PROJECT REPORT

Of

PEDA MAKING UNIT

PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding Peda 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.]

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PROJECT AT A GLANCE

1	Name of the Entreprenuer		xxxxxxxxxx		
2	Constitution (legal Status)		xxxxxxxxxx		
3	Father / Spouse Name		xxxxxxxxxxxx		
4	Unit Address	:	xxxxxxxxxxxxxxxxxxxxx		
			District :	xxxxxxx	
			Pin:	xxxxxxx	State: xxxxx
			Mobile	xxxxxxx	
5	Product and By Product	:	**PEDA**		
6	Name of the project / business activ		**PEDA MANUFACTURING UNIT**		
7	Cost of Project	:	Rs. 21.32 Lakhs		
8	Means of Finance				
	Term Loan		Rs. 13.06 Lakhs		
	Own Capital		Rs. 2.13 Lakhs		
	Working Capital		Rs. 6.13 Lakhs		
9	Debt Service Coverage Ratio	:		2.88	
10	Pay Back Period	:		5	Years
11	Project Implementation Period	:		6-7	Months
12	Break Even Point	:		41%	
13	Employment	:		15	Persons
14	Power Requirement	:		10.00	KW
15	Major Raw materials	:	Milk, kesar, dryfruits etc.		
16	Estimated Annual Sales Turnov	:		118.00	Lakhs

17 Detailed Cost of Project & Means of Finance

COST OF PROJECT

(Rs. In Lakhs)

Particulars	**Amount**
Land	Own/Rented
Plant & Machinery	14.01
Miss Assets	0.25
Furniture & Fixtures	0.25
Working Capital	6.81
Total	**21.32**

MEANS OF FINANCE

Particulars	**Amount**
Own Contribution	2.13
Working Capital(Finance)	6.13
Term Loan	13.06
Total	**21.32**

PEDA MAKING UNIT

1. INTRODUCTION

Peda or Pera is a sweet dish hailing from the Indian subcontinent. It originated from Mathura, Uttar Pradesh, India. Usually prepared in thick, semi-soft pieces, its main ingredients are Khoa, sugar and traditional flavorings including cardamom seeds, pistachio nuts and saffron. Its colour varies from a creamy white to a caramel colour. The word peda is also generically used to mean a sphere of any doughy substance such as flour or khoa. Variant spellings and names for the dessert include pedha, penda (in Gujarati) and pera.

In North India sweets prepared from mawa (khoya) are very popular and the peda is also a mawa sweet variety. The word pera is also generically used to mean a blob of any doughy substance, such as flour or khoa. Origin of Peda may be credited to the Indian state of Uttar Pradesh, and the variety from the city of Mathura in that state was considered to be the best. Simultaneously, another origin, practice of Peda making, some unique varieties, and spread of this tradition may be attributed to the province of Saurashtra of Gujarat and its centers like Sihor, Rajkot, Palitana and Bhavnagar as well.

2. MARKET POTENTIAL

Peda and other sweet products made of milk are consumed everywhere in India. The demand of this product is in rural as well as in urban areas. India is known for its festive and religious occasions throughout the year and the demand of milk products is never ending in India's market. The Indian sweet and candy market is currently valued at around $664 million, with sugar confectionery holding a 70 percent share ($461 million), and chocolate confectionery

accounting for the remainder ($203 million). The consumption of sweets made up of milk is highest in Uttar Pradesh and Bihar in India & peda is one of those products.

The Indian dairy industry has grown consistently ever since the White Revolution of the 1970s, making India, the world's largest producer of milk with 17% global share.

Traditional Indian sweets market is said to be around Rs 45,000 crores (USD 6 billion) of which packaged market is said to be Rs 3,500 crores.

3. INDUSTRIAL SCENARIO

India has been the leading producer and consumer of dairy products worldwide since 1998 with a sustained growth in the availability of milk and milk products. Dairy activities form an essential part of the rural Indian economy, serving as an important source of employment and income. However, the milk production per animal is significantly low as compared to the other major dairy producers.

Traditional sweets in India are many different types: They may be based on dairy, cereals, pulses or fruits or combinations of ingredients, the list includes a large number of items with variations. Varieties are large and also depend on regional preferences and practices. traditional sweets industry dominates Indian scenario. Indians love the traditional sweets like pedha and burfi which they ate while growing.

4. PRODUCT DESCRIPTION

4.1 PRODUCT USES

Peda is used as sweet dish, also due to the originality of this milk product pedas are used as prasadam in religious services.

