

# INSHA FOOD & BEVERAGE LTD.

## Project Profile



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## **Historical Background of Biscuit, Toast, Spice Industry:**

### **Biscuit and Toast:**



Who doesn't love a biscuit? Small or large, soft or crunchy. Iced, or covered with chocolate. Sandwiched together or packed full of fruity bits and nuts. Made with flour, made with oats. Sweetened with sugar, honey, spiced, plain. Dunked or spread with butter, the variety is almost infinite. There are savoury biscuits (crackers for cheese), but when we think of biscuits most of us think of the sweet treats that we associate with a quick moment of pleasure.

Whether you prefer your biscuits for a mid-morning 'elevenses' snack, to tide you over 'til lunch, or as a pick-me-up in the afternoon, you are part of a long tradition of keen biscuit eaters. From Roman rusks to 21st-century 3D printed titbits, **Food Historian Annie Gray** unpicks the toothsome history of a favourite snack.

### **The Earliest Evidence**

The earliest foods which we might call biscuits were probably baked on stones in the Neolithic era. However, archaeological remains of cooked grains do not fully reveal the form they took – cakes, porridges or flat, crisp biscuits. The term biscuit comes to English from the French biscuit (bis-qui), which itself has a Latin root: panis biscotus refers to bread twice-cooked.



The Romans certainly had a form of biscuit, what we'd now call a rusk and, as the name suggests, it was essentially bread which was re-baked to make it crisp. It kept for longer than plain bread, and was useful for travellers and soldiers' rations.

## **Medieval Biscuits**

By the 14<sup>th</sup> century, the word biscuit had appeared in English, and the definition was broadening. Twice-baked biscuits were still popular, both savoury and sweet. But other forms, related to pancakes, were also becoming more common. Wafers were one of the longest-lasting medieval biscuits, made of a sweetened batter which was cooked over a fire and could be moulded or rolled as technology improved.

These biscuits weren't just functional, but pleasurable as well. They were often eaten at the end of the meal, as a digestive, a role which biscuits would continue to play until the 20<sup>th</sup> century.

## **Ship's Biscuit**

The original long-lasting savoury biscuits didn't die out, however. Indeed, as ship-building techniques changed, and European populations grew, expanding across the globe, they became a very important part of naval provisions. The age of exploration morphed into the age of conquest and colonisation, and sailors spent increasingly long amounts of time at sea.

Ships took on fresh food where they could find it, but the staple ration was preserved meat and ship's biscuit. The earliest surviving example of a biscuit is from 1784, and it is a ship's biscuit. They were renowned for their inedibility, and were so indestructible that some sailors used them as postcards.

## **The Importance of Sugar**

Biscuits started to change in the 17<sup>th</sup> century. Prior to then, sugar had been very expensive, eaten only by the very rich, and imported from the near east. By the 1660s, Britain had colonised the West Indies, and a very dark part of world history had begun. Britain was not the only European country to participate in the slave trade, but it was the most significant. It implemented the plantation system in the West Indies and America,

and built an empire of sugar based on human misery. In Britain itself, the price of sugar fell, and the foods which used it became cheaper and more accessible.

The types of biscuits (and cake) grew, and many more people started to consume them, on many different occasions. Although Britain abolished its slave trade in 1807, and slavery itself in 1833, sugar continued to be produced under horrific conditions for many decades. In America slavery was not abolished until 1865.

## **Wiggs of Many Types**

Improved access to ingredients was not the only reason for a biscuit boom in the 17<sup>th</sup> century. Cooking technology was changing too, and food was undergoing a quiet revolution as Italian and then French influences came to bear. The old guild system was breaking down, and, try as they might, the bakers' guilds could not stop people baking biscuits at home.

New types of biscuit found their way into recipe books: boiled and then baked, both jumbels and cracknels were knotted into intricate shapes. Macaroons melded meringues with nuts and took advantage of the magical properties of a stiff egg foam. Rice cakes showcased the usefulness of flours beyond the standard wheaten flour, while in Germany in particular, gingerbreads became a true mark of regional identity.

There was a lot of crossover between breads and cakes. One popular recipe was for wiggs, which were neither one nor the other, and were both eaten for breakfast, and dunked into chocolate as an afternoon snack.

## **Savoys and Ratafias**

Chocolate was one among three new beverages to be introduced in the 17<sup>th</sup> century. Coffee and tea also came into Britain, and would play a role in the history of biscuits. Until the 18<sup>th</sup> century biscuits were still mainly eaten as part of the dessert course, along with some casual nibbling. But as tea became entrenched in the British social scene, biscuits became an integral part of a new ritual, which would eventually become known as afternoon tea.

The 18<sup>th</sup> century also saw the development of two biscuits which would become larder staples in Britain: savoy's and ratifias. The former were often baked in long tins, and by the 20<sup>th</sup> century would be known as ladyfingers, while the latter were very crisp and almond flavoured. Both were used a lot in cooking, especially for that British classic, trifle.

## **Boom time for Biscuits**

By the 19<sup>th</sup> century, biscuits were everywhere. They were easy to make at home, and there was a type for every occasion. The middle and upper classes, who sat down to meals of several courses, ate them for dessert, which also consisted of ice cream, fruit and nuts. This was the time for flavoured mini-meringues and macaroons, wine biscuits (intended to accompany wine), and a type of biscuit which was bewilderingly difficult to define: the petit four.

Petit four means 'small oven', and was the name given to tiny, delicate biscuits cooked in a low oven after things needing a higher temperature had been removed. They were usually cut into intricate shapes. They were sometimes coloured, always decorated, and could be flavoured with all sorts of things. They were a classic dessert biscuit.

Meanwhile, snack biscuits boomed too, mainly based on sponge types, which was relatively plain and lent themselves to a nice cup of tea. [Queen Victoria](#) was a huge fan, and had biscuits cooked at Windsor before being sent to whichever palace she was resident, such as her beloved [Osborne](#) on the Isle of Wight. These included langues de chat, chocolate sponges, wafers, petits fours, and rice cakes. She was a hearty eater.

## **The Big Names**

Britain went through two industrial revolutions which led, by the end of the 19<sup>th</sup> century, to mass-manufacturing on a huge scale. First steam power, and then electricity, meant that by the 1880s factories could produce biscuits for everyone. Big names included Peak Freans and Huntley & Palmers. New favourites came thick and fast: gems (later iced) in the 1850s, garibaldi's in 1861, Osborne biscuits in 1860 (named for Osborne House), the pearl (the precursor to the rich tea) in 1865, the Marie in 1873, and the first chocolate digestive in 1899. Savoury biscuits were important too, and Jacobs' cream cracker came along in 1885. Many biscuit companies produced special tins using new printing technology, which quickly became collectable items.

Sugar was still a fundamental part of the biscuit story, and in 1874 the British removed the import duty on it, meaning that it instantly became cheap enough for everyone to afford. Sugar became a huge part of the diet of the poor, but further up the social scale it gave a huge boost to biscuit-makers.

Meanwhile sugar from beet, as opposed to cane, was steadily increasing. After the First World War and the sugar shortages it occasioned the first sugar beet processing factories were built in Britain, and slowly it eclipsed sugar cane as the major source of sugar in the UK.

## **The Modern Biscuit and Beyond**

Today, we are surrounded by biscuits. In recent years, as sugar has come under the spotlight as a contributor to health problems in the western world, biscuits have fallen under a shadow. But biscuits are small, and not intended to be eaten a packet at a time.

During the Second World War, their role as a tiny element of comfort was paramount, and today baking biscuits at home continues to bring joy and relaxation in difficult times. They come in infinite varieties, are satisfying to eat, and, thanks to the popularity of the Great British Bake Off and other such programmes, most of us know at least the basic principles of how to make them. They can even be made using a 3D printer.

From their early days as a practical food, to the explosion of types and techniques in the 19<sup>th</sup> century, biscuits have a long and fascinating history. Whether you prefer a digestive or a bourbon, a pink wafer or a jammie dodger, there is a biscuit for everyone – and I'll happily raise my cup of tea to that.

## **Spice:**



### **EARLY HUMANS**

Abundant anecdotal information documents the historical use of herbs and spices for their health benefits (1). Beginning 6 million years ago, early man co-evolved with the flowering plants in the world around him (2). Early documentation suggests that hunters and gatherers wrapped meat in the leaves of bushes, accidentally discovering that this process enhanced the taste of the meat, as did certain nuts, seeds, berries, and bark. Over the years, spices and herbs were used for medicinal purposes. They were also used as a way to mask unpleasant tastes and odors of food, and later, to keep food fresh (3). Ancient civilizations did not distinguish between those spices and herbs used for flavoring from those used for medicinal purposes. When leaves, seeds, roots, or gums had a pleasant taste or agreeable odor, they became in demand and gradually became a norm for that culture as a flavor enhancer.

### **BIBLICAL TIMES**

From the dawn of biblical times (17th century BC), spices were prized for a wide variety of uses including religious offerings, burial rituals, medicines, trade, and seasoning. Spices are mentioned numerous times throughout the Bible. In the Song of Solomon, several culinary spices are mentioned including cinnamon and saffron (2). In 1000 BC, Queen Sheba visited King Solomon in Jerusalem and offered him "120 measures of gold, many spices, and precious stones" (2 Chronicles 9:9). The people of Israel described manna bread as being "white like coriander seeds" (Exodus 16:31). The New Testament refers to a religious tithing of "a tenth of your spices - mint, dill, and cumin" (Matthew 23:23) and spices were described as anointing the body of Jesus (Mark 16:1).

## ANCIENT EGYPT

A summary of ancient Egyptian medical practices, the *Ebers Papyrus* (1500 BC), cited medical treatments consisting of caraway, coriander, fennel, garlic, mint, onion, peppermint, poppy, and onion (4). Onion and garlic were of particular importance. Laborers who constructed the Great Pyramid of Cheops consumed onion and garlic to promote health as well as stamina and garlic cloves were found in the tomb of King Tutankhamen. Some ancient Egyptians even placed wooden figures of garlic cloves in their tombs to ensure a tasty and wholesome afterlife. The Egyptians also enjoyed flavoring their food with cardamom and cinnamon which they sourced from Ethiopia (3).

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## EARLY CHINESE INFLUENCE

According to ancient myths, Shen Nung likely wrote *Pen Ts'ao Ching* (The Classic Herbal) around 2700 BC. The early publication mentioned more than a hundred medicinal plants including the spice cassia, which is similar to cinnamon (called "kwei"). A later, more comprehensive Chinese herbal, *Pen Ts'ao Kang Mu* was published in 1596 BC by Li Shih Chen. Other historical evidence suggested that cassia was an important spice in South China when the province Kweilin, meaning "Cassia Forest", was founded around 216 BC.

Early on, nutmeg and cloves from Moluccas were brought to China. Anecdotal evidence suggests that Chinese courtiers in the 3rd century BC carried cloves in their mouths so their breath was sweet when addressing the emperor. During the 5th century AD, ginger plants were grown in pots and carried on long sea voyages between China and Southeast Asia to provide fresh food and to prevent scurvy.

## ANCIENT MESOPOTAMIA

Ancient cuneiform records noted spice and herb use in Mesopotamia in the fertile Tigris and Euphrates valleys, where many aromatic plants were known. Sumerian clay tablets of medical literature dating from the 3rd millennium BC mention various odoriferous plants, including thyme. A scroll of cuneiform writing, established by King Ashurbanipal of Assyria (668-633 BC), records a long list of aromatic plants, such as thyme, sesame, cardamom, turmeric, saffron, poppy, garlic, cumin, anise, coriander, silphium, dill, and myrrh. The ancient Assyrians also used sesame as a vegetable oil.



King Merodach-Baladan II (721-710 BC) of Babylonia grew 64 different species of plants in his royal garden. He kept records on how to cultivate many spices and herbs such as cardamom, coriander, garlic, thyme, saffron, and turmeric. The religion of Babylonia involved an ancient medical god of the moon, who controlled medicinal plants. Potent parts of herbs were not allowed sun exposure and were harvested by moonlight.

Onions, garlic, and shallots became popular condiments in Persia by the 6th century BC. Records from King Cyrus (559-529 BC) noted a wholesale purchase of 395,000 bunches of garlic. Persians also produced essential oils from roses, lilies, coriander, and saffron.

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## INDIAN ORIGINS

Spices and herbs such as black pepper, cinnamon, turmeric, and cardamom have been used by Indians for thousands of years for both culinary and health purposes. Spices indigenous to India (such as cardamom and turmeric) were cultivated as early as the 8th century BC in the gardens of Babylon (2).

Sushruta, an ancient surgeon (around 4th century BC), used white mustard and other aromatic plants in bed sheets to ward off malignant spirits. He also applied a poultice from sesame to postoperative wounds which may have acted as an antiseptic.

Medical writings of Charaka (1st century) and Sushruta II (2nd century) referenced spices and herbs. Sushruta II also used spices and herbs such as cinnamon, cardamom, ginger, turmeric, and pepper for healing purposes. Spices such as cardamom, ginger, black pepper, cumin, and mustard seed were included in ancient herbal medicines for different types of health benefits. In Ayurvedic medicine, spices such as cloves and cardamom were wrapped in betel-nut leaves and chewed after meals to increase the flow of saliva and aid digestion.

## ARAB AND MUSLIM INFLUENCE

Early on, spices were used as a source of trading. During the ancient Roman Empire, trade routes were established with Arabia. Traders supplied cassia, cinnamon, and other spices and deliberately kept the source of their products secret. The intent was to have a monopoly on the spice trade and the Arabians spun great tales about how they obtained the spices in order to keep their resource value high. They continued to keep the origins secret for several centuries from both ancient Greek and ancient Roman civilizations until about the 1st century AD, when the Roman scholar Pliny made the connection between the Arabian stories and price inflation.

Mohammed (AD 570-632), who established the principles of Islam in the Koran, also co-owned a shop that stocked myrrh, frankincense, and Asian spices. For 4 centuries following the death of Mohammed, his followers (Mohammedans) created a flourishing civilization. The Mohammedans were outstanding scientists for their time. They advanced the process of extracting flower scents from blossoms and herbs and created techniques to distill essential oils from aromatic plants. Later (around the 9th century AD), Arab physicians used spices and herbs to formulate syrups and flavoring extracts.

## AGE OF EXPLORATION

Marco Polo mentioned spices frequently in his travel memoirs (around AD 1298). He described the flavor of the sesame oil of Afghanistan and the plants of ginger and cassia of Kain-du (the city of Peking), where people drank a flavorful wine of rice and spices. He reported that the wealthy in Karazan ate meat pickled in salt and flavored with spices, while the poor had to be content with hash steeped in garlic. He mentioned that in Hangchow, 10,000 pounds of pepper were brought into that heavily populated city every day. Polo also described vast plantings of pepper, nutmeg, cloves, and other valuable spices he had seen growing in Java and in the islands of the China Sea, and the abundance of cinnamon, pepper, and ginger on the Malabar Coast of India. Some anecdotal evidence suggests that Polo's accounts led to an increased international spice trade during the 13th and early 14th centuries.

The ancient Mesoamerican civilizations enjoyed a rich heritage of spice and herb usage and many spices popular today were only introduced to the outside world after the European discovery of America. When Christopher Columbus set out on his second voyage (AD 1493), he brought along Spanish physician Diego Chanca, who introduced capsaicin (red pepper) and allspice to Spanish cuisine. Vanilla is another spice that is native to Mexico. It was an Aztec tradition to drink chocolate beverages with a dash of vanilla. To this day, vanilla is a common ingredient in many chocolate beverages and candies. The *Badianus Manuscript* (AD 1552) is the oldest herbal text from the Americas and it includes ancient Mesoamerican prescriptions for a variety of afflictions.

King Manuel I of Portugal had a large influence on bringing spices to his country. Several sea voyages helped establish a trade route to India. By AD 1501, via the port of Lisbon, Portugal had large quantities of Indian spices such as cinnamon, cassia, ginger, pepper, nutmeg, mace, and cloves. The King sent trade missions to develop new markets for his spices throughout Europe, especially in Germany. As the spice wealth poured into Lisbon, the Portuguese crown monopolized the lucrative but risky pepper trade. Cargoes of East Indian vessels were sold at high prices by the King of Portugal to large European

syndicates. As in medieval times, the price of pepper served as a barometer for European business in general.

## MODERN SPICE USAGE

Unlike earlier times when monopolies dominated the spice trade, commerce in spices is now relatively decentralized. Throughout the world, spices and herbs are frequently used in cuisine, to improve flavor, and to provide new tastes. Spices can be found everywhere, including outer space: in 1982, spices were incorporated into astronaut food for the United States space shuttle program.

The information age (mid-20th century) has ushered in a new age of global cuisine sharing. Curious home cooks increasingly prepare meals from a wide range of ethnic heritages using an increasing array of spices. The United States Department of Agriculture (USDA) reports that the consumption of spices in the US has climbed exponentially over the course of the last half-century, and spices such as ginger and chili pepper are being used more frequently than ever before.

There is also a renewed interest in the health benefits of spices and herbs. Data from 2015 indicates that 5-10% of adults in the United States use botanical supplements such as spices, for health benefits (11). The 2020-2025 US Dietary Guidelines for Americans states that *“Spices and herbs can help flavor foods when reducing added sugars, saturated fat, and sodium, and they also can add to the enjoyment of nutrient-dense foods, dishes, and meals that reflect specific cultures”*.

One of the most promising developments for spices in modern times is that scientific evidence is accumulating that supports the anecdotal health benefits touted by our ancestors. Research shows that culinary spices and herbs may have beneficial effects in areas such as heart health, cognition, and weight management as well as improving diet quality by making healthier foods more acceptable to consumers. The body of scientific evidence is ever expanding to support the wisdom of our ancestors throughout the ages.

## Summary of Bangladesh:



**Historical Background:** The history of Bangladesh is an eventful combination of turmoil and peace, as well as prosperity and destitution. It has thrived under the glow of cultural splendor and suffered under the ravages of war. The territory now constituting Bangladesh was under the Muslim rule over five and a half centuries from 1201 to 1757 A.D. Then it was ruled by the British, after the defeat of the last sovereign ruler of Bengal, Nawab Siraj ud-Daulah, at the Battle of Plessey on the fateful day of June 23, 1757. The British ruled over the entire Indian sub-continent including this territory for nearly 190 years from 1757 to 1947. During that period Bangladesh was a part of the British Indian provinces of Bengal and Assam. With the termination of the British rule in August, 1947 the sub-continent was partitioned into India and Pakistan. Bangladesh then became a part of Pakistan and was named as East Pakistan. It remained so for about 24 years from August 14, 1947 to March 25, 1971. It appeared on the world map as an independent and sovereign state named Bangladesh on December 16, 1971 following victory at the War of Liberation (from March 25 to December 16, 1971).

