

PROJECT REPORT

Of

PETHA MANUFACTURING

PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding Petha Manufacturing Unit(Automatic)

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.]



Lucknow Office: Sidhivinayak Building ,
27/1/B, Gokhley Marg, Lucknow-226001

Delhi Office : Multi Disciplinary Training
Centre, Gandhi Darshan Rajghat,
New Delhi 110002

Email : info@udyami.org.in
Contact : +91 7526000333, 444, 555

PROJECT AT A GLANCE

1 Name of the Entrepreneur		XXXXXXXX	
2 Constitution (legal Status)	:	XXXXXXXX	
3 Father's/Spouce's Name		XXXXXXXXXX	
4 Unit Address	:	XXXXXXXXXX	
		Taluk/Block:	
		District :	XXXXX
		State:	XXXXX
		Pin:	XXXXX
		E-Mail :	XXXXX
		Mobile	XXXXX
5 Product and By Product	:	Petha	
6 Name of the project / business activity proposed :		Petha Manufacturing Unit(Automatic)	
7 Cost of Project	:	Rs. 21.52 Lacs	
8 Means of Finance			
Term Loan		Rs. 14.36 Lacs	
KVIC Margin Money		As per Project Eligibility	
Own Capital		Rs. 2.15 Lacs	
9 Debt Service Coverage Ratio	:		2.53
10 Pay Back Period	:	5 Years	Years
11 Project Implementation Period	:	3 Months	Months
12 Break Even Point	:		24%
13 Employment	:		10
14 Power Requirement	:		-
15 Major Raw materials	:	Petha fruit, Sugar, Water Etc	
16 Estimated Annual Sales Turnover	:	Rs. 65.00 Lacs	
17 Detailed Cost of Project & Means of Finance			

COST OF PROJECT

MEANS OF FINANCE

(Rs. In Lacs)

Particulars	Amount	Particulars	Amount
Land	Rented/Owned	Own Contribution 10%	2.15
Building & Civil Work	2.00	Term Loan	14.36
Plant & Machinery	13.46	Working capital	5.00
Furniture & Fixtures	0.50		
Working Capital	5.56		
Total	21.52	Total	21.52

General Special

KVIC Margin Monery Urban 15% 25%
KVIC Margin Monery Rural 25% 35%

18 PLANT & MACHINERY

PARTICULARS	QTY.	RATE	AMOUNT IN RS.
Automatic Petha Plant	1.00	900,000.00	900,000.00
52" Petha Kettle	3.00	80,000.00	240,000.00
Utensils, Weighing Machine etc			30,000.00
Add: 15% Taxes, Freight etc			175,500.00
TOTAL			1,345,500.00

PETHA MANUFACTURING

Petha is a translucent soft candy usually rectangular or cylindrical; it is made from the ash gourd vegetable (also known as Winter melon or white pumpkin, or simply petha in Hindi and Urdu).

With growing demand and innovation, more varieties of the original preparation are available. Many flavoured variants are available, e.g. kesar petha, angoori petha etc. There are some other variations based on content, one with coconut mixed, another with some nuts put into it. Sometimes kewda essence is used to flavour petha.

Given its unfading popularity, it is interesting to know that Petha has a background worth knowing.

- One of the main ingredients that goes into making Petha is ash gourd aka winter melon or white pumpkin.
- Due to its ingredients, comprising of fruit, sugar and water, it is considered the purest dessert in the world.
- Petha is not cooked on a regular cooking fire, but only coal fire is used to prepare this sweet treat.
- Petha made in Agra has a Geographical Indication (GI) tag to certify its place of origin.
- With the passage of time, many varieties of Petha have come up in the market to cater to the demand and changing palate of the patrons. Nowadays, buyers can choose from the kesar petha (saffron), angoori petha (grapes), chocolate petha, paan petha, and so on. Coconut and dried fruit lovers can also have their share of the delicious Petha.

Assumption for the Project

- The main raw materials for manufacture of Petha includes White pumpkin (petha fruit), Chemical Lime, Sugar, Water, Milk, Lemon Juice and Gulab Jal.
- The Capacity of the unit is 1000 kgs/day
- The Unit shall run for 1 shift of 10 hours per day
- The manufacturing unit is fully Automatic
- The Selling price of Finished product i.e. Petha Sweet Varies from Season to season. The average selling price for the project is taken at Rs. 45/Kg.

