

# FRUIT TOFFEE



## **INTRODUCTION:**

Toffee is made out of fruit pulps and has ingredients like skimmed milk powder, glucose and sugars in different flavours. Fruit Toffees have good demand in cities, urban and semi-urbans areas and institutions. As the product is based on real fruit, the essential taste of the original fruit is preserved. They are a delicacy to children. Being relatively free of artificial flavours, they are also a healthier product.

## **OBJECTIVE:**

The primary objective of the model report is to facilitate the entrepreneurs in understanding the importance of setting up unit of Fruit Toffee plant. This model report will serve as guidance to the entrepreneurs on starting up such a new project and basic technical knowledge for setting up such a facility.

## **RAW MATERIAL AVAILABILITY:**

The main raw material for Fruit Toffee are Skimmed Milk Powder, Glucose, Sugars, different flavours and fresh fruits pulp and easily available in across India.

## **SUITABLE LOCATION:**

Fruit Toffee can be manufactured at any location.

## **MARKET OPPORTUNITIES:**

All over the India it has heavy demand. Its market is rising day by day although different types are available in the market.

## **PROJECT DESCRIPTION:**

### **CAPACITY OF THE PROJECT:**

- The capacity of the project is 60 MT of Fruit Toffee per year.

### **PRODUCTION TARGET:**

- Qty.: 42 MT/Annum or 3.50 MT/Month.
- The scheme is worked out per shift (8 Hour) basis and 300 working days per annum.

## **MANUFACTURING PROCESS:**

Production process involves extracting fresh fruits from the fruit pulps, sugar is added and the whole mass is cooked. The cooked mixture is spread to a thin layer of 1cm thickness and then dried. The thin sheet is cut to size by a Toffee Cutter and wrapped in a cellophane film to avoid moisture being absorbed.

**PROJECT COMPONENT AND COST:****FINANCIAL ASPECTS:-****APPLICATION OF FUNDS**

Particular	Amount
<b>Land &amp; Building:</b>	200 sq. meter covered area on rent
Plant & Machinery	247,500.00
Office Equipment & Furniture	50,000.00
Working Capital	825,865.59
Pre-Operative Expenses	25,000.00
<b>Total</b>	<b>1,148,365.59</b>

**SOURCE OF FUNDS**

Particular	Amount
Own Capital	533,016.40
Loan from Banks	223,125.00
Loan for Working Capital	392,224.19
<b>Total</b>	<b>1,148,365.59</b>

**FIXED ASSETS**

<b>(1) Land And Building:</b>				<b>Value (Rs.)</b>
	Land & Building 200 sq. meter covered area on rent			96,000 per annum
<b>(2) Machinery And Equipment:</b>				
<b>S. N.</b>	<b>Description (Name of machine with specification)</b>	<b>Qty.</b>	<b>Rate</b>	<b>Value (Rs.)</b>
	<b>Production Unit</b>			
<b>i</b>	Steam Jacketted Kettle	1	55,000.00	55,000.00
<b>ii</b>	Cooling Plates	1	10,000.00	10,000.00
<b>iii</b>	Batch Formers	1	15,000.00	15,000.00
<b>iv</b>	Toffee Cut & Wrap Machine	1	15,000.00	15,000.00
<b>v</b>	Stainless Steel Vessels	1	10,000.00	10,000.00
<b>vi</b>	Cabinet Dryer	1	75,000.00	75,000.00
<b>vii</b>	Kneading & Cooking Table	1	25,000.00	25,000.00
<b>viii</b>	Weighing Machine	1	10,000.00	10,000.00
<b>ix</b>	Miscellaneous Equipments / Items	-	-	10,000.00
	<b>Total Cost of Machinery &amp; Equipments</b>			<b>225,000.00</b>
	Electrification & Installation Charges @ 10%			22,500.00
	<b>Total Cost of Production Unit</b>			<b>247,500.00</b>
	Furniture & Fixtures		-	50,000.00
<b>3</b>	<b>Pre-Operative Expenses:</b>			- 25,000.00
	<b>Total Fixed Capital ( 2+3)</b>			<b>272,500.00</b>