**Geographical:** Bangladesh lies in the north eastern part of South Asia between 20° 34' and 26° 38' north latitude and 88° 01' and 92° 41' east longitude. The country is bounded by India on the west-north and north-east while Myanmar on the south-east and the Bay of Bengal on the south. The area of the country is 56,977 sq. miles or 1,47,570 sq. k.m. The limits of territorial water area of Bangladesh are 12 nautical miles and the area

of the high seas extending to 200 nautical miles measured from the baselines constitutes the economic zone of the country. Bangladesh won in Arbitral Tribunal/PCA more than 1,18,813 square kilometers of waters comprising territorial sea, exclusive economic zone extending out to 200 NM across sizable area, and also has undeniable sovereign rights in the sea bed extending as far as 354 NM from Chattogram coast in the Bay of Bengal with all the living and non living resources. To achieve an equitable result, the tribunal awarded Bangladesh 19,467 sq km of area out of total disputed area of 25,602 sq km (approx).

**Physiographic:** Except the hilly regions in the north-east, south-east and some areas of high land in the northern part, the country consists of plain and fertile land. A network of rivers exists in the country of which the Padma, the Jamuna, the Teesta, the Brahmaputra, the Surma, the Meghna and the Karnaphuli are prominent. All those rivers have 230 tributaries with a total length of about 24140 kilometers. The alluvial soil is thus continuously being enriched by heavy silts deposited by rivers during the rainy season.

**Flora and Fauna:** Of the total area of Bangladesh, forest lands account for almost 21.05% of its geographical surface. The total forest land includes classified and unclassified state lands and homestead forests and tea/rubber gardens. The Sundarban is the largest mangrove forest in the world. It lies at the southern part of the Ganges delta and is spread across the coastal areas of Bangladesh and West Bengal of India. The section of Sundarban that belongs to Bangladesh has been listed in the UNESCO world heritage. The Sundarban is known for its wide range of fauna. Sundarban is the home of the world famous 'Royal Bengal Tiger'. Numerous species of birds, spotted deer, crocodiles and snakes also inhabit there. The country produces timber, bamboo and cane. Bamboos grow in almost all areas but quality timber grows mostly in the hilly region of country. Among the timber sal, gamari, chaplish, telsu, jarul, teak, garjan and sundari are valuably important. Plantation of rubber in the hilly regions of the country was undertaken and extraction of rubber had already been started.

**Climate:** Bangladesh enjoys generally a sub-tropical monsoon climate. While there are six seasons in a year, three namely, Winter, Summer and Monsoon are prominent. Winter which is quite pleasant begins in November and ends in February. In Winter there is not usually much fluctuation in temperature which ranges from minimum of 7 °C—13 °C (45 °F—55 °F) to maximum of 24 °C—31 °C (75 °F—85 °F). The maximum temperature recorded in Summer is 37 °C (98 °F) although in some places this occasionally rises up to 41 °C (105 °F) or more. Monsoon starts in July and stays up to

October. This period accounts for 80% of the total rainfall. The average annual rainfall varies from 1429 to 4338 millimeters. The maximum rainfall is recorded in the coastal areas of Chattogram and northern part of Sylhet district, while the minimum is observed in the western and northern parts of the country.

**Population:** The Bangladesh Bureau of Statistics conducted the fifth decennial population census in the country on March 15-19, 2011. As per population census 2011 report the population (adjusted) of the country stood at 149.77 million in 2011. The male population was 74.98 million and female 74.79 million. The inter censal growth rate of population 2011 census was 1.37 per annum. The density of population was 843 per sq.km. in 2001 which increased to 976 per sq.km. in 2011. The sex ratio of the population is 100.25 males per 100 females. There were 32.1 million households in the country distributed over 56,348 mauzas (revenue villages). Bangladesh Bureau of Statistics introduces Sample Vital Registration System (SVRS) in 1980 to determine the annual population change during inter-censal period. As reported in the SVRS the population (estimated) of the country stood at 162.7 million in 1 July, 2021. The male population was 81.4 million and female 81.3 million. The inter censal growth rate of population 2017 SVRS was 1.37 per annum. The density of population was 1090 per sq.km. in 2016 which increased to 1103 per sq.km. in 2017. The sex ratio of the population is 100.2 males per 100 females.

**Labour Forces:** The total employed population (million) 15+ of the country has been estimated at 63.5 million as per Report of Labour Force Survey, 2016-17, of which 43.5 million are male and 20.0 million are female while it was 62.2 million for both sex, 43.1 million for male and 19.1 million for female in Labour Force Survey 2015-16 as per usual definition.

**Capital and other Cities average:** Dhaka, formerly Dacca, is the capital and the largest metropolitan city of the country. The city is within the monsoon climate zone, with an annual average temperature of 25 °C (77 °F) and monthly varying between 18 °C (64 °F) in January and 29 °C (84 °F) in August. Chattogram is the main sea port and second largest metropolitan city of Bangladesh and has extensively developed port facilities for ocean steamers.

**Administrative Setup:** Bangladesh is governed by a Parliamentary Form of Government. The President is the head of the State while the Prime Minister is the head of the Government. According to the Constitutions, the Prime Minister is appointed by



the President based upon the result of the electorate's choice in parliamentary general election. The Prime Minister is selected by the President. The Prime Minister is assisted by a council of ministers in discharging his/her duties. For the convenience of administration, the country is divided into eight administrative divisions; each is placed under a Divisional Commissioner. Each division is further sub-divided into zilas (Districts). After the administrative re-organization carried out in 1984, the country has been divided into 64 zilas. Each zila is headed by a Deputy Commissioner (DC) who is assisted by other officials. Each zila is further divided into a number of Upazilas (Sub district) headed by Upazila Nirbahi Officer(UNO).

**The legislature:** The constitution provides a Parliament for Bangladesh (to be known as the House of the Nation) in which legislative power of the Republic is vested. It consists of 300 members directly elected by adult franchise. The Members of House of the nation elect another 50 female members. Thus, the total number of members of the House is 350.

**The Judiciary:** The Supreme Court of Bangladesh is the highest judicial organ and comprises of the Appellate Division and the High Court Division. The Supreme Court of Bangladesh is headed by a Chief Justice. The Supreme Court serves as the guardian of the constitution and enforces the fundamental rights of the citizens. The Appellate Division hears and determines appeals from judgments, decrees, orders or sentences of the High Court Division. At the district level, the district court is headed by Sub judge who is assisted by Additional District Judge, subordinate judges, assistant judges and magistrates.

**Local Government:** The tiers of Local Government are (i) Union Parishad, (ii) Upazila Parishad, and (iii) Zila Parishad. However, in the urban areas, there are two types of Local Government System –namely (i) Pourashava (Municipality) and (ii) City Corporation. The Local Government bodies are constituted by the representatives directly elected by the people.

**Fundamental Foreign Policy of Bangladesh:** The fundamental Foreign Policy of Bangladesh is - The state shall base its international relations on the principles of respect for national sovereignty and equality, non-interference in the internal affairs of other countries, peaceful settlements of international disputes, and respect for international law on the principles enunciated in the United Nations Charters and on the basis of those principles shall – a. (a) Strive for the renunciation of the use of force in international

relations and for general and complete disarmament, b. (b) Uphold the right of every people freely to determine and build up its own social, economic and political system by ways and means of its own free choice, and Support oppressed peoples throughout the world waging a just struggle against imperialism, colonialism or racialism.

**Communication System** The country has about 2835 kilometers of rail-way, 21269 kilometers of paved road and roughly 6000 kilometers of perennial and seasonal waterways. Side by side with development of road transport, efforts are under way to develop the water transport system. In fact, rivers are the life line of the nation, which provide the cheapest means of transport, water for agricultural operation and ensure supply of fish for people. Steps have been taken to put more mechanized boats into service and modernize the existing country boats. Regarding air transport facilities, Dhaka is connected by air with London, Bangkok, Abudhabi, Tokyo, Kuala Lumpur, Singapore, Karachi, Mumbai, Kolkata, Dubai, Jeddah, Kathmandu, Yangon, Kuwait, Rome and Bahrain by her national airline (Biman). A number of foreign airlines operate the international services with a link to Dhaka. Regular air services are operated by the Biman between Dhaka and other major towns in the country. The two sea ports of Bangladesh are situated in Chattogram and Mongla. Payra sea port is the 3<sup>rd</sup> sea port of Bangladesh located on the bank of Rabnabad Channel under Kalapara, Patuakhali. Among the river ports and terminals, Dhaka, Narayanganj, Chandpur, Barishal, Khulna, Aricha, Paturia, Goalando, Jagannathganj ghat, Bhairab Bazar, Bahadurabad and Fulchari ghat are important. The country has a network of radio and television broadcasting. There were two television stations in Dhaka and Chattogram under government and it increased to 17 stations. Presently 31 television channels are broadcasting under the government & private ownerships. The television system was introduced in 1965 and since then sub-stations have been set up in Sylhet, Khulna, Rangpur, Mymensingh, Natore, Noakhali, Satkhira, Cox's Bazar, Rangamati, Thakurgaon, Patuakhali, Brahmanbaria, Jhenaidah, Rajshahi etc. The Colour Television system was introduced on 1st December, 1980. An extensive telecommunication system has connected the capital city with other places within the country. Telecommunication lines have also been established with major cities of the world through the earth satellite ground stations at Betbunia in the Chattogram Hill-Tracts and Talibabad (Kaliakoir) in Gazipur Zila. In order to cater the high speed of data communication Bangladesh has already been linked with information superhighway through submarine cable in the Bay of Bengal.

**Education and Culture:** The education system of Bangladesh is divided into Three levels (i) Primary (from grades 1 to 8), Secondary (from grades 9 to 10), Higher

Secondary (from grades 11 to 12) and Tertiary. Besides, there are some private institutions providing English medium education. They offer 'O' level and 'A' level courses. The highest allocation in the national budget for education exposes that Government of Bangladesh is very much keen for human resources development through education. Bangladesh has also Madrasa system of education which emphasizes on Arabic medium Islam-based education. This system is supervised by the Madrasa Board of the country. Bangla is the mother tongue of Bangladesh. But to establish Bangla as the mother language, Bangalees had to sacrifice their lives. A number of People were martyred in February 21, 1952 to establish the rights of mother language. In recognition of their supreme sacrifice, UNESCO declared 21st February as the "International Mother Language Day" throughout the world. Bangladesh has a rich historical and cultural past; combining Indo-Aryan, and Mongolian, Mughal, Arab, Persian, Turkish and West European cultures. Bangladesh has a unique cultural history, dating back more than 2500 years ago. The land, the rivers and the lives of the common people combined have formed a rich heritage. The culture of Bangladesh is composed of different forms, including music, dance and drama, art and craft, folklores and folktales, language and literature, philosophy and religion, festivals and celebrations etc. Festivals and celebrations are an integral part of the culture of Bangladesh. Pohela Baishakh (Bengali New Year), Independence Day, Victory Day National Mourning Day, Eid-ul-Fitre, Eid-ul-Azha, Muharram, Durga Puja, Shahid Dibash and International Mother Language Day, Buddha Purnima etc. are widely celebrated, across the country. Bangladeshis are great enthusiasts of sports and games. Football, handball, basketball, volleyball, table tennis, hockey, badminton, cricket, kabadi, swimming, boat racing and lawn tennis are some of the most popular outdoor games in this country.

**Agriculture and Main Crops:** Bangladesh is mainly an agricultural country. Agriculture is the single largest producing sector of the economy and contributes about 13.82 % to the total Gross Domestic Product (GDP) of the country. This sector also accommodates around 40.6% (in 2016-17) of labour force. GDP growth rate of Bangladesh mainly depends on the performance of the agriculture sector. Due to natural calamities like flood cyclone, drought, loss of production in both food and cash crops are almost a regular phenomenon. Yet in recent years, there has been a substantial increase in food grain production. Agricultural holding in Bangladesh is generally small but use of modern machinery and equipment is gradually increasing. Rice, jute, sugarcane, potato, pulses, wheat, tea and tobacco are the principal crops of Bangladesh. Crop diversification programme, credit supply, extension work, research and input distribution policies

pursued by the government are yielding positive results. The country is now on the threshold of attaining self-sufficiency in food grain production.

**Fish Wealth:** Bangladesh is rich in fish wealth. In the innumerable rivers, canals, tanks and other lowly in ganddepressed areas and paddy fields that remain under water for about 6 months in a year and cover nearly 12 million acres, tropical fish of hundreds of varieties are cultivated. Rice and fish constitutes an average Bangladeshi's principal diet. Hilsa, lobsters and shrimps are some of the fish varieties that are exported to foreign countries. Having the Bay of Bengal in the south of the country enjoys geographic advantage for marine fishing.

**Mineral Resources:** Energy Bangladesh has a few proven mineral resources. The country has enormous deposit of natural gas. So far, 17 gas fields have been discovered from which natural gas is available for power-generation, industrial and other uses. Fertilizer factories that are operating in the country including the petro-chemical complex at Ashuganj and also those yet to be commissioned in near future are and will be using sizeable quantity of natural gas. Coal deposits have been found in Bangladesh and mining activity is going on with international assistance. Electricity is produced by both thermal and hydro-electric process. The total generation of electricity amounted to 55346 million kilowatt hours in 2016-17. The solitary hydro-electric project having installed capacity of producing 230 m.w. electricity is located at Kaptai in the Chattogram Hill Tracts. Limestone, the basic raw material for the production of cement, has been found in some places in the country and cement factories are being set up for their utilization. Other minerals found include hard rock, lignite, silica sand, white clay, etc. Salt is manufactured on a small scale at several thousand evaporation sites in the coastal areas of Chattogram and Cox's Bazar. Extensive radio-active sand deposits have been found all along the beaches from Kutubdia to Teknaf. A survey estimates the reserve to be of the order of 0.5 million tons of sand contain in gas ignificant amount of usable heavy minerals.

**Industries:** Although Bangladesh is predominantly an agricultural country. A large number of large-scale industries based on both indigenious and imported raw materials have been set up. Among them ready- made garments, cotton textile, pharmaceuticals, fertilizer, wood product, iron and steel, ceramic, cement and plastic product, chemical are important ones. Other notable industries are engineering and shipbuilding, oil refinery, paints, colours and varnishes, electric cables and wires, electric lamps, fluorescent tube lights, other electrical goods and accessories, matches, cigarettes, etc.. Among the cottage

industries, handlooms, carpet-making, shoe-making, coir, bamboo and cane products, earthenware, brass and bell metal products, bidi and cheroots, small tools and implements, ornaments, etc. are important. The manufacturing sector contributes about 18% of the GDP. Growth rate of manufacturing sector is dominated by ready-made garments. Bangladesh is the fifth largest garment exporter to the European Union and among the top ten apparel suppliers to the US. In the past two decades, Bangladesh has emerged as a very successful manufacturer and exporter of ready-made garments.

**Finance, Banking and Insurance:** Bangladesh has a mixed banking system comprising nationalized, private and foreign commercial banks. Bangladesh Bank is the central bank of the country and is entrusted with the responsibilities of formulating monetary policies of the Government and controls all commercial banks. The Grameen Bank is a core microfinance organization and also community development bank in Bangladesh providing small loans (known as microcredit) to impoverished people without requiring collateral. The system is based on the idea that the poor have skills that are under-utilized but do not have the capacity to take loan from conventional banks by providing collateral. The bank also accepts deposits, provides other services, and runs several development-oriented businesses including fabric, telephone and energy companies. In recent years, the banking system has been greatly changed. In light of the avowed Government policy of encouraging the private sector to play its due role in economic development of the country. The Government has allowed setting up of commercial and investment banks in the private sector. In response to this encouraging Government policy quite a number of commercial and investment banks including some Islamic banks have been set up in the private sector and have started functioning. There are other specialized financial institutions namely, House Building Finance Corporation, Bangladesh Krishi (Agriculture) Bank, Bangladesh Shilpa (Industrial) Bank, Bangladesh Shilpa Rin Sangstha (Industrial credit organization) and Co-operative Banks which are operating in their respective fields to facilitate these sectors by providing credit and other services at convenient terms. Industrial Credit and Investment Corporation of Bangladesh has also been set up by the Government to provide equity support to public limited companies in the private sector. In the field of insurance the Government has allowed both public and private sectors to operate life as well as non-life insurance business in order to develop a strong competition. In the public sector, there are one Jiban Bima Corporation and Postal Life Insurance for the life insurance business and one Shadharan Bima Corporation for general insurance business. In the private sector more than sixtyone (61) companies are engaged in life and general insurance business.

**Tourists attractions:** Bangladesh is a large delta laden with bounties of nature. The borderland along the north-east, east and the south-east is evergreen forested hills with wondrous wildlife. All her six seasons vibrate with fairs and festivals, mirth and merriment. Though Bangladesh is one of the world's smallest countries, it has the world's longest unbroken sandy sea-beach along the Bay of Bengal at Cox's Bazar, The Sundarbans, (the largest mangrove forest), the home of the Royal Bengal Tiger and the spotted deer, it is recognized as the part of world heritage by UNESCO for being the diffuse home of flora and fauna. Dhaka - the capital known as the city of mosques, Rangamati - the heart of the panoramic lake district, Sylhet-land of holy shrines of great religious saints and of fascinating hills and tea gardens, Chattogram - the largest port city and the Commercial Capital of the country known as the city of holy shrines, Mainamati, Mohasthanagarh and Paharpur archaeological treasures in the country over the period from 300 BC to 1200 AD. Saint Martin's, a beautiful coral island about 10 km south-west of the southern tip of the mainland is a tropical slime, with beaches fringed with coconut plants and beautiful marine life are one of the most attractions in the country. Except these, Kuakata's long and wide unique beach and Foy's lake, a man-made lake in Patuakhali sets amidst picturesque surroundings is the natural form. Above all river is beauty, colourful tribal life and simple village life of the friendly millions are the main motivational factors for potential visitors. Bangladesh has a variety of attractions for visitors, tourists and holiday makers including archaeological sites, historical mosques and monuments, resorts, beaches, anthropological communities, forests, flora and fauna..