4.2 RAW MATERIAL REQUIREMENT

Raw materials that are required for Peda making unit are mentioned below:

- Milk
- Sugar
- Dry Fruits
- Ghee

S.N.	Particulars	Rate
1	Milk	35-40/Ltr
2	Sugar	25-30/Kg
3	Dry fruits	600-700/Kg
4	Ghee	250-300/Kg

Average raw material cost per 1 kg Packet of Peda: Rs. 140-170

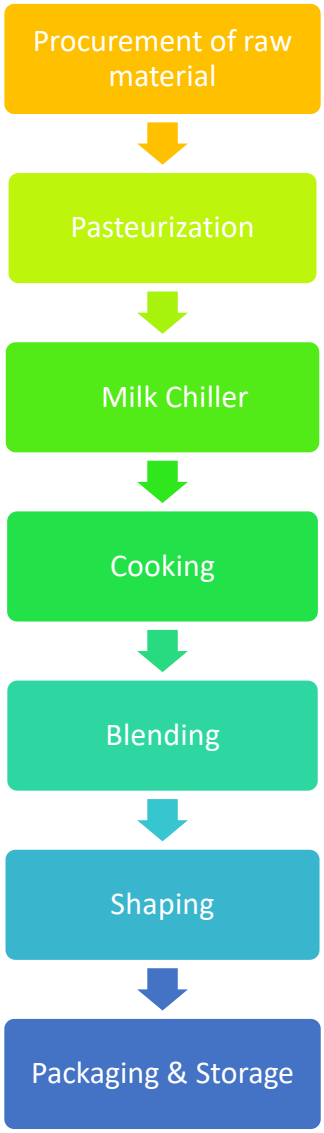
4.3 MANUFACTURING PROCESS

The process is explained below:

- Raw materials are procured from vendors & are stored in the manufacturing unit.
- Milk is procured and is collected in Milk Collection Tank.
- After this the collected milk is sent for pasteurizing in milk pasteurizer where microorganisms like bacteria are eliminated.
- After this the Pasteurized milk is sent to milk chiller and stored in storage vessel at low temperature.
- The stored milk is then taken out for further process of Peda and is transferred to Cooking kettle where other materials like sugar, ghee, dry fruits are added and stirred till the final output is achieved.
- Mixture is cooked until it acquires proper colour.
- The Ribbon blender is then used to mix powdered sugar & to properly granulize the content while cooling the cooked mixture.

- Finally the product is ready and the peda is manually made.
- The final product is packed, weighed and sent for sale in the market.

FLOW CHART



5. PROJECT COMPONENTS

Land: The approximate total area required for complete factory setup is 2000-2500 Sq. ft. for smooth production including storage area. It is expected that the premises will be on rental.

Civil Work:

- Workshop Area- This area includes the machinery setup and foundation space for all equipments, work floor area, and necessary tooling, stitching and polishing. Total workshop area is approx. 1000Sqft.
- Inventory Area- This area includes the storage space for all the raw materials, tooling and die storage space and finished goods. Total inventory area is approx. 200-400Sqft.
- Office Area – This space includes staff working region, their accommodation space, canteen area, medical facility etc. Total workshop area is approx. 400Sqft. This may be considered above the ground floor.
- Parking Space, Electricity Utensils Mounting Space, and Others. This could be approx. 200Sqft.

Land and building requirement may vary depending on the size of project.

Plant & Machinery

The machinery used for Peda Making unit are as follows-

- **Milk Pasteurizer**: There are two distinct purposes for the process of milk pasteurization: Public Health Aspect - to make milk and milk products safe for human consumption by destroying all bacteria that may be harmful to health (pathogens) Keeping Quality Aspect - to improve the keeping quality of milk and milk products.

- **Dairy Freezer:** Dairy Freezer is used to maintain the given product at required temperature.

- **Milk Reception System:** It is a system composed of suction pump, storage tanks, cooling system and vessels to receive milk quickly & efficiently.

- **Milk Chiller:** It's a device which is used to cool milk to the required temperature by either generating appropriate refrigeration effect or utilizes externally generated refrigeration effect in case of large systems.

- **Milk Storage Tank:** The milk storage tank is ideal for cooling and holding milk at a cold temperature until it's futher processed. The machine is made of stainless steel and used to store the raw milk in good condition. The milk storage tank is specifically selected based on the needs and requirements of each individual customer.

