0.93	1.10
10	<b>Profit after Tax</b>	<b>2.31</b>	<b>3.14</b>	<b>5.28</b>	<b>6.98</b>	<b>7.72</b>	<b>8.38</b>
11	Add: Depreciation & Pre Exp.	2.31	1.98	1.69	1.45	1.24	1.01
12	Add : Interest on TL	1.84	1.57	1.27	0.93	0.55	0.33
13	Cash Accruals	6.46	6.68	8.23	9.35	9.51	9.73
14	Instalments of TL & Interest	4.18	4.18	4.18	4.18	4.18	0.33
15	DSCR	1.55	1.60	1.97	2.24	2.28	-
16	Average DSCR	1.93					
17	N.P. to Total receipts	11.17	12.65	18.25	21.10	21.98	22.54

Project For :  
**Bakery Products**

### C. CASH FLOW STATEMENT

(Rs. Lacs)

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
<b>A CASH INFLOW :</b>							
1	Collection from Debtors	19.80	23.76	27.72	31.68	33.66	35.64
2	T.L. from Bank	14.73					
3	CC from bank	2.78					
4	Capital	0.92	-	-	-	-	-
5	Subsidy	6.45	-				
	<b>TOTAL (A)</b>	<b>44.67</b>	<b>23.76</b>	<b>27.72</b>	<b>31.68</b>	<b>33.66</b>	<b>35.64</b>
<b>B CASH OUTFLOW :</b>							
1	Fixed Assets	15.50			-		
2	Payments to creditors	9.16	10.99	12.82	14.65	15.57	16.48
3	Direct overheads	3.63	3.99	4.39	4.79	5.22	5.69
4	Indirect Overheads	1.65	1.81	2.00	2.17	2.35	2.55
5	Interest on Bank Loan	1.84	1.57	1.27	0.93	0.55	0.33
6	Income Tax	-	0.35	0.32	0.74	0.93	1.10
7	Term Loan Repayment	2.34	2.61	2.91	3.25	3.62	-
8	Drawings	1.00	1.10	1.21	1.33	1.46	1.61
	<b>TOTAL (B)</b>	<b>35.11</b>	<b>22.42</b>	<b>24.91</b>	<b>27.85</b>	<b>29.70</b>	<b>27.76</b>
<b>SUMMERY:</b>							
	Op. Cash & Bank Balance.	-	9.56	10.90	13.71	17.54	21.50
	Add : Surplus / (Deficit)	9.56	1.34	2.81	3.83	3.96	7.88
	Cl. Cash & Bank Balance.	9.56	10.90	13.71	17.54	21.50	29.38



Project For :  
**Bakery Products**

**D. BALANCE SHEET**

(Rs. Lacs)

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
<b>A</b>	<b>ASSETS :</b>						
1	Fixed Assets	12.99	11.06	9.42	8.03	6.84	5.83
2	Investments	-	-	-	-	-	-
3	Current Assets	12.49	16.09	21.50	28.28	35.26	46.34
4	Loans & Advances	-	-	-	-	-	-
5	Pre Exp. Not written off	0.20	0.15	0.10	0.05	-	-
	<b>TOTAL (A)</b>	<b>25.67</b>	<b>27.30</b>	<b>31.02</b>	<b>36.35</b>	<b>42.10</b>	<b>52.17</b>
<b>B</b>	<b>LIABILITIES:</b>						
1	Capital	8.68	10.71	14.78	20.43	26.69	33.46
2	Secured loans						
	Term Loan	12.39	9.78	6.87	3.62	-	-
3	Unsecured Loans	-	-	-	-	-	-
4	Current Liabilities						
	Cash Credit	2.78	2.78	2.78	2.78	2.78	2.78
	Sundry Creditors	1.83	4.03	6.59	9.52	12.64	15.93
	<b>TOTAL (B)</b>	<b>25.67</b>	<b>27.30</b>	<b>31.02</b>	<b>36.35</b>	<b>42.10</b>	<b>52.17</b>