## **Executive Summary:**



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INSHA FOOD & BEVERAGE LTD. is a limited company registered with the RJSC vide Incorporation No. C 165875/2020 dated 18/11/2020. The factory is located in the prime location of 28, South Noapara, Tarabo, Rupgonj, Narayangonj with the area of 77 Decimel. As it is an industrial area so roads and other facilities like Electricity, Water, Gas etc. are up to the mark. For un interrupt production the factory contains its own generator facility. However, The company has been involved in field of Food processing items under the proprietorship concern named INSHA AGRO FOODS for 100% foreign buyers for many years with reputation and goodwill. Now because of our products demand in the market we have opened the above mentioned Limited Company where the Proprietorship business also will be merged and will increase the new business capacity. Our intention is to manufacture different types of Food item (Biscuit, Spice, Toast, Beverage) with vast choice of colors and shape that will meet all the requirements of a quality standard. We are primarily focusing to the very large middle eastern market as well as European and USA market and all other untapped markets around the world. As Food item (Biscuit, Spice, Toast, Beverage) uses in our every day life and these are the basic necessity of ours, so we are intend to keep the price in reach of all section of the society from higher income to lower income group and for doing that, the company is operating its production with imported high quality Capital Machineries mainly from Japan and China. As the Food item (Biscuit, Spice, Toast, Beverage) market has been growing by 13%-15% per year and considering global eco political situation this growths are hoping to be exhilarate in near future, so the business has a strong market position and a coherent strategy. Thus, the company has established clear steps to achieve its objective. For growing future market it is planning to increase sales by about 5-10 percent in every year for the next years and takeover main competitors. It is also planning to franchising in almost every major Countries of the world, multiplying current sales by exporting to abroad unexplored market in the world. The company is also going to

upgrade its current machineries and equipments, launch new color types, finest finishing work, moving service online to grow sales and profit in the next years.

INSHA FOOD & BEVERAGE LTD. has set targets that they are committed about achieving. First year the business will achieve sales of BDT. **2,610,974,728** by using 80% of the total capacity. Sales will grow by around 5-10 percent each year to reach the figure of BDT. **2,964,507,729** at the third of the period by using 90% of the total production capacity. By the final year of this plan the business will be achieving a sales of BDT. **3,227,211,581** by using 95% of the total production capacity. This will represent a good return and provide sufficient retained earnings for future development plans.

## Project Summary

<u>SL</u>	<u>Description</u>	<u>Remarks</u>
1	Name of the Company:	INSHA FOOD & BEVERAGELTD.
2	Project Address:	<p><u>Head Office:</u> Orchard Faruque Tower, 72 Naya Paltan (7th Floor), Flat # 7D, Dhaka 1000.</p> <p><u>Factory Address:</u> 28, South Noapara, Tarabo, Rupgonj, Narayangonj.</p>
3	Corporate Setup:	Limited
4	Share Capital:	
	i) Authorized Capital	50,000,000
	ii) Paid Up Capital	3,000,000
5	Nature of the Company:	Biscuit, Spice, Toast & Beverage Manufacturer
6	Product:	Various type Biscuit, Spice, Toast & Beverage
7	Raw Materials:	Wheat Flour, Sugar, Palm Oil, Dalda, Marjrin, Baking Powder, Lemon Yellow Color, Refine Salt, Coconur Flavor, Vanillin Powder, Coconut Powder, Chilly (Taja), Chilly (Desi) etc.
8	Utility (Electricity + Water + Gas):	Available
		<div>1st Year</div> <div>2nd Year</div> <div>3rd Year</div> <div>4th Year</div> <div>5th Year</div>
9	Production Capacity:	
	<b>Product (In Kgs)</b>	<b>At 100%</b> <b>70%</b> <b>75%</b> <b>80%</b> <b>85%</b> <b>90%</b>
	1)Biscuit	2,325,600      1,751,040      1,867,320      1,983,600      2,058,840      2,134,080
	2)Spice	1,335,840      989,736      1,056,528      1,123,320      1,171,896      1,220,472
	3)Beverage	4,702,500      3,291,750      3,526,875      3,762,000      3,997,125      4,232,250
	4)Toast	1,442,100      1,037,685      1,109,790      1,181,895      1,244,595      1,307,295
	5)Chanachor & Others	752,400      639,540      677,160      714,780      714,780      714,780
	<b>Total</b>	<b>3,078,000      2,390,580      2,544,480      2,698,380      2,773,620      2,848,860</b>
10	Implementation Plan:	To be Implemented with financial assistance from bank and equity contribution.

11 Means of Finance

SL	Project		Amount	Working Capital		Total
	Particulars	%		%	Amount	
1	Bank	31	289,218,241	60%	648,107,794	937,326,036
2	Owners Equity	69	644,547,675	40%	432,071,863	1,076,619,538
		100	933,765,916	100	1,080,179,657	2,013,945,573

12 Market: Domestic

13 Employment Generation:

Factory 191.00

Head Office 85.00

14 Average Cost Per Job Monthly: 31,138

15 Purpose and Security of the Loan:

The above mentioned loan is required to enhance the capacity of the current project under the project finance and to meet up day to day expenditure of the company under the form of OD (Overdraft) finance and security would be given as the form 77 Decimel Land valued Tk. 52.05 Crore located at 28, South Noapara, Tarabo, Rupgonj, Narayangonj.

16 Project Cost:

SL	Particulars	Existing Project	New Investment		Total
			Local	Imported	
1	Land & Land Development	-	520,597,000	-	520,597,000
2	Building & Infrastructure Cost	-	520,597,000	-	520,597,000
		37,000,000	135,394,680	-	172,394,680
		37,000,000	135,394,680	-	172,394,680
3	Imported Machinery & Equipment	-	-	-	-
	i) Cost of the Machinery	56,100,000	-	199,864,650	255,964,650
			-	1,998,647	1,998,647
		56,100,000	-	201,863,297	257,963,297
4	Local Machinery & Equipment	-	-	-	-
		15,000,000	16,215,000	-	31,215,000
		15,000,000	16,215,000	-	31,215,000
5	Furniture & Equipments	5,000,000	10,000,000	-	15,000,000
		5,000,000	10,000,000	-	15,000,000
6	Vehicles:	6,500,000	23,500,000	-	30,000,000
		6,500,000	23,500,000	-	30,000,000

<b>8</b>	<b>Generator (Diesel)</b>				-
		2,500,000	10,000,000	-	12,500,000
<b>9</b>	<b>Pre-Operating Expense</b>	<b>2,500,000</b>	<b>10,000,000</b>	<b>-</b>	<b>12,500,000</b>
		-	-	-	-
		-	-	-	-
		Deep Pump	300,000	500,000	<b>800,000</b>
		WTP	-	2,000,000	<b>2,000,000</b>
		Water & Steam Line	600,000	1,200,000	<b>1,800,000</b>
		Electrical Line & wiring	750,000	1,500,000	<b>2,250,000</b>
		Gas Connection with materials	-	5,000,000	<b>5,000,000</b>
	Installation & Others	2,800,000	5,995,940		<b>8,795,940</b>
		<b>4,450,000</b>	<b>16,195,940</b>	<b>-</b>	<b>20,645,940</b>
					-
	<b>Total Cost of the Project:</b>	<b>126,550,000</b>	<b>731,902,620</b>	<b>201,863,297</b>	<b>1,060,315,916</b>

17 Means of Finance on Proposed Project:

SL	Particulars	%	Loan	%	Equity		Total
					New	Total Equity	
1	Land & Land Development	-	-	100	520,597,000	520,597,000	520,597,000
2	Building & Infrastructure Cost	70	94,776,276	30	40,618,404	40,618,404	135,394,680
3	Existing Machinery	-	-	-	-	-	-
4	Imported Machinery & Equipment	70	139,905,255	30	59,959,395	59,959,395	199,864,650
5	Duty, Marine Insurance, C&F, loading, unloading, LC Commission(5%)	70	1,399,053	30	599,594	599,594	1,998,647
6	Local Machinery & Equipments	70	11,350,500	30	4,864,500	4,864,500	16,215,000
7	Furniture & Equipment	70	7,000,000	30	3,000,000	3,000,000	10,000,000
8	Vehicles	70	16,450,000	30	7,050,000	7,050,000	23,500,000
9	Auxolary Assets	70	-	30	-	-	-
10	Generator	70	7,000,000	30	3,000,000	3,000,000	10,000,000
11	Pre-Operating Expense	70	11,337,158	30	4,858,782	4,858,782	16,195,940
							-
	<b>Total Cost of the Project:</b>	<b>31</b>	<b>289,218,241</b>	<b>69</b>	<b>644,547,675</b>	<b>644,547,675</b>	<b>933,765,916</b>

**Means of Financing of the Project**

SL	Particulars	% of Financing	Amount
1	Bank Loan	31	289,218,241
2	Sponsor's Equity	69	644,547,675
	<b>Total:</b>	<b>100</b>	<b>933,765,916</b>

18 Profitability:

<u>Particulars</u>	1st year 80%	2nd year 85%	3rd year 90%	4th year 95%	5th year 95%
<b>Sales</b>	2,610,974,728	2,787,741,229	2,964,507,729	3,095,859,655	3,227,211,581
Less: COGS	2,004,320,386	2,129,708,606	2,259,347,715	2,358,244,337	2,456,848,745
<b>Gross Profit/(Loss)</b>	<b>606,654,343</b>	<b>658,032,622</b>	<b>705,160,014</b>	<b>737,615,318</b>	<b>770,362,836</b>
Less: Administrative, Marketing & Distribution Expenses:	163,966,580	198,040,702	207,693,946	212,745,979	213,607,946
Add: Other Operating Income	13,054,874	13,938,706	14,822,539	15,479,298	16,136,058
<b>Operating Profit</b>	<b>455,742,637</b>	<b>473,930,626</b>	<b>512,288,606</b>	<b>540,348,638</b>	<b>572,890,948</b>
Less: Financial Expenses	82,412,975	86,395,810	89,162,097	87,055,768	84,438,590
Less: Provision for Tax	111,998,898	116,260,445	126,937,953	135,987,861	146,535,707
<b>Net Profit/(Loss) after Tax</b>	<b>261,330,763</b>	<b>271,274,371</b>	<b>296,188,556</b>	<b>317,305,008</b>	<b>341,916,650</b>

**Ratios Analysis :**

**In Percentage**

-					
Gross Profit to sales	23.23	23.60	23.79	23.83	23.87
Operating profit to sales	16.95	16.50	16.78	16.95	17.25
Net Profit after tax to sales	10.01	9.73	9.99	10.25	10.59
Return on Equity	20.74	19.98	20.14	20.62	21.44
Debt-Service Coverage Ratio	3.29	3.29	3.47	3.68	3.93
Return on Investment	20.74	19.98	20.14	20.62	21.44

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19	Debt Service Coverage Ratio (DSCR) :	3.29	3.29	3.47	3.68	3.93
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**In Taka**

20	BEP	1,190,505,586
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21	Financial rate of return:	23%
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22	Pay Back Period:	Pay Back Period is about 4 years and 11 months
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23	Cash Flow Statement:	1,296,044,470	1,672,128,247	2,140,110,136	2,635,095,292	3,159,142,389
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24	IRR		18%
25	GDP Contribution (In 5th Year)	Tk.	1,050,600,078
26	NPV		Positive

***INSHA FOOD & BEVERAGE LTD.***

***Offer***

Food Items (Biscuit, Spice, Beverage, Toast) 100% in abroad Market.



***Customers***

100% Export oriented Food Items (Biscuit, Spice, Beverage, Toast) Manufacturing Business



***Five Years Target***

Objective For growing future market it planning to increase sales by about 5-10 percent in every year for the next 5 years and takeover main competitors. It also planning to franchising in almost every major nations in the world , multiplying current sales by exporting to abroad unexplored market in the world. The company is also going to run with high quality machines and equipments, launch new types of products , moving service online to grow sales and profit.

Sales BDT. **2,610,974,728**

Net Profit BDT. **261,330,763**



***Competitive Advantage***

Highly experiences and qualified management, Environment friendly product, Competitive price, all modern current technology, Robust backward linkage, State of the art facilities, Loyalty to customers, Quality is the first priority



***Management Team***

Mohammad Sepon (Managing Director)

Shoraiya Akter Semo (Chairman)

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## **SECTION ONE**

### **MANAGEMENT ASPECT**

## **Company Background:**

INSHA FOOD & BEVERAGE LTD. offers various Food Item (Biscuit, Spice, Beverage, Toast, Chanachor & others) in the abroad market. The Factory is situated in the prime location of Narayangonj District (28 South Noapara, Tarabo, Rupgonj, Narayangonj,) and the factory is constructed on a total land size of 77 Decimel. The Company has been doing business successfully in this sector since 2003 by the name of Insha Agro Foods with highly skilled and experienced management and the team. INSHA FOOD & BEVERAGE LTD. has a strong market position and a coherent strategy. It has established clear steps to achieve its objective for growing existing and future market. It planning to upgrade its efficiencies and will increase sales by 5-10 percent in every year for the next 5 years and takeover main competitors. It also planning to franchising in almost every major countries of the world, multiplying current sales by generating export to unexplored abroad market. The company is also going to upgrade and enhance its capacity of Machines and equipments, launch new types of products, moving service online to grow sales and profit in the next five years.

“**INSHA FOOD & BEVERAGE LTD.**”, is formed as manufacturing company with the Registrar of Joint Stock Companies & Firms (RJSC) under the Company’s Act 1994 vide certificate of incorporation no. C-165875/2020. This company management has a vast experience in the field of manufacturing of various Food Item (Biscuit, Spice, Beverage, Toast, Chanachor & others) and various other business and marketing through a very strong supply channel network. They have another trust worthy company called **INSHA AGRO FOODS**. It started its journey in 2014 under the resolute leadership and vision of Mohammad Sepon. Since its inception, the organization is being run by highly qualified, experienced, professional management and staff, accelerated by the latest machinery, technology, and skilled workmanship with substantial marketing. Relentless efforts and a constant persuasion of quality resulted in the company's expansion to five different concerns. All the units function independently but operate under the direct supervision of the group head quarter. However, “**INSHA FOOD & BEVERAGE LTD.**” Is planning to offer a very long Food products line under its distribution network. After a successful and long business experience in Manufacturing of Food, the company management realized to enter into the Food manufacturing project as a limited company to promote “Made in Bangladesh” brand. With the present sales and marketing team, extensive product, strong dealer network and most importantly a long time stable credit worthy company decided to form “**INSHA FOOD & BEVERAGE LTD.**” to manufacturer and exporters self made Food Items (Biscuit, Spice, Beverage, Toast, Chanachor & others) in abroad market. It completes the whole Food manufacturing process from raw materials

purchase for food processing to packaging in different size and quantity and packing by its own facilities. It is expecting to be one of the leading 100% export oriented Food manufacturing (Biscuit, Spice, Beverage, Toast, Chanachor & others) factories in Bangladesh. The factory will run by highly trained and skilled manpower, which have been in this sector for quite a long time, and are able to keep continuing the production process with utmost accuracy and flawless finishing. The company has guaranteed uninterrupted production and timely supply of coloring products as per the schedule and time frame of buyers. The production unit has its own high powered generator that is being used as back-up sources of electricity, which gives the manufacturing chain a lot more dynamism and continuity.

## **Mission and Vision of the Company:**

The sponsors have already formed and registered a Private Limited Company, limited by shares in the name of **INSHA FOOD & BEVERAGE LTD.** with the Registrar of Joint Stock Companies & Firms under the Company's Act 1994 vide certificate of incorporation No. C - 165875. For the huge overseas demand and for vast market opportunity, the management is interested to do business in this sector utilizing their experience.



### **Mission**

To be one of the country's leading Food item manufacturer in terms of Quantity, Coloring and manufacturing of superior quality along with maximizing the value of the products and achieve customer satisfaction by combining quality, innovation, expertise, diversity, trend and service.

### **Vision**

To be a model of excellence as a Food Product manufacturing factory to provide value for our customers and service to our community.

### **Bio Data and Corporate Structure:**

The Board of Directors and the shareholders of the company consists of 2 (Two) persons. Shoraiya Akter Semo is the Chairman, Mohammad Sepon is the Managing Director of the Company. The management are qualified, resourceful and experienced in the field of business. Particulars of the Directors participating in the equity capital are as under:

## **BIO DATA**

<b>SL</b>	<b>Particulars</b>	<b>Remarks</b>
1)	Name	Mohammad Sepon
2)	Father's Name	Late Ali Ahmed
3)	Mother's Name	Late Amena Begum
4)	Designation	Managing Director
5)	Date of Birth	02 Apr 1974
6)	National ID/Passport No	119747211317
7)	Present Address	Orchard Faruq Tower, 72 Naya Palton (7 <sup>th</sup> Floor), Flat: 7D, Dhaka.
8)	Permanent address	Vill: Dobla, P.O.: Bashudeb, B- Baria Sadar, B-Baria 3450.
9)	Religion	Islam
10)	Educational Qualification	Honors
11)	Experience	30 years experience in the field of Food product manufacturing, Trading business as Proprietor.
12)	Training	Achieved technical training and knowledge regarding Food Product technology.
13)	Social Activity	Taking part of charitable activities to increase social and economical condition for the poor people of of the locality.



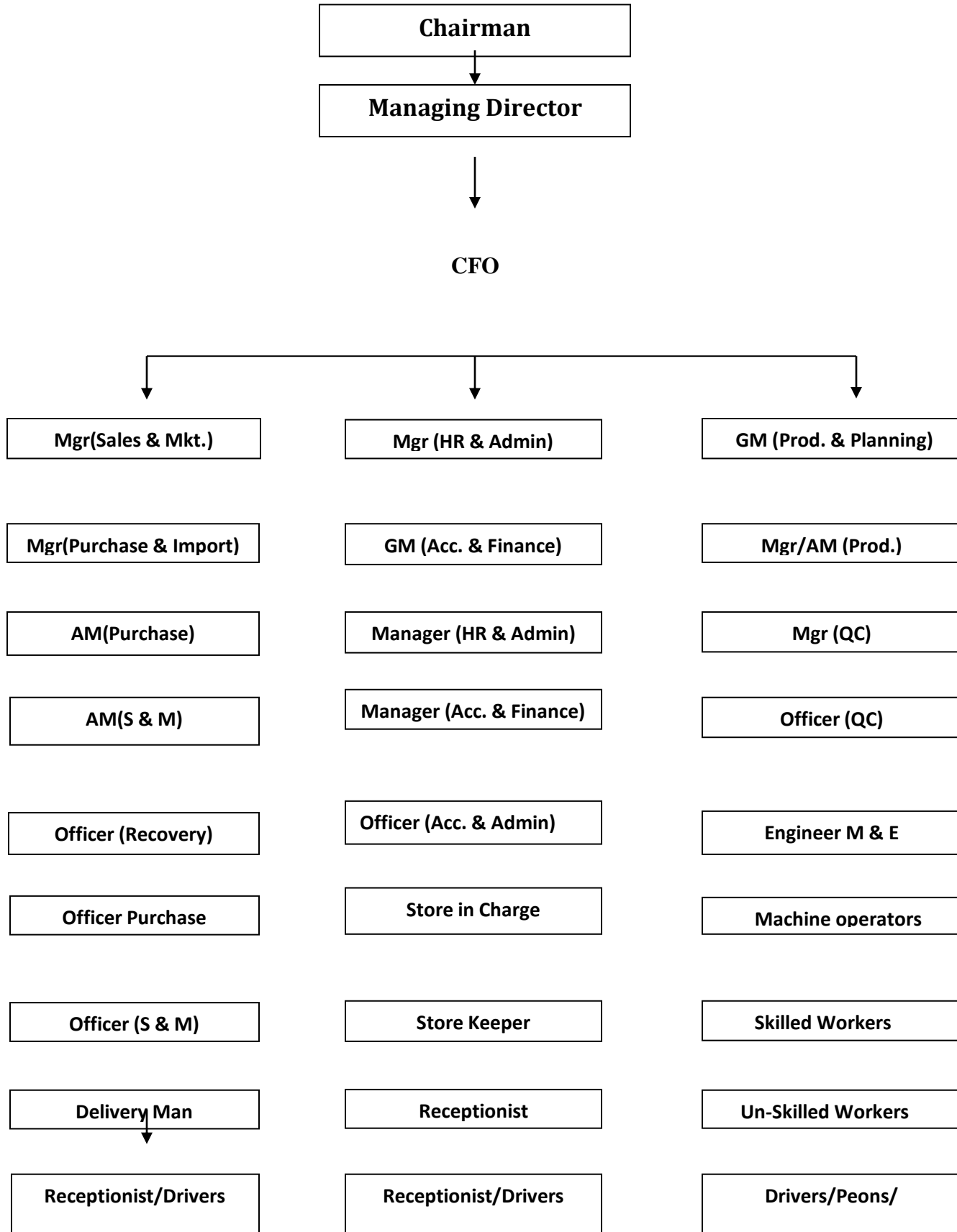
## BIO DATA

SL	Particulars	Remarks
1)	Name	Shoriya Akter Semo
2)	Husband's Name	Mohammad Seponn
3)	Mother's Name	Rowshanara Begum
4)	Designation	Chairman
5)	Date of Birth	02 Jan 1985
6)	National ID/Passport No	19851211317000079
7)	Present Address	Orchard Faruq Tower, 72 Naya Palton (7 <sup>th</sup> Floor), Flat: 7D, Dhaka.
8)	Permanent address	Vill: Dobla, P.O.: Bashudeb, B- Baria Sadar, B-Baria 3450.
9)	Religion	Islam
10)	Educational Qualification	Graduated
11)	Business Experience	the field of Food product manufacturing, Trading business as Proprietor.