- **Boiler:** Boilers are used to produce steam. The generation part of a steam system uses a boiler to add energy to a feedwater supply to generate steam.

- **Cooking Kettle with stirrer:** It's a machine which is composed of a simple kettle in which given product is heated either by electrical heaters or heating medium from external source, while the stirrer is provided to ensure uniform heating without burning the product.

- **Material Handling and Other equipment's:** These Equipments are used for material handling. Other equipments like water pumps, conveyors, weighing machine, etc are also used.

S. No.	Name	Amount
1	Milk pasteurizer with boiler	2,65,000
2	Dairy freezer	1,20,000
3	Milk reception system (milk cooling and Pump)	2,92,500
4	Milk storage tank	50,000
5	Milk Chiller	1,20,000
7	automatic peda making machine (or Cooking cattle with stirrer)	2,90,000
8	Material handling and other equipments	50,000
Sub-total		11,87,500
GST @ 18%		2,13,750
Total		**14,01,250**

6.3. Power Requirement

For whole manufacturing plant requires 12-15 KW power, for above mentioned capacity.

8. FINANCIALS

COST OF PROJECT (in Lacs)	
PARTICULARS	**AMOUNT**
Land & Building	Owned/rented
Plant & Machinery	14.01
Miscellaneous Assets	0.25
Furniture	0.25
Working capital	6.81
Total	**21.32**

MEANS OF FINANCE	
PARTICULARS	**AMOUNT**
Own Contribution @ 10%	2.13
Term Loan @ 90%	13.06
Working Capital (Bank Finance)	6.13
Total	**21.32**

PROJECTED BALANCE SHEET **(in Lacs)**

PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
Liabilities					
Capital					
Opening Balance		2.69	4.21	6.65	9.31
Add:- Own Capital	2.13				
Add:- Retained Profit	2.96	5.01	7.44	9.16	11.65
Less:- Drawings	2.40	3.50	5.00	6.50	8.50
Closing Balance	2.69	4.21	6.65	9.31	12.46
Term Loan	11.61	8.71	5.80	2.90	-
Working Capital Limit	6.13	6.13	6.13	6.13	6.13
Sundry Creditors	1.40	1.58	1.78	1.98	2.20
Provisions & Other Liabilities	0.10	0.30	0.36	0.43	0.50
TOTAL :	**21.93**	**20.93**	**20.72**	**20.75**	**21.29**
Assets					
Fixed Assets (Gross)	14.51	14.51	14.51	14.51	14.51
Gross Depriciation	2.16	4.00	5.57	6.90	8.04
Net Fixed Assets	**12.35**	**10.51**	**8.94**	**7.61**	**6.47**
Current Assets					
Sundry Debtors	5.90	6.92	7.93	9.02	10.20
Stock in Hand	2.31	2.62	2.95	3.28	3.65
Cash and Bank	1.37	0.88	0.91	0.85	0.96
TOTAL :	**21.93**	**20.93**	**20.72**	**20.75**	**21.29**

PROJECTED CASH FLOW STATEMENT **(in Lacs)**

PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
SOURCES OF FUND					
Own Margin	2.13				
Net Profit	2.96	5.02	7.74	10.94	14.50
Depriciation & Exp. W/off	2.16	1.84	1.57	1.33	1.13
Increase in Cash Credit	6.13	-	-	-	-
Increase In Term Loan	13.06	-	-	-	-
Increase in Creditors	1.40	0.18	0.19	0.20	0.22
Increase in Provisions & Other liabilities	0.10	0.20	0.06	0.07	0.07
TOTAL :	**27.94**	**7.24**	**9.56**	**12.55**	**15.92**
APPLICATION OF FUND					
Increase in Fixed Assets	14.51				
Increase in Stock	2.31	0.31	0.33	0.33	0.38
Increase in Debtors	5.90	1.02	1.01	1.09	1.18
Repayment of Term Loan	1.45	2.90	2.90	2.90	2.90
Drawings	2.40	3.50	5.00	6.50	8.50
Taxation	-	0.00	0.30	1.78	2.85
TOTAL :	**26.57**	**7.73**	**9.54**	**12.61**	**15.81**
Opening Cash & Bank Balance	-	1.37	0.88	0.91	0.85
Add : Surplus	1.37	-0.49	0.02	-0.06	0.12
Closing Cash & Bank Balance	**1.37**	**0.88**	**0.91**	**0.85**	**0.96**

