

PROJECT REPORT

Of

SOFTY ICE CREAM

PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding Softy Ice Cream

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.]



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SOFTY ICE-CREAM



INTRODUCTION

Softy Ice cream is also known as **Soft Serve**. Soft serve is a type of ice cream that is softer and less dense than regular ice creams as a result of air being introduced during freezing. Soft serve ice cream has been sold commercially since the late 1930s. Soft serve ice cream is not sold pre-packaged in supermarkets, but is common at fairs, carnivals, amusement parks, restaurants (especially fast food and buffet), and specialty shops.

This dessert gives the perfect taste to the consumers.

Characteristics

Soft serve is generally lower in milk-fat (3% to 6%) than Frozen ice cream (10% to 18%) and is produced at a temperature of about $-4\text{ }^{\circ}\text{C}$ ($25\text{ }^{\circ}\text{F}$) compared to ice cream, which is stored at $-15\text{ }^{\circ}\text{C}$ ($5\text{ }^{\circ}\text{F}$). Soft serve contains air, introduced at the time of freezing. The amount of air alters the taste of the finished product. Product with low quantities of air has a heavy, icy taste and appears more yellow. Ice cream with higher air content tastes creamier, smoother, and lighter and appears whiter. The optimum quantity of air is determined by other ingredients, if any, and individual taste.

Ingredients

Softy ice cream is made from Milk, ice-cream powder, softy cone.

Also, it contains flavour (natural and nature identical flavouring substances).

Flavours

Softy Ice cream have come a long way from the standard vanilla, strawberry, and chocolate. By the 1970s, the International Association of Ice Cream Manufacturers had recorded over 400 different flavours of ice cream. In an ever-expanding array of combinations, fruit purees and extracts, cocoa powder, nuts, cookie pieces, and cookie dough are blended into the ice cream mixture.

This dessert comes in many flavours & was developed entirely in India.

- Vanilla
- Chocolate
- Mango
- Orange
- Strawberry
- Butter Scotch

Besides these, softy Ice cream is also made in other varieties of flavours in various states.

Description of Softy Ice-cream Machine

Softy ice-cream Machines are used to make softy from the milk & ice-cream powder. All ice cream must be frozen quickly to avoid crystallization. With soft serve, this is accomplished by a special machine at the point of sale. Pre-mixed product is introduced to the storage chamber of the machine. When product is drawn from the draw valve, fresh mix combined with the targeted quantity of air is introduced to the freezing chamber either by gravity or pump. It is then churned and quick frozen and stored until required.

While some machines only dispense one flavour of mix at a time, certain models of soft serve machines have an additional nozzle that dispenses a mixture of two separate flavours simultaneously. This mixture emerges in a distinct swirl pattern. It is classified as its own separate flavour on menus as swirl or twist.

Soft serve Current Market Analysis

Ice cream today represents one of the fastest growing food segments in India. A recently released report by IMARC Group, titled “**Ice Cream Market in India: Industry Trends, Share, Size, Growth, Opportunity and Forecast 2019-2024**”, critically examines the Indian ice cream market. The report finds that the market exhibiting a CAGR of 16.9% during 2011-2018. The healthy growth of the market can be attributed to numerous forces. Population growth, rising disposable incomes, urbanisation rates, changing consumer preferences are some of the factors that are broadening the growth aspects of the market. According to the report, the market is further expected to reach a value of INR 375.8 Billion during 2019-2024.

Softy Ice-cream Process

The production process begins with the procurement of raw material: Milk & Ice-cream powder. The procurement of raw material depends on the quality parameters set by the producer.

Production begins by mixing & blending of raw material. After that material is pour into the hopper and mixture freeze at -4°C for 10-15 minutes (to harden the material)

Machinery required:

Types of Machinery:

1. Table top model Softy ice cream
2. Floor Model Softy ice cream

Name	(Production PH)	Power PH	Cost
Table top model Softy ice cream	25 Litre	1.8 (KW)	90,000
Floor Model Softy ice cream	30 Litre	2.5 (KW)	1,20,000

Land & Building required:

Land required 150-200 Square Feet (approx.)