## **Organization and Management**

The Company, **INSHA FOOD & BEVERAGE LTD.** would be managed by a group of professionals with required experience and expertise. A chief executive who would be designated as the Managing Director would look after the total management of the enterprise and will directly be responsible to the Board. To ensure smooth and efficient operation, experienced technical, administrative, accounts and marketing personnel would be recruited. The following diagram shows the Organogram of the Company.





## ***SECTION TWO***

### ***MARKETING ASPECTS***

## **The Market:**



## **Market Analysis of Food Product (Biscuit, Toast, Beverage, Chanachor & Others)**

### **manufacturing and Auxiliaries in Bangladesh: Challenges and Prospects**

#### **The Food Product (Biscuit, Spice Toast, Beverage, Chanachor & Others) Manufacturing trade: A Bangladeshi perspective**

Many argue that it was the beginning of the Food Product (Biscuit, Spice, Toast, Beverage, Chanachor & Others) Manufacturing trade that paved the way for modern trade and economy. Food Product (Biscuit, Spice, Toast, Beverage, Chanachor & Others) have been part of human history for thousands of years; as early as our hunter-gatherer days when it was accidentally discovered that certain compounds enhance the taste of meat. Since then, spices have been used widely for culinary as well as medicinal purposes. Similarly, other food items like Biscuit, Toast, Beverage, Chanachor & Others were made on on the basic on necessity.

There remains a huge demand for spice, Biscuit, Toast, Beverage, Chanachor & Other worldwide and to keep up with that demand, the trade emerged in the Indian subcontinent as early as 2,000 BCE with the trading of cinnamon and black pepper. Currently, in Bangladesh, spices boast a robust market worth approximately Tk 5,000 crore with a 2-3 per cent annual growth.

#### **The trader's view**

Like any other business, the spice, Biscuit, Toast, Beverage, Chanachor market has its peak season when the business blooms. In Bangladesh for spice, it's the season of the two Eids, for obvious reasons. The market warms up before Ramadan and it stays buzzing until Eid-ul-Azha has passed. For Biscuit, Toast, Beverage, Chanachor the season remains for the whole year.

However, The biggest spice wholesale market in the country is in Khatunganj, Chattogram. From this market, traders from all across the country collect their share of spices. Many businessmen have been part of this market for generations.

"I finished my MBA in 2014 and took over the family business. But before me, my father had been in this business for 52 years," said one Riazuddin, who has been managing part of the family business which goes by the name of 'Media Banijyalay.'

Riazuddin has also started an online business by the name of 'Masala Bazar, Khatunganj' in which he plays the role of the CEO.

"Because of its very nature, online business isn't popular or is not even an option for wholesalers. Very frequently, we have transactions of Tk 50 lakhs or even Tk 1 crore a day, so you can imagine why this business is mostly done directly. But for those traders who are our regular customers, it's a different story. Sometimes, a phone call is enough", explained the young trader.

Whether you need the common spices like cumin, ginger, cardamoms, garlic, cloves, and bay leaf, or the rare ones like saffron, asafoetida, amchoor, long pepper, and black cardamom — you can find it all at Khatunganj.

"I haven't counted how many types of spices we deal with. Anything you want, we can supply. Mostly other wholesalers from across the country collect from us. But smaller businesses also reach out and we supply as they ask. We have no issue with packaging.

We just load it on the transport and the traders take it away," said Riazuddin, explaining the nature of the business.

"We buy from importers. The importers will ask us about the market and what we need and we tell them about the market demand. Based on that, the importers provide," he added.

Md Sohel Miah is another spice trader who is from Dhaka, Shyambazar.

Shyambazar and Karwan Bazars are the two hotspots for wholesale spices, but Shyambazar is definitely the biggest one in Dhaka. Standing just on the bank of Buriganga, this market is as colourful as one would expect from any spice market.

"I import directly from India. Within the country, I collect my goods from Panchagarh, Faridpur, Shariatpur, and Chattogram," he said, pointing out that even though the business is good, it has become quite challenging lately due to the dollar crisis.

### **The export-import story**

Bangladesh continues to maintain a soaring demand for spices, Biscuit, Toast, Beverage, Chanachor but local production is insufficient. As a result, Bangladesh imports regularly. In 2022, 54 different types of spices had to be imported. About 50,000 tonnes of spices are imported on the occasion of Eid-ul-Azha every year. Bangladesh imports all the spices save coriander.

"I used to import directly myself but I haven't been able to do that lately. With the dollar crisis, it's difficult to secure LCs. Only the big corporations have been able to import lately," said Md Sohel Miah, pointing out that this is one of the reasons why the spice market is becoming expensive.

"We do not have any direct competition with packaged spices so that is not an issue. But the matter remains of supply and demand. If I cannot get LC then I cannot import. Like me, many traders have not been able to import. As a result, the supply is less than what it usually is. Which in turn pushes up the price," explained Miah.

Riazuddin reiterated the point made by Miah — "Of course, there is the issue of the dollar crisis. There is also the issue of supply in the international market which is not always consistent. Sometimes certain products are in lesser supply for many reasons. Bad production, war, and whatnot. When that happens, the price goes up and with the dollar crisis in our country, we can't always maintain the supply."

### **The packaged spice industry**

The spice market is not just confined to raw spices anymore. With huge demand, more and more food companies are getting interested in the powdered and packaged spice market. The local powdered spice market has a demand of about 32,000 metric tonnes per annum. Interestingly, even though the demand for packaged spices keeps growing at a rate of about 10-15 per cent every year, the market demand for traditional spices continues to remain significant.

Aside from the high demand for packaged spice inside the country, the product is being exported as well. While in the financial year 2011-2012, only \$13.6 million worth of spices were exported, that number has more than tripled in a decade.

ACI Pure, Acme, BD, Bashundhara, Fresh, PRAN, and Square are the established powdered spice brands in the market.

There are some varieties of products and categories in the spice market but the most common are the powdered spices in the form of turmeric, chilli, cumin, coriander, beef masala and chicken masala, phuchka-chatpati spices, biryani masala, and even halim mixes. The powdered spice industry is growing popular because they have made cooking easier and they have almost replaced the mortar and pestle.

Aside from the attractive packaging, the spices come ready to be used directly and the producers claim that it's produced with a certain standard.

"PRAN collects raw materials of powdered spice from its contractual farmers. We have one lakh contractual farmers who are cultivating crops for PRAN. Among them, around 10 thousand contractual farmers are dedicated to producing spice's raw material," said Kamruzzaman Kamal, Marketing Director of PRAN-RFL Group.

"We are the largest exporter of powdered spice from Bangladesh. PRAN boasts about 70 per cent of the spice exported from Bangladesh in different countries, especially in Saudi Arab, UAE, Malaysia, Oman, Qatar, UK, France. etc.," he added, pointing out that the seasons have a heavy impact on spice market due to the production of crops.

There is a crisis of raw materials throughout the year, especially in the rainy season which is why raw materials of mixed spices are basically import based.

"PRAN is producing spices under five categories and we are still trying to introduce new items in the category of mixed spice and others. Some recipes are very popular in India, Pakistan, the Arab nations, and other countries. But those are not available in Bangladesh. We make the spices for those popular recipes and offer them to our local consumers as well as export them", Kamal added.

He also observed that even today, the majority of Bangladeshis are using spices from the open market which means that the opportunities in the spice trade are very promising.



The spice market is dramatic, profitable, and certainly an indicator of the overall trade of the country. In medieval times, spices dominated the majority of the trades. One of the main reasons why the Indian subcontinent was so appealing to colonisers was because of the abundance of spices in this region. Times have changed but the spice market has remained equally appealing to traders. Reality may be different but one can hope that our dependency on imported spices is lessened, and we end up exporting more one day.

### **Global Scenario Studied:**

Global Food Items (Biscuit, Spice, Beverage, Chanachor, Toast) industry is estimated to be USD 3.5 trillion and considered one of the fastest growing sectors of the manufacturing industry. The Spice market is the largest segment accounting for 45% of the total industry, followed by Beverage accounting for 27%, Biscuit & Toast attributing 22% followed by Chanachor and Others at 5% and 1%, respectively. Of these specialties, Food Items (Biscuit, Spice, Beverage, Chanachor, Toast) industry are expected to grow at a faster pace in the next few years in comparison to their global counterparts.

In case of Food Items, Bangladesh is vastly depends on foreign companies. Every year Bangladesh import huge quantity of Food Items from foreign companies. A large number of companies supply Food Items in Bangladesh. We highlighted only top companies, they export in Bangladesh.

### **General View of Chemical Business in Other Countries:**

Food Product (Biscuit, Spice, Beverage, Toast etc.) manufacturing industry is one of the oldest industries in the world as well as Bangladesh. It not only plays a crucial role in meeting the daily needs of the mass people, but, which are required in almost all walks of life. Over the last decade, the Bangladeshi Food Product (Biscuit, Spice, Beverage, Toast etc.) manufacturing industry has evolved from being a basic food producer to becoming an innovative industry. With investments in R&D, the industry is registering significant growth in the knowledge sector comprising of specialty food.

The Food Product (Biscuit, Spice, Beverage, Chanachor, Toast etc.) manufacturing sector in Bangladesh presently constitutes 14 per cent of the industrial domestic activity. It should also be noted that investments in this sector are highly capital intensive with long gestation periods. The growth of Food Product (Biscuit, Spice, Beverage, Chanachor,

Toast etc.) manufacturing is projected at 12.6 per in the five year plan. According to the United Nations Agricultural Development Organization, in terms of value added at constant 2000 prices, the Bangladesh Food Product manufacturing Industry is 6<sup>th</sup> in the world and 3<sup>rd</sup> in Asia .

China, we find, now a days, is manufacturing a lion's share of Food Products and exporting to Bangladesh. China started their Food Product business through old method of processing Food material as initially they were not capable of new technology. Now, they are shifting their business to manufacturing basic food items as well as unique and uncommon.

### **Challenges of Food Product Manufacturing Sector in Bangladesh:**

Presently the Food Product export sector is multi-billion dollar manufacturing and export oriented industry in Bangladesh. The success of Food Product exports from the country over the last 30 years that has surpassed the most optimistic expectations. For continuation of this success backward linkage of Food Product industry such as Agriculture, Beverage etc. should develop and proper orientation of these sectors. To properly operate of the Food Product manufacturing sector need proper raw materials arrangement and distribution. But Food Product manufacturing sector is falling in some challenges.

### **Here are given some couple of challenges and solutions in Food Product sectors:**

First of all we need some entrepreneurs who are brave enough to run some very large food product manufacturing plant. Capital for machineries and infrastructure is precondition to set up these kind of mega plant and here the Government will have to help the industrialists through sanctioning low interest rate loan. Skilled manpower is prior condition of setting food product manufacturing plant. Power crisis is the hindrance for establishing this type of project and should be tackled by government. More water treatment plant to be made by WASA at the different area of the country to increase liquid Cl<sub>2</sub> consumption. Basic Food Items import should be stooped so that local production slow consumed those products and plant will be running well. We have to

make central ETP at different industrial. Now Basic Food Product Manufacturing plants are suspending due to natural gas permission from the government Some Food Product Manufacturing companies had demanded concessions during the recession period. These included reduction in Tax and Vat.

### **Prospects of Chemical Manufacturing in Bangladesh :**

First of all, it is very optimistic for Bangladeshi entrepreneurs, that we have approximately 300 complied and unlisted food product manufacturing factories at all over the country especially in Dhaka, Gazipur, Narayangonj, Narshingdi, Manikganj, Mymensing, Sirajgonj, Pabna etc.,we have huge customers and consequently a vast market of food Product consumption every day. Bangladesh occupies labor force in very cheap rate comparatively with other countries and transportation cost also lower with available tools to shift raw or finished products from one place to another. Here, our workers and stuffs will have the opportunity to work in own country with taking it ahead and subsequently we will see the reduction of unemployment opportunity very soon. Overall our country will experience higher retention money by saving import and earn foreign currency through exporting after fulfilling their demand.

Bangladesh is going forward to emulate a standard of being Middle Income country by 2024 in an occasion of golden Jubilee of 50 years after its emergence. We have to focus on increasing retention money by reducing trade deficit with mainly china and India for survival. On the other hand GSP facility has been exempted by USA last year and Bangladesh has tried to regain this facility. EU sometimes threatens to withdraw the facility from Bangladesh in an excuse of labor security problem, trade union and for recently collapsed RANA Plaza. We will be kicked out of market and from competition if we fail to provide quality standard of world class buyers. Here the main concern is to reduce cost associated to exporting food products and we can do this by manufacturing food products which will subsequently help us to retain market in a situation without GSP for Bangladesh in near future.

INSHA FOOD & BEVERAGE LTD. intends to target foreign Food Product (Biscuit, Spice, Beverage, Toast, Chanachor etc.) market as well as European, USA, India, Central

Asian market. As the Food Product (Biscuit, Spice, Beverage, Toast, Chanachor etc.) manufacturing market is sharply developing in Bangladesh and demand for Food Product is gradually increasing in abroad also so, this market represents a good opportunity for the business to capitalize on its Environment friendly product, Competitive price, all modern current technology, Robust backward linkage, State of the art facilities, Loyalty to customers advantage and it has currently USD 10.4 Billion international market which only about USD 800 Million has been covering by Bangladeshi manufacturers and its growing at the rate of 6.3% every year and China still holds the biggest share of this market which is about 80%. But as Chinese labor market is much more expensive and China is moving to more complicated and bigger projects, so Bangladesh is going to come to the number one Food Product (Biscuit, Spice, Beverage, Toast, Chanachor etc.) exporters. More impotently, the local Food Product manufacturing market is growing by around 13%-15% every year. Thus, This market situation will provide a strong market position from which to develop the business.

INSHA FOOD & BEVERAGE LTD. faces some competition, as would be expected in this attractive market.

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- 1) PRAN FOODS LTD. Narsinghdhi
  - 2) IGLOO FOODS LIMITED. Dhaka
  - 3) M. M. ISPAHANI LIMITED, Chittagong
  - 4) IFAD MULTI PRODUCTS LIMITED. Dhaka
  - 5) BASHUNDHARA FOOD & BEVERAGE INDUSTRIES LTD. Dhaka
  - 6) HASHEM FOODS LIMITED
  - 7) etc
- 

These are the main competitors. It has some strengths, but its critical weakness is its institutional arrangements dedicated to the sector and Human errors, inefficiency in the supply chain, slow production, following outdated manufacturing processes, lack of transparency and innovative technology, facilities for quality check and control, consulting services. This will restrict its capacity to compete.

Negative thoughts and knowledge, unskilled labor, high price, short time to optimization of products, bad covering of foreign market, high price of energy also has a weakness that diminishes its effectiveness in the market.

INSHA FOOD & BEVERAGE LTD. will be able to exploit the weaknesses of its competitors to gain market position.

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## **Demand-Supply Gap:**

The demand of the Food Product (Biscuit, Spice, Beverage, Toast, Chanachor) is increasing day by day due to growth of agricultural market, export demand, basic need and changes of food habit of the People. The Current world's food market is around USD 10.4 Billion dollars and Bangladesh holds only USD 800 Million dollars share. It is expected that it will be increasing every year by at least 6.4% to 8.4% and by 2025 this number will be doubled. It has been observed that the total rated production capacity of local industries is covering around 7.69% of the total demand. Rest of demand is fulfilling by the China, Vietnam, India etc mainly. Here, our company is trying to get share of demand-supply gap and increasing market share as well as contribute to GDP and create employment opportunity.

In summary, the high demand for the INSHA FOOD & BEVERAGE LTD. offer and the weaknesses identified in its main competitors provide an attractive market opportunity.

## **Market Opportunity**

The existing Food Product (Biscuit, Spice, Beverage, Toast, Chanachor) manufacturing Companies in Bangladesh are not producing to the same level of annual international demand of Food Product items but the current world's Food Product market is about USD 10.4 Billion dollars and increasing by 6.4%-8.4% every year. In these circumstances 7.69% of annual demand is fulfilling by Bangladeshi companies. So here is much marketing opportunity.

## **Sales Forecast**

At the initial stage of project's operation, normally production and sales goes at a comparatively slower pace due to some limitation in utilization of full capacity and difficulty in market penetration. It is assumed that for the proposed case, sales may start by 80% of its total capacity and the sales can go up at a steady growth rate of around 5%-10% every year. Given below (Finance Chapter) is the sales forecast of INSHA FOOD & BEVERAGE LTD. for five years.

