

**UP MSME 1-Connect**

# PROJECT REPORT

**PROJECT: JAGGERY MANUFACTURING**

**PROJECT REPORT**

**Of**

**JAGGERY MANUFACTURING**

**PURPOSE OF THE DOCUMENT**

This particular pre-feasibility is regarding **JAGGERY 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.]

## Jaggery Extraction Unit



### **INTRODUCTION**

Sugar industry in India is a well-developed industry and one of the largest after textiles. It provides rural employment opportunities and plays an important role in Indian economy. Jaggery is also manufactured from sugarcane juice and is very widely used not only in individual households but also in many eateries, restaurants, clubs and hostels and it has certain industrial applications as well. Manufacture of sugar involves many technical aspects and the capital investment is also on the higher side. Compared to this, production of jaggery is very simple and the capital cost is also very limited. Due to its wide applications, the market for jaggery is continuously growing.

### **PRODUCTS**

Jaggery is a typical Indian product with several uses in daily food preparations and it is also used to make many sweet food preparations. This is a product with scattered market and can be manufactured in the states like Maharashtra, UP, Gujarat, Bihar, Jharkhand etc.

### **MARKET POTENTIAL**

The demand for jaggery is steadily growing many folds in the urban, rural and semi-urban areas. There are several applications of jaggery and almost all Indian households use it on day-to-day basis. Market for jaggery is round the year whereas its production is only during the sugarcane season and thus factory works for around 6 to 7 months every year. Apart from individual households, it is used in large quantities in restaurants, road-side dhabas, other eateries, hostels and clubs and by caterers. It has shelf-life of more than couple of months. Its production is undertaken at several places but Maharashtra, Uttar Pradesh, Bihar and Tamil Nadu are the leading manufacturers. In view of constantly growing market, it should not be difficult for a new entrant to enter and capture the market.

**PROJECTED BALANCE SHEET**

<b>PARTICULARS</b>	<b>IST YEAR</b>	<b>IIND YEAR</b>	<b>IIIRD YEAR</b>	<b>IVTH YEAR</b>	<b>VTH YEAR</b>
<b><u>SOURCES OF FUND</u></b>					
Capital Account	1.28	1.28	1.28	1.28	1.28
Retained Profit	11.46	24.18	37.96	52.54	67.78
Term Loan	6.32	4.74	3.16	1.58 -	0.31
Cash Credit	5.17	5.17	5.17	5.17	5.17
Sundry Creditors	0.84	0.98	1.12	1.19	1.26
Provisions & Other Liab	0.36	0.40	0.44	0.48	0.53
<b>TOTAL :</b>	<b>25.43</b>	<b>36.75</b>	<b>49.13</b>	<b>62.24</b>	<b>75.71</b>
<b><u>APPLICATION OF FUND</u></b>					
<b>Fixed Assets ( Gross)</b>	7.02	7.02	7.02	7.02	7.02
Gross Dep.	0.83	1.59	2.25	2.83	3.33
Net Fixed Assets	6.19	5.43	4.77	4.19	3.69
<b>Current Assets</b>					
Sundry Debtors	2.12	2.58	2.95	3.15	3.33
Stock in Hand	4.47	5.22	5.96	6.34	6.71
Cash and Bank	10.15	20.77	32.42	45.24	58.32
Deposits & Advances	2.50	2.75	3.03	3.33	3.66
<b>TOTAL :</b>	<b>25.43</b>	<b>36.75</b>	<b>49.13</b>	<b>62.24</b>	<b>75.71</b>

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**PROJECTED CASH FLOW STATEMENT**