Approximate rent for the same is 3000 per Month.

Break Even Point:

Break-even point of the machine = 32,000 softy ice cream cones

Company should operate at minimum 6% of Production capacity to cover its costs (variable + Fixed)

Raw Material Requirement of Softy Ice Cream

Milk & Ice cream powder is required as raw material for softy ice cream.

Milk (cost per Litre) =Rs. 45-50

Ice cream powder (cost per KG) = Rs. 130

Softy Ice Cream Business license & registration

For proprietor

- Obtain the GST registration.
- Choice of a Brand Name of the product and secure the name with Trademark if required.

Implementation Schedule

S.N.	Activity	Time Required (in Months)
1	Acquisition Of premises	1
2	Construction (if Applicable)	1
3	Procurement & installation of Plant & Machinery	1
4	Arrangement of Finance	1
	Total time Required (some activities shall run concurrently)	1 month (approx.)

Conclusion:

After Mixing & frozen of material, product is ready to sell in the market. Softy ice cream is lite in weight & tastes good for the dessert. This machine can be installed with low investment, little skill required to operate the machine & one can earn a good Margin of profit by doing this business.

Technical Process Flow Chart

Softy Ice-cream Machine Process



PROJECT AT GLANCE

COST OF PROJECT

PARTICULARS	AMOUNT
Land	
Building Civil Work	
table top model machinery	1.06
Furniture & Fixtures	0.10
Margin for Working Capital	
Total	1.16

MEANS OF FINANCE

PARTICULARS	AMOUNT
Own Contribution	1.16
Total	1.16

COMPUTATION OF PRODUCTION OF SOFTY ICE CREAM

Items to be Manufactured

softy cone ice cream (4 litre milk require 1 kg powder)

Manufacturing Capacity **25** **litre Per hour**

raw material

Total milk require **20** litre Per hour

ice cream powder require 5.00 kg per hour

4 Liter Milk Requires 1 Kg powder

total raw material required per annum (6 Months due to seasonal demand)

milk 24,000 litre

ice cream powder 6,000 kg

Softy ice cream output

4 litre milk & 1 kg powder provides 80.00 softy ice cream

per annum softy ice cream 480,000 softy ice cream

total softy ice cream per annum 480,000

CALULATION OF CONSUMPTION OF RAW MATERIAL

Item Name	At Capacity	Quantity of Raw Material
Raw Material	100%	
Milk		24,000.00
Ice cream powder		6,000.00

Milk cost			
Raw Material Consumed	Capacity Utilisation	Rate per liter milk	Amount (Rs. in lacs)
1st year	25%	48.00	2.88
2nd year	26%	50.40	3.14
3rd year	30%	52.92	3.81
4th year	33%	55.57	4.40
5th year	35%	58.34	4.90

Ice cream powder cost			
Raw Material Consumed	Capacity Utilisation	rate per kg powder	Amount (Rs. in lacs)
1st year	25%	130.00	1.95
2nd year	26%	136.50	2.13
3rd year	30%	143.33	2.58
4th year	33%	150.49	2.98
5th year	35%	158.02	3.32

<u>COMPUTATION OF SALE</u>					
Particulars	1st year	2nd year	3rd year	4th year	5th year
packets per annum	120,000	124,800	144,000	158,400	168,000
Production	120,000	124,800	144,000	158,400	168,000
Net Sale	120,000	124,800	144,000	158,400	168,000
Sale Price Per packet	10.00	10.00	10.00	10.00	10.00
Sale (in Lacs)	12.00	12.48	14.40	15.84	16.80