PROJECTED BALANCE SHEET

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
<u>SOURCES OF FUND</u>					
Capital Account	2.15	2.15	2.15	2.15	2.15
Retained Profit	3.35	7.78	14.24	22.81	33.20
Term Loan	12.76	9.56	6.36	3.16	-
Cash Credit	5.00	5.00	5.00	5.00	5.00
Sundry Creditors	2.11	2.63	3.06	3.51	3.93
Provisions & Other Liab	0.50	0.60	0.66	0.73	0.80
TOTAL :	25.87	27.72	31.47	37.36	45.08
<u>APPLICATION OF FUND</u>					
Fixed Assets (Gross)	15.96	15.96	15.96	15.96	15.96
Gross Dep.	2.24	4.19	5.85	7.27	8.49
Net Fixed Assets	13.71	11.77	10.11	8.68	7.46
Current Assets					
Sundry Debtors	5.42	6.75	7.83	9.00	10.08
Stock in Hand	4.14	5.06	5.89	6.75	7.58
Cash and Bank	0.61	1.94	5.22	10.26	17.03
Other Current Assets	2.00	2.20	2.42	2.66	2.93
TOTAL :	25.87	27.72	31.47	37.36	45.08
	-	-	-	-	-

PROJECTED PROFITABILITY STATEMENT

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
<u>A) SALES</u>					
Gross Sale	65.00	81.00	94.00	108.00	121.00
	-	-	-	-	-
Total (A)	65.00	81.00	94.00	108.00	121.00
<u>B) COST OF SALES</u>					
Raw Mateiral Consumed	42.25	52.65	61.10	70.20	78.65
Electricity Expenses	2.28	2.84	3.29	3.78	4.24
Repair & Maintenance	0.98	1.22	1.41	1.62	1.82
Labour & Wages	5.52	6.07	6.68	7.35	8.08
Depriciation	2.24	1.94	1.66	1.42	1.22
Other Direct Expenses	1.30	1.62	1.88	2.16	2.42
Cost of Production	54.56	66.34	76.02	86.53	96.42
Add: Opening Stock /WIP	-	2.03	2.43	2.84	3.24
Less: Closing Stock /WIP	2.03	2.43	2.84	3.24	3.65
Cost of Sales (B)	52.54	65.93	75.62	86.13	96.02
C) GROSS PROFIT (A-B)	12.46	15.07	18.38	21.87	24.98
	19%	19%	20%	20%	21%
D) Bank Interest (Term Loan)	1.16	1.27	0.92	0.57	0.22
Bank Interest (C.C. Limit)	0.55	0.55	0.55	0.55	0.55
E) Salary to Staff	3.36	3.70	4.07	4.47	4.92
F) Selling & Adm Expenses Exp.	2.93	3.65	4.23	4.86	5.45
TOTAL (D+E)	8.00	9.16	9.77	10.45	11.13
H) NET PROFIT	4.46	5.91	8.62	11.42	13.85
I) Taxation	1.12	1.48	2.15	2.86	3.46
J) PROFIT (After Tax)	3.35	4.43	6.46	8.57	10.39
K) DEPRECIATION	2.24	1.94	1.66	1.42	1.22
L) CASH ACCRUAL	5.59	6.37	8.13	9.99	11.61

PROJECTED CASH FLOW STATEMENT

PARTICULARS	IST YEAR	IIND YEAR	IIRD YEAR	IVTH YEAR	VTH YEAR
<u>SOURCES OF FUND</u>					
Share Capital	2.15	-			
Reserve & Surplus	4.46	5.91	8.62	11.42	13.85
Depriciation & Exp. W/off	2.24	1.94	1.66	1.42	1.22
Increase in Cash Credit	5.00	-	-	-	-
Increase In Term Loan	14.36	-	-	-	-
Increase in Creditors	2.11	0.52	0.42	0.46	0.42
Increase in Provisions	0.50	0.10	0.06	0.07	0.07
TOTAL :	30.83	8.47	10.76	13.37	15.57
<u>APPLICATION OF FUND</u>					
Increase in Fixed Assets	15.96	-	-	-	-
Increase in Stock	4.14	0.93	0.83	0.86	0.83
Increase in Debtors	5.42	1.33	1.08	1.17	1.08
Increase in Other Current Assets	2.00	0.20	0.22	0.24	0.27
Repayment of Term Loan	1.60	3.20	3.20	3.20	3.16
Taxation	1.12	1.48	2.15	2.86	3.46
TOTAL :	30.23	7.14	7.49	8.32	8.80
Opening Cash & Bank Balance	-	0.61	1.94	5.22	10.26
Add : Surplus	0.61	1.34	3.28	5.04	6.77
Closing Cash & Bank Balance	0.61	1.94	5.22	10.26	17.03

