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PROJECT REPORT

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PROJECT:

Garlic bread spread Manufacturing unit

PROJECT REPORT

Of

GARLIC BREAD SPREAD

PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding Garlic bread spread 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	14.09 Rs. In Lakhs
8 Means of Finance	
i) Own Contribution	1.41 Rs. In Lakhs
ii) Term Loan	8.73 Rs. In Lakhs
iii) Working Capital	3.95 Rs. In Lakhs
9 Debt Service Coverage Ratio	3.94
10 Break Even Point	38%
11 Power Requiremnet	25 KW
12 Employment	10 Persons
13 Major Raw Materials	Garlic,vegetable oil,cheese,parsley,lactic acid,salt,black pepper,natural flavour,allergens and packaging material

14 Details of Cost of Project & Means of Finance

Cost of Project	Amount in Lacs
Particulars	Amount
Land and building	Owned/Leased
Plant & Machinery	8.20
Furniture & Fixture	-
Other Misc Assets	1.50
Working Capital Requirement	4.39
Total	14.09

Means of Finance

Particulars	Amount
Own Contribution	1.41
Term Loan	8.73
Working capital Loan	3.95
Total	14.09

1. INTRODUCTION



Spreads are usually spread onto foods such as bread and crackers, and are thick in nature as it contains fats, healthy vegetable oil and butter. Garlic is native to the mountainous regions of central Asia from where it spread in prehistoric times to the mediterranean region. Clay models of garlic have been excavated in Egypt. It reached China at an early age and was probably carried to the western hemisphere by the Spanish, the Portuguese, and the French. It has been suggested that the wild ancestor of garlic was a flowering form producing seeds on aerial bulbils. Under different soil and climatic conditions, and due to different methods of cultivation in the ancient centres of civilization different varieties arose. The non-flowering varieties are thought to have arisen as a result of interference with the natural life cycle caused by storage. Garlic butter is a very good source of vitamins A, E and K. It is even known to destroy harmful bacterias in our system. Even if it has saturated fats that has no harmful effects on our heart and body, it is a very good replacement for refined oil. Butter is key element in garlic spread. Garlic and butter makes a magic pair. Garlic is a universal herb and butter being an essential condiment in almost every cuisine. Garlic spread is a widely loved compound butter generally used for Italian and continental preparations. Garlic spread is a versatile element that can be used to toss, saute, bake, grill and even as a spread. Apart from cooking purposes, this is often considered as a healthy ingredient which serves multiple health benefits.

2 PRODUCT DESCRIPTION

2.1 PRODUCT USES

Garlic Spread it is easy to make great tasting garlic bread. Simply spread onto bread or rolls and quickly toast or bake until golden brown.

2.2 MANUFACTURING PROCESS

This process can be broken down into the following steps-

- **Raw material procurement**
- **Garlic bread spread Processing**
- **Packing**
- **Testing**

Raw Material Procurement

The raw materials are checked strictly as per established quality standards and requirements. Individual supplier assessment and supplier rating are done depending upon the rejection levels at the incoming quality control stage. Sorting of raw material will be done. And it will be stored in neat and clean area for further processing.

Garlic Spread Making Process

1. **Garlic Clove Separation:** The garlic cloves will be separated first by using garlic clove separating machine. A garlic breaking/separating machine is used to separate the garlic bulbs into garlic cloves. It is equipped with standard rubber soft rollers, so the machine imitates squeezing and rubbing action and won't damage the garlic during the garlic bulb separation process. The separation rates could be as high as 97-98%. Adjustable gaps between the rollers allow to separate garlic bulbs of different sizes too. A built in draught fan helps aspirate the separated garlic skin peels and garlic stem, thus giving separated cloves as the output. Entrepreneur (User) may additionally deploy a garlic bulb conveyor to enable automation in feeding the raw garlic bulbs. Additionally, a horizontal conveyor with controlled speed or a Sorting table may be deployed by user to visually check the separated cloves and to remove infected or damaged cloves.
2. **Garlic Peeling:** The thin papery skin tightly adhered on Garlic clove is to be removed for

further processing. There are two types of peelers which are generally adopted by industry.

