

PROJECT REPORT

Of

RABRI MAKING UNIT

PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding Rabri 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 Entrepreneur : xxxxxxxxxxxx
- 2 Constitution (legal Status) : xxxxxxxxxxxx
- 3 Father / Spouse Name : xxxxxxxxxxxxxx
- 4 Unit Address : xxxxxxxxxxxxxxxxxxxxxxxx
- District : xxxxxxxx
- Pin: xxxxxxxx State: xxxxx
- Mobile xxxxxxxx
- 5 Product and By Product : **RABRI**
- 6 Name of the project / business activ **RABRI MANUFACTURING UNIT**
- 7 Cost of Project : Rs. 17.94 Lakhs
- 8 Means of Finance
- Term Loan Rs. 12.86 Lakhs
- Own Capital Rs. 1.79 Lakhs
- Working Capital Rs. 3.28 Lakhs
- 9 Debt Service Coverage Ratio : 2.50
- 10 Pay Back Period : 5 Years
- 11 Project Implementation Period : 6-7 Months
- 12 Break Even Point : 51%
- 13 Employment : 15 Persons
- 14 Power Requirement : 12.00 KW
- 15 Major Raw materials : milk, dryfruits
- 16 Estimated Annual Sales Turnov : 71.37 Lakhs
- 17 Detailed Cost of Project & Means of Finance

COST OF PROJECT

(Rs. In Lakhs)

Particulars	Amount
Land	Own/Rented
Plant & Machinery	12.79
Miss Assets	1.50
Furniture & Fixtures	
Working Capital	3.65
Total	17.94

MEANS OF FINANCE

Particulars	Amount
Own Contribution	1.79
Working Capital(Finance)	3.29
Term Loan	12.86
Total	17.94

1. INTRODUCTION



Rabri (IAST: Rabaḍī) is a sweet, condensed-milk-based dish, originating from the Indian subcontinent, made by boiling milk on low heat for a long time until it becomes dense and changes its colour to off-white or pale yellow. *Rabri* is made by heating sweetened milk in a large open vessel (*kadhāi*). As the layer of cream begins to form on the surface of the milk, it is taken off and kept aside. Rabri is consumed in all parts of India and is consumed by all age groups. Yield of rabri depends on total solids of milk, ratio of concentration of milk and amount of sugar added.

2. MARKET POTENTIAL:

Rabri 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 & rabri is one of those products.

3. PRODUCT DESCRIPTION

RAW MATERIAL

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

- Milk
- Sugar
- Dry Fruits
- Ghee
- Crushed Paneer

S.No.	Particulars	Rate
1	Milk	35-40/Ltr
2	Sugar	25-30/Kg
3	Dry fruits	600-700/Kg
4	Ghee	250-300/Kg
5	Crushed Paneer	180-200/kg

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

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 Rabri and is transferred to Cooking kettle where other materials like sugar, ghee, dry fruits are added and stirred till the final output is achieved.
- It's cooked in 2 stages in 2 different cooking vessels for better control, over concentration & evaporation rate.
- In second cooking kettle various secondary raw materials like dry fruits & crushed paneer are added
- The final product is packed, weighed and sent for sale in the market.

4. PROJECT COMPONENTS

Land & Building

The approximate total area required for complete factory setup is 1000-1500 Sq. ft. for smooth production including storage area. It is expected that the premises will be on rental.

Plant & Machinery

Machine Name	Description	Machine Image
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.	

<p>Milk Reception System</p>	<p>It is a system composed of suction pump, storage tanks, cooling system and vessels to receive milk quickly & efficiently.</p>	
<p>Milk Chiller</p>	<p>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.</p>	
<p>Milk Storage Tank</p>	<p>The milk storage tank is ideal for cooling and holding milk at a cold temperature until it's further 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.</p>	
<p>Boiler</p>	<p>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.</p>	

<p>Cooking Kettle with Stirrer</p>	<p>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.</p>	
<p>Ribbon Blender</p>	<p>It's a mixer class machine which is designed to mix loose solid material with each other.</p>	
<p>Material handling and other Equipments</p>	<p>These Equipments are used for material handling. Other equipments like water pumps, conveyors, weighing machine, etc are also used.</p>	

Note: Approx. Total Machinery cost shall be Rs 12.79 lakhs including equipment's but excluding GST and Transportation Cost.