COMPUTATION OF PRODUCTION AND SALES

Items to be Manufactured

Petha

Manufacturing Capacity	Petha	1,000	Kg per Day
No. of Working Hour		10	
No of Working Days per month		25	
No. of Working Day per annum		300	
Total Production per Annum	Petha	300,000	Kg per Annum
		Capacity Utilization	
		Petha	
IST YEAR		50%	150,000
IIND YEAR		60%	180,000
IIIRD YEAR		70%	210,000
IVTH YEAR		80%	240,000
VTH YEAR		90%	270,000

COMPUTATION OF SALE**FRUIT JUICE**

Particulars	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
Op Stock	-	5,000	6,000	7,000	8,000
Production	150,000	180,000	210,000	240,000	270,000
	150,000	185,000	216,000	247,000	278,000
Less : Closing Stock	5,000	6,000	7,000	8,000	9,000
Net Sale	145,000	179,000	209,000	239,000	269,000
Sale Price Per Kg	45.00	45.00	45.00	45.00	45.00
Sale (in Lacs)	65.00	81.00	94.00	108.00	121.00

COMPUTATION OF CLOSING STOCK & WORKING CAPITAL

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR	
Finished Goods						
(10 Days requirement)	2.03	2.43	2.84	3.24	3.65	
Raw Material						
(15 Days requirement)	2.11	2.63	3.06	3.51	3.93	
Closing Stock	4.14	5.06	5.89	6.75	7.58	

COMPUTATION OF WORKING CAPITAL REQUIREMENT

Particulars	Total		Own		Bank
	Amount		Margin		Finance
Stock in Hand	4.14	25%	1.03	75%	3.10
Sundry Debtors	5.42	25%	1.36	75%	4.05
	9.55		2.40		7.16
Sundry Creditors	2.11		-		2.11
	7.44		2.40		5.04
WORKING CAPITAL (HYP) FRESH DEMAND			5.00		

BREAK UP OF LABOUR

Particulars		Wages	No of	Total
		Per Month	Employees	Salary
Skilled Worker		8,000.00	3	24,000.00
Unskilled Worker		6,000.00	2	12,000.00
Casual Labour		5,000.00	2	10,000.00
				46,000.00

5.52

BREAK UP OF SALARY

Particulars		Salary	No of	Total
		Per Month	Employees	Salary
Accountant		12,000.00	1	12,000.00
Marketing Executive		8,000.00	2	16,000.00
Total Salary Per Month				28,000.00

3.36

COMPUTATION OF DEPRECIATION

Description	Land	Building	Plant & Machinery	Furniture	TOTAL
Rate of Depreciation		10.00%	15.00%	10.00%	
Opening Balance	Leased	-	-	-	-
Addition	-	2.00	13.46	0.50	15.96
	-	2.00	13.46	0.50	15.96
Less : Depreciation	-	0.20	2.02	0.03	2.24
WDV at end of 1st year	-	1.80	11.44	0.48	13.71
Additions During The Year	-	-	-	-	-
	-	1.80	11.44	0.48	13.71
Less : Depreciation	-	0.18	1.72	0.05	1.94
WDV at end of IIInd Year	-	1.62	9.72	0.43	11.77
Additions During The Year	-	-	-	-	-
	-	1.62	9.72	0.43	11.77
Less : Depreciation	-	0.16	1.46	0.04	1.66
WDV at end of IIIrd year	-	1.46	8.26	0.38	10.11
Additions During The Year	-	-	-	-	-
	-	1.46	8.26	0.38	10.11
Less : Depreciation	-	0.15	1.24	0.04	1.42
WDV at end of IV year	-	1.31	7.02	0.35	8.68
Additions During The Year	-	-	-	-	-
	-	1.31	7.02	0.35	8.68
Less : Depreciation	-	0.13	1.05	0.03	1.22
WDV at end of Vth year	-	1.18	5.97	0.31	7.46