In the first abrasion style peeler, the working principle is fairly simple in which garlic cloves are placed into the hopper which transfers them to a stainless steel drum inside which a vertical shaft with rubber pads are rotating. The cloves get in contact with the rubber pads and also with other cloves and the skin get skimmed off and fall (through abrasion process). An inbuilt blower section is placed near the outlet, which blows away the skin to a dust collection box via an aluminum pipe. The peeled cloves are collected in a separate output bin. In another model, the peeling machine adopts pneumatic principle (equipped with compressor), which will not damage the garlic after peeling the skin. The system consists of a cylindrical peeling chamber with an inlet for feeding cloves and an outlet at the bottom for discharge of peeled clove. The chamber has an opening for entry of compressed air. These machines are also generally equipped with a heating system (with auto temperature control) to ensure surface of garlic skin is dry even in humid weather. Because of the strong air flow produced by the air compressor, the cyclone peels off skin of garlic smoothly, with a comparatively lower damage rate. The machine works in such a way that it receives a portion of garlic and instantly releases compressed air, instantly breaking the peels or skin off of the garlic. These are expelled through a mesh and are released below, where a garbage container awaits them. This occurs while the garlic cloves follow a linear path after being cleaned, on the same upper mesh. Entrepreneur (User) may additionally deploy a horizontal conveyor with controlled speed or a Sorting table to visually check the peeled cloves and to remove infected or damaged cloves. Some companies also offer integrated automatic clove separator and peelers as well.

3. **Cleaning:** Air bubble washing machine is ideal for washing of peeled garlic cloves to remove dirt adhering to the surface. These machines are also generally equipped with jet spraying section to wash garlic clove thoroughly, and the garlic clove is automatically conveyed to spraying section by conveyor mesh belt. The machine can further be equipped with ozone generator for sterilization and disinfection according to user's requirement. Additionally, an automatic garlic clove air dryer may be deployed by the user. The machine can be used to effectively remove water droplets on the surface of the garlic clove, before it is passed on to crushing section. Flat conveyors may be used to transfer cloves between machines.
4. **Roasting:** Cleaned and dried clove then sent for roasting. Where it will be roasted at required temperature. Roasting garlic concentrates the sugars, transforming it into a

caramelized, spreadable, buttery texture, with sweet, deep complex flavors, removing all the sharpness, pungency and bite. It's easier to digest for many people.

5. Grinding and Mixing: The roasted clove then fall into the first rough grinder or crusher mill, where they are roughly ground to form a thick paste. Although it has been ground once, the paste is still rather coarse. Thus, the pulper or finisher further pulverizes the paste to obtain a finely ground paste. It is optional for entrepreneur to deploy two stage grinding system, based on his/her clientele and market trend. The output thus obtained is transferred into a stainless steel blending tank, where preservatives are added to enable a desired shelf life of the product. Spices, Oil, Butter, Salt and other required ingredients will be added in mixture. Transfer pumps may be used to transfer spread paste from Crusher to Pulper and also for transfer to Blending Tank and then to packaging machine.

Packaging

Once the paste moves to packaging bin, it is packed in desired pack sizes (30 gms, 50 gms, etc) with help of a Automatic form fill seal machine. The initial step is forming the bag/pouch. Depending on the package type, it is taken from a stack or a roll. A single web vertical form fill seal machine work with flexible materials and is typically fed to a coneshaped tube called a forming tube. The film is worked outside the forming tube and sealed to make the package. The package is sealed with a horizontal seal at the top and bottom of the bag with a vertical seal in the back. The next step in the process is filling, which is accomplished by interfacing a filling machine. The machine is programmed for filling, so this step is completely automated. The pre-measured product is dispensed from the machine into the bag. Then, the film is sealed. Finally, the machine seals the package so it can be shipped to stores where it is purchased by consumers. This process typically comes immediately after the filling process. The reason for this is to limit the risk of contamination, which is especially important when packaging food product.

Testing

Quality control

3 PROJECT COMPONENTS

3.1 Land & Building

The land required for this manufacturing unit will be approx. around 2000 square feet. Land Purchase and Building Civil Work Cost have not been considered as part of the cost of project. It is expected that the premises will be on rental and approximate rentals assumed of the same will be Rs.25,000 per month.

- Workshop Area- This area includes the setup and foundation space for all equipment's, work floor area, etc. Total workshop area is approx.1000 Sqft.
- Inventory Area- This area includes the storage space for all the raw materials and finished goods. Total inventory area is approx. 500 Sqft.
- Office Area – This space includes staff working region, their accommodation space. Total workshop area is approx. 300 Sqft. This may be considered above the ground floor.
- Parking Space, Electric Mounting Space, and Others. This could be approx. 200 Sqft.