Power Requirement

The borrower shall require power load of 12 KW which shall be applied with Power Corporation.

5. FINANCIALS

COST OF PROJECT	
	(in Lacs)
PARTICULARS	Amount
Land & Building	Owned/Rented
Plant & Machinery	12.79
Miscellaneous Assets	1.50
Working capital Required	3.65
Total	17.94

MEANS OF FINANCE	
PARTICULARS	AMOUNT
Own Contribution @ 10%	1.79
Term Loan @ 90%	12.86
Working Capital (Bank Finance)	3.28
Total	17.94

PROJECTED BALANCE SHEET**(in Lacs)**

PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
<u>Liabilities</u>					
Capital					
Opening balance		1.81	2.51	4.32	6.56
Add:- Own Capital	1.79				
Add:- Retained Profit	2.42	4.29	5.61	7.54	9.43
Less:- Drawings	2.40	3.60	3.80	5.30	7.20
Closing Balance	1.81	2.51	4.32	6.56	8.79
Term Loan	11.43	8.57	5.72	2.86	-
Working Capital Limit	3.28	3.28	3.28	3.28	3.28
Sundry Creditors	0.87	1.00	1.13	1.27	1.42
Provisions & Other Liability	0.15	0.19	0.27	0.33	0.39
TOTAL :	17.55	15.55	14.72	14.29	13.89
<u>Assets</u>					
Fixed Assets (Gross)	14.29	14.29	14.29	14.29	14.29
Gross Dep.	2.14	3.97	5.51	6.83	7.95
Net Fixed Assets	12.15	10.32	8.78	7.46	6.34
Current Assets					
Sundry Debtors	3.33	3.85	4.36	4.89	5.48
Stock in Hand	1.19	1.35	1.51	1.68	1.87
Cash and Bank	0.88	0.03	0.08	0.26	0.20
TOTAL :	17.55	15.55	14.72	14.29	13.89

<u>PROJECTED PROFITABILITY STATEMENT</u>					
(in Lacs)					
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
Capacity Utilisation %	60%	65%	70%	75%	80%
<u>SALES</u>					
Gross Sale					
Rabri	71.37	82.45	93.33	104.86	117.38
Total	71.37	82.45	93.33	104.86	117.38
<u>COST OF SALES</u>					
Raw Material Consumed	37.44	42.74	48.38	54.36	61.06
Electricity Expenses	2.88	3.31	3.81	4.38	4.82
Depreciation	2.14	1.82	1.55	1.32	1.12
Wages & labour	10.20	11.22	12.45	13.45	14.53
Repair & maintenance	1.78	2.06	2.33	2.62	2.93
Packaging	2.14	2.47	2.80	3.15	3.52
Cost of Production	56.59	63.63	71.33	79.27	87.98
Add: Opening Stock /WIP	-	0.94	1.06	1.19	1.32
Less: Closing Stock /WIP	0.94	1.06	1.19	1.32	1.47
Cost of Sales	55.65	63.52	71.20	79.14	87.83
GROSS PROFIT	15.72	18.93	22.13	25.72	29.55
	22.03%	22.96%	23.71%	24.53%	25.18%
Salary to Staff	6.72	7.39	8.35	9.10	10.02
Interest on Term Loan	1.26	1.11	0.80	0.48	0.17
Interest on working Capital	0.36	0.36	0.36	0.36	0.36
Rent	3.60	3.96	4.36	4.79	5.27
Selling & Administrative Exp.	1.36	1.81	2.33	2.62	2.93
TOTAL	13.30	14.64	16.20	17.36	18.75
NET PROFIT	2.42	4.29	5.93	8.35	10.80
	3.39%	5.21%	6.35%	7.97%	9.20%
Taxation	-	-	0.31	0.82	1.37
PROFIT (After Tax)	2.42	4.29	5.61	7.54	9.43