REPAYMENT SCHEDULE OF TERM LOAN

11%

Year	Particulars	Amount	Addition	Total	Interest	Repayment	CI Balance
IST YEAR	Opening Balance						
	Ist Quarter	-	14.36	14.36	-	-	14.36
	IInd Quarter	14.36	-	14.36	0.39	-	14.36
	IIIRD Quarter	14.36	-	14.36	0.39	0.80	13.56
	Ivth Quarter	13.56	-	13.56	0.37	0.80	12.76
					1.16	1.60	
IIND YEAR	Opening Balance						
	Ist Quarter	12.76	-	12.76	0.35	0.80	11.96
	IInd Quarter	11.96	-	11.96	0.33	0.80	11.16
	IIIRD Quarter	11.16	-	11.16	0.31	0.80	10.36
	Ivth Quarter	10.36		10.36	0.28	0.80	9.56
					1.27	3.20	
IIIRD YEAR	Opening Balance						
	Ist Quarter	9.56	-	9.56	0.26	0.80	8.76
	IInd Quarter	8.76	-	8.76	0.24	0.80	7.96
	IIIRD Quarter	7.96	-	7.96	0.22	0.80	7.16
	Ivth Quarter	7.16		7.16	0.20	0.80	6.36
					0.92	3.20	
IVTH YEAR	Opening Balance						
	Ist Quarter	6.36	-	6.36	0.17	0.80	5.56
	IInd Quarter	5.56	-	5.56	0.15	0.80	4.76
	IIIRD Quarter	4.76	-	4.76	0.13	0.80	3.96
	Ivth Quarter	3.96		3.96	0.11	0.80	3.16
					0.57	3.20	
VTH YEAR	Opening Balance						
	Ist Quarter	3.16	-	3.16	0.09	0.80	2.36
	IInd Quarter	2.36	-	2.36	0.06	0.80	1.56
	IIIRD Quarter	1.56	-	1.56	0.04	0.80	0.76
	Ivth Quarter	0.76		0.76	0.02	0.76	0.00
					0.22	3.16	

CALCULATION OF D.S.C.R

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
<u>CASH ACCRUALS</u>	5.59	6.37	8.13	9.99	11.61
Interest on Term Loan	1.16	1.27	0.92	0.57	0.22
Total	6.75	7.65	9.05	10.56	11.83
<u>REPAYMENT</u>					
Instalment of Term Loan	1.60	3.20	3.20	3.20	3.16
Interest on Term Loan	1.16	1.27	0.92	0.57	0.22
Total	2.76	4.47	4.12	3.77	3.38
DEBT SERVICE COVERAGE RATIO	2.44	1.71	2.20	2.80	3.50
AVERAGE D.S.C.R.			2.53		

BREAK EVEN POINT ANALYSIS

Year	I	II	III	IV	V
Net Sales & Other Income	65.00	81.00	94.00	108.00	121.00
Less : Op. WIP Goods	-	2.03	2.43	2.84	3.24
Add : Cl. WIP Goods	2.03	2.43	2.84	3.24	3.65
Total Sales	67.03	81.41	94.41	108.41	121.41
Variable & Semi Variable Exp.					
Raw Material & Tax	42.25	52.65	61.10	70.20	78.65
Electricity Exp/Coal Consumption at 85%	1.93	2.41	2.80	3.21	3.60
Manufacturing Expenses 80%	1.04	1.30	1.50	1.73	1.94
Wages & Salary at 60%	3.31	3.64	4.01	4.41	4.85
Selling & administrative Expenses 80%	3.12	3.89	4.51	5.18	5.81
Intt. On Working Capital Loan	0.55	0.55	0.55	0.55	0.55
Total Variable & Semi Variable Exp	52.21	64.44	74.47	85.28	95.39
Contribution	14.82	16.97	19.93	23.12	26.01
Fixed & Semi Fixed Expenses					
Manufacturing Expenses 20%	0.26	0.32	0.38	0.43	0.48
Electricity Exp/Coal Consumption at 15%	0.34	0.43	0.49	0.57	0.64
Wages & Salary at 40%	2.21	2.43	2.67	2.94	3.23
Interest on Term Loan	1.16	1.27	0.92	0.57	0.22
Depreciation	2.24	1.94	1.66	1.42	1.22
Selling & administrative Expenses 20%	0.78	0.97	1.13	1.30	1.45
Total Fixed Expenses	7.00	7.36	7.25	7.23	7.24
Capacity Utilization	50%	60%	70%	80%	90%
OPERATING PROFIT	7.82	9.60	12.68	15.90	18.77
BREAK EVEN POINT	24%	26%	25%	25%	25%
BREAK EVEN SALES	31.64	35.33	34.34	33.87	33.79

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