

CONFECTIONERY: HIGH BOILED TOFFEES

1. INTRODUCTION

Confectionery, also called sweets or candy, is sweet food. Confectionery is divided into two broad and somewhat overlapping categories, bakers' confections and sugar confections. This profile is focused on sugar confections. The sugar based confectionery segment mainly composed of three major categories: 1) Chocolates: available as deposited, molded bars and buttons (or round shape etc.) may be plain, flavored, enrobed, centered (juice, nuts, etc.), etc. 2) Gums: which are categorized as bubble gum and chewing gum, and 3) Sugar Confectionery: which includes caramels/toffees, gums/jellies, hard boiled sweets, medicated confectionery, mint, marshmallows, fudges, etc. in different shapes and sizes

2. PRODUCTS AND ITS APPLICATION:

Sugar confections are for direct consumption by human. Generally, it is eat as fun or mouth freshness except some confections are also for health focused. The sugar confections are distributed by retailers (as cash and carry basis), hyper markets, super markets, convenience stores, departmental stores, drug shops, food & drink outlets, e-retailers, health and beauty stores, etc.

Proposed Capacity & Product-Mix:

It is proposed here to manufacture hard boiled sweets at 300 kg/hr., toffees at 200 kg/hr. and assorted confections at 100 kg/hr., i.e., installed capacity will be 3600 MT per annum of all variants, considered 20 hr. working per day and 300 working days per annum.

3. DESIRED QUALIFICATION FOR PROMOTER:

The entrepreneur must be well aware of market and manufacturing process as well machinery required for production of sugar confections. The promoter preferable a science graduate with business management is desirable.

4. INDUSTRY OUTLOOK/TREND

The confectionary industry in India is growing at about 12% per annum. The present trend is to go for more variety and innovative packaging. The consumption is rising due to growth in population, increasing per capita income and urbanization. This trend will continue in near future.

5. MARKET POTENTIAL AND MARKETING ISSUES, IF ANY:

Global Confectionery Market size was valued at \$184,056 million in 2015, and is expected to reach \$232,085 million by 2022, supported by a CAGR of 3.4% during the forecast period 2016 - 2022. Confectionery market comprises array of food products such as chocolates, raw pastes, and various sugar-based products. In addition, it includes therapeutic and dietetic confectioneries that differ in formulations from traditional confections. The Indian confectionery market is worth of Rs 10,000 crore (organized confectionary units), currently growing at 12%, has potential to grow at 15-20% because the category remains under-penetrated. Consumers have become more conscious about sugar intake and are shifting toward products that offer high nutrition value, thus increasing the demand for sugar-free, organic, and low-calorie products.

6. RAW MATERIAL REQUIREMENTS:

Sr. No.	Raw Material	Unit	Qty
1	Sugar	Tons	2,520
2	Liquid Glucose	Tons	738
3	Skim Milk Powder	Tons	72
4	Citric Acid	Tons	216
5	Food Flavours	Tons	25
6	Food Additives	Tons	28
7	Water	Litters	2000
	Total		5,600

7. MANUFACTURING PROCESS:

The process start with weighing of all ingredients like: sugar, liquid glucose, citric acid, food additives, flavors, etc. which are mixed thoroughly and cooked in a vacuum cookers to process at required temperature. The mass can transfer from mixer to cooker by pump and cooked mass then pumped on depositor, molding machine or forming as applicable which are then deposited, molded or formed in required shapes and sizes by making ropes or as per applicable process with or without center filling. Thus prepared confections are cooled and packed either in pillow packing machine or double twist wrapper machine as required.

8. MANPOWER REQUIREMENT:

Sr. No.	Particulars	Nos.
1	Technical Staff	10
2	Administrative Staff	6
3	Marketing Staff	9
4	Labour	50
	Total	75

9. IMPLEMENTATION SCHEDULE:

Project Stages	MONTHS									
	1	2	3	4	5	6	7	8	9	10
Purchase of Land	Yellow	Yellow								
Completion of Building	Green	Green	Green	Green						
Ordering of Machinery	Grey	Grey								
Delivery of Machinery				Orange	Orange					
Term/Wkg Loan Sanction		Blue	Blue	Blue	Blue					
Installation of Machinery			Green	Green	Green					
Commissioning of Plant						Red				
RM/Inputs Procurement						Yellow				
Manpower Appointments						Blue				
Commercial Production							Green			

10. COST OF PROJECT:

Sr. No.	Costing Heads	Qty	Rate/Unit	Rs. Lakh
1	Land in Sq. M. + Expenses	1,000	1,000.00	10.00
2	Building, sq. m.	1,000	9,000.00	90.00
3	Plant & Machinery			175.90
4	Contingency			10.00
	Total Cost of Project			285.90

