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PROJECT REPORT

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PROJECT:

Pizza Bread Manufacturing unit

PROJECT REPORT
OF
PIZZA BREAD MANUFACTURING UNIT
(MEDIUM SCALE)
PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding Pizza Bread Manufacturing 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.]

PROJECT AT GLANCE

1 Name of Proprietor/Director	XXXXXXXXXX		
2 Firm Name	XXXXXXXXXX		
3 Registered Address	XXXXXXXXXX		
4 Nature of Activity	XXXXXXXXXX		
5 Category of Applicant	XXXXXXXXXX		
6 Location of Unit	XXXXXXXXXX		
7 Cost of Project	21.83	Rs. In Lakhs	
8 Means of Finance			
i) Own Contribution	2.18	Rs. In Lakhs	
ii) Term Loan	16.65	Rs. In Lakhs	
iii) Working Capital	3.00	Rs. In Lakhs	
9 Debt Service Coverage Ratio	3.29		
10 Break Even Point	32%		
11 Power Requirement	20	KW	
12 Employment	12	Persons	
13 Details of Cost of Project & Means of Finance			

COST OF PROJECT	
(in Lacs)	
PARTICULARS	Amount
Land & Building	Owned/Rented
Plant & Machinery	17.00
Furniture & Fixture	0.50
Miscellaneous Assets	1.00
Working capital Required	3.33
Total	21.83

MEANS OF FINANCE	
(in Lacs)	
PARTICULARS	Amount
Own Contribution @ 10%	2.18
Term Loan @ 90%	16.65
Working Capital (Bank Finance)	3.00
Total	21.83

PIZZA BREAD MANUFACTURING (MEDIUM SCALE)

1. INTRODUCTION



The dough-making process is regarded as an art form by accomplished pizza cooks. Whether you want a thin, crunchy crust or a thick, soft one, the intricacies of dough-making will differ. Flour, water, and yeast are required ingredients in pizza dough. Many simple recipes also require shortening, salt, and sugar. These add-ons give you more flavour and texture possibilities. Flatbreads or dough rounds with varied toppings have been around since the dawn of civilisation. Pizza's origins may be traced back to the Middle Ages in Naples, Italy. The name "pizza" is also ascribed to the Italians; however, its origin is unknown. It might have come from the Italian word *pizzeria*, which means to pinch or pluck, or from a verb that means to sting or season. Cheeses, dates, herbs, olive oil, and honey may have been among the early toppings. Tomatoes or tomato sauce were not introduced until the sixteenth century, when New World adventurers returned from South America with the red fruit. The tomato was seen as a fruit to be shunned by the affluent, with many believing it to be toxic. Residents in Naples' peasant districts, on the other hand, were eating it with the rounds of bread that were their mainstay. The news of this tomato pie travelled quickly, and open-air pizza parlours began to thrive. It was also very uncommon to see a *pizzaioli*, or pizza maker, selling his products on the streets. Frozen pizza dough, frozen parbaked pizza shells, and frozen completely topped parbaked pizza shells are the most common products of large-scale pizza production.

Automated lines are becoming increasingly popular in the manufacture of shells and topped pizza shells. High-speed bakers used the phrase "bread processing" to describe the contribution of the dough's shaping or makeup phases to the production of bread in the past. Today, it's a wider phrase that refers to the entire bread and bun production process. Mixing, fermentation, makeup, proofing, baking, chilling, slicing, and packing are all part of the process. These operations must be properly operated to fulfil pre-set parameters and standards due to their important role.

2. MARKET POTENTIAL:

Due to rising urbanisation levels throughout the world, the pizza crust industry is expected to develop rapidly over the projected period. The impact of Western culture on the lifestyles of people in Eastern subcontinents has had a significant impact on the pizza crust market's expansion. Furthermore, the rising penetration of pizza franchise outlets is impacting the rate of growth of the pizza crust market throughout the forecast period. The adoption of pizza crust for particular demands such as non-allergen, organic, and others is also expected to have an impact on the market's growth. The youthful population consumes the majority of pizzas, which is a significant driver of the worldwide pizza crust industry. India, China, the United States, Pakistan, Indonesia, Brazil, Nigeria, and Bangladesh, among others, are anticipated to have a substantial portion of the global pizza crust industry due to their large youth populations. Due to changes in consumer lives and tastes, developed areas such as North America and Europe are anticipated to have a large share of the worldwide pizza crust market. Between 2015 and 2020, the worldwide pizza crust market grew at a modest rate. The market is expected to expand at a CAGR of about 5% between 2021 and 2026, according to IMARC Group.