## RAW MATERIAL REQUIREMENT & STOCK

Particulars	Mode	Year' 1
Capacity Utilisation		<b>70%</b>
Daily Production at 100% capacity	200.00	
No of Working days per annum	300	
Annual Production	Kg	42,000.00
Wastage	%	2.00
Net Production	Kg	41,160.00
<b>Gross Consumption</b>		
Fresh Fruit Pulp	Kg	6,174.00
Sugar	Kg	14,406.00
Glucose	Kg	6,174.00
Skimmed Milk Powder	Kg	14,406.00
Flavour Essences	-	-
<b>Rate (Per Kg)</b>		
Fresh Fruit Pulp	Rs	40.00
Sugar	Rs	40.00
Glucose	Rs	60.00
Skimmed Milk Powder	Rs	200.00
Flavour Essences	-	-
<b>Annual Consumption</b>		
Fresh Fruit Pulp	Rs	246,960.00
Sugar	Rs	576,240.00
Glucose	Rs	370,440.00
Skimmed Milk Powder	Rs	2,881,200.00
Flavour Essences	Rs	240,000.00
<b>Total</b>		<b>4,314,840.00</b>
Stock of Raw Material	30days	354,644.38
Stock of WIP	02 day	1,353.21
Purchase Cost of Raw Material	Rs	4,670,837.59

## WORKING CAPITAL REQUIREMENT

Particulars	Days	Year' 1
Raw Material	30	354,644.38
Work in Process	2	1,353.21
Finished Goods	10	144,604.47
Receivables	30	514,500.00
Advance/Security		200,000.00
Total		1,215,102.06
Less: Creditors	30	389,236.47
<b>Net Current Assets</b>		<b>825,865.59</b>
Paid Stock		111,365.59
75% of Paid Stock		83,524.19
60% of Book Debts		308,700.00
Bank Limits		392,224.19
Margin for Working Capital		433,641.40

### SELLING & ADMINISTRATION EXPENSES

Particular	Year I
<b>i</b> Postage	18,000.00
<b>ii</b> Commission on sales	60,000.00
<b>iii</b> Office Expenses	29,000.00
<b>iv</b> Tour & Travel	18,000.00
<b>v</b> Printing & Stationary	20,000.00
<b>vi</b> Advertisement	60,000.00
<b>vii</b> Telephone	20,000.00
<b>viii</b> Repair & Maintenance	22,000.00
<b>ix</b> Conveyance	27,000.00
<b>x</b> Sales expenses	36,000.00
<b>xi</b> Insurance	20,000.00
<b>xii</b> Misc. Expenses	30,000.00
<b>Total</b>	<b>360000.00</b>

### STAFF AND LABOUR EXPENSES

S. N.	Description	No.	Salary PM	Total Salaries-Year I
<b>(a) Administrative &amp; Supervisory</b>				
<b>i</b>	Production Incharge cum accountant	1	15,000.00	180,000.00
<b>Total Salaries</b>				<b>180,000.00</b>
<b>(b) Skilled &amp; Unskilled-Wages</b>				
<b>i</b>	Skilled Worker	1	10,000.00	120,000.00
<b>ii</b>	Semi Skilled Worker	1	8,000.00	96,000.00
<b>iii</b>	Helper	2	5,000.00	120,000.00
				<b>336,000.00</b>
<b>Grand Total</b>				<b>516,000.00</b>