## **Major Current & Potential Customers:**



Our Company is currently selling its product to various foreign customers and it is planning to extend it abroad market. Some of the Major current and expected Buyers name have been given under:

<b>SL</b>	<b>Name of the Foreign Cumtomers</b>	<b>Country</b>
1	Holiday Mart PTE Ltd.	Singapore
2	Star Home International	Qatar
3	Govindas & Rada Rany Trading	Singapore
4	World Nation Growthlines SDN, BHD.	Malaysia
5	Petaar Enterprise PTE Ltd.	Singapore
6	Tasmery BD SDN. BHD. Malaysia	Malaysia
7	Dosty Trading	Bahrain
8	MSK. Mercury SDN, BDH	Malaysia
9	S&N Empire SDN. BHD	Malaysia
10	Ashas Enterprises PTE Ltd.	Singapore
11	Kitchen Care Agro Food Products (M) SDN. BHD	Malaysia
12	Salim Hussain Salim Al Maliki Est	Saudi Arabia
13	Al-Ameen Company for IMP & Exp	Kuwait
14	Noor Al Najm Foodstuff Tr. L.L.C	UAE
15	Telebay Trading SDN. BHD	Malaysia
16	Dasie Bhai Minimart PTE Ltd.	Singapore
17	Paeli Trading	Singapore
18	Barsan & Badhan PTE Ltd.	Singapore
19	ML Impex PTE Ltd.	Singapore
20	Fathima Import & Export PTE Ltd.	Singapore
21	Ponna Trading PTE Ltd.	Singapore
22	A2Z Global Consultancy & Impex PTE Ltd.	Singapore
23	Vanilla Impex PTE Ltd.	Singapore
24	Bluecrest Australia Pty Ltd.	Australia

## **The Market Strategy:**



INSHA FOOD & BEVERAGE LTD. has the objective of growing future market and it is planning to increase sales by about 5-10 percent in every year for the next 5 years and takeover main competitors. It also planning to franchising in almost every major major nations in the world specially in Europe and USA, India, China, multiplying current sales by exporting to abroad unexplored market in the world. The company is also going to upgrade its efficiency of machines and equipments which are mostly from USA, Italy, Korea, UK, Hong Spain, Taiwan, Kong, launch new types and shade of dye, moving service online to grow sales and profit over the next five years. The management team has identified key steps to achieve the five year objective and exploit the identified opportunities. These will be systematically implemented over the period.

Step 1: Increase Market Share by diversified Food Product and Quantity.

Step 2: Increase business by entering to the untapped market

Step 3: Overtake extra business from major competitors by offering quality product  
With competitive price.

Step 4: Increase trade by introducing latest technology in Food Product Manufacturing business

Step 5: Increase the market opportunity by using vastly experienced and good knowledgeable management body in this sector and employing skilled experienced workforce.

The selection and sequence of these actions has been carefully chosen to produce the full potential of the business opportunity and ensure that the targets are achieved. The management team will continuously monitor the business performance against the targets and make necessary adjustments. At all times the focus will be on achieving the key objectives.

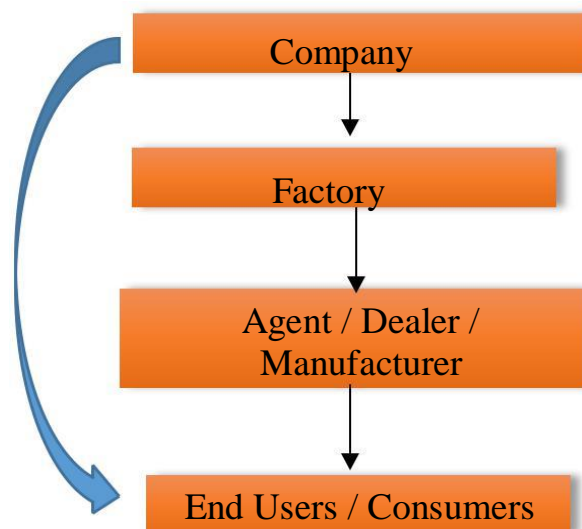


## Suggested Distribution Channel

Good product marketing depends on a good and effective distribution network with the help of this network it has been able to supply its products into various areas.

INSHA FOOD & BEVERAGE LTD. will set up a robust and effective sale where the products are delivered to customer through different levels of channel. In this network, middlemen would perform a very special function by bringing the products to final customers.

In order to facilitate distribution of the proposed products of the project, the following distribution channel has been proposed:



## Proposed Selling Price

Proposed selling price of Out Sole of Food products are depending on the cost of raw materials and other inputs required for the company. Special attention has been given to keep the price at a lower side in comparison to the existing companies for getting competitive advantage from the market.

## **SWOT ANALYSIS:**



A SWOT analysis is a structured planning method used to evaluate the strengths, weaknesses, opportunities, and threats involved in a project or in a business venture. A SWOT involves specifying the objective of the business venture or project and identifying the internal and external factors that are favorable and unfavorable to achieve that objective.

### ***STRENGTH:***

#### **Government Incentive:**

The government provides subsidy for the exporters to promote export in the country. This is a huge strength of the industry. There are mainly two kinds of government incentives.

1. An incentive is given when a Food Product Manufacturing business begins for the first time. In this sort of incentive, the company does not need to pay any tax for initial five years of its operation.
2. The second type of incentive is that the company gets incentive of 15% for every export they conduct.
3. As per the directives of the prime minister, the government started providing an additional 1% cash incentive along with other existing export incentives to the from FY2019-2020.

#### **Availability of raw materials:**

This is another big strength for the Food Product manufacturer and exporters is raw material for Food Product items that is pretty much available in our country and also easy availability in abroad market but we still depend on abroad market for quality full raw materials. Moreover, there are enough Food Product manufacturing areas in the country mainly in Dhaka and Chittagong division to support this industry.

#### **Quality of raw materials:**

Besides the availability in the country, the quality of the raw materials is also very good. This leads to better quality of product when compared against close competing Food Product industries of other countries in the export market.

#### **Cheap labor:**

Another important strength for the industry is the cheap labor available in the country. In Bangladesh the labor is very cheap; according to an interviewee raw labors are available for only Tk.8500-9000 per month. This cheap labor helps to reduce the price of the finished goods. Ultimately the producers and the exporters gain a lot from the low cost in production.

#### **Scarcity of trade unions:**

In our country, the trade unions tend to create many problems, leading to maximum export losses. In this sector has been working with the government and the company owners in very respectful way.

#### **WEAKNESS:**

### **Not enough incentive:**

Although the government is giving incentives for promoting the industry, according to the producers and exporters, it is not enough for this sector. The Food Product manufacturing sector is not very large comparing to China, it is rather small but as the world market in this sector is much bigger so government should give more incentive to this industry to grow bigger and contribute in domestic job market as well as country's economy. It will be easier for the government to control and make improvements in this sector. Though there are incentive for Food Product Manufacturing industries but there is not much incentive for raw materials also. As a result the cost of production is mostly raised.

### **High price of Raw Materials:**

Though the raw material is very much available both in country and abroad but the cost of the raw materials is high and there have many restriction and time consuming law to import chemical type raw materials for the industry. Along with that, TTI (Total Tax Index) of our country is also very high.

The main reason behind this is said to be the huge overhead cost and customs duty. The high price of raw materials increases the production cost of the end product.

### **Technological disadvantage:**

The technology in our country (Bangladesh) is not very advanced. The local manufacturers are thus facing problems competing against technologically advanced competitors like China.

### **Less buying house:**

Another problem that the 100% export base Food Product Manufacturing industries are facing is the small number of buying houses comparing our major competitor China. As the number of buying house is less, most of the buying houses are doing oligopoly over the producers. Sometimes or most of the times the producers are facing loss for this buying house.

### ***OPPORTUNITY:***

#### **Small sector:**

The Food Product Manufacturing sector of Bangladesh is medium in size in Bangladesh and this sector is working efficiently by sidling limitations in this business. So it is easier to handle this sector. It will be easier for the government to do something better for this sector.

#### **Less costing:**

As mentioned before that, the labor cost is very cheap in our country. Moreover, the raw materials are available easily. So the costing of production is less when compared to India and Pakistan.

#### **Government incentive:**

Bangladesh government gives incentive to the Food Product Manufacturing industries and exporters to boost this sector. So, the exporters are one step ahead of others from this point of view and moreover there is always option for the government to increase the incentives.

### ***THREAT:***

### **Price competitiveness:**

This is price competitive world. The main competitor of Bangladesh is China and Vietnam and is giving product at a very lower price than that of Bangladesh. China's technology and manpower are boosting up their sector as well enabling them to curb down the cost of production. In Bangladesh mostly local knowledge and technologies are used but in China they mostly use international technologies and knowledge's that makes the product much cheaper than our local product.

### **Technology:**

In Bangladesh the technology is not very advanced comparing to the technology that China and Vietnam have. As a result China and Vietnam is having the competitive advantage over Bangladesh. For their high technology Vietnam and China is being able to keep the price very low. This technological inequality is a huge threat.

**CONCLUSION:**

From the understanding on the analysis of SWOT, it is clear that though Bangladesh has some limitation but possibilities are more than the limitation and no major threat to new investment. The government must take necessary initiative to achieve the **“SUSTAINABLE DEVELOPMENT GOAL & VISION 20-41”** through this sector. For Quality, Commitment, Competitive price and low labor cost, Bangladesh is the first choice of Buyers. We feel pride consumers and customers are finding the product in the name **“MADE IN BANGLADESH”**. Cultivating to decade in the sector, Bangladesh created many of experience people and expertise to do alone. So here is ample opportunity to invest in new business for home and export market. Bangladesh has taken initiative to reduce the infrastructure deficiency, political instabilities, high bank interest, and frequent labor insurgency, unexpected accidents to industrialize country and to make **‘DIGITAL BANGLADESH’**.

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## **SECTION THREE**

### **TECHNICAL ASPECT**



## **Technical Aspect:**

### **Total Production Capacity and Utilization Analysis:**

The company will have the capacity of producing 2,325,600 kgs of Biscuit (i.e. Various size and weight) ,1,335,840 Kgs of Spice (i.e. Various size and weight), 4,702,500 Liter of Beverage (i.e. Various size and weight), 1,442,100 Kgs of Toast and 752,400 Kgs of Toast per year at 100% machine capacity which is by considering 5% wastage. Thus at 100% capacity based on 330 working days in a year of operation, the project's production at the assumed capacities of 80%, 85%, 90%, 95% and 95% would be as under:

### **Assumptions of Production & Sales Capacity (Existing)**

<b>1. Estimated Capacity of Production &amp; Sales (In Average): - Biscuit</b>					
<b>Name of Product</b>	<b>Unit</b>	<b>Per Hour</b>	<b>Per Day</b>	<b>Per Month</b>	<b>Per Year</b>
<b>A. a) Biscuit:</b>					
Production at 100% Capacity	Kgs	109	2,618	72,000	864,000
Less: Wastage (5%)	Kgs	5	131	3,600	43,200
<b>Net Production at 100% Capacity</b>	<b>Kgs</b>	<b>104</b>	<b>2,487</b>	<b>68,400</b>	<b>820,800</b>
i) Net Annual Production at 100% Capacity	Kgs	<b>820,800</b>			
ii) Annual Wastage at 100% Capacity	Kgs	<b>43,200</b>			
	<b><u>Year 1</u></b>	<b><u>Year 2</u></b>	<b><u>Year 3</u></b>	<b><u>Year 4</u></b>	<b><u>Year 5</u></b>
Capacity Utilization	85%	90%	95%	95%	95%
Annual Sales (Biscuit) - In Kgs	697,680	738,720	779,760	779,760	779,760
Per unit Selling Price (Tk.)	428.00	428.00	428.00	428.00	428.00
<b>Annual Sales (Biscuit) - In Tk.</b>	<b>298,607,040</b>	<b>316,172,160</b>	<b>333,737,280</b>	<b>333,737,280</b>	<b>333,737,280</b>
<b>b) Wastage :</b>	<b><u>Year 1</u></b>	<b><u>Year 2</u></b>	<b><u>Year 3</u></b>	<b><u>Year 4</u></b>	<b><u>Year 5</u></b>
Capacity Utilization	85%	90%	95%	95%	95%
Annual Wastage Sales	36,720	38,880	41,040	41,040	41,040
Per unit Selling Price (Tk.) - Average	45	45	45	45	45
<b>Annual Sales (Wastage) - In Tk.</b>	<b>1,652,400</b>	<b>1,749,600</b>	<b>1,846,800</b>	<b>1,846,800</b>	<b>1,846,800</b>
<b>Annual Sales (a+b)</b>	<b>300,259,440</b>	<b>317,921,760</b>	<b>335,584,080</b>	<b>335,584,080</b>	<b>335,584,080</b>

<b>2. Estimated Capacity of Production &amp; Sales (In Average): - Spice</b>					
<b>Name of Product</b>	<b>Unit</b>	<b>Per Hour</b>	<b>Per Day</b>	<b>Per Month</b>	<b>Per Year</b>
<b>A. a) Spice:</b>					
Production at 100% Capacity	Kgs	50	1,200	33,000	396,000
Less: Wastage (8%)	Kgs	4	96	2,640	31,680
<b>Net Production at 100% Capacity</b>	<b>Kgs</b>	<b>46</b>	<b>1,104</b>	<b>30,360</b>	<b>364,320</b>
i) Net Annual Production at 100% Capacity	Kgs	<b>364,320</b>			
ii) Annual Wastage at 100% Capacity	Kgs	<b>31,680</b>			
	<b><u>Year 1</u></b>	<b><u>Year 2</u></b>	<b><u>Year 3</u></b>	<b><u>Year 4</u></b>	<b><u>Year 5</u></b>
Capacity Utilization	85%	90%	95%	95%	95%
Annual Sales (Spice) - In Pkt	309,672	327,888	346,104	346,104	346,104
Per unit Selling Price (Tk.)	572.45	572.45	572.45	572.45	572.45
<b>Annual Sales (Spice) - In Tk.</b>	<b>177,271,736</b>	<b>187,699,486</b>	<b>198,127,235</b>	<b>198,127,235</b>	<b>198,127,235</b>
<b>b) Wastage :</b>	<b><u>Year 1</u></b>	<b><u>Year 2</u></b>	<b><u>Year 3</u></b>	<b><u>Year 4</u></b>	<b><u>Year 5</u></b>
Capacity Utilization	85%	90%	95%	95%	95%
Annual Wastage Sales (In Kgs)	26,928	28,512	30,096	30,096	30,096
Per unit Selling Price (Tk.) - Average	80	80	80	80	80
<b>Annual Sales (Wastage) - In Tk.</b>	<b>2,154,240</b>	<b>2,280,960</b>	<b>2,407,680</b>	<b>2,407,680</b>	<b>2,407,680</b>
<b>Annual Sales (a+b)</b>	<b>179,425,976</b>	<b>189,980,446</b>	<b>200,534,915</b>	<b>200,534,915</b>	<b>200,534,915</b>

### 3. Estimated Capacity of Production & Sales : - Chanachor & Others

Name of Product	Unit	Per Hour	Per Day	Per Month	Per Year
<b>A. a) Chanachor &amp; Others:</b>					
Production at 100% Capacity	Kgs	100	2,400	66,000	792,000
Less: Wastage (5%)	Kgs	5	120	3,300	39,600
<b>Net Production at 100% Capacity</b>	<b>Kgs</b>	<b>95</b>	<b>2,280</b>	<b>62,700</b>	<b>752,400</b>
i) Net Annual Production at 100% Capacity	Kgs	<b>752,400</b>			
ii) Annual Wastage at 100% Capacity	Kgs	<b>39,600</b>			
	<u><b>Year 1</b></u>	<u><b>Year 2</b></u>	<u><b>Year 3</b></u>	<u><b>Year 4</b></u>	<u><b>Year 5</b></u>
Capacity Utilization	85%	90%	95%	95%	95%
Annual Sales (Chanachor & Others) - In Kgs	639,540	677,160	714,780	714,780	714,780
Per unit Selling Price (Tk.)	347.75	347.75	347.75	347.75	347.75
<b>Annual Sales (Chanachor &amp; Others) - In Tk.</b>	<b>222,400,035</b>	<b>235,482,390</b>	<b>248,564,745</b>	<b>248,564,745</b>	<b>248,564,745</b>
<b>b) Wastage :</b>	<u><b>Year 1</b></u>	<u><b>Year 2</b></u>	<u><b>Year 3</b></u>	<u><b>Year 4</b></u>	<u><b>Year 5</b></u>
Capacity Utilization	85%	90%	95%	95%	95%
Annual Wastage Sales (In Kgs)	33,660	35,640	37,620	37,620	37,620
Per unit Selling Price (Tk.) - Average	38	38	38	38	38
<b>Annual Sales (Wastage) - In Tk.</b>	<b>1,279,080</b>	<b>1,354,320</b>	<b>1,429,560</b>	<b>1,429,560</b>	<b>1,429,560</b>
<b>Annual Sales (a+b)</b>	<b>223,679,115</b>	<b>236,836,710</b>	<b>249,994,305</b>	<b>249,994,305</b>	<b>249,994,305</b>

<b>4. Estimated Capacity of Production &amp; Sales (In Average): - Toast</b>					
<b>Name of Product</b>	<b>Unit</b>	<b>Per Hour</b>	<b>Per Day</b>	<b>Per Month</b>	<b>Per Year</b>
<b>A. a) Toast:</b>					
Production at 100% Capacity	Kgs	25	600	16,500	198,000
Less: Wastage (5%)	Kgs	1	30	825	9,900
<b>Net Production at 100% Capacity</b>	<b>Kgs</b>	<b>24</b>	<b>570</b>	<b>15,675</b>	<b>188,100</b>
i) Net Annual Production at 100% Capacity	Kgs	<b>188,100</b>			
ii) Annual Wastage at 100% Capacity	Kgs	<b>9,900</b>			
	<b><u>Year 1</u></b>	<b><u>Year 2</u></b>	<b><u>Year 3</u></b>	<b><u>Year 4</u></b>	<b><u>Year 5</u></b>
Capacity Utilization	85%	90%	95%	95%	95%
Annual Sales (Toast) - In Kgs	159,885	169,290	178,695	178,695	178,695
Per unit Selling Price (Tk.)	428.00	428.00	428.00	428.00	428.00
<b>Annual Sales (Toast) - In Tk.</b>	<b>68,430,780</b>	<b>72,456,120</b>	<b>76,481,460</b>	<b>76,481,460</b>	<b>76,481,460</b>
<b>b) Wastage :</b>	<b><u>Year 1</u></b>	<b><u>Year 2</u></b>	<b><u>Year 3</u></b>	<b><u>Year 4</u></b>	<b><u>Year 5</u></b>
Capacity Utilization	85%	90%	95%	95%	95%
Annual Wastage Sales (In Kgs)	8,415	8,910	9,405	9,405	9,405
Per unit Selling Price (Tk.) - Average	30	30	30	30	30
<b>Annual Sales (Wastage) - In Tk.</b>	<b>252,450</b>	<b>267,300</b>	<b>282,150</b>	<b>282,150</b>	<b>282,150</b>
<b>Annual Sales (a+b)</b>	<b>68,683,230</b>	<b>72,723,420</b>	<b>76,763,610</b>	<b>76,763,610</b>	<b>76,763,610</b>