Land and building requirement may vary depending on the size of project.

3.2 Plant & Machinery

- **Garlic Separating Machine:** This machine separates garlic bulb into garlic clove, with soft rubber rollers the garlic bulb is rubbed and broken into small garlic clove. The garlic stem and garlic root are removed too. The garlic clove won't be scratched and kept in good condition. The handle is available to adjust the space between two rows of rubber roller according to garlic size, so as to get best separating efficiency. There is a blower at the back for better effect.



- **Garlic Peeler:** This machine is used to take off the skin off the garlic cloves without damaging cloves.



- **Peeled Garlic Clove Washing Machine and Garlic Clove Air Drying Machine:** Peeled garlic cloves washing machine is designed for washing and cleaning peeled garlic cloves. And the garlic washer machine is often found in garlic processing line. By using the forces and actions of water flows, the industrial garlic cleaning machine can wash and clean the peeled garlic cloves gently with great efficiency. Air Dryer Machine can effectively remove water droplets on the surface of garlic clove and greatly reduce the time for

preparing work of labeling and packaging or other deep processing. It is suitable for production line to improve the degree of production automation. The drying air temperature is room temperature to effectively protect the color and quality of material.



- **Garlic Roaster:** The garlic roaster machine is used for roasting garlic.



- **Paste Making Machine/ Grinder:** This machine is used to grind roasted garlic.



- **Mixing Machine:** This machine can be used to mix processed garlic with the required ingredients such as spices, oil, butter etc.



- **Belt Conveyor:** A conveyor belt or a conveyor is a continuously-moving strip of rubber or metal which is used in factories for moving objects along so that they can be dealt with as quickly as possible. The damp bricks went along a conveyor belt into another shed to dry.



- **Packing Machine:** This machine is used for final product packing. Where product weighing, filling, sealing will be done automatically by this machine.



Machine	Quantity	Price
Clove separator	1	60,000
Peeler	1	70,000
Washing and dryer machine	1	2,00,000
Roaster	1	70,000
Paste Making Machine	1	70,000
Mixer	1	1,00,000
Filling and sealing machine	1	2,50,000
TOTAL		8,20,000

Note: Total Machinery cost shall be Rs 8.20 lakhs (Approx.) including GST and Transportation Cost.

4 LICENSE & APPROVALS

Basic registration required in this project:

- MSME Udyam registration
- GST registration
- NOC for fire safety board and Pollution Control Board
- BIS Certification
- ISO Certification
- Trade License
- Factory License (Optional)
- FSSAI License
- Choice of a Brand Name of the product and secure the name with Trademark if required.

Projected Profitability

<u>PROJECTED PROFITABILITY STATEMENT</u>					(in Lacs)
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
Capacity Utilisation %	55%	60%	65%	70%	75%
<u>SALES</u>					
Gross Sale					
Garlic Bread Spread	67.68	79.48	90.47	102.14	115.11
Total	67.68	79.48	90.47	102.14	115.11
<u>COST OF SALES</u>					
Raw Material Consumed	39.27	44.86	50.78	57.62	64.89
Electricity Expenses	2.64	2.88	3.12	3.36	3.60
Depreciation	1.46	1.24	1.05	0.89	0.76
Wages & labour	8.64	10.20	12.03	13.23	14.56
Repair & maintenance	1.22	1.59	1.81	2.04	2.30
Packaging	1.02	1.19	1.36	1.53	1.73
Cost of Production	54.24	61.95	70.15	78.69	87.84
Add: Opening Stock	-	1.27	1.45	1.64	1.84
Less: Closing Stock	1.27	1.45	1.64	1.84	2.05
Cost of Sales	52.97	61.77	69.95	78.49	87.62
GROSS PROFIT	14.71	17.71	20.52	23.65	27.49
	21.73%	22.28%	22.68%	23.16%	23.88%
Salary to Staff	4.68	5.62	6.63	7.62	8.99
Interest on Term Loan	0.86	0.76	0.54	0.33	0.12
Interest on working Capital	0.43	0.43	0.43	0.43	0.43
Rent	3.00	3.45	3.97	4.56	5.25
Selling & Administrative Exp.	0.68	1.19	1.36	1.53	1.73
TOTAL	9.65	11.45	12.93	14.48	16.52
NET PROFIT	5.06	6.26	7.59	9.18	10.97
	7.48%	7.88%	8.39%	8.98%	9.53%
Taxation	0.01	0.26	0.54	0.99	0.62
PROFIT (After Tax)	5.05	6.00	7.05	8.18	10.36