11. MEANS OF FINANCE:

Sr. No	Particulars	Rs. Lakhs
1	Promoters Capital	71.48
2	Term Loan	179.34
3	MFPI Subsidy	35.09
4	Unsecured Deposits	0.00
	Total	285.90

12. WORKING CAPITAL CALCULATION:

Particulars	Total Amount	Stock Period Days	Value of Stock Period	Promoter Margin	Promoter Share	Bank Borrowings
Raw Material	1,340.64	15.00	67.03	0.50	33.52	33.52
Packing Material	798.00	30.00	79.80	0.40	31.92	47.88
Work in Process	2,422.87	3.00	24.23	0.40	9.69	14.54
FP Stock	2,580.00	15.00	129.00	0.40	51.60	77.40
Bills Receivable	2,580.00	15.00	129.00	0.40	51.60	77.40
Working Expense	12.00	30.00	1.20	1.00	1.20	0.00
Total:	9,733.51		430.26	0.00	179.53	250.73

13. LIST OF MACHINERY REQUIRED AND THEIR MANUFACTURERS

Sr. No.	Equipment	Qty
1	SS Sigma Mixer	2
2	Vacuum Cookers	2
3	Coating Pans with Hot Air Blower	3
4	Batch Roller	1
5	Automatic Sweet Forming Machine	1
6	Sugar Syrup Kettles	2
7	Rotary Molding Machine	1
8	Micro Pulverizer	1
9	Rope Sizer	1
10	Three Way Cooling Conveyors	1
11	Candy Pillow Packing Machine	2
12	Double Twist Wrapping Mac	2
13	Steam Boiler	1
14	Steam Pipelines & Fittings	1
15	Air Compressors	1
16	Lab Equipments	1
17	Material Handling Equipments	1
18	Electrification	1

- Pragati Industries
07, Shraddha Estate,
Near Harikrupa Estate, Vatva,
Ahmedabad - 382445 Gujarat
- B. S. EngineeringD - 264,
ADC Office, Sector - 15 - A, Ajrona,
Faridabad,
Haryana

14. PROFITABILITY CALCULATIONS:

Sr. No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5
A	Gross Sales	1806	2064	2322	2322	2322
	Less:					
1	Raw Materials	938.448	1072.512	1206.576	1206.576	1206.576
2	Packing Material	558.6	638.4	718.2	718.2	718.2
3	Fuel	25.2	28.8	32.4	32.4	32.4
4	Power	23.52	26.88	30.24	30.24	30.24
5	Manpower	38.098	42.982	47.866	47.866	47.866
6	Depreciation	40.089	45.816	51.543	51.543	51.543
7	Sundry Expenses	8.4	9.6	10.8	10.8	10.8
8	Interest on Term Loan	15.064	17.216	19.368	19.368	19.368
9	Interest on WC Loan	26.6	30.4	27.36	24.624	22.1616
10	Repairs & Maintenance	8.4	9.6	10.8	10.8	10.8
B	Marketing Expenses	17.5	20	22.5	22.5	22.5
C	Production cost	1699.919	1942.206	2177.653	2174.917	2172.455
	Gross Profit	106.081	121.794	144.347	147.083	149.5454
	Taxes @ 30%	31.8243	36.5382	43.3041	44.1249	44.86362
	Net Profit	9.54729	10.96146	12.99123	13.23747	13.45909

Note: The profitability basis and projections are indicative and on approximate basis only.

15. BREAKEVEN ANALYSIS:

Break Even Point	
Annual Fixed Cost x100/ Annual Fixed Cost + Profit	60.82%

16. CRITICAL FACTORS FOR THE PROJECT:

1. Markets for sugar confections is highly competitive and price focuses, so one has to assure the market before setting-up the manufacturing unit.
2. The plant preferable to easy accessible by road and in proximity to cities or townsto cater rural and urban market both.
3. Proper selection of raw materials, additives, flavours and machinery is of utmost important to make project sustainable in competitive markets in long run.

17. STATUTORY/ GOVERNMENT APPROVALS

There is statutory requirement of FSSAI license for setting up of food processing industry. Moreover, MSME& GST registration, IEC Code for Export of end products and local authority clearance may be required for Shops and Establishment, for Fire and Safety requirement and registration for ESI, PF and Labour laws may be required if applicable. Entrepreneur may contact State Pollution Control Board where ever it is applicable.

18. BACKWARD AND FORWARD INTEGRATION

As forward linkages promoter may think of different variety of confectionary and chocolate products with various flavours.

19. TRAINING CENTERS/COURSES

For food processing industry training and short term courses are available at Indian Institute of Food Processing Technology, Thanjavur, Tamil Nadu and Central Food Technological Institute, Mysore. Udyamimitra portal (link : www.udyamimitra.in) can also be accessed for handholding services viz. application filling / project report preparation, EDP, financial Training, Skill Development, mentoring etc.

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.