**MANUFACTURING AND PROFIT & LOSS**  
**ACCOUNT**

Particulars	Year' 1
Sales Value @ Rs 150 per Kg	6,174,000.00
<b>Cost of Production:</b>	
Raw Material Consumed:	
Opening Stock	-
Add: Purchases	4,670,837.59
	4,670,837.59
Less: Closing Stock	354,644.38
Raw Material Consumption	4,316,193.21
Add: Op Stock of WIP	-
	4,316,193.21
Less: Cl Stock of WIP	1,353.21
	4,314,840.00
Power & Fuel	300,000.00
Manufacturing Wages	336,000.00
Bonus & Incentives	16,800.00
Packaging Materials	60,000.00
Rent	96,000.00
Raw material storage & ins. Cost	4,800.00
Carriage inward	32,695.86
Depreciation	44,625.00
<b>Total Cost of Production</b>	<b>5,205,760.86</b>
Add: Op. Stock of Finish Goods	-
	5,205,760.86
Less: Cls. Stock of F.Goods	144,604.47
<b>Cost of Sales</b>	<b>5,061,156.39</b>
<b>Gross Profit</b>	<b>1,112,843.61</b>
	0.18
Selling & Admin Cost:	
Expenses	360,000.00
Salary	180,000.00
Financial Expenses	
Interest on Term Loan	30,400.78
Interest on W.Capital	49,028.02
Pre. Expenses	54,500.00
Profit Before Taxation	<b>438,914.80</b>
Taxation	131,674.44
Net Profit After Taxation	<b>307,240.36</b>
Cash withdrawal	122,896.14
Transfer to Reserves	184,344.22
Cumulative Reserves	184,344.22
% of PBT on Sales	7.11

**BALANCE SHEET**

Particulars	Year' 1
<b>Liabilities:</b>	
Capital	780516.40
Reserve & Surplus	184344.22
Secured Loan:	
Term Loan	178500.00
Unsecured loan:	
Current Liabilities:	
Bank Borrowings	392224.19
Sundry Creditors	389236.47
	1924821.27
<b>Assets:</b>	
Fixed Assets:	
Gross Block:	297500.00
Less: Depreciation	44625.00
	252875.00
Current Assets:	
Inventories	500602.06
Receivables	514500.00
Advance/Security	200000.00
Cash & Bank Balance	238844.22
Preliminary Expenses	218000.00
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	1924821.27
Difference	0.00

## **RATIO ANALYSIS**

<b>Particulars</b>	<b>Year' 1</b>
<b>NET PROFIT RATIO</b>	
NP*100/Total sales	<b>4.98</b>
<b>RATE OF RETURN</b>	
NP*100/Total Investment	<b>22.01</b>

## **BREAK EVEN ANALYSIS**

<b>Fixed Cost</b>	
Rent	96000.00
Interest on Borrowing	30400.78
40% of Salaries	72000.00
40% of Utilities	120000.00
25% of Admin Exp	90000.00
Depreciation	44625.00
	<b>453025.78</b>
<b>BREAK EVEN POINT</b>	$\frac{\text{Fixed Cost} * 100}{\text{Fixed Cost} + \text{Profit}}$
	<b>59.59</b>

### **ADDRESS OF MACHINERY & EQUIPMENT SUPPLIERS:**

- M/s Bajaj Processpack Maschinen Pvt. Ltd., 7/27, Jai Lakshmi Industrial Estate, Sahibabad Industrial Area, Sahibabad, Dist. Ghaziabad (U.P.) - 201301.
- M/s Sarkar machinery, 49, P. K. Guha Road, Near Kumarpara Party Office, Kolkata, West Bengal, 700028
- M/s A.M. I. Engineering, Station Road, Opp. Veena Cinema, Patna – 800 001.
- M/s FMC Asia-Pacific Inc., Complete Fruits and Vegetable Plant, Compre- Krision House, Saki Vihar Road, Saki- hensive Line of Equipments for Tomato Process-Naka, Mumbai-400 072.
- M/s Jayems Engineering Works, Strand Road, Kolkata – 700 001
- M/s Jwala Engineering Company,12, Surve Industrial Estate, Goregaon (E),Mumbai - 400 063