<b>Total Annual Sales (Existing)</b>	<b>772,047,761</b>	<b>817,462,336</b>	<b>862,876,910</b>	<b>862,876,910</b>	<b>862,876,910</b>
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## **Assumptions of Production & Sales Capacity (Projected)**

### 1. Estimated Capacity of Production & Sales (In Average): - Biscuit

Name of Product	Unit	Per Hour	Per Day	Per Month	Per Year
<b>A. a) Biscuit:</b>					
Production at 100% Capacity	Kgs	200	4,800	132,000	1,584,000
Less: Wastage (5%)	Kgs	10	240	6,600	79,200
<b>Net Production at 100% Capacity</b>	<b>Kgs</b>	<b>190</b>	<b>4,560</b>	<b>125,400</b>	<b>1,504,800</b>
i) Net Annual Production at 100% Capacity	Kgs	<b>1,504,800</b>			
ii) Annual Wastage at 100% Capacity	Kgs	<b>79,200</b>			
	<b><u>Year 1</u></b>	<b><u>Year 2</u></b>	<b><u>Year 3</u></b>	<b><u>Year 4</u></b>	<b><u>Year 5</u></b>
Capacity Utilization	70%	75%	80%	85%	90%
Annual Sales (Biscuit) - In Kgs	1,053,360	1,128,600	1,203,840	1,279,080	1,354,320
Per unit Selling Price (Tk.)	428.00	428.00	428.00	428.00	428.00
<b>Annual Sales (Biscuit) - In Tk.</b>	<b>450,838,080</b>	<b>483,040,800</b>	<b>515,243,520</b>	<b>547,446,240</b>	<b>579,648,960</b>
<b>b) Wastage :</b>	<b><u>Year 1</u></b>	<b><u>Year 2</u></b>	<b><u>Year 3</u></b>	<b><u>Year 4</u></b>	<b><u>Year 5</u></b>
Capacity Utilization	70%	75%	80%	85%	90%
Annual Wastage Sales	55,440	59,400	63,360	67,320	71,280
Per unit Selling Price (Tk.) - Average	45	45	45	45	45
<b>Annual Sales (Wastage) - In Tk.</b>	<b>2,494,800</b>	<b>2,673,000</b>	<b>2,851,200</b>	<b>3,029,400</b>	<b>3,207,600</b>
<b>Annual Sales (a+b)</b>	<b>453,332,880</b>	<b>485,713,800</b>	<b>518,094,720</b>	<b>550,475,640</b>	<b>582,856,560</b>

## 2. Estimated Capacity of Production & Sales (In Average): - Spice

Name of Product	Unit	Per Hour	Per Day	Per Month	Per Year
<b>A. a) Spice:</b>					
Production at 100% Capacity	Kgs	133	3,200	88,000	1,056,000
Less: Wastage (8%)	Kgs	11	256	7,040	84,480
<b>Net Production at 100% Capacity</b>	<b>Kgs</b>	<b>123</b>	<b>2,944</b>	<b>80,960</b>	<b>971,520</b>
i) Net Annual Production at 100% Capacity	Kgs	<b>971,520</b>			
ii) Annual Wastage at 100% Capacity	Kgs	<b>84,480</b>			
	<b><u>Year 1</u></b>	<b><u>Year 2</u></b>	<b><u>Year 3</u></b>	<b><u>Year 4</u></b>	<b><u>Year 5</u></b>
Capacity Utilization	70%	75%	80%	85%	90%
Annual Sales (Spice) - In Pkt	680,064	728,640	777,216	825,792	874,368
Per unit Selling Price (Tk.)	572.45	572.45	572.45	572.45	572.45
<b>Annual Sales (Spice) - In Tk.</b>	<b>389,302,637</b>	<b>417,109,968</b>	<b>444,917,299</b>	<b>472,724,630</b>	<b>500,531,962</b>
<b>b) Wastage :</b>	<b><u>Year 1</u></b>	<b><u>Year 2</u></b>	<b><u>Year 3</u></b>	<b><u>Year 4</u></b>	<b><u>Year 5</u></b>
Capacity Utilization	70%	75%	80%	85%	90%
Annual Wastage Sales (In Kgs)	59,136	63,360	67,584	71,808	76,032
Per unit Selling Price (Tk.) - Average	80	80	80	80	80
<b>Annual Sales (Wastage) - In Tk.</b>	<b>4,730,880</b>	<b>5,068,800</b>	<b>5,406,720</b>	<b>5,744,640</b>	<b>6,082,560</b>
<b>Annual Sales (a+b)</b>	<b>394,033,517</b>	<b>422,178,768</b>	<b>450,324,019</b>	<b>478,469,270</b>	<b>506,614,522</b>

### 3. Estimated Capacity of Production & Sales (In Average): - Beverage

Name of Product	Unit	Per Hour	Per Day	Per Month	Per Year
<b>A. a) Beverage:</b>					
Production at 100% Capacity	Ltr	625	15,000	412,500	4,950,000
Less: Wastage (5%)	Ltr	31	750	20,625	247,500
<b>Net Production at 100% Capacity</b>	<b>Ltr</b>	<b>594</b>	<b>14,250</b>	<b>391,875</b>	<b>4,702,500</b>
i) Net Annual Production at 100% Capacity	Ltr	<b>4,702,500</b>			
ii) Annual Wastage at 100% Capacity	Ltr	<b>247,500</b>			
	<b><u>Year 1</u></b>	<b><u>Year 2</u></b>	<b><u>Year 3</u></b>	<b><u>Year 4</u></b>	<b><u>Year 5</u></b>
Capacity Utilization	70%	75%	80%	85%	90%
Annual Sales (Beverage) - In Ltr	3,291,750	3,526,875	3,762,000	3,997,125	4,232,250
Per unit Selling Price (Tk.)	184.04	184.04	184.04	184.04	184.04
<b>Annual Sales (Beverage) - In Tk.</b>	<b>605,813,670</b>	<b>649,086,075</b>	<b>692,358,480</b>	<b>735,630,885</b>	<b>778,903,290</b>
<b>b) Wastage :</b>	<b><u>Year 1</u></b>	<b><u>Year 2</u></b>	<b><u>Year 3</u></b>	<b><u>Year 4</u></b>	<b><u>Year 5</u></b>
Capacity Utilization	70%	75%	80%	85%	90%
Annual Wastage Sales (In Ltr)	173,250	185,625	198,000	210,375	222,750
Per unit Selling Price (Tk.) - Average	50	50	50	50	50
<b>Annual Sales (Wastage) - In Tk.</b>	<b>8,662,500</b>	<b>9,281,250</b>	<b>9,900,000</b>	<b>10,518,750</b>	<b>11,137,500</b>
<b>Annual Sales (a+b)</b>	<b>614,476,170</b>	<b>658,367,325</b>	<b>702,258,480</b>	<b>746,149,635</b>	<b>790,040,790</b>

#### 4. Estimated Capacity of Production & Sales (In Average): - Toast

Name of Product	Unit	Per Hour	Per Day	Per Month	Per Year
<b>A. a) Toast:</b>					
Production at 100% Capacity	Kgs	167	4,000	110,000	1,320,000
Less: Wastage (5%)	Kgs	8	200	5,500	66,000
<b>Net Production at 100% Capacity</b>	<b>Kgs</b>	<b>158</b>	<b>3,800</b>	<b>104,500</b>	<b>1,254,000</b>
i) Net Annual Production at 100% Capacity	Kgs	<b>1,254,000</b>			
ii) Annual Wastage at 100% Capacity	Kgs	<b>66,000</b>			
	<b><u>Year 1</u></b>	<b><u>Year 2</u></b>	<b><u>Year 3</u></b>	<b><u>Year 4</u></b>	<b><u>Year 5</u></b>
Capacity Utilization	70%	75%	80%	85%	90%
Annual Sales (Toast) - In Kgs	877,800	940,500	1,003,200	1,065,900	1,128,600
Per unit Selling Price (Tk.)	428.00	428.00	428.00	428.00	428.00
<b>Annual Sales (Toast) - In Tk.</b>	<b>375,698,400</b>	<b>402,534,000</b>	<b>429,369,600</b>	<b>456,205,200</b>	<b>483,040,800</b>
<b>b) Wastage :</b>	<b><u>Year 1</u></b>	<b><u>Year 2</u></b>	<b><u>Year 3</u></b>	<b><u>Year 4</u></b>	<b><u>Year 5</u></b>
Capacity Utilization	70%	75%	80%	85%	90%
Annual Wastage Sales (In Kgs)	46,200	49,500	52,800	56,100	59,400
Per unit Selling Price (Tk.) - Average	30	30	30	30	30
<b>Annual Sales (Wastage) - In Tk.</b>	<b>1,386,000</b>	<b>1,485,000</b>	<b>1,584,000</b>	<b>1,683,000</b>	<b>1,782,000</b>
<b>Annual Sales (a+b)</b>	<b>377,084,400</b>	<b>404,019,000</b>	<b>430,953,600</b>	<b>457,888,200</b>	<b>484,822,800</b>

<b>Total Annual Sales (Existing)</b>	772,047,761	817,462,336	862,876,910	862,876,910	862,876,910
<b>Total Annual Sales (Proposed)</b>	1,838,926,967	1,970,278,893	2,101,630,819	2,232,982,745	2,364,334,672
	<b>2,610,974,728</b>	<b>2,787,741,229</b>	<b>2,964,507,729</b>	<b>3,095,859,655</b>	<b>3,227,211,581</b>



**Analysis of Cost of Raw Materials (Existing)**

<b>1 A. Estimated Raw Materials Requirement at rated (100%) Capacity (Quantity): - Biscuit</b>					
<b>Name of Product</b>	<b>Raw Materials Requirement (Per Unit)</b>	<b>Per Hour</b>	<b>Per Day</b>	<b>Per Month</b>	<b>Per Year</b>
<b><u>Raw Materials:</u></b>	<b>Kgs</b>	<b>Kgs</b>	<b>Kgs</b>	<b>Kgs</b>	<b>Kgs</b>
Weat Flour	0.63	65	1,555	42,750	513,000
Sugar	0.23	23	560	15,390	184,680
Palm Oil	0.10	10	249	6,840	82,080
Dalda	0.10	10	249	6,840	82,080
Marjrin	0.04	4	93	2,565	30,780
Baking Powder	0.01	1	19	513	6,156
Milk Powder	0.01	1	12	342	4,104
Lemon Yellow Colour	0.00	0	1	17	205
Refine Salt	0.00	0	6	171	2,052
Coconut Flavour	0.00	0	6	171	2,052
Vanillin Powder	0.00	0	2	51	616
Coconute Powder	0.01	1	31	855	10,260
<b>Total:</b>	<b>1.12</b>	<b>116</b>	<b>2,782</b>	<b>76,505</b>	<b>918,065</b>

**1 B. Estimated Raw Materials Requirment at Attainable Capacity (Quantity): - (Iin Average) - Biscuit**

Name of Product	Unit	1st Year	2nd Year	3rd Year	4th Year	5th Year
		85%	90%	95%	95%	95%
<b><u>Raw Materials:</u></b>						
Wheat Flour	Kgs	436,050	461,700	487,350	487,350	487,350
Sugar	Kgs	156,978	166,212	175,446	175,446	175,446
Palm Oil	Kgs	69,768	73,872	77,976	77,976	77,976
Dalda	Kgs	69,768	73,872	77,976	77,976	77,976
Marjrin	Kgs	26,163	27,702	29,241	29,241	29,241
Baking Powder	Kgs	5,233	5,540	5,848	5,848	5,848
Milk Powder	Kgs	3,488	3,694	3,899	3,899	3,899
Lemon Yellow Colour	Kgs	174	185	195	195	195
Refine Salt	Kgs	1,744	1,847	1,949	1,949	1,949
Coconut Falvour	Kgs	1,744	1,847	1,949	1,949	1,949
Vanillin Powder	Kgs	523	554	585	585	585
Coconute Powder	Kgs	8,721	9,234	9,747	9,747	9,747
<b>Total:</b>		<b>780,355</b>	<b>826,258</b>	<b>872,162</b>	<b>872,162</b>	<b>872,162</b>

**1 C. Estimated Raw Materials Requirement at Utilised Capacity (Value): (In Average) - Biscuit**

Name of Product	Purchase Price Per Unit Tk.	1st Year	2nd Year	3rd Year	4th Year	5th Year
		85%	90%	95%	95%	95%
<b><u>Raw Materials:</u></b>						
Wheat Flour	186.00	81,105,300	85,876,200	90,647,100	90,647,100	90,647,100
Sugar	411.00	64,517,958	68,313,132	72,108,306	72,108,306	72,108,306
Palm Oil	465.48	32,475,609	34,385,939	36,296,268	36,296,268	36,296,268
Dalda	476.25	33,227,010	35,181,540	37,136,070	37,136,070	37,136,070
Marjrin	840.00	21,976,920	23,269,680	24,562,440	24,562,440	24,562,440
Baking Powder	195.00	1,020,357	1,080,378	1,140,399	1,140,399	1,140,399
Milk Powder	2100.00	7,325,640	7,756,560	8,187,480	8,187,480	8,187,480
Lemon	4230.00	737,797	781,196	824,596	824,596	824,596
Yellow Colour						
Refine Salt	141.60	246,979	261,507	276,035	276,035	276,035
Coconut						
Falvour	4230.00	7,377,966	7,811,964	8,245,962	8,245,962	8,245,962
Vanillin						
Powder	5130.00	2,684,324	2,842,225	3,000,127	3,000,127	3,000,127
Coconut						
Powder	660.00	5,755,860	6,094,440	6,433,020	6,433,020	6,433,020
<b>Total:</b>	<b>19,065.33</b>	<b>258,451,719</b>	<b>273,654,761</b>	<b>288,857,803</b>	<b>288,857,803</b>	<b>288,857,803</b>

**2 A. Estimated Raw Materials Requirement at rated (100%) Capacity (Quantity): - (In Average) - Spice**

Name of Product	Raw Materials Requirement (Per Unit)	Per Hour	Per Day	Per Month	Per Year
<b><u>Raw Materials:</u></b>	<b>Kgs</b>	<b>Kgs</b>	<b>Kgs</b>	<b>Kgs</b>	<b>Kgs</b>
Chilly (Taja)	0.50	23	552	15,180	182,160
Chilly Desi)	0.50	23	552	15,180	182,160
<b>Total:</b>	<b>1.00</b>	<b>46</b>	<b>1,104</b>	<b>30,360</b>	<b>364,320</b>

**2 B. Estimated Raw Materials Requirement at Attainable Capacity (Quantity): - (In Average) - Spice**

Name of Product	Unit	1st Year	2nd Year	3rd Year	4th Year	5th Year
		85%	90%	95%	95%	95%
<b><u>Raw Materials:</u></b>						
Chilly (Taja)	Kgs	154,836	163,944	173,052	173,052	173,052
Chilly Desi)	Kgs	154,836	163,944	173,052	173,052	173,052
<b>Total:</b>		<b>309,672</b>	<b>327,888</b>	<b>346,104</b>	<b>346,104</b>	<b>346,104</b>

**2 C. Estimated Raw Materials Requirement at Utilised Capacity (Value): (In Average) - Spice**

Name of Product	Purchase Price Per Unit Tk.	1st Year	2nd Year	3rd Year	4th Year	5th Year
		85%	90%	95%	95%	95%
<b><u>Raw Materials:</u></b>						
Chilly (Taja)	517.50	80,127,630	84,841,020	89,554,410	89,554,410	89,554,410
Chilly Desi)	517.50	80,127,630	84,841,020	89,554,410	89,554,410	89,554,410
<b>Total:</b>	<b>1,035.00</b>	<b>160,255,260</b>	<b>169,682,040</b>	<b>179,108,820</b>	<b>179,108,820</b>	<b>179,108,820</b>

<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>
<b>3.Raw Materials Cost of Chanachor &amp; Others (Details of cost was not Given) Existing</b>				
190,127,248	201,311,204	212,495,159	212,495,159	212,495,159

**4 A. Estimated Raw Materials Requirement at rated (100%) Capacity (Quantity): - (In Average) - Toast**

Name of Product	Raw Materials Requirement (Per Unit)	Per Hour	Per Day	Per Month	Per Year
<b><u>Raw Materials:</u></b>	<b>Kgs</b>	<b>Kgs</b>	<b>Kgs</b>	<b>Kgs</b>	<b>Kgs</b>
Flour	0.75	18	428	11,756	141,075
Suger	0.15	4	86	2,351	28,215
Palm Oil	0.05	1	29	784	9,405
Dalda	0.08	2	43	1,176	14,108
Normal Salt	0.01	0	6	157	1,881
East	0.01	0	4	98	1,176
Calcium Propienet (CP)	0.00	0	1	35	423
Bread Improver	0.00	0	0	12	141
Black Cumen	0.00	0	1	31	376
Milk Powder	0.01	0	3	78	941
Milk Flavour	0.00	0	1	39	470
Marzarin	0.04	1	21	588	7,054
Vanillin Powder	0.00	0	0	12	141
<b>Total:</b>	<b>1.09</b>	<b>26</b>	<b>622</b>	<b>17,117</b>	<b>205,405</b>

**4 B. Estimated Raw Materials Requirement at Attainable Capacity (Quantity): - (In Average) - Toast**

Name of Product	Unit	1st Year	2nd Year	3rd Year	4th Year	5th Year
		85%	90%	95%	95%	95%
<b><u>Raw Materials:</u></b>						
Flour	Kgs	119,914	126,968	134,021	134,021	134,021
Suger	Kgs	23,983	25,394	26,804	26,804	26,804
Palm Oil	Kgs	7,994	8,465	8,935	8,935	8,935
Dalda	Kgs	11,991	12,697	13,402	13,402	13,402
Normal Salt	Kgs	1,599	1,693	1,787	1,787	1,787
East	Kgs	999	1,058	1,117	1,117	1,117
Calcium Propienet (CP)	Kgs	360	381	402	402	402
Bread Improver	Kgs	120	127	134	134	134
Black Cumen	Kgs	320	339	357	357	357
Milk Powder	Kgs	799	846	893	893	893
Milk Flavour	Kgs	400	423	447	447	447
Marzarin	Kgs	5,996	6,348	6,701	6,701	6,701
Vanillin Powder	Kgs	120	127	134	134	134
<b>Total:</b>		<b>174,594</b>	<b>184,865</b>	<b>195,135</b>	<b>195,135</b>	<b>195,135</b>

