

PROJECT PROFILE

ON

BREAD AND BUNS

Month & Year
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**PREPARED BY
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Supported by

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STIFTUNG **FÜR DIE FREIHEIT**

BREAD AND BUNS

1. Introduction

Bread and Buns are a commodity consumed by many people daily at breakfast or at snack times. They have become a staple food being very convenient to use without any processing formalities. They are liked by one and all because of their sweet taste and soft texture appealing to the palate. They are also a very convenient food during travel and for convalescing people. Because of their versatile nature, the acceptability is very common.

2. Market

The major market outlets are the “A” and “B” class outlets. The product also finds placement in self service counters and departmental stores. Some “C” class outlets also stock the product. All bakery outlets manufacture and sell bread and buns.

3. Packaging

Bread is packed in poly propylene wrappers in weights of 200 grams and multiples of 100 grams. Buns normally weigh 100 grams.

4. Production capacity

- The plant will be in operation for one shift a day.
- The plant operates to a production capacity of 1000 loaves of bread each weighing 400 grams and 1000 buns each weighing 100 grams.
- The time period required for achieving full capacity utilization is six months.

5. Sales revenue

- The ex-factory selling price of bread will be Rs. 18.00 per loaf and that of bun at Rs. 5.00 per piece.
- The total sales revenue will be Rs. 69.00 lakhs on full capacity utilization and 300 working days in a year.

6. Production process outline.

The required quantity of maida is first passed through the sieve to remove any impurities present. It is then taken to the kneader, where it is mixed with the desired quantities of water, sugar, salt, vanaspathi and yeast. After kneading, the dough is cut into the required weights and placed in the proofing pans. The dough is allowed to ferment at room temperature for 2 to 3 hours when it rises in the pan. It is then baked in the oven at a set temperature of 180 degrees centigrade. After baking, the bread is removed, cooled, sliced and wrapped in poly propylene sheets before dispatch.

7. Quality specifications

Maida

The maida used should have been extracted from hard wheat to get a good bread volume. The specifications of maida to be used are:

Sl	Description	Value
1	Moisture	Maximum 13.0%
2	Mold and fungal growth	Absent
3	Ash	Maximum 1.0%
4	Acid insoluble ash	Maximum 0.1%
5	Gluten	Minimum 7.5%
6	Alcoholic acidity	Maximum 0.12% as sulphuric acid
7	Total plate count	Maximum 30,000 per gram
8	Coliforms	Absent
9	Salmonella	Absent
10	Streptococci	Absent
11	Insect infestation	Absent
12	Rodent excreta	Absent
13	Hair	Absent

Vanaspathi

- It shall not contain any harmful colouring, flavouring or any other material deleterious to health.
- No colour should be added to the vanaspathi unless authorized by the Government.
- Moisture content - Maximum 0.25%
- Melting point as determined by the capillary slip method - 31 to 41 degrees centigrade
- Butyro refractometer reading at 40 degrees centigrade - Minimum 40
- Unsaponifiable matter - maximum 2%
- Free fatty acids expressed as oleic acid - Maximum 0.25%
- The product on melting shall be clear in appearance and shall be free from staleness or rancidity, and pleasant to taste and smell.
- It shall not contain less than 15 I.U. of Vitamin "A" at the time of use.
- No antioxidant synergist, emulsifier, or any other such substance shall be present except in the case of shortenings wherein it may contain mono and di glycerides as emulsifying agents.
- Bakery shortenings in use if aerated can contain only nitrogen gas or any other inert gas to a maximum extent of 12% by volume.

8. *Pollution control measures*

Not necessary as there are no pollutants or effluents.

9. *Energy conservation measures*

Common measures will do.

10. Land and construction cost for the proposed unit

The processing area is to be taken up on lease. The area required is 3000 square feet as described below.

SI	Description	Sq. feet
1	Processing area	1000
2	Raw material store for maida	400
3	Raw material store for vanaspathi	200
4	Raw material store for other ingredients	200
5	Finished goods store	200
6	Packaging material store	100
7	Finished goods store room	200
8	Laboratory space	200
9	Office space	200
10	Toilet space	200
11	Miscellaneous space	100
12	Total	3000

Lease rent – Rs. 6.00 per square foot

Total rental value per month – Rs. 18,000

11. Costing of machinery and equipment

SI	Description	Rs. lakhs
1	Flour sifter	0.450
2	Dough kneader	0.675
3	Proofing pans	0.300
4	Baking oven	4.000
5	Bread slicer	0.200
6	Bread sealing and wrapping machine	0.150
7	Total	5.775
8	Laboratory equipment	1.000
9	Grand total machinery and equipment	6.775