Projected Balance Sheet

<u>PROJECTED BALANCE SHEET</u>					(in Lacs)
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
<u>Liabilities</u>					
Capital					
Opening balance		3.16	4.75	6.71	8.59
Add:- Own Capital	1.41				
Add:- Retained Profit	5.05	6.00	7.05	8.18	10.36
Less:- Drawings	3.30	4.40	5.10	6.30	8.00
Closing Balance	3.16	4.75	6.71	8.59	10.94
Term Loan	7.76	5.82	3.88	1.94	-
Working Capital Limit	3.95	3.95	3.95	3.95	3.95
Sundry Creditors	0.92	1.05	1.18	1.34	1.51
Provisions & Other Liability	0.40	0.48	0.58	0.80	0.96
TOTAL :	16.18	16.05	16.30	16.62	17.37
<u>Assets</u>					
Fixed Assets (Gross)					
Gross Dep.	1.46	2.69	3.74	4.64	5.40
Net Fixed Assets	8.25	7.01	5.96	5.06	4.30
Current Assets					
Sundry Debtors	3.38	3.97	4.52	5.11	5.76
Stock in Hand	1.92	2.19	2.48	2.80	3.13
Cash and Bank	0.13	0.17	0.13	0.15	0.18
Loans & Advances /Other Current Assets	2.50	2.70	3.20	3.50	4.00
TOTAL :	16.18	16.05	16.30	16.62	17.37

Projected Cash Flow Statement

<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	1.41				
Net Profit	5.06	6.26	7.59	9.18	10.97
Depreciation & Exp. W/off	1.46	1.24	1.05	0.89	0.76
Increase in Cash Credit	3.95	-	-	-	-
Increase In Term Loan	8.73	-	-	-	-
Increase in Creditors	0.92	0.13	0.14	0.16	0.17
Increase in Provisions & Oth labilities	0.40	0.08	0.10	0.22	0.16
	-				
TOTAL :	21.92	7.71	8.88	10.45	12.06
<u>APPLICATION OF FUND</u>					
Increase in Fixed Assets	9.70				
Increase in Stock	1.92	0.27	0.29	0.31	0.33
Increase in Debtors	3.38	0.59	0.55	0.58	0.65
Repayment of Term Loan	0.97	1.94	1.94	1.94	1.94
Loans & Advances /Other Current Assets	2.50	0.20	0.50	0.30	0.50
Drawings	3.30	4.40	5.10	6.30	8.00
Taxation	0.01	0.26	0.54	0.99	0.62
TOTAL :	21.79	7.66	8.92	10.43	12.04
Opening Cash & Bank Balance	-	0.13	0.17	0.13	0.15
Add : Surplus	0.13	0.04	(0.04)	0.02	0.02
Closing Cash & Bank Balance	0.13	0.17	0.13	0.15	0.18

DSCR

<u>CALCULATION OF D.S.C.R</u>					
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
CASH ACCRUALS	6.50	7.23	8.10	9.08	11.12
Interest on Term Loan	0.86	0.76	0.54	0.33	0.12
Total	7.36	7.99	8.65	9.40	11.23
REPAYMENT					
Instalment of Term Loan	0.97	1.94	1.94	1.94	1.94
Interest on Term Loan	0.86	0.76	0.54	0.33	0.12
Total	1.83	2.70	2.48	2.27	2.06
DEBT SERVICE COVERAGE RATIO	4.03	2.96	3.48	4.14	5.46
AVERAGE D.S.C.R.	3.94				