3. PRODUCT DESCRIPTION

3.1 PRODUCT USES

A pizza is a round, open pie made with yeast dough and topped with tomato sauce, cheese, and a variety of other ingredients. Pizza is an Italian meal that consists of a flat, circular foundation of leavened wheat-based dough topped with a variety of fruits and vegetables, including tomatoes and cheese, among other things. In the oven, the pizza is cooked at a high temperature. The pizza crust is an important component of the pizza.

3.2 PRODUCT RAW MATERIAL

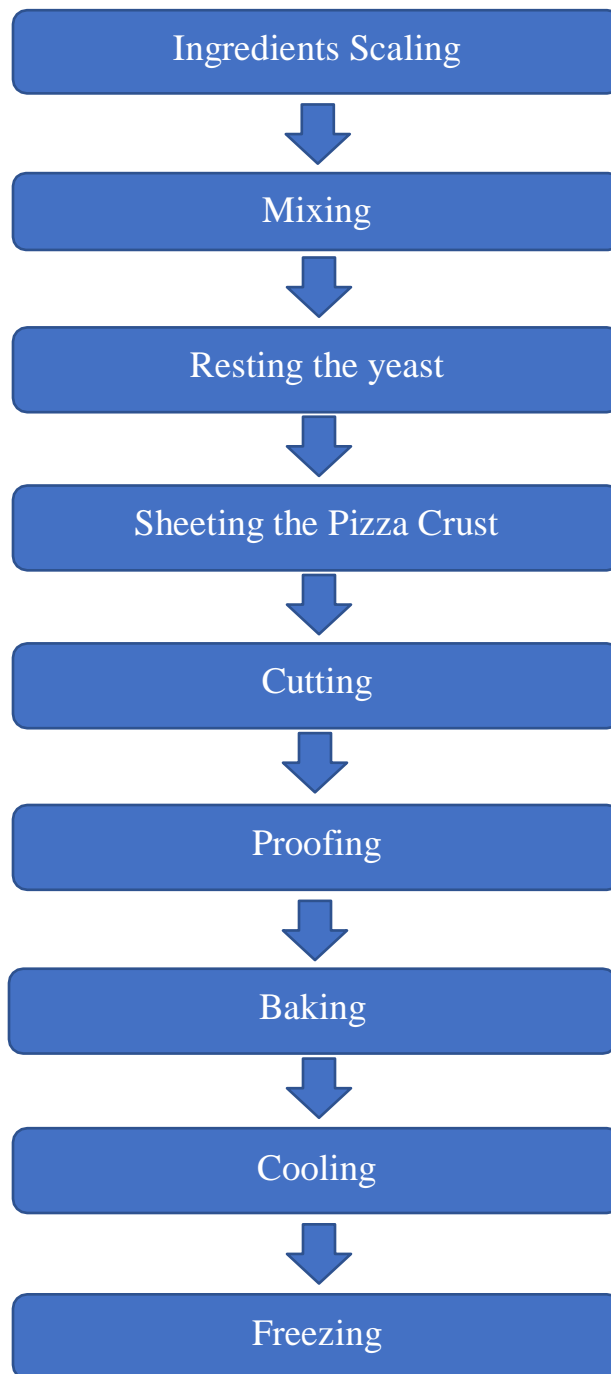
The major raw materials required are:

- Grounded Flour
- Yeast
- Salt

- Edible Oil
- Sugar

3.3 MANUFACTURING PROCESS

FLOW CHART OF THE PROCESS



4. PROJECT COMPONENTS

Plant & Machinery

- Conventional Mixer
- Extruder
- Die Cutter
- Hearth Oven
- Blast Freezer
- Other Equipment's:
 - Sheeting Rolls