<u>PROJECTED CASH FLOW STATEMENT</u>					(in Lacs)
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
<u>SOURCES OF FUND</u>					
Own Margin	1.79				
Net Profit	2.42	4.29	5.93	8.35	10.80
Depreciation & Exp. W/off	2.14	1.82	1.55	1.32	1.12
Increase in Cash Credit	3.28	-	-	-	-
Increase In Term Loan	12.86	-	-	-	-
Increase in Creditors	0.87	0.12	0.13	0.14	0.16
Increase in Provisions & Oth labilities	0.15	0.04	0.08	0.05	0.07
	-				
TOTAL :	23.53	6.28	7.69	9.86	12.14
<u>APPLICATION OF FUND</u>					
Increase in Fixed Assets	14.29				
Increase in Stock	1.19	0.15	0.17	0.17	0.19
Increase in Debtors	3.33	0.52	0.51	0.54	0.58
Repayment of Term Loan	1.43	2.86	2.86	2.86	2.86
Drawings	2.40	3.60	3.80	5.30	7.20
Taxation	-	-	0.31	0.82	1.37
TOTAL :	22.64	7.13	7.64	9.69	12.20
Opening Cash & Bank Balance	-	0.88	0.03	0.08	0.26
Add : Surplus	0.88	-0.85	0.05	0.18	-0.06
Closing Cash & Bank Balance	0.88	0.03	0.08	0.26	0.20

CALCULATION OF D.S.C.R

PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
CASH ACCRUALS	4.56	6.12	7.16	8.85	10.55
Interest on Term Loan	1.26	1.11	0.80	0.48	0.17
Total	5.83	7.23	7.96	9.34	10.72
<u>REPAYMENT</u>					
Instalment of Term Loan	1.43	2.86	2.86	2.86	2.86
Interest on Term Loan	1.26	1.11	0.80	0.48	0.17
Total	2.69	3.97	3.66	3.34	3.03
DEBT SERVICE COVERAGE RATIO	2.16	1.82	2.18	2.79	3.54
AVERAGE D.S.C.R.					2.50

COMPUTATION OF CLOSING STOCK & WORKING CAPITAL					(in Lacs)
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
<u>Finished Goods</u>					
	0.94	1.06	1.19	1.32	1.47
<u>Raw Material</u>					
	0.25	0.28	0.32	0.36	0.41
Closing Stock	1.19	1.35	1.51	1.68	1.87

COMPUTATION OF WORKING CAPITAL REQUIREMENT					
TRADITIONAL METHOD					(in Lacs)
Particulars	Amount	Own Margin		Bank Finance	
Finished Goods & Raw Material	1.19				
Less : Creditors	0.87				
Paid stock	0.32	10%	0.03	90%	0.29
Sundry Debtors	3.33	10%	0.33	90%	3.00
	3.65		0.36		3.28
MPBF					3.28
WORKING CAPITAL LIMIT DEMAND (from Bank)					3.28
Working Capital Margin					0.36