Project For :  
**Bakery Products**

(Rs. Lacs)

**E. CAPITAL ACCOUNT**

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1	Op. Balance	-	8.68	10.71	14.78	20.43	26.69
2	Additions	7.37	-	-	-	-	-
3	Net Profit for the year.	2.31	3.14	5.28	6.98	7.72	8.38
	Sub Total	9.68	11.81	15.99	21.76	28.15	35.07
4	Less : Drawings	1.00	1.10	1.21	1.33	1.46	1.61
5	Cl. Balance	8.68	10.71	14.78	20.43	26.69	33.46

Project For :  
**Bakery Products**

(Rs. Lacs)

### F. PRODUCTION AND SALES

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
	<b>Capacity utilisation</b>	<b>0.50</b>	<b>0.60</b>	<b>0.70</b>	<b>0.80</b>	<b>0.85</b>	<b>0.90</b>
1	Production per annum (MT) Bakery Items	22.54	27.05	31.56	36.06	38.32	40.57
2	Cl.Stock of Finished Goods (MT) Bakery Items	1.88	2.25	2.63	3.01	3.19	3.38
3	Sales per annum (MT) (Tot Production less Cl. Stock) Bakery Items	20.66	24.79	28.93	33.06	35.12	37.19
4	Sales per annum Bakery Items ( Selling Price @ 100,000 per MT)	20.66	24.79	28.93	33.06	35.12	37.19
	Total Sale	<u>20.66</u>	<u>24.79</u>	<u>28.93</u>	<u>33.06</u>	<u>35.12</u>	<u>37.19</u>
5	Sundry Debtors (Credit period allowed 15 days)	0.86	1.03	1.21	1.38	1.46	1.55
6	Collection from Debtors	19.80	23.76	27.72	31.68	33.66	35.64
7	Total cost of Production	14.62	17.18	19.78	22.37	23.90	25.47
8	Cost per MT	0.65	0.64	0.63	0.62	0.62	0.63
9	Value of Closing Stock	1.22	1.43	1.65	1.86	1.99	2.12

Project For :  
**Bakery Products**

**PRODUCTION**

S.No.	Particulars	Installed capacity (MT)	Year 1 0.50	Year 2 0.60	Year 3 0.70	Year 4 0.80	Year 5 0.85	Year 6 0.90
1	Production of Bakery Items	45.08	22.54	27.05	31.56	36.06	38.32	40.57

---

Installed Capacity Kg/ Hrs	20.00
Per Day Working Hours	8.00
Less: Lunch Hours	1.00
Net	<u>7.00</u>
Total Production per day	0.14 MT
Total production per annum	45.08 MT
Total Working Days	365.00
Weekly off	26.00
Holidays	7.00
Machine Break down	10.00
Net Working days	<u>322.00</u>

Project For :  
**Bakery Products**

(Rs. Lacs)

**G. RAW MATERIAL CONSUMPTION AND INVENTORY**

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1	Production (MT) ( Output)	22.54	27.05	31.56	36.06	38.32	40.57
2	RM Purchases	10.14	12.17	14.20	16.23	17.24	18.26

**Raw Material requirement ( Input)**

S.No.	Items	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1	Requirement of Raw Material	22.54	27.05	31.56	36.06	38.32	40.57
2	Purchase of Raw Materials (@ Rs.40 per Kg )	10.14	12.17	14.20	16.23	17.24	18.26
3	Total cost of R.M	10.14	12.17	14.20	16.23	17.24	18.26

Project For :  
**Bakery Products**

(Rs. Lacs)

**RAW MATERIAL CONSUMPTION AND INVENTORY**

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1	RM cost for total production	10.14	12.17	14.20	16.23	17.24	18.26
2	Cl. Stock of RM ( assumed 30 days consumption)						
	O/p Stock	-	0.85	1.86	3.04	4.40	5.83
	Add : Addition	0.85	1.01	1.18	1.35	1.44	1.52
	Closing Stock	0.85	1.86	3.04	4.40	5.83	7.35
3	RM Purchases	10.99	13.19	15.38	17.58	18.68	19.78
4	Sundry Creditors (Credit period allowed 60 days)	1.83	2.20	2.56	2.93	3.11	3.30
5	Payment to creditors	9.16	10.99	12.82	14.65	15.57	16.48