12. Project cost

SI	Description	Rs. lakhs
1	Land	On lease
2	Civil works	On lease
3	Plant machinery	5.775
4	Laboratory equipment	1.000
5	Transport vehicle – Tata Ace	3.600
6	Pollution control equipment	0.000
7	Energy conservation equipment	0.000
8	Cost of power connection	0.100
9	Cost of electrification	0.200
10	Erection and commissioning	0.300
11	Cost of machinery spares	0.100
12	Cost of office equipment	1.000
13	Deposits if any	0.600
14	Company formation expenses	0.100
15	Gestation period expenses	0.250
16	Sales tax registration expenses	0.100
17	Initial advertisement and publicity	2.000
18	Contingencies	0.150
19	Working capital margin money	1.000
20	Total	13.575

13. Working capital requirements per month**a. Salaries and wages**

SI	Description	No of persons	Total salary / month (Rs. lakhs)
1	Production Manager	1	0.300
2	Supervisor cum chemist	1	0.200
3	Skilled workers	1	0.100
4	Unskilled workers	2	0.120
5	Packing workers	2	0.100
6	Van driver	1	0.060
7	Administrative staff	1	0.200
8	Total	9	0.590

b. Raw material requirement per month

SI	Description	Qty (kgs)	Rate / kg (Rs)	Value (Rs. lakhs)
1	Maida	8750	15.00	1.313
2	Vanaspathi	700	65	0.455
3	Yeast, salt, sugar and preservatives	1125	15.00	0.169
4	Total raw material	10575		1.937

c. Packaging material requirement per month

SI	Description	Qty	Rate / unit (Rs)	Value (Rs. lakhs)
1	Primary packaging material – polypropylene wrappers	50,000 nos	0.60	0.300
2	Total			0.300

Total raw + packaging material = Rs. 2.237 lakhs

d. Utilities per month

SI	Description	Rs. lakhs
1	Power 1500 kwh @ Rs. 6.00 per unit	0.090
2	Water	0.010
3	Boiler fuel	0.000
4	Total utilities	0.100

e. Contingent expenses per month

SI	Description	Rs. lakhs
1	Rent for processing shed	0.180
2	Postage and stationery	0.010
3	Telephones, fax etc.	0.050
4	Consumable stores	0.020
5	Repairs and maintenance	0.042
6	Local transports, loading and unloading	0.060
7	Advertisement and publicity @ 5% of sales	0.212
8	Insurance	0.010
9	Sales expenses @ 1% of sales	0.043
10	Miscellaneous expenses @ 1% of sales	0.043
11	Trade incentives @ 2% of sales	0.086
12	Taxes @ 4%	0.172
13	Total contingent expenses	0.928

f. Total working capital requirement per month

SI	Description	Rs. lakhs
1	Salaries and wages	0.590
2	Raw material and packaging material	2.237
3	Utilities	0.100
4	Contingent expenses	0.928
5	Total	3.855

14. Means of finance

SI	Description	Rs. lakhs
1	Total Project Cost	13.575
2	Equity	4.525
3	Debt	9.050
4	Working capital margin money	1.000

15. Financial analysis

SI	Description	Rs. lakhs
1	Total recurring cost per year	46.260
2	Depreciation on land and building	0.000
3	Depreciation on machinery	0.760
4	Depreciation on furnaces	0.000
5	Depreciation on moulds and fixtures	0.010
6	Depreciation on office equipment	0.100
7	Interest on long term loan @ 12%	1.086
8	Interest on short term borrowings@ 12%	0.343
9	Total cost of production	48.559

16. Turnover per year

SI	Item	Qty	Rate/unit (Rs)	Total Rs. lakhs
1	Bread	300,000 loaves	14.00	42.00
2	Buns	300,000 pieces	3.50	10.50
3	Total			52.50

17. Viability analysis

SI	Description	Value
1	Net profit before income tax (Rs. lakhs)	3.941
2	Net profit ratio	7.56%
3	Internal rate of return	24.2%
4	Break even percentage	53%
5	Debt service coverage ratio	2.034

List of machinery suppliers for bread and buns

1. Nagpal Brothers; C-127, Mayapuri Industrial Area Phase - II, (Opposite State Bank of India), New Delhi. 110064; Tel: 011 - 28117631; Fax: 011 - 28116884
2. Arun Engineering Works, Leach and Webony Compound, 61, Off Haines Road, Worli, Mumbai. 400018. Tel: 022 - 23098629
3. Arun Engineering Works, SF No. 213, Site no. 4, Sitra Kalapatti Road, Near LMW Unit VIII, Kalapatti Post, Coimbatore 641035. Tamil Nadu. Tel: 0422-2665622; 0422-2669849
4. Gurunanak Engineering Corporation, No. 2-3-685/5, Amberpet, Hyderabad. 500013; Tel: 040 - 27408249; 040 - 27406978
5. Mangal Engineering Works, Factory Area, Patiala 147001, Punjab. Tel: 0175 - 2364702; Fax: 0175 - 2360652
6. Mangal Machines Private Limited, Factory Area, Patiala 147001, Punjab. Tel: 0175 - 2360180; 0175 - 2355486; ; Fax: 0175 - 2360652
7. Om Engineering Works, 222, Sector 6, Panchkula, Haryana 134109; Tel: 0172 - 2578525; Fax: 0172 - 2585850