PROJECTED PROFITABILITY STATEMENT **(in Lacs)**

PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
Capacity Utilisation %	**50%**	**55%**	**60%**	**65%**	**70%**
SALES					
Gross Sale					
PEDA	118.00	138.39	158.54	180.36	203.97
Total	**118.00**	**138.39**	**158.54**	**180.36**	**203.97**
COST OF SALES					
Raw Material Consumed	84.00	95.04	106.56	118.56	131.88
Electricity Expenses	2.88	3.17	3.48	3.83	4.22
Depreciation	2.16	1.84	1.57	1.33	1.13
Wages & labour	5.28	5.81	6.39	7.03	7.73
Repair & maintenance	3.54	4.15	5.07	5.77	7.14
Consumables	2.95	3.46	4.76	5.41	6.12
Packaging cost	4.13	5.54	6.34	7.21	8.16
Cost of Production	104.94	119.00	134.17	149.15	166.38
Add: Opening Stock	-	1.75	1.98	2.24	2.49
Less: Closing Stock	1.75	1.98	2.24	2.49	2.77
Cost of Sales	103.19	118.77	133.92	148.90	166.09
GROSS PROFIT	**14.81**	**19.62**	**24.62**	**31.46**	**37.88**
Salary to Staff	4.32	4.75	5.23	5.75	6.32
Interest on Term Loan	1.28	1.13	0.81	0.49	0.17
Interest on working Capital	0.67	0.67	0.67	0.67	0.67
Rent	4.80	5.28	5.81	6.39	7.03
Selling & Administration Expenses	0.77	2.77	4.36	7.21	9.18
TOTAL	**11.84**	**14.60**	**16.88**	**20.52**	**23.38**
NET PROFIT	2.96	5.02	7.74	10.94	14.50
Taxation		0.00	0.30	1.78	2.85
PROFIT (After Tax)	2.96	5.01	7.44	9.16	11.65

CALCULATION OF D.S.C.R

PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
CASH ACCRUALS	5.12	6.86	9.01	10.49	12.78
Interest on Term Loan	1.28	1.13	0.81	0.49	0.17
Total	6.41	7.99	9.82	10.98	12.96
REPAYMENT					
Instalment of Term Loan	1.45	2.90	2.90	2.90	2.90
Interest on Term Loan	1.28	1.13	0.81	0.49	0.17
Total	2.73	4.03	3.71	3.39	3.07
DEBT SERVICE COVERAGE RATIO	**2.34**	**1.98**	**2.64**	**3.24**	**4.21**
AVERAGE D.S.C.R.					**2.88**

COMPUTATION OF CLOSING STOCK & WORKING CAPITAL					(in Lacs)
PARTICULARS	**1st year**	**2nd year**	**3rd year**	**4th year**	**5th year**
Finished Goods					
(5 Days)	1.75	1.98	2.24	2.49	2.77
Raw Material					
(2 Days)	0.56	0.63	0.71	0.79	0.88
Closing Stock	**2.31**	**2.62**	**2.95**	**3.28**	**3.65**

COMPUTATION OF WORKING CAPITAL REQUIREMENT					
TRADITIONAL METHOD					(in Lacs)
Particulars	**Amount**	**Own Margin**		**Bank Finance**	
Finished Goods & Raw Material	2.31				
Less : Creditors	1.40				
Paid stock	**0.91**	**10%**	**0.09**	90%	**0.82**
Sundry Debtors	**5.90**	**10%**	**0.59**	**90%**	**5.31**
	6.81		**0.68**		**6.13**
MPBF					**6.13**
WORKING CAPITAL LIMIT DEMAND (from Bank)					**6.13**