**4 C. Estimated Raw Materials Requirement at Utilised Capacity (Value): (In Average) - Toast**

Name of Product	Purchase Price Per Unit Tk.	1st Year	2nd Year	3rd Year	4th Year	5th Year
		85%	90%	95%	95%	95%
<b>Raw Materials:</b>						
Flour	214.50	25,721,499	27,234,529	28,747,558	28,747,558	28,747,558
Suger	445.25	10,678,319	11,306,456	11,934,592	11,934,592	11,934,592
Palm Oil	504.27	4,031,260	4,268,393	4,505,526	4,505,526	4,505,526
Dalda	515.94	6,186,800	6,550,729	6,914,659	6,914,659	6,914,659
Normal Salt	153.73	245,783	260,241	274,699	274,699	274,699
East	1527.50	1,526,402	1,616,190	1,705,979	1,705,979	1,705,979
Calcium Propienet (CP)	780.00	280,598	297,104	313,610	313,610	313,610
Bread Improver	1170.00	140,299	148,552	156,805	156,805	156,805
Black Cumen	812.50	259,813	275,096	290,379	290,379	290,379
Milk Powder	2275.00	1,818,692	1,925,674	2,032,656	2,032,656	2,032,656
Milk Flavour	4745.00	1,896,636	2,008,203	2,119,769	2,119,769	2,119,769
Marzarin	910.00	5,456,076	5,777,021	6,097,967	6,097,967	6,097,967
Vanillin Powder	6207.50	744,365	788,151	831,937	831,937	831,937
<b>Total:</b>	<b>20,261.18</b>	<b>58,986,543</b>	<b>62,456,340</b>	<b>65,926,136</b>	<b>65,926,136</b>	<b>65,926,136</b>

**Cost of Raw Materials (Existing)**

**477,693,522    505,793,141    533,892,760    533,892,760    533,892,760**

***Analysis of Cost of Raw Materials (Proposed)***

**1 A. Estimated Raw Materials Requirement at rated (100%) Capacity (Quantity): - Biscuit**

Name of Product	Raw Materials Requirement (Per Unit)	Per Hour	Per Day	Per Month	Per Year
<b><u>Raw Materials:</u></b>	<b>Kgs</b>	<b>Kgs</b>	<b>Kgs</b>	<b>Kgs</b>	<b>Kgs</b>
Wheat Flour	0.63	65	1,555	42,750	513,000
Sugar	0.23	23	560	15,390	184,680
Palm Oil	0.10	10	249	6,840	82,080
Dalda	0.10	10	249	6,840	82,080
Marjrin	0.04	4	93	2,565	30,780
Baking Powder	0.01	1	19	513	6,156
Milk Powder	0.01	1	12	342	4,104
Lemon Yellow Colour	0.00	0	1	17	205
Refine Salt	0.00	0	6	171	2,052
Coconut Flavour	0.00	0	6	171	2,052
Vanillin Powder	0.00	0	2	51	616
Coconute Powder	0.01	1	31	855	10,260
<b>Total:</b>	<b>1.12</b>	<b>116</b>	<b>2,782</b>	<b>76,505</b>	<b>918,065</b>



**1 B. Estimated Raw Materials Requirement at Attainable Capacity (Quantity): - (Iin Average) - Biscuit**

Name of Product	Unit	1st Year	2nd Year	3rd Year	4th Year	5th Year
		85%	90%	95%	95%	95%
<b><u>Raw Materials:</u></b>						
Wheat Flour	Kgs	436,050	461,700	487,350	487,350	487,350
Sugar	Kgs	156,978	166,212	175,446	175,446	175,446
Palm Oil	Kgs	69,768	73,872	77,976	77,976	77,976
Dalda	Kgs	69,768	73,872	77,976	77,976	77,976
Marjrin	Kgs	26,163	27,702	29,241	29,241	29,241
Baking Powder	Kgs	5,233	5,540	5,848	5,848	5,848
Milk Powder	Kgs	3,488	3,694	3,899	3,899	3,899
Lemon Yellow Colour	Kgs	174	185	195	195	195
Refine Salt	Kgs	1,744	1,847	1,949	1,949	1,949
Coconut Falvour	Kgs	1,744	1,847	1,949	1,949	1,949
Vanillin Powder	Kgs	523	554	585	585	585
Coconut Powder	Kgs	8,721	9,234	9,747	9,747	9,747
<b>Total:</b>		<b>780,355</b>	<b>826,258</b>	<b>872,162</b>	<b>872,162</b>	<b>872,162</b>

**1 C. Estimated Raw Materials Requirement at Utilised Capacity (Value): (In Average) - Biscuit**

Name of Product	Purchase Price Per Unit Tk.	1st Year	2nd Year	3rd Year	4th Year	5th Year
		85%	90%	95%	95%	95%
<b><u>Raw Materials:</u></b>						
Wheat Flour	186.00	81,105,300	85,876,200	90,647,100	90,647,100	90,647,100
Sugar	411.00	64,517,958	68,313,132	72,108,306	72,108,306	72,108,306
Palm Oil	465.48	32,475,609	34,385,939	36,296,268	36,296,268	36,296,268
Dalda	476.25	33,227,010	35,181,540	37,136,070	37,136,070	37,136,070
Marjrin	840.00	21,976,920	23,269,680	24,562,440	24,562,440	24,562,440
Baking Powder	195.00	1,020,357	1,080,378	1,140,399	1,140,399	1,140,399
Milk Powder	2100.00	7,325,640	7,756,560	8,187,480	8,187,480	8,187,480
Lemon Yellow Colour	4230.00	737,797	781,196	824,596	824,596	824,596
Refine Salt	141.60	246,979	261,507	276,035	276,035	276,035
Coconut Flavour	4230.00	7,377,966	7,811,964	8,245,962	8,245,962	8,245,962
Vanillin Powder	5130.00	2,684,324	2,842,225	3,000,127	3,000,127	3,000,127
Coconute Powder	660.00	5,755,860	6,094,440	6,433,020	6,433,020	6,433,020
<b>Total:</b>	<b>19,065.33</b>	<b>258,451,719</b>	<b>273,654,761</b>	<b>288,857,803</b>	<b>288,857,803</b>	<b>288,857,803</b>

**2 A. Estimated Raw Materials Requirement at rated (100%) Capacity (Quantity): - (In Average) - Spice**

Name of Product	Raw Materials Requirement (Per Unit)	Per Hour	Per Day	Per Month	Per Year
<b><u>Raw Materials:</u></b>	<b>Kgs</b>	<b>Kgs</b>	<b>Kgs</b>	<b>Kgs</b>	<b>Kgs</b>
Chilly (Taja)	0.50	23	552	15,180	182,160
Chilly Desi)	0.50	23	552	15,180	182,160
<b>Total:</b>	<b>1.00</b>	<b>46</b>	<b>1,104</b>	<b>30,360</b>	<b>364,320</b>

**2 B. Estimated Raw Materials Requirement at Attainable Capacity (Quantity): - (In Average) - Spice**

Name of Product	Unit	1st Year	2nd Year	3rd Year	4th Year	5th Year
		85%	90%	95%	95%	95%
<b><u>Raw Materials:</u></b>						
Chilly (Taja)	Kgs	154,836	163,944	173,052	173,052	173,052
Chilly Desi)	Kgs	154,836	163,944	173,052	173,052	173,052
<b>Total:</b>		<b>309,672</b>	<b>327,888</b>	<b>346,104</b>	<b>346,104</b>	<b>346,104</b>

**2 C. Estimated Raw Materials Requirement at Utilized Capacity (Value): (In Average) - Spice**

Name of Product	Purchase Price Per Unit Tk.	1st Year	2nd Year	3rd Year	4th Year	5th Year
		85%	90%	95%	95%	95%
<b><u>Raw Materials:</u></b>						
Chilly (Taja)	517.50	80,127,630	84,841,020	89,554,410	89,554,410	89,554,410
Chilly Desi)	517.50	80,127,630	84,841,020	89,554,410	89,554,410	89,554,410
<b>Total:</b>	<b>1,035.00</b>	<b>160,255,260</b>	<b>169,682,040</b>	<b>179,108,820</b>	<b>179,108,820</b>	<b>179,108,820</b>

<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>
<b>3.Raw Materials Cost of Beverage (Proposed):</b>				
522,304,745	559,612,226	596,919,708	634,227,190	671,534,672

<b>4 A. Estimated Raw Materials Requirment at rated (100%) Capacity (Quantity): - (In Average) - Toast</b>					
<b>Name of Product</b>	<b>Raw Materials Requirement (Per Unit)</b>	<b>Per Hour</b>	<b>Per Day</b>	<b>Per Month</b>	<b>Per Year</b>
<b><u>Raw Materials:</u></b>	<b>Kgs</b>	<b>Kgs</b>	<b>Kgs</b>	<b>Kgs</b>	<b>Kgs</b>
Flour	0.75	119	2,850	78,375	940,500
Sugar	0.15	24	570	15,675	188,100
Palm Oil	0.05	8	190	5,225	62,700
Dalda	0.08	12	285	7,838	94,050
Normal Salt	0.01	2	38	1,045	12,540
East	0.01	1	24	653	7,838
Calcium Propienet (CP)	0.00	0	9	235	2,822
Bread Improver	0.00	0	3	78	941
Black Cumen	0.00	0	8	209	2,508
Milk Powder	0.01	1	19	523	6,270
Milk Flavour	0.00	0	10	261	3,135
Marzarin	0.04	6	143	3,919	47,025
Vanillin Powder	0.00	0	3	78	941
<b>Total:</b>	<b>1.09</b>	<b>173</b>	<b>4,150</b>	<b>114,114</b>	<b>1,369,368</b>

**4 B. Estimated Raw Materials Requirement at Attainable Capacity (Quantity): - (In Average) - Toast**

Name of Product	Unit	1st Year	2nd Year	3rd Year	4th Year	5th Year
		70%	75%	80%	85%	90%
<b><u>Raw Materials:</u></b>						
Flour	Kgs	658,350	705,375	752,400	799,425	846,450
Sugar	Kgs	131,670	141,075	150,480	159,885	169,290
Palm Oil	Kgs	43,890	47,025	50,160	53,295	56,430
Dalda	Kgs	65,835	70,538	75,240	79,943	84,645
Normal Salt	Kgs	8,778	9,405	10,032	10,659	11,286
East	Kgs	5,486	5,878	6,270	6,662	7,054
Calcium Propienet (CP)	Kgs	1,975	2,116	2,257	2,398	2,539
Bread Improver	Kgs	658	705	752	799	846
Black Cumen	Kgs	1,756	1,881	2,006	2,132	2,257
Milk Powder	Kgs	4,389	4,703	5,016	5,330	5,643
Milk Flavour	Kgs	2,195	2,351	2,508	2,665	2,822
Marzarin	Kgs	32,918	35,269	37,620	39,971	42,323
Vanillin Powder	Kgs	658	705	752	799	846
<b>Total:</b>		<b>958,558</b>	<b>1,027,026</b>	<b>1,095,494</b>	<b>1,163,963</b>	<b>1,232,431</b>

**4 C. Estimated Raw Materials Requirement at Utilised Capacity (Value): (In Average) - Toast**

Name of Product	Purchase Price Per Unit Tk.	1st Year	2nd Year	3rd Year	4th Year	5th Year
		70%	75%	80%	85%	90%
<b>Raw Materials:</b>						
Flour	214.50	141,216,075	151,302,938	161,389,800	171,476,663	181,563,525
Suger	445.25	58,626,068	62,813,644	67,001,220	71,188,796	75,376,373
Palm Oil	504.27	22,132,410	23,713,297	25,294,183	26,875,070	28,455,956
Dalda	515.94	33,966,745	36,392,941	38,819,138	41,245,334	43,671,530
Normal Salt	153.73	1,349,398	1,445,784	1,542,169	1,638,555	1,734,940
East	1527.50	8,380,247	8,978,836	9,577,425	10,176,014	10,774,603
Calcium Propienet (CP)	780.00	1,540,539	1,650,578	1,760,616	1,870,655	1,980,693
Bread Improver	1170.00	770,270	825,289	880,308	935,327	990,347
Black Cumen	812.50	1,426,425	1,528,313	1,630,200	1,732,088	1,833,975
Milk Powder	2275.00	9,984,975	10,698,188	11,411,400	12,124,613	12,837,825
Milk Flavour	4745.00	20,825,805	22,313,363	23,800,920	25,288,478	26,776,035
Marzarin	910.00	29,954,925	32,094,563	34,234,200	36,373,838	38,513,475
Vanillin Powder	6207.50	4,086,708	4,378,615	4,670,523	4,962,431	5,254,338
<b>Total:</b>	<b>20,261.18</b>	<b>334,260,589</b>	<b>358,136,346</b>	<b>382,012,102</b>	<b>405,887,858</b>	<b>429,763,615</b>

**A) Total Annual Raw Materials Cost (Existing + Proposed)**      **2,266,161,995**    **2,419,612,800**    **2,573,063,605**    **2,687,230,835**    **2,801,398,065**

### **Manpower Requirement:**

The total manpower requirement of the project has been estimated at 276 (Skilled, Semi Skilled and Administrative) for which about BDT 34,602,041 have been earmarked against annual salary at utilized capacity both in factory and administrative work.

### **Land & Land Development:**

The project is located at 28 South Noapara, Tarabo, Rupgonj, Narayanganj valued BDT. 520,597,000 and the total land size of the factory is about 77 Decimel. All industrial facilities like water, power, Gas, Road etc. are already available in the project site. In Addition, the company has another factory on 34 Decimel land which is rented.

### **Building and Civil Works:**

Building and civil works comprises ground floor for factory building and Cost of building and civil works have been estimated Tk. **135,394,680** in total. Some of related works have been given under:

- 1) Civil Works
- 2) Street Works
- 3) Interior Works
- 4) Building & Shade
- 5) Toilet Block
- 6) Boundary Wall & Road
- 7) Others

In Addition, the company owns another factory which is rented but Building and civil construction is its own property valued Tk. 37,000,000 in rented land but Building and civil construction is its own contribution.

**Our Products:**





















### **Implementation Schedule:**

The company is a running concern and currently it is running in a rented Land which will be called Unit 1. But because of growing demand of the product the company is going to start another factory called Unit 2. The implementation period of the project (Unit 2) is considered to be about 12 months to start Commercial Operation. This is given in the following implementation schedule.

**Table : Project implementation schedule**

SL. No.	Activities	Months											
		1	2	3	4	5	6	7	8	9	10	11	12
1	Land & Land development												
2	Civil Constructions												
3	Opening L/C for Machineries and arrival at site												
4	Machinery & Equipments Installation & Erection												
5	Trail Operation												
6	Commercial Operation												



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## ***SECTION FOUR***

### ***FINANCIAL ASPECT***

## The Finance:

### Cost of the Project

**Fixed Cost of the Project:**

SL	Particulars	Existing Project	New Investment		Total
			Local	Imported	
1	Land & Land Development	-	520,597,000	-	520,597,000
2	Building & Infrastructure Cost	-	520,597,000	-	520,597,000
		-	-	-	-
		37,000,000	135,394,680	-	172,394,680
3	Imported Machinery & Equipment	37,000,000	135,394,680	-	172,394,680
		-	-	-	-
	Duty, Vat, Tax & Carriage	56,100,000	-	199,864,650	255,964,650
				1,998,647	1,998,647
				-	-
4	Local Machinery & Equipment	56,100,000	-	201,863,297	257,963,297
		-	-	-	-
		15,000,000	16,215,000	-	31,215,000
5	Furniture & Equipments	15,000,000	16,215,000	-	31,215,000
		5,000,000	10,000,000	-	15,000,000
					-
6	Vehicles:	5,000,000	10,000,000	-	15,000,000
		6,500,000	23,500,000	-	30,000,000
					-
7	Auxiliary Assets	6,500,000	23,500,000	-	30,000,000
					-
					-
8	Generator	-	-	-	-
		2,500,000	10,000,000	-	12,500,000
			-		-
9	Pre-Operating Expense	2,500,000	10,000,000	-	12,500,000
		-	-	-	-
					-
	Deep Pump	300,000	500,000	-	800,000
	WTP	-	2,000,000	-	2,000,000
	Water & Steam Line	600,000	1,200,000	-	1,800,000
	Electrical Line & wiring	750,000	1,500,000	-	2,250,000
	Gas Connection with materials	-	5,000,000	-	5,000,000
	Installation & Others	2,800,000	5,995,940	-	8,795,940
		4,450,000	16,195,940	-	20,645,940
					-
	<b>Total Cost of the Project:</b>	<b>126,550,000</b>	<b>731,902,620</b>	<b>201,863,297</b>	<b>1,060,315,916</b>

**Costing of job order Costing Techniques in Food Product (Biscuit, Spice, Beverage, Toast, Chanachor) Manufacturing Sector of Bangladesh: INSHA FOOD & BEVERAGE LTD. as a Case**

Cost decision & allocation typically depends on multiple variables. For any manufacturing firm it is always confirmed that the cost is dependent of production volume. Hence it is also considered that other dependent variables like overhead costs, transportation etc. has an impact on the overall costing. As a part of my internship project I have tried to convey an in depth study on the costing strategy of a manufacturing firm. INSHA FOOD & BEVERAGE LTD. is basically\_a Food Product (Biscuit, Spice, Beverage, Toast, Chanachor) Manufacturing company. This organization follows traditional rule for their costing. The classification of cost for this organization is differently presented. The cost here is classified as Primary & Secondary cost which simply refers to Direct & Indirect cost. **INSHA FOOD & BEVERAGE LTD.** Categorize the Primary Costs as-

- Production Cost &
- Placement Cost

And the Secondary Costs as-

- Overhead Cost
- Transportation Cost &
- Other Costs

The basic categories are even further classified into different specific cost elements.

**Primary Costs**

Food Product (Biscuit, Spice, Beverage, Toast, Chanachor) Manufacturing cost refers to direct purchases related to production. This cost typically depends on Order Quantity. The total cost includes all the costs starting from the initial buying process to the placement process. The total cost can also be referred as direct material cost. The negotiation with supplier basically depends on

**Product Price:** The product price clearly portrays the interest of both the parties in buying decision. As a buyer the organization traditionally manages the cost as a benefit

out of the alliance. As a Food Product (Biscuit, Spice, Beverage, Toast, Chanachor) Manufacturing company, INSHA FOOD & BEVERAGE LTD. manages alliances with around 15 different suppliers. As international product Food Product (Biscuit, Spice, Beverage, Toast, Chanachor) Manufacturing items has demands in all around the world especially in Europe. The different merchandise requirement for dye manufacturing is met through overseas contracts.

