

BAKERY ITEMS MANUFACTURING UNIT

1. INTRODUCTION

Bakery products made from wheat hold a special place in Uttarakhand's culinary landscape, primarily due to the significant proportion of land dedicated to wheat cultivation in the region. Wheat-based baked goods are not only a staple in the diets of the people but reflect the region's rich culture and heritage. Wheat-based cookies are widely enjoyed in Uttarakhand. These baked treats are made with wheat flour and often infused with local flavors like cardamom and ginger. Traditional wheat bread is widely available in the local bakeries. The state also offers a variety of sweets such as Singhori which is prepared from wheat flour, ghee, and sugar. All the bakery items made with the delightful fusion of tradition and innovation make use of locally sourced ingredients. These are not just food; they are a part of the cultural tapestry that makes Uttarakhand's cuisine unique and inviting.

2. PRODUCT & ITS APPLICATION

Wheat-based cookies are a versatile snack option. These cookies pair well with tea/coffee. Crushed cookies can serve as a flavorful base for various dessert recipes. They also make excellent gifts and additions to the hampers. The cookies can be packaged attractively and distributed as party favors or corporate gifts during events. On the other hand, traditional wheat bread is a staple for making sandwiches. Sliced and toasted traditional bread is a classic breakfast option. It can be enjoyed with different types of bread spreads. Beyond that, bread is used in various recipes such as bruschetta, crouton, French toast, etc. From simple snacking to enhancing flavors, these two wheat-based products widely contribute to the rich culinary heritage.

3. DESIRED QUALIFICATION FOR PROMOTER

Anyone with a strong foundation and passion for creating delicious and visually appealing baked goods, holding prior experience working in a bakery, patisserie, or commercial kitchen can start the business.

4. INDUSTRY LOOKOUT AND TRENDS

Uttarakhand's pristine environment and fertile land offer a plethora of opportunities to locally source ingredients in a bakery product business. This trend aligns with the broader notion of sustainability and the use of fresh, locally-grown produce. Bakeries in the region are offering organic, whole-grain, and gluten-free options to cater to health-conscious consumers. In recent years, there has been an increasing awareness towards establishing a digital presence for bakeries. Many bakeries are making their websites for increased reach and publicity of baked items. Alongside the traditional bakeries, there is a growing cafe culture in urban areas of Uttarakhand. Some bakeries collaborate with these cafes and jointly offer a variety of bakery products. Bakery owners who can effectively blend these qualities while staying updated on customer preferences are likely to thrive in this dynamic environment.

5. MARKET POTENTIAL AND MARKETING ISSUES; IF ANY

The bakery industry in Uttarakhand offers great market potential attributed to the combination of local resources and broader consumer trends. As Urbanisation in Uttarakhand continues to splurge, demand for convenient foods is on the rise. Urban areas offer a significant market for

the bakeries. With the abundant local resources, wheat flour can be mixed with other ingredients like millet and maize flour to provide healthier options. Besides being a great marketplace, the region also faces issues in terms of supply chain and infrastructure. The hilly terrain can sometimes make it difficult to distribute products and deliver on time. Some areas of Uttarakhand lack adequate infrastructure, reliable electricity, and distribution capabilities which can impact the bakery's production and distribution.

6. RAW MATERIAL REQUIREMENTS

There will be requirements for raw materials like Wheat flour, Yeast, Sugar, Ghee, Milk Powder, Salt, Edible Colours and Flavours and Other Packing Materials. Since the state has a significant portion of land under wheat cultivation, wheat flour can be easily sourced from local mills. Sugar, both granulated and powdered, is a common ingredient in bakery items and is readily available in the state. Optional to sugar is honey which is Uttarakhand's key and high-quality production.

7. MANUFACTURING PROCESS

Starting and running a successful bakery business requires specific culinary skills and know-how. A person in the bakery business must gain an understanding of operating machinery and processes involved in baking. The following is the production process for two products proposed in the business.