Project For :  
**Bakery Products**

(Rs. Lacs)

**H. DIRECT OVERHEADS**

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1	Manpower						
a	Skilled Worker ( Self)	-	-	-	-	-	-
b	Unskilled Worker 2 no.@ Rs. 7,000 per month	1.68	1.85	2.03	2.24	2.46	2.71
2	Electricity @ Rs. 5000 per month	0.60	0.66	0.73	0.80	0.88	0.97
3	Transport @ Rs. 5,000 per month	0.60	0.66	0.73	0.80	0.88	0.97
4	Other Production Overheads	0.75	0.83	0.91	0.95	1.00	1.05
	Total	3.63	3.99	4.39	4.79	5.22	5.69

Project For :  
**Bakery Products**

(Rs. Lacs)

**I. INDIRECT OVERHEADS**

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1	Advertisement & Publicity	0.50	0.55	0.61	0.67	0.73	0.81
2	Repairs & Maint. ( 5% of machinery cost)	0.65	0.71	0.79	0.86	0.95	1.05
3	Misc. Expenses	0.50	0.55	0.61	0.64	0.67	0.70
		<u>1.65</u>	<u>1.81</u>	<u>2.00</u>	<u>2.17</u>	<u>2.35</u>	<u>2.55</u>



Project For :  
**Bakery Products**

(Rs. Lacs)

**J. TERM LOAN REPAYMENT AND INTEREST THEREON**

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1	TL / Op. Bal.	14.73	12.39	9.78	6.87	3.62	-
2	Repayment during the year	2.34	2.61	2.91	3.25	3.62	-
3	Cl. Balance	12.39	9.78	6.87	3.62	-	-
4	Interest at 11 per cent p.a.	1.50	1.23	0.93	0.60	0.22	-
5	Total repayment with Interest	4.18	4.18	4.18	4.18	4.18	0.33
6	Interest on CC ( at 12 per cent p.a.)	0.33	0.33	0.33	0.33	0.33	0.33
	Total Interest	1.84	1.57	1.27	0.93	0.55	0.33

**Term Loan Repayment Schedule**

MONTHS	EMI	INTEREST	PRINCIPAL REPAYMENT	OST PRINCIPAL
0				14.725
1	0.32	0.13	0.19	14.54
2	0.32	0.13	0.19	14.35
3	0.32	0.13	0.19	14.16
4	0.32	0.13	0.19	13.97
5	0.32	0.13	0.19	13.78
6	0.32	0.13	0.19	13.59
7	0.32	0.12	0.20	13.39
8	0.32	0.12	0.20	13.20
9	0.32	0.12	0.20	13.00
10	0.32	0.12	0.20	12.79
11	0.32	0.12	0.20	12.59
12	0.32	0.12	0.20	12.39
<b>First Year</b>	<b>3.84</b>	<b>1.50</b>	<b>2.34</b>	
13	0.32	0.11	0.21	12.18
14	0.32	0.11	0.21	11.97
15	0.32	0.11	0.21	11.76
16	0.32	0.11	0.21	11.55
17	0.32	0.11	0.21	11.34
18	0.32	0.10	0.22	11.12
19	0.32	0.10	0.22	10.90