PROJECTED PROFITABILITY STATEMENT					(in Lacs)
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
Capacity Utilisation %	45%	50%	55%	60%	65%
<u>SALES</u>					
Gross Sale					
Pizza Bread	79.65	95.84	112.03	129.42	148.01
Total	79.65	95.84	112.03	129.42	148.01
<u>COST OF SALES</u>					
Raw Material Consumed	43.20	50.40	58.21	66.68	75.85
Electricity Expenses	2.16	2.64	2.90	3.17	3.43
Depreciation	2.75	2.34	1.99	1.69	1.44
Wages & labour	11.52	13.82	16.59	19.08	21.94
Repair & maintenance	2.39	2.88	3.36	3.88	4.44
Consumables	1.19	1.44	1.68	1.94	2.22
Packaging	0.80	0.96	1.12	1.29	1.48
Cost of Production	64.01	74.48	85.86	97.74	110.80
Add: Opening Stock	-	1.07	1.24	1.43	1.63
Less: Closing Stock	1.07	1.24	1.43	1.63	1.85
Cost of Sales	62.94	74.30	85.67	97.54	110.58
GROSS PROFIT	16.71	21.54	26.36	31.88	37.43
Gross Profit Ratio	20.97%	22.47%	23.53%	24.63%	25.29%
Salary to Staff	4.80	5.52	6.62	7.95	9.54
Interest on Term Loan	1.64	1.44	1.03	0.63	0.22
Interest on working Capital	0.33	0.33	0.33	0.33	0.33
Rent	3.60	3.96	4.36	4.79	5.27
Selling & Administrative Exp.	0.04	1.44	1.68	1.94	2.22
TOTAL	10.41	12.69	14.02	15.64	17.58
NET PROFIT	6.30	8.85	12.34	16.24	19.85
Taxation	0.25	0.58	1.22	2.25	3.33
PROFIT (After Tax)	6.04	8.27	11.12	13.99	16.52
Net Profit Ratio	7.59%	8.63%	9.93%	10.81%	11.16%

PROJECTED BALANCE SHEET						(in Lacs)
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year	
<u>Liabilities</u>						
Capital						
Opening balance		3.23	5.50	7.62	10.61	
Add: - Own Capital	2.18					
Add: - Retained Profit	6.04	8.27	11.12	13.99	16.52	
Less: - Drawings	5.00	6.00	9.00	11.00	13.00	
Closing Balance	<u>3.23</u>	<u>5.50</u>	<u>7.62</u>	<u>10.61</u>	<u>14.13</u>	
Term Loan	14.80	11.10	7.40	3.70	-	
Working Capital Limit	3.00	3.00	3.00	3.00	3.00	
Sundry Creditors	1.01	1.18	1.36	1.56	1.77	
Provisions & Other Liability	0.40	0.48	0.58	0.69	0.83	
TOTAL:	22.44	21.26	19.95	19.56	19.73	
<u>Assets</u>						
Fixed Assets (Gross)						
Gross Dep.	2.75	5.09	7.08	8.78	10.22	
Net Fixed Assets	15.75	13.41	11.42	9.72	8.28	
Current Assets						
Sundry Debtors	2.66	3.19	3.73	4.31	4.93	
Stock in Hand	2.07	2.42	2.79	3.18	3.62	
Cash and Bank	1.96	2.23	2.01	2.34	2.90	
TOTAL:	22.44	21.26	19.95	19.56	19.73	

PROJECTED CASH FLOW STATEMENT					(in Lacs)
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
<u>SOURCES OF FUND</u>					
Own Margin	2.18				
Net Profit	6.30	8.85	12.34	16.24	19.85
Depreciation & Exp. W/off	2.75	2.34	1.99	1.69	1.44
Increase in Cash Credit	3.00	-	-	-	-
Increase In Term Loan	16.65	-	-	-	-
Increase in Creditors	1.01	0.17	0.18	0.20	0.21
Increase in Provisions & Oth liabilities	0.40	0.08	0.10	0.12	0.14
	-				
TOTAL:	32.29	11.44	14.61	18.25	21.64
<u>APPLICATION OF FUND</u>					
Increase in Fixed Assets	18.50				
Increase in Stock	2.07	0.34	0.37	0.40	0.43
Increase in Debtors	2.66	0.54	0.54	0.58	0.62
Repayment of Term Loan	1.85	3.70	3.70	3.70	3.70
Drawings	5.00	6.00	9.00	11.00	13.00
Taxation	0.25	0.58	1.22	2.25	3.33
TOTAL:	30.33	11.16	14.83	17.92	21.08
Opening Cash & Bank Balance	-	1.96	2.23	2.01	2.34
Add : Surplus	1.96	0.28	-0.22	0.33	0.56
Closing Cash & Bank Balance	1.96	2.23	2.01	2.34	2.90

CALCULATION OF D.S.C.R.					
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
CASH ACCRUALS	8.79	10.61	13.11	15.69	17.96
Interest on Term Loan	1.64	1.44	1.03	0.63	0.22
Total	10.43	12.05	14.15	16.32	18.18
<u>REPAYMENT</u>					
Instalment of Term Loan	1.85	3.70	3.70	3.70	3.70
Interest on Term Loan	1.64	1.44	1.03	0.63	0.22
Total	3.49	5.14	4.73	4.33	3.92
DEBT SERVICE COVERAGE RATIO	2.99	2.34	2.99	3.77	4.64
AVERAGE D.S.C.R.					3.29