REPAYMENT SCHEDULE OF TERM LOAN							
					Interest		11.00%
Year	Particulars	Amount	Addition	Total	Interest	Repayment	Closing Balance
ist	Opening Balance	-					
	1st month		13.06	13.06	-	-	13.06
	2nd month	13.06	-	13.06	0.12	-	13.06
	3rd month	13.06	-	13.06	0.12	-	13.06
	4th month	13.06	-	13.06	0.12	-	13.06
	5th month	13.06	-	13.06	0.12	-	13.06
	6th month	13.06	-	13.06	0.12	-	13.06
	7th month	13.06	-	13.06	0.12	0.24	12.82
	8th month	12.82	-	12.82	0.12	0.24	12.58
	9th month	12.58	-	12.58	0.12	0.24	12.33
	10th month	12.33	-	12.33	0.11	0.24	12.09
	11th month	12.09	-	12.09	0.11	0.24	11.85
	12th month	11.85	-	11.85	0.11	0.24	11.61
					1.28	1.45	
2nd	Opening Balance						
	1st month	11.61	-	11.61	0.11	0.24	11.37
	2nd month	11.37	-	11.37	0.10	0.24	11.12
	3rd month	11.12	-	11.12	0.10	0.24	10.88
	4th month	10.88	-	10.88	0.10	0.24	10.64
	5th month	10.64	-	10.64	0.10	0.24	10.40
	6th month	10.40	-	10.40	0.10	0.24	10.16
	7th month	10.16	-	10.16	0.09	0.24	9.92
	8th month	9.92	-	9.92	0.09	0.24	9.67
	9th month	9.67	-	9.67	0.09	0.24	9.43
	10th month	9.43	-	9.43	0.09	0.24	9.19
	11th month	9.19	-	9.19	0.08	0.24	8.95
	12th month	8.95	-	8.95	0.08	0.24	8.71
					1.13	**2.90**	
3rd	Opening Balance						
	1st month	8.71	-	8.71	0.08	0.24	8.46
	2nd month	8.46	-	8.46	0.08	0.24	8.22
	3rd month	8.22	-	8.22	0.08	0.24	7.98
	4th month	7.98	-	7.98	0.07	0.24	7.74
	5th month	7.74	-	7.74	0.07	0.24	7.50
	6th month	7.50	-	7.50	0.07	0.24	7.25
	7th month	7.25	-	7.25	0.07	0.24	7.01
	8th month	7.01	-	7.01	0.06	0.24	6.77
	9th month	6.77	-	6.77	0.06	0.24	6.53
	10th month	6.53	-	6.53	0.06	0.24	6.29

	11th month	6.29	-	6.29	0.06	0.24	6.05
	12th month	6.05	-	6.05	0.06	0.24	5.80
					0.81	**2.90**	
4th	Opening Balance						
	1st month	5.80	-	5.80	0.05	0.24	5.56
	2nd month	5.56	-	5.56	0.05	0.24	5.32
	3rd month	5.32	-	5.32	0.05	0.24	5.08
	4th month	5.08	-	5.08	0.05	0.24	4.84
	5th month	4.84	-	4.84	0.04	0.24	4.59
	6th month	4.59	-	4.59	0.04	0.24	4.35
	7th month	4.35	-	4.35	0.04	0.24	4.11
	8th month	4.11	-	4.11	0.04	0.24	3.87
	9th month	3.87	-	3.87	0.04	0.24	3.63
	10th month	3.63	-	3.63	0.03	0.24	3.39
	11th month	3.39	-	3.39	0.03	0.24	3.14
	12th month	3.14	-	3.14	0.03	0.24	2.90
					0.49	**2.90**	
5th	Opening Balance						
	1st month	2.90	-	2.90	0.03	0.24	2.66
	2nd month	2.66	-	2.66	0.02	0.24	2.42
	3rd month	2.42	-	2.42	0.02	0.24	2.18
	4th month	2.18	-	2.18	0.02	0.24	1.93
	5th month	1.93	-	1.93	0.02	0.24	1.69
	6th month	1.69	-	1.69	0.02	0.24	1.45
	7th month	1.45	-	1.45	0.01	0.24	1.21
	8th month	1.21	-	1.21	0.01	0.24	0.97
	9th month	0.97	-	0.97	0.01	0.24	0.73
	10th month	0.73	-	0.73	0.01	0.24	0.48
	11th month	0.48	-	0.48	0.00	0.24	0.24
	12th month	0.24	-	0.24	0.00	0.24	-
					0.17	**2.90**	

DOOR TO DOOR	60	MONTHS
MORATORIUM PERIOD	6	MONTHS
REPAYMENT PERIOD	54	MONTHS

9. IMPLEMENTATION SCHEDULE

Implementation Schedule

S.N.	Activity	Time Required (in Months)
1	Acquisition Of premises	1
2	Procurement & installation of Plant & Machinery	1
3	Arrangement of Finance	1-2
4	Requirement of required Manpower	1-2
	Total time Required (some activities shall run concurrently)	3-4 Months

10. ASSUMPTIONS

Item	Remarks
Sales Volume Increase Per Annum	5%
Sales Price Increase Per Annum	5%
Increase in Staff Salaries	10% Per annum
Increase in Utilities	10% Per Annum
Loan Period	5 years
Loan Installments	Monthly
Financial Charges	11% per annum
Working Days Per annum	300 Days

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