<b>PARTICULARS</b>	<b>IST YEAR</b>	<b>IIND YEAR</b>	<b>IIIRD YEAR</b>	<b>IVTH YEAR</b>	<b>VTH YEAR</b>
<b><u>SOURCES OF FUND</u></b>					
Share Capital	1.28	-			
Reserve & Surplus	11.46	14.13	17.23	18.23	19.05
Depriciation & Exp. W/off	0.83	0.76	0.66	0.58	0.50
Increase in Cash Credit	5.17	-	-	-	-
Increase In Term Loan	6.32	-	-	-	-
Increase in Creditors	0.84	0.14	0.14	0.07	0.07
Increase in Provisions	0.36	0.04	0.04	0.04	0.05
<b>TOTAL :</b>	<b>26.26</b>	<b>15.06</b>	<b>18.07</b>	<b>18.92</b>	<b>19.67</b>
<b><u>APPLICATION OF FUND</u></b>					
Increase in Fixed Assets	7.02	-	-	-	-
Increase in Stock	4.47	0.75	0.75	0.37	0.37
Increase in Debtors	2.12	0.46	0.37	0.19	0.19
Increase in Deposits & Adv	2.50	0.25	0.28	0.30	0.33
Repayment of Term Loan	-	1.58	1.58	1.58	1.89
Taxation	-	1.41	3.45	3.65	3.81
<b>TOTAL :</b>	<b>16.11</b>	<b>4.45</b>	<b>6.42</b>	<b>6.09</b>	<b>6.59</b>
Opening Cash & Bank Balance	-	10.15	20.77	32.42	45.24
Add : Surplus	10.15	10.61	11.65	12.82	13.08
Closing Cash & Bank Balance	<b>10.15</b>	<b>20.77</b>	<b>32.42</b>	<b>45.24</b>	<b>58.32</b>

**PROJECTED PROFITABILITY STATEMENT**

<b>PARTICULARS</b>	<b>IST YEAR</b>	<b>IIND YEAR</b>	<b>IIIRD YEAR</b>	<b>IVTH YEAR</b>	<b>VTH YEAR</b>
<b>A) SALES</b>					
Gross Sale	63.48	77.41	88.54	94.39	99.96
<b>Total (A)</b>	<b>63.48</b>	<b>77.41</b>	<b>88.54</b>	<b>94.39</b>	<b>99.96</b>
<b>B) COST OF SALES</b>					
Raw Mateiral Consumed	36.00	42.00	48.00	51.00	54.00
Electricity Expenses	3.44	4.01	4.58	4.87	5.16
Repair & Maintenance	-	0.77	0.89	0.94	1.00
Labour & Wages	8.18	9.00	9.90	10.89	11.98
Depriciation	0.83	0.76	0.66	0.58	0.50
Consumables and Other Expenses	1.27	1.55	1.77	1.89	2.00
<b>Cost of Production</b>	<b>49.72</b>	<b>58.09</b>	<b>65.80</b>	<b>70.17</b>	<b>74.64</b>
<b>Add: Opening Stock /WIP</b>	<b>-</b>	<b>2.67</b>	<b>3.12</b>	<b>3.56</b>	<b>3.79</b>
<b>Less: Closing Stock /WIP</b>	<b>2.67</b>	<b>3.12</b>	<b>3.56</b>	<b>3.79</b>	<b>4.01</b>
Cost of Sales (B)	47.05	57.65	65.36	69.95	74.42
<b>C) GROSS PROFIT (A-B)</b>	<b>16.44</b>	<b>19.76</b>	<b>23.18</b>	<b>24.44</b>	<b>25.54</b>
	<b>26%</b>	<b>26%</b>	<b>26%</b>	<b>26%</b>	<b>26%</b>
D) Bank Interest (Term Loan )	0.54	0.66	0.48	0.30	0.11
Bank Interest ( C.C. Limit )	0.52	0.52	0.52	0.52	0.52
E) Salary to Staff	2.64	2.90	3.19	3.51	3.87
F) Selling & Adm Expenses Exp.	1.27	1.55	1.77	1.89	2.00
<b>TOTAL (D+E)</b>	<b>4.97</b>	<b>5.63</b>	<b>5.96</b>	<b>6.21</b>	<b>6.49</b>
H) NET PROFIT	11.46	14.13	17.23	18.23	19.05
I) Taxation	-	1.41	3.45	3.65	3.81
J) PROFIT (After Tax)	11.46	12.72	13.78	14.58	15.24

## **DISCLAIMER**

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