REPAYMENT SCHEDULE OF TERM LOAN

Interest 11.00%

Year	Particulars	Amount	Addition	Total	Interest	Repayment	Closing Balance
1st	Opening Balance						
	1st month	-	16.65	16.65	-	-	16.65
	2nd month	16.65	-	16.65	0.15	-	16.65
	3rd month	16.65	-	16.65	0.15	-	16.65
	4th month	16.65	-	16.65	0.15	-	16.65
	5th month	16.65	-	16.65	0.15	-	16.65
	6th month	16.65	-	16.65	0.15	-	16.65
	7th month	16.65	-	16.65	0.15	0.31	16.34
	8th month	16.34	-	16.34	0.15	0.31	16.03
	9th month	16.03	-	16.03	0.15	0.31	15.73
	10th month	15.73	-	15.73	0.14	0.31	15.42
	11th month	15.42	-	15.42	0.14	0.31	15.11
	12th month	15.11	-	15.11	0.14	0.31	14.80
					1.64	1.85	
2nd	Opening Balance						
	1st month	14.80	-	14.80	0.14	0.31	14.49
	2nd month	14.49	-	14.49	0.13	0.31	14.18
	3rd month	14.18	-	14.18	0.13	0.31	13.88
	4th month	13.88	-	13.88	0.13	0.31	13.57
	5th month	13.57	-	13.57	0.12	0.31	13.26
	6th month	13.26	-	13.26	0.12	0.31	12.95
	7th month	12.95	-	12.95	0.12	0.31	12.64
	8th month	12.64	-	12.64	0.12	0.31	12.33
	9th month	12.33	-	12.33	0.11	0.31	12.03
	10th month	12.03	-	12.03	0.11	0.31	11.72
	11th month	11.72	-	11.72	0.11	0.31	11.41
	12th month	11.41	-	11.41	0.10	0.31	11.10
					1.44	3.70	
3rd	Opening Balance						
	1st month	11.10	-	11.10	0.10	0.31	10.79
	2nd month	10.79	-	10.79	0.10	0.31	10.48
	3rd month	10.48	-	10.48	0.10	0.31	10.18
	4th month	10.18	-	10.18	0.09	0.31	9.87
	5th month	9.87	-	9.87	0.09	0.31	9.56
	6th month	9.56	-	9.56	0.09	0.31	9.25
	7th month	9.25	-	9.25	0.08	0.31	8.94
	8th month	8.94	-	8.94	0.08	0.31	8.63
	9th month	8.63	-	8.63	0.08	0.31	8.33
	10th month	8.33	-	8.33	0.08	0.31	8.02
	11th month	8.02	-	8.02	0.07	0.31	7.71

	12th month	7.71	-	7.71	0.07	0.31	7.40
					1.03	3.70	
4th	Opening Balance						
	1st month	7.40	-	7.40	0.07	0.31	7.09
	2nd month	7.09	-	7.09	0.07	0.31	6.78
	3rd month	6.78	-	6.78	0.06	0.31	6.47
	4th month	6.47	-	6.47	0.06	0.31	6.17
	5th month	6.17	-	6.17	0.06	0.31	5.86
	6th month	5.86	-	5.86	0.05	0.31	5.55
	7th month	5.55	-	5.55	0.05	0.31	5.24
	8th month	5.24	-	5.24	0.05	0.31	4.93
	9th month	4.93	-	4.93	0.05	0.31	4.62
	10th month	4.62	-	4.62	0.04	0.31	4.32
	11th month	4.32	-	4.32	0.04	0.31	4.01
	12th month	4.01	-	4.01	0.04	0.31	3.70
					0.63	3.70	
5th	Opening Balance						
	1st month	3.70	-	3.70	0.03	0.31	3.39
	2nd month	3.39	-	3.39	0.03	0.31	3.08
	3rd month	3.08	-	3.08	0.03	0.31	2.77
	4th month	2.77	-	2.77	0.03	0.31	2.47
	5th month	2.47	-	2.47	0.02	0.31	2.16
	6th month	2.16	-	2.16	0.02	0.31	1.85
	7th month	1.85	-	1.85	0.02	0.31	1.54
	8th month	1.54	-	1.54	0.01	0.31	1.23
	9th month	1.23	-	1.23	0.01	0.31	0.92
	10th month	0.92	-	0.92	0.01	0.31	0.62
	11th month	0.62	-	0.62	0.01	0.31	0.31
	12th month	0.31	-	0.31	0.00	0.31	-
					0.22	3.70	
	DOOR TO DOOR	60	MONTHS				
	MORATORIUM PERIOD	6	MONTHS				
	REPAYMENT PERIOD	54	MONTHS				

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