Repayment schedule

REPAYMENT SCHEDULE OF TERM LOAN							
Interest						11.00%	
Year	Particulars	Amount	Addition	Total	Interest	Repayment	Closing Balance
1st	Opening Balance						
	1st month	-	8.73	8.73	-	-	8.73
	2nd month	8.73	-	8.73	0.08	-	8.73
	3rd month	8.73	-	8.73	0.08	-	8.73
	4th month	8.73	-	8.73	0.08		8.73
	5th month	8.73	-	8.73	0.08		8.73
	6th month	8.73	-	8.73	0.08		8.73
	7th month	8.73	-	8.73	0.08	0.16	8.57
	8th month	8.57	-	8.57	0.08	0.16	8.41
	9th month	8.41	-	8.41	0.08	0.16	8.25
	10th month	8.25	-	8.25	0.08	0.16	8.08
	11th month	8.08	-	8.08	0.07	0.16	7.92
	12th month	7.92	-	7.92	0.07	0.16	7.76
					0.86	0.97	
2nd	Opening Balance						
	1st month	7.76	-	7.76	0.07	0.16	7.60
	2nd month	7.60	-	7.60	0.07	0.16	7.44
	3rd month	7.44	-	7.44	0.07	0.16	7.28
	4th month	7.28	-	7.28	0.07	0.16	7.11
	5th month	7.11	-	7.11	0.07	0.16	6.95
	6th month	6.95	-	6.95	0.06	0.16	6.79

	7th month	6.79	-	6.79	0.06	0.16	6.63
	8th month	6.63	-	6.63	0.06	0.16	6.47
	9th month	6.47	-	6.47	0.06	0.16	6.30
	10th month	6.30	-	6.30	0.06	0.16	6.14
	11th month	6.14	-	6.14	0.06	0.16	5.98
	12th month	5.98	-	5.98	0.05	0.16	5.82
				0.76	1.94		
3rd	Opening Balance						
	1st month	5.82	-	5.82	0.05	0.16	5.66
	2nd month	5.66	-	5.66	0.05	0.16	5.50
	3rd month	5.50	-	5.50	0.05	0.16	5.33
	4th month	5.33	-	5.33	0.05	0.16	5.17
	5th month	5.17	-	5.17	0.05	0.16	5.01
	6th month	5.01	-	5.01	0.05	0.16	4.85
	7th month	4.85	-	4.85	0.04	0.16	4.69
	8th month	4.69	-	4.69	0.04	0.16	4.53
	9th month	4.53	-	4.53	0.04	0.16	4.36
	10th month	4.36	-	4.36	0.04	0.16	4.20
	11th month	4.20	-	4.20	0.04	0.16	4.04
	12th month	4.04	-	4.04	0.04	0.16	3.88
				0.54	1.94		
4th	Opening Balance						
	1st month	3.88	-	3.88	0.04	0.16	3.72
	2nd month	3.72	-	3.72	0.03	0.16	3.56
	3rd month	3.56	-	3.56	0.03	0.16	3.39

	4th month	3.39	-	3.39	0.03	0.16	3.23
	5th month	3.23	-	3.23	0.03	0.16	3.07
	6th month	3.07	-	3.07	0.03	0.16	2.91
	7th month	2.91	-	2.91	0.03	0.16	2.75
	8th month	2.75	-	2.75	0.03	0.16	2.59
	9th month	2.59	-	2.59	0.02	0.16	2.42
	10th month	2.42	-	2.42	0.02	0.16	2.26
	11th month	2.26	-	2.26	0.02	0.16	2.10
	12th month	2.10	-	2.10	0.02	0.16	1.94
					0.33	1.94	
5th	Opening Balance						
	1st month	1.94	-	1.94	0.02	0.16	1.78
	2nd month	1.78	-	1.78	0.02	0.16	1.62
	3rd month	1.62	-	1.62	0.01	0.16	1.45
	4th month	1.45	-	1.45	0.01	0.16	1.29
	5th month	1.29	-	1.29	0.01	0.16	1.13
	6th month	1.13	-	1.13	0.01	0.16	0.97
	7th month	0.97	-	0.97	0.01	0.16	0.81
	8th month	0.81	-	0.81	0.01	0.16	0.65
	9th month	0.65	-	0.65	0.01	0.16	0.48
	10th month	0.48	-	0.48	0.00	0.16	0.32
	11th month	0.32	-	0.32	0.00	0.16	0.16
	12th month	0.16	-	0.16	0.00	0.16	-
					0.12	1.94	
	DOOR TO DOOR MORATORIUM PERIOD	60	MONTHS				
	REPAYMENT PERIOD	6	MONTHS				
		54	MONTHS				

DISCLAIMER

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