- Bread:** Proper mixing of all ingredients like flour, yeast, salt, sugar, and water in the right proportion, followed by dividing the dough into the required portions, and then intermediate proofing is necessary. Thus prepared dough is then subject to molding, panning, and followed by final proofing. Properly proofed or fermented dough loaves are then baked at the required temperature and period. The baked loaves are then subject to de-panning, followed by cooling, slicing, and packing or wrapping.
- Biscuits and Cookies:** Weigh all ingredients and make soft dough with the addition of sugar, oil, and water as per the formula. The process follows beating the dough till it becomes soft and fluffy. It is kept in such condition for 10-15 mins. The dough is flattened into rounds and the incision is with a knife at the center and kept baking.

8. MANPOWER REQUIREMENT

Sr. No	Particulars	No.	No of month in year	Wages/Salaries per month (Rs. In Lakhs)	Annual Expense (Rs. In Lakhs)
1	Production Manager	1	12	0.35	4.20
2	Skilled	1	12	0.20	2.40
3	Semi-skilled	2	12	0.15	3.60
4	Salesman	1	12	0.25	3.00
	Sub Total				13.20
6	Statutory Requirements(PPF, ESI, Gratuity etc.) at 25%				3.30
	Total				16.50

9. IMPLEMENTATION SCHEDULE

Sr. No.	Activity	Time Required (in months)
1	Acquisition of premises	1
2	Construction (if applicable)	1.5
3	Procurement & installation of Plant & Machinery	2.5
4	Arrangement of Finance	1
5	Recruitment of required manpower	1
	Total time required (some activities shall run concurrently)	3

10. COST OF PROJECT

Sr. No	Particulars	Annual Expenses (Rs. in lakhs)
1	Pre-operative and preliminary Exp.	0.23
3	Machinery Exp.	6.68
4	Equipment and Furniture Exp.	3.10
5	Working Capital	12.34
	Total Project Cost	22.35

11. MEANS OF FINANCE

Bank-term loans are assumed @ 60%

Sr. No.	Particulars	Annual Expenses (Rs. in lakhs)
1	Promoter's contribution	8.94
2	Bank Finance	13.41
	Total	22.35

12. LIST OF MACHINERY REQUIRED

A. Machinery

Sr. No	Particulars	Unit	Annual Expenses (Rs. in lakhs)	Annual Expenses (Rs. in lakhs)
1	Dough Kneader	1	0.40	0.40
2	Flour Sifter	1	0.45	0.45
3	Hand-operated bun divider	1	4.00	4.00
4	Oven	1	0.30	0.30
5	Baby Boiler	1	0.30	0.30
6	Mould and Dies	1	0.17	0.17
7	Weighing Scale	1	0.16	0.16
8	Mixing Vessels	1	0.30	0.30
9	Misc. Equipment	1	0.30	0.30
Total Amount				6.38
Tax, Transportation, Insurance, etc.				0.20
Electrification Exp.				0.10
Grand Total Amount				6.68

B. Furniture & Equipment

Sr. No	Particulars	Unit	Annual Expenses (Rs. in lakhs)	Annual Expenses (Rs. in lakhs)
1	Vehicle	2	0.80	1.60
2	Computers	1	0.50	0.50
3	Office table & chair	4	0.25	1.00
	Total			3.10

Local manufacturers in India offer a wide range of machines and equipment. The entrepreneur can avail machines and required tools after thorough research and analysis. Below is the tentative list of machinery suppliers in India. Besides these, online platforms such as India Mart can also be explored for ordering machinery online.

1. Jass Trading Co.
No. 10/11, New Patel Nagar,
Near Lalpul,, Dehradun-248001,
Uttarakhand, India
2. Asian Power Cyclopes
D-Class Industrial Estate, Talli,
Industrial Estate, Haldwani-263139,
Uttarakhand, India
3. Bharti Exports
Industrial Area-C, Kanganwal,
Sua Road, Kanganwal, Ludhiana-141007,
Punjab, India
4. Edufirst Enterprises
Shed No. 33, 2nd Floor, Wazirpur Industrial Area,
Karawal Nagar-110052,
New Delhi, India
5. Empire Bakery Machines
Opp. Gurudwara Somasar Sahib Vill Tibba,
Sahnewal, Ludhiana-141120,
Punjab, India

13. PROFITABILITY CALCULATIONS

The basis of profitability calculation:

Sr. No	Particulars	Annual Expenses (Rs. in lakhs)
A.	Sales realisation	96.32
B.	Cost of production	
i)	Raw materials	66.17
ii)	Utilities	3.05
iii)	Manpower Cost (Salaries/wages)	16.50
iv)	Administrative expenses	0.84

v)	Selling & distribution expenses	3.84
vii)	Rent	1.60
viii)	Interest	0.48
	Total (B)	92.47
	No. of Unit production	210400
	Cost of Goods Sold	0.00
	Gross profit/loss (A – B)	3.85
	Less: Depreciation	1.10
C.	PBIT	2.74
D	Income-tax	0.27
E	Net profit/loss	2.47
F.	Repayment (Annual)	0.86
G	Retained surplus (E-F)	1.61

The production capacity of the unit is estimated at 80%.

14. BREAKEVEN ANALYSIS

(Rs. in lakhs)

Fixed cost	
Land & Building Rent	1.60
Depreciation	1.10
Interest	0.48
Manpower	4.95
Total Fixed cost	8.13
Variable cost	
Raw materials	66.17
Utilities	3.05
Manpower	11.55
Administrative expenses	0.84
Selling & distribution expenses	3.84
Total Variable cost	85.45
Variable cost per Unit	0.00
Revenue per unit	0.00
Margin per Unit	0.00
Number of Units for Break-Even Point	157322
Actual Production	210400

15. STATUTORY/GOVERNMENT APPROVALS

It is important to comply with food safety and business regulations before starting a food industry-related business.

1. Shop and establishment license is necessary for operating a bakery wherein working hours, employment conditions, and other regulatory requirements are stipulated.
2. The bakery industry in India is the largest sector of the food processing industry and has enormous growth potential. FSSAI-Food safety license registration is a must-have document for bakery food preparation to meet legal requirements. The Food Standards and Safety Authority of India (FSSAI) is the primary authority in charge of food safety regulation and oversight. As a result, according to the law, FSSAI Basic Registration is required.

3. The food sector is seen as a polluting industry due to the emissions of smoke from cooking and food waste washings. As a result, the food business needs a pollution license/certificate or approval for operation from the State Pollution Control Board to be established. The Central Pollution Control Board has categorized hotels and restaurants as Large Hotels, Medium Hotels, Small Bakeries, and Small Hotels.
4. Registration of bakery business for Goods and Service Tax (GST) with the Goods and Service Tax Network (GSTIN) as it applies to bakery products.

16. BACKWARD AND FORWARD INTEGRATIONS

Backward linkages involve a bakery's relationship with suppliers of raw materials like flour, sugar, eggs, butter, and spices. It also connects with packaging suppliers who provide materials for packaging bakery items such as boxes, trays, labels, ribbons, etc.

Forward linkage includes but is not limited to retail outlets, restaurants, and cafes. Online sales and delivery can be explored. Bakeries can provide baked goods for catering services, including weddings, parties, and corporate events. Forward linkage with catering companies can lead to fixed bulk orders.

17. TRAINING CENTERS AND COURSES

There are few specialized Institutes that provide degree certification in bakery and culinary arts. Few most famous and authenticate Institutions are as follows:

1. Institute of Bakery & Culinary Arts (IBCA)
Ground Floor, C-6 & 7, near Janakpuri West Metro Station,
Pocket A, New Krishna Park, Vikaspuri- 110018,
New Delhi, India
2. Delhi Bakery School
102, Krishna plaza, Halar Rd,
Sector 8, Rohini-110085,
New Delhi, India
3. Tedco Goodrich Chefs Academy
Entire First Floor, A- 15, near Kailash Colony Metro Station,
Kailash Colony- 110048,
New Delhi, India

Swayam portal (link: <https://swayam.gov.in/>) can also be accessed for enhanced learning on business commerce, accounting, production, marketing, and areas of entrepreneurship.

Disclaimer

Only few machine manufacturers are mentioned in the profile, although many machine manufacturers are available in the market. The addresses given for machinery manufacturers have been taken from reliable sources, to the best of knowledge and contacts. However, no responsibility is admitted, in case any inadvertent error or incorrectness is noticed therein. Further the same have been given by way of information only and do not carry any recommendation.