20	0.32	0.10	0.22	10.68
21	0.32	0.10	0.22	10.46
22	0.32	0.10	0.22	10.23
23	0.32	0.09	0.23	10.01
24	0.32	0.09	0.23	9.78
<b>Second Year</b>	<b>3.84</b>	<b>1.23</b>	<b>2.61</b>	
25	0.32	0.09	0.23	9.55
26	0.32	0.09	0.23	9.32
27	0.32	0.09	0.23	9.08
28	0.32	0.08	0.24	8.84
29	0.32	0.08	0.24	8.61
30	0.32	0.08	0.24	8.36
31	0.32	0.08	0.24	8.12
32	0.32	0.07	0.25	7.87
33	0.32	0.07	0.25	7.63
34	0.32	0.07	0.25	7.38
35	0.32	0.07	0.25	7.12
36	0.32	0.07	0.25	6.87
<b>Third Year</b>	<b>3.84</b>	<b>0.93</b>	<b>2.91</b>	
37	0.32	0.06	0.26	6.61
38	0.32	0.06	0.26	6.35
39	0.32	0.06	0.26	6.09
40	0.32	0.06	0.26	5.83
41	0.32	0.05	0.27	5.56
42	0.32	0.05	0.27	5.29
43	0.32	0.05	0.27	5.02
44	0.32	0.05	0.27	4.74
45	0.32	0.04	0.28	4.47
46	0.32	0.04	0.28	4.19
47	0.32	0.04	0.28	3.91
48	0.32	0.04	0.28	3.62
<b>Fourth Year</b>	<b>3.84</b>	<b>0.60</b>	<b>3.25</b>	
49	0.32	0.03	0.29	3.34
50	0.32	0.03	0.29	3.05
51	0.32	0.03	0.29	2.75
52	0.32	0.03	0.29	2.46
53	0.32	0.02	0.30	2.16
54	0.32	0.02	0.30	1.86
55	0.32	0.02	0.30	1.56
56	0.32	0.01	0.31	1.25
57	0.32	0.01	0.31	0.94
58	0.32	0.01	0.31	0.63
59	0.32	0.01	0.31	0.32
60	0.32	0.00	0.32	0.00
<b>Fifth Year</b>	<b>3.84</b>	<b>0.22</b>	<b>3.62</b>	

Project For :  
**Bakery Products**

(Rs. Lacs)

**K. WORKING CAPITAL**

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1	Total Inventory	2.06	3.29	4.69	6.26	7.82	9.48
2	Sundry Debtors	0.86	1.03	1.21	1.38	1.46	1.55
	Total	2.92	4.32	5.90	7.64	9.29	11.03
3	Bank C.C. (95 per cent)	2.78	4.11	5.60	7.25	8.82	10.47
4	Own Contribution (5%)	0.15	0.22	0.29	0.38	0.46	0.55

Project For :  
**Bakery Products**

(Rs. Lacs)

**L. CURRENT ASSETS**

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1	Cl. Stock of Materials	0.85	1.86	3.04	4.40	5.83	7.35
2	Cl. Stock of Finished Goods	1.22	1.43	1.65	1.86	1.99	2.12
	Total Inventory	2.06	3.29	4.69	6.26	7.82	9.48
3	Cash and bank Balance	9.56	10.90	13.71	17.54	21.50	29.38
4	Sundry Debtors	0.86	1.89	3.10	4.48	5.94	7.49
	Total	12.49	16.09	21.50	28.28	35.26	46.34

Project For :  
**Bakery Products**

**M. FIXED ASSETS AND DEPRECIATION**

(Rs. Lacs)

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1	Plant & Machinery						
	Op. Balance	-	12.54	10.66	9.06	7.70	6.54
	Additions	14.75	-				
	Total	14.75	12.54	10.66	9.06	7.70	6.54
	Less : Depreciation	2.21	1.88	1.60	1.36	1.15	0.98
	Cl. WDV	12.54	10.66	9.06	7.70	6.54	5.56
2	Furniture & Electricals						
	Op. Balance	-	0.45	0.41	0.36	0.33	0.30
	Additions	0.50	-				
	Total	0.50	0.45	0.41	0.36	0.33	0.30
	Less : Depreciation	0.05	0.05	0.04	0.04	0.03	0.03
	Cl. WDV	0.45	0.41	0.36	0.33	0.30	0.27
	Total Depreciation	2.26	1.93	1.64	1.40	1.19	1.01
	Cl. WDV	12.99	11.06	9.42	8.03	6.84	5.83