REPAYMENT SCHEDULE OF TERM LOAN							
						Interest	11.00%
						Closing	
Year	Particulars	Amount	Addition	Total	Interest	Repaymen	Balance
1st	Opening Balance						
	1st month	-	12.86	12.86	-	-	12.86
	2nd month	12.86	-	12.86	0.12	-	12.86
	3rd month	12.86	-	12.86	0.12	-	12.86
	4th month	12.86	-	12.86	0.12		12.86
	5th month	12.86	-	12.86	0.12		12.86
	6th month	12.86	-	12.86	0.12		12.86
	7th month	12.86	-	12.86	0.12	0.24	12.62
	8th month	12.62	-	12.62	0.12	0.24	12.38
	9th month	12.38	-	12.38	0.11	0.24	12.15
	10th month	12.15	-	12.15	0.11	0.24	11.91
	11th month	11.91	-	11.91	0.11	0.24	11.67
	12th month	11.67	-	11.67	0.11	0.24	11.43
					1.26	1.43	
2nd	Opening Balance						
	1st month	11.43	-	11.43	0.10	0.24	11.19
	2nd month	11.19	-	11.19	0.10	0.24	10.96
	3rd month	10.96	-	10.96	0.10	0.24	10.72
	4th month	10.72	-	10.72	0.10	0.24	10.48
	5th month	10.48	-	10.48	0.10	0.24	10.24
	6th month	10.24	-	10.24	0.09	0.24	10.00
	7th month	10.00	-	10.00	0.09	0.24	9.76
	8th month	9.76	-	9.76	0.09	0.24	9.53
	9th month	9.53	-	9.53	0.09	0.24	9.29
	10th month	9.29	-	9.29	0.09	0.24	9.05
	11th month	9.05	-	9.05	0.08	0.24	8.81
	12th month	8.81	-	8.81	0.08	0.24	8.57
					1.11	2.86	
3rd	Opening Balance						
	1st month	8.57	-	8.57	0.08	0.24	8.34
	2nd month	8.34	-	8.34	0.08	0.24	8.10
	3rd month	8.10	-	8.10	0.07	0.24	7.86
	4th month	7.86	-	7.86	0.07	0.24	7.62
	5th month	7.62	-	7.62	0.07	0.24	7.38
	6th month	7.38	-	7.38	0.07	0.24	7.15
	7th month	7.15	-	7.15	0.07	0.24	6.91
	8th month	6.91	-	6.91	0.06	0.24	6.67
	9th month	6.67	-	6.67	0.06	0.24	6.43
	10th month	6.43	-	6.43	0.06	0.24	6.19
	11th month	6.19	-	6.19	0.06	0.24	5.95
	12th month	5.95	-	5.95	0.05	0.24	5.72
					0.80	2.86	

4th	Opening Balance						
	1st month	5.72	-	5.72	0.05	0.24	5.48
	2nd month	5.48	-	5.48	0.05	0.24	5.24
	3rd month	5.24	-	5.24	0.05	0.24	5.00
	4th month	5.00	-	5.00	0.05	0.24	4.76
	5th month	4.76	-	4.76	0.04	0.24	4.53
	6th month	4.53	-	4.53	0.04	0.24	4.29
	7th month	4.29	-	4.29	0.04	0.24	4.05
	8th month	4.05	-	4.05	0.04	0.24	3.81
	9th month	3.81	-	3.81	0.03	0.24	3.57
	10th month	3.57	-	3.57	0.03	0.24	3.33
	11th month	3.33	-	3.33	0.03	0.24	3.10
	12th month	3.10	-	3.10	0.03	0.24	2.86
					0.48	2.86	
5th	Opening Balance						
	1st month	2.86	-	2.86	0.03	0.24	2.62
	2nd month	2.62	-	2.62	0.02	0.24	2.38
	3rd month	2.38	-	2.38	0.02	0.24	2.14
	4th month	2.14	-	2.14	0.02	0.24	1.91
	5th month	1.91	-	1.91	0.02	0.24	1.67
	6th month	1.67	-	1.67	0.02	0.24	1.43
	7th month	1.43	-	1.43	0.01	0.24	1.19
	8th month	1.19	-	1.19	0.01	0.24	0.95
	9th month	0.95	-	0.95	0.01	0.24	0.71
	10th month	0.71	-	0.71	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	2.86	
	DOOR TO DOOR	60	MONTHS				
	MORATORIUM PERIOD	6	MONTHS				
	REPAYMENT PERIOD	54	MONTHS				

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