PROJECTED PROFITABILITY STATEMENT

PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
Capacity Utilisation %	25%	26%	30%	33%	35%
<u>SALES</u>					
Gross Sale	12.00	12.48	14.40	15.84	16.80
Total	12.00	12.48	14.40	15.84	16.80
<u>COST OF SALES</u>					
Raw Mateiral Consumed	4.83	5.27	6.39	7.38	8.22
Elecricity Expenses	0.34	0.39	0.44	0.51	0.59
Repair & Maintenance	0.72	0.62	0.72	0.79	0.84
Depriciation	0.17	0.14	0.12	0.10	0.09
softy con & other Consumables	1.44	1.50	1.73	1.90	2.02
Cost of Production	7.50	7.93	9.41	10.69	11.75
Cost of Sales	7.50	7.93	9.41	10.69	11.75
GROSS PROFIT	4.51	4.55	4.99	5.15	5.05
Gross Profit %	38%	36%	35%	33%	30%
selling & advertisement expense	0.66	0.62	0.72	0.79	0.59
rent	0.48	0.53	0.58	0.64	0.70
TOTAL	1.14	1.15	1.30	1.43	1.29
NET PROFIT	3.37	3.40	3.69	3.72	3.76
Taxation					
PROFIT (After Tax)	3.37	3.40	3.69	3.72	3.76

PROJECTED BALANCE SHEET

PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
<u>Liabilities</u>					
Capital					
opening Balance		2.03	2.43	2.72	2.94
<i>Add:-Own Capital</i>	1.16				
Add:-Retained Profit	3.37	3.40	3.69	3.72	3.76
Less:-drawings	2.50	3.00	3.40	3.50	3.70
Closing Balance	2.03	2.43	2.72	2.94	3.00
Sundry creditor	0.32	0.35	0.43	0.49	0.55
TOTAL :	2.35	2.78	3.15	3.43	3.54
<u>Assets</u>					
Fixed Assets (Gross)	1.16	1.16	1.16	1.16	1.16
Gross Dep.	0.17	0.31	0.44	0.54	0.63
Net Fixed Assets	0.99	0.85	0.72	0.62	0.53
Current Assets					
Sundry Debtors	0.80	0.83	0.96	1.06	1.12
Cash and Bank	0.56	1.10	1.46	1.76	1.90
TOTAL :	2.35	2.78	3.15	3.43	3.54

PROJECTED CASH FLOW STATEMENT

PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
<u>SOURCES OF FUND</u>					
Own Margin	1.16		-	-	-
Net Profit	3.37	3.40	3.69	3.72	3.76
Depriciation & Exp. W/off	0.17	0.14	0.12	0.10	0.09
Sundry creditors	0.32	0.03	0.07	0.07	0.06
TOTAL :	5.02	3.58	3.89	3.89	3.90
<u>APPLICATION OF FUND</u>					
Increase in Fixed Assets	1.16	-	-	-	-
Increase in debtors	0.80	0.03	0.13	0.10	0.06
Taxation	-	-	-	-	-
Drawings	2.50	3.00	3.40	3.50	3.70
TOTAL :	4.46	3.03	3.53	3.60	3.76
Opening Cash & Bank Balance	-	0.56	1.10	1.46	1.76
Add : Surplus	0.56	0.54	0.36	0.29	0.14
Closing Cash & Bank Balance	0.56	1.10	1.46	1.76	1.90

COMPUTATION OF DEPRECIATION

Description	Plant & Machinery	Furniture	TOTAL
Rate of Depreciation	15.00%	10.00%	
Opening Balance	-	-	-
Addition	1.06	0.10	1.16
Total	1.06	0.10	1.16
Less : Depreciation	0.16	0.01	0.17
WDV at end of Year	0.90	0.09	0.99
Additions During The Year	-	-	-
Total	0.90	0.09	0.99
Less : Depreciation	0.14	0.01	0.14
WDV at end of Year	0.77	0.08	0.85
Additions During The Year	-	-	-
Total	0.77	0.08	0.85
Less : Depreciation	0.11	0.01	0.12
WDV at end of Year	0.65	0.07	0.72
Additions During The Year	-	-	-
Total	0.65	0.07	0.72
Less : Depreciation	0.10	0.01	0.10
WDV at end of Year	0.55	0.07	0.62
Additions During The Year	-	-	-
Total	0.55	0.07	0.62
Less : Depreciation	0.08	0.01	0.09
WDV at end of Year	0.47	0.06	0.53

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