**Order Size:** Order quantity depends on the order taken from the buyer of Food Product (Biscuit, Spice, Beverage, Toast, Chanachor) items. Generally the order is placed taking a month time. The quantity ordered is decided after the order is placed. Generally the order is maximized for merchandise as referred to wastage. The order is maximized by 5% which pretended to be wastage after production. So, that cost is also included & adjusted after the order is delivered. And the un-wasted products are kept as sample & also released to local market and the cost is also adjusted through that but the revenue is here declined. The wastage cost is annually adjusted however the damaged products are released to open market in lots.

## **Production Cost**

This is to most crucial cost as a direct cost. The direct cost of this Sector of Bangladesh depends on different factors as this is a Government Subsidized sector. The Production cost is allocated as follows

### **Direct Labor Cost:**

Direct labor cost is directly related to the production. The direct labor cost refers to the workers related to the production process. The factory workers are regularly paid & also paid for the overtime. The overtime cost is 100% markup of regular pay for any worker as per the labor law of Bangladesh. The Direct labor cost sometimes estimated as hourly pay and sometimes production unit based. In order to calculate the per unit production cost it is required to find out the per unit labor cost for direct labor. In INSHA FOOD & BEVERAGE LTD. the labors are monthly paid for production however the production perimeter for an hour is set by the line manager.

## **Placement Cost**

The placement cost in INSHA FOOD & BEVERAGE LTD. is referred to the order delivery cost. After the production is completed now it is time to deliver the product to the buyer. The merchandiser is held responsible for all the communication made with the buyer. The delivery process also encounters some cost those are regarded to be primary cost for the organization. The delivery is cost divided into different parts like

## Details Analysis of Import and Export L/C and Opening L/C

As the orders are overseas, INSHA FOOD & BEVERAGE LTD. opens L/C of required amount for import and export of certain amount of product.

### **Shipment Cost**

The organization then books the carrier to carry the shipment. It is the duty of the supplier to manage the transport towards the buyer.

### **Insurance**

The organization also pays for the insurance of the shipment. To eliminate the risk of damage the organization needs to make insurance for the freight.

### **Travel Cost**

Sometimes a representative on behalf of the Company is sent to the buyer to ensure the proper hand over of the ordered product.

### **Secondary Costs**

### **Overhead Cost**

### **Indirect Materials**

The indirect material cost is considered to be the important factor for the organization. The indirect material for INSHA FOOD & BEVERAGE LTD. refers to the threading, various chemical etc. The costing for indirect materials is typically done through the local suppliers. The orders are placed to the suppliers for the delivery. Like the direct material cost the indirect materials are ordered 5% more than the order received for the product.

### **Indirect Labor**

The indirect labor here is considered to be the labors that are not directly related to the production process. For example the supervisors, line managers, factory managers etc. who are not directly related to the production process are considered as indirect labor. For these criteria they are not paid as direct labor but on a monthly basis. And their payment is not converted to per unit production cost as this cost is annually adjusted to the balance.

## **Factory Overhead**

Factory overhead cost is an annual cost which is annually adjusted to the cost sheet of the company. The factory overhead cost includes the factory maintenance, depreciation of machineries, maintenance & repair of machineries etc.

## **Indirect Production Cost**

The direct production cost refers to the technical cost of production. The electricity usage during production referred to the unit of electricity used for production is taken into account and then it is divided with the total production unit to find out the unit production cost.

## **Transportation Cost**

All the transportation made internally & externally is encountered under the secondary cost. The freight in & freight out is paid by the company. This is adjusted as annual cost. Generally the transportation cost arises from freight from doc to warehouse, warehouse to factory & the reverse in time of delivery.

## **Other Costs**

Other indirect costs are not related directly to the production but annually these costs arise. These costs are as follows-

- Selling Expense
- Administrative Expenses
- Interest expense
- Capital Expenditure

Below shows a projected income statement for the five years of the plan. This demonstrates how the targets will be achieved. The projections have been carefully Constructed and are based upon realistic assumptions.

In the first year of the plan **INSHA FOOD & BEVERAGE LTD.** will achieve sales of BDT. **2,610,974,728**, a gross profit of BDT. **606,654,343** and a net profit of BDT. **261,330,763**. In midway through the plan, the business will achieve sales of BDT. **2,964,507,729**, a gross profit of BDT. **705,160,014** and a net profit of BDT. **296,188,556**. By the end of the plan the business will achieve sales of BDT. **3,227,211,581**, a gross profit of BDT. **770,362,836** and a net profit of BDT. **341,916,650**.



The figures demonstrate a steady growth in sales and gross profit during the period of the plan. The business becomes profitable in year one of the plan, which is earlier than many similar rivals and demonstrates the strength of the business model. This will provide a solid financial foundation to develop its plans. The average sales growth of 5-10 percent across the period is healthy and demonstrates the potential of the business. The predicted sales and growth are realistic given the strengths of the business and the attractiveness of the market.

## Earning Forecast:

The profitability analysis of the project has been done for five years of operation to assess the financial viability of the project. The analysis is given below.

### Estimated Income Statement:

<u>Particulars</u>	<u>Year -1</u>	<u>Year -2</u>	<u>Year -3</u>	<u>Year -4</u>	<u>Year -5</u>
<b>Sales</b>	<b>2,610,974,728</b>	<b>2,787,741,229</b>	<b>2,964,507,729</b>	<b>3,095,859,655</b>	<b>3,227,211,581</b>
<b>Cost of Goods Sold</b>	<b>2,004,320,386</b>	<b>2,129,708,606</b>	<b>2,259,347,715</b>	<b>2,358,244,337</b>	<b>2,456,848,745</b>
<b>Gross Profit</b>	<b>606,654,343</b>	<b>658,032,622</b>	<b>705,160,014</b>	<b>737,615,318</b>	<b>770,362,836</b>
<b>Administrative Overhead:</b>					
Interest on term loan - Project	24,083,274	19,584,193	14,663,071	9,280,312	3,392,612
Interest on working capital (OD)	58,329,701	66,811,617	74,499,026	77,775,456	81,045,978
Depreciation	52,939,595	47,852,250	47,743,154	45,858,417	41,316,828
Salary and Allowances	34,602,041	40,224,872	42,949,783	45,384,901	45,628,413
Conveyance	13,751,311	14,682,293	15,613,276	16,305,071	16,996,867
Office Rent	1,305,487	1,393,871	1,482,254	1,547,930	1,613,606
Printing & Stationery	1,827,682	1,951,419	2,075,155	2,167,102	2,259,048
Medical Expenses	2,872,072	3,066,515	3,260,959	3,405,446	3,549,933
Postage and Courier	783,292	836,322	889,352	928,758	968,163
Internet and Mobile	6,193,125	6,612,408	7,031,690	7,343,252	7,654,813
Office Maintenance	5,483,047	6,360,977	6,225,466	6,501,305	6,777,144
Electricity Bill	2,088,780	2,230,193	2,371,606	2,476,688	2,581,769
Audit Fees	250,000	250,000	250,000	250,000	250,000
Entertainment	5,544,062	5,919,403	6,914,971	6,573,652	6,852,560
Fees forms and Renewals	3,185,389	3,401,044	3,616,699	3,776,949	3,937,198
Bank Charges	83,145	86,132	90,871	71,234	89,761
Sales Promotion	26,109,747	55,754,825	59,290,155	61,917,193	64,544,232
Donation and Subscription	1,725,854	1,842,697	1,959,540	2,046,363	2,133,187
Miscellaneous Expenses	5,221,949	5,575,482	5,929,015	6,191,719	6,454,423
	246,379,555	284,436,513	296,856,043	299,801,747	298,046,537
	<b>360,274,787</b>	<b>373,596,109</b>	<b>408,303,971</b>	<b>437,813,571</b>	<b>472,316,300</b>
<b>Operating Income</b>	<b>13,054,874</b>	<b>13,938,706</b>	<b>14,822,539</b>	<b>15,479,298</b>	<b>16,136,058</b>
<b>Profit Before Tax</b>	<b>373,329,661</b>	<b>387,534,815</b>	<b>423,126,509</b>	<b>453,292,869</b>	<b>488,452,358</b>
Provision for Taxation	111,998,898	116,260,445	126,937,953	135,987,861	146,535,707
<b>Profit After Tax</b>	<b>261,330,763</b>	<b>271,274,371</b>	<b>296,188,556</b>	<b>317,305,008</b>	<b>341,916,650</b>
Last Years Accu. Profit/(Loss)	-	261,330,763	532,605,134	828,793,690	1,146,098,699
	<b>261,330,763</b>	<b>532,605,134</b>	<b>828,793,690</b>	<b>1,146,098,699</b>	<b>1,488,015,349</b>
<b>Net Profit against Sales (%)</b>	<b>10.01</b>	<b>9.73</b>	<b>9.99</b>	<b>10.25</b>	<b>10.59</b>



## Explanation to the Accounts:

### Assumptions of Production & Sales Capacity (Existing)

#### 1. Estimated Capacity of Production & Sales (In Average): - Biscuit

Name of Product	Unit	Per Hour	Per Day	Per Month	Per Year
<b>A. a) Biscuit:</b>					
Production at 100% Capacity	Kgs	109	2,618	72,000	864,000
Less: Wastage (5%)	Kgs	5	131	3,600	43,200
<b>Net Production at 100% Capacity</b>	<b>Kgs</b>	<b>104</b>	<b>2,487</b>	<b>68,400</b>	<b>820,800</b>
i) Net Annual Production at 100% Capacity	Kgs	<b>820,800</b>			
ii) Annual Wastage at 100% Capacity	Kgs	<b>43,200</b>			
	<b><u>Year 1</u></b>	<b><u>Year 2</u></b>	<b><u>Year 3</u></b>	<b><u>Year 4</u></b>	<b><u>Year 5</u></b>
Capacity Utilization	85%	90%	95%	95%	95%
Annual Sales (Biscuit) - In Kgs	697,680	738,720	779,760	779,760	779,760
Per unit Selling Price (Tk.)	428.00	428.00	428.00	428.00	428.00
<b>Annual Sales (Biscuit) - In Tk.</b>	<b>298,607,040</b>	<b>316,172,160</b>	<b>333,737,280</b>	<b>333,737,280</b>	<b>333,737,280</b>
<b>b) Wastage :</b>	<b><u>Year 1</u></b>	<b><u>Year 2</u></b>	<b><u>Year 3</u></b>	<b><u>Year 4</u></b>	<b><u>Year 5</u></b>
Capacity Utilization	85%	90%	95%	95%	95%
Annual Wastage Sales	36,720	38,880	41,040	41,040	41,040
Per unit Selling Price (Tk.) - Average	45	45	45	45	45
<b>Annual Sales (Wastage) - In Tk.</b>	<b>1,652,400</b>	<b>1,749,600</b>	<b>1,846,800</b>	<b>1,846,800</b>	<b>1,846,800</b>
<b>Annual Sales (a+b)</b>	<b>300,259,440</b>	<b>317,921,760</b>	<b>335,584,080</b>	<b>335,584,080</b>	<b>335,584,080</b>

## 2. Estimated Capacity of Production & Sales (In Average): - Spice

Name of Product	Unit	Per Hour	Per Day	Per Month	Per Year
<b>A. a) Spice:</b>					
Production at 100% Capacity	Kgs	50	1,200	33,000	396,000
Less: Wastage (8%)	Kgs	4	96	2,640	31,680
<b>Net Production at 100% Capacity</b>	<b>Kgs</b>	<b>46</b>	<b>1,104</b>	<b>30,360</b>	<b>364,320</b>
i) Net Annual Production at 100% Capacity	Kgs	<b>364,320</b>			
ii) Annual Wastage at 100% Capacity	Kgs	<b>31,680</b>			
	<b><u>Year 1</u></b>	<b><u>Year 2</u></b>	<b><u>Year 3</u></b>	<b><u>Year 4</u></b>	<b><u>Year 5</u></b>
Capacity Utilization	85%	90%	95%	95%	95%
Annual Sales (Spice) - In Pkt	309,672	327,888	346,104	346,104	346,104
Per unit Selling Price (Tk.)	572.45	572.45	572.45	572.45	572.45
<b>Annual Sales (Spice) - In Tk.</b>	<b>177,271,736</b>	<b>187,699,486</b>	<b>198,127,235</b>	<b>198,127,235</b>	<b>198,127,235</b>
<b>b) Wastage :</b>	<b><u>Year 1</u></b>	<b><u>Year 2</u></b>	<b><u>Year 3</u></b>	<b><u>Year 4</u></b>	<b><u>Year 5</u></b>
Capacity Utilization	85%	90%	95%	95%	95%
Annual Wastage Sales (In Kgs)	26,928	28,512	30,096	30,096	30,096
Per unit Selling Price (Tk.) - Average	80	80	80	80	80
<b>Annual Sales (Wastage) - In Tk.</b>	<b>2,154,240</b>	<b>2,280,960</b>	<b>2,407,680</b>	<b>2,407,680</b>	<b>2,407,680</b>
<b>Annual Sales (a+b)</b>	<b>179,425,976</b>	<b>189,980,446</b>	<b>200,534,915</b>	<b>200,534,915</b>	<b>200,534,915</b>

### 3. Estimated Capacity of Production & Sales : - Chanachor & Others

Name of Product	Unit	Per Hour	Per Day	Per Month	Per Year
<b>A. a) Chanachor &amp; Others:</b>					
Production at 100% Capacity	Kgs	100	2,400	66,000	792,000
Less: Wastage (5%)	Kgs	5	120	3,300	39,600
<b>Net Production at 100% Capacity</b>	<b>Kgs</b>	<b>95</b>	<b>2,280</b>	<b>62,700</b>	<b>752,400</b>
i) Net Annual Production at 100% Capacity	Kgs	<b>752,400</b>			
ii) Annual Wastage at 100% Capacity	Kgs	<b>39,600</b>			
	<u><b>Year 1</b></u>	<u><b>Year 2</b></u>	<u><b>Year 3</b></u>	<u><b>Year 4</b></u>	<u><b>Year 5</b></u>
Capacity Utilization	85%	90%	95%	95%	95%
Annual Sales (Chanachor & Others) - In Kgs	639,540	677,160	714,780	714,780	714,780
Per unit Selling Price (Tk.)	347.75	347.75	347.75	347.75	347.75
<b>Annual Sales (Chanachor &amp; Others) - In Tk.</b>	<b>222,400,035</b>	<b>235,482,390</b>	<b>248,564,745</b>	<b>248,564,745</b>	<b>248,564,745</b>
<b>b) Wastage :</b>	<u><b>Year 1</b></u>	<u><b>Year 2</b></u>	<u><b>Year 3</b></u>	<u><b>Year 4</b></u>	<u><b>Year 5</b></u>
Capacity Utilization	85%	90%	95%	95%	95%
Annual Wastage Sales (In Kgs)	33,660	35,640	37,620	37,620	37,620
Per unit Selling Price (Tk.) - Average	38	38	38	38	38
<b>Annual Sales (Wastage) - In Tk.</b>	<b>1,279,080</b>	<b>1,354,320</b>	<b>1,429,560</b>	<b>1,429,560</b>	<b>1,429,560</b>
<b>Annual Sales (a+b)</b>	<b>223,679,115</b>	<b>236,836,710</b>	<b>249,994,305</b>	<b>249,994,305</b>	<b>249,994,305</b>

<b>4. Estimated Capacity of Production &amp; Sales (In Average): - Toast</b>					
<b>Name of Product</b>	<b>Unit</b>	<b>Per Hour</b>	<b>Per Day</b>	<b>Per Month</b>	<b>Per Year</b>
<b>A. a) Toast:</b>					
Production at 100% Capacity	Kgs	25	600	16,500	198,000
Less: Wastage (5%)	Kgs	1	30	825	9,900
<b>Net Production at 100% Capacity</b>	<b>Kgs</b>	<b>24</b>	<b>570</b>	<b>15,675</b>	<b>188,100</b>
i) Net Annual Production at 100% Capacity	Kgs	<b>188,100</b>			
ii) Annual Wastage at 100% Capacity	Kgs	<b>9,900</b>			
	<b><u>Year 1</u></b>	<b><u>Year 2</u></b>	<b><u>Year 3</u></b>	<b><u>Year 4</u></b>	<b><u>Year 5</u></b>
Capacity Utilization	85%	90%	95%	95%	95%
Annual Sales (Toast) - In Kgs	159,885	169,290	178,695	178,695	178,695
Per unit Selling Price (Tk.)	428.00	428.00	428.00	428.00	428.00
<b>Annual Sales (Toast) - In Tk.</b>	<b>68,430,780</b>	<b>72,456,120</b>	<b>76,481,460</b>	<b>76,481,460</b>	<b>76,481,460</b>
<b>b) Wastage :</b>	<b><u>Year 1</u></b>	<b><u>Year 2</u></b>	<b><u>Year 3</u></b>	<b><u>Year 4</u></b>	<b><u>Year 5</u></b>
Capacity Utilization	85%	90%	95%	95%	95%
Annual Wastage Sales (In Kgs)	8,415	8,910	9,405	9,405	9,405
Per unit Selling Price (Tk.) - Average	30	30	30	30	30
<b>Annual Sales (Wastage) - In Tk.</b>	<b>252,450</b>	<b>267,300</b>	<b>282,150</b>	<b>282,150</b>	<b>282,150</b>
<b>Annual Sales (a+b)</b>	<b>68,683,230</b>	<b>72,723,420</b>	<b>76,763,610</b>	<b>76,763,610</b>	<b>76,763,610</b>

<b>Total Annual Sales (Existing)</b>	<b>772,047,761</b>	<b>817,462,336</b>	<b>862,876,910</b>	<b>862,876,910</b>	<b>862,876,910</b>
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## Assumptions of Production & Sales Capacity (Projected)

### 1. Estimated Capacity of Production & Sales (In Average): - Biscuit

Name of Product	Unit	Per Hour	Per Day	Per Month	Per Year
<b>A. a) Biscuit:</b>					
Production at 100% Capacity	Kgs	200	4,800	132,000	1,584,000
Less: Wastage (5%)	Kgs	10	240	6,600	79,200
<b>Net Production at 100% Capacity</b>	<b>Kgs</b>	<b>190</b>	<b>4,560</b>	<b>125,400</b>	<b>1,504,800</b>
i) Net Annual Production at 100% Capacity	Kgs	<b>1,504,800</b>			
ii) Annual Wastage at 100% Capacity	Kgs	<b>79,200</b>			
	<b><u>Year 1</u></b>	<b><u>Year 2</u></b>	<b><u>Year 3</u></b>	<b><u>Year 4</u></b>	<b><u>Year 5</u></b>
Capacity Utilization	70%	75%	80%	85%	90%
Annual Sales (Biscuit) - In Kgs	1,053,360	1,128,600	1,203,840	1,279,080	1,354,320
Per unit Selling Price (Tk.)	428.00	428.00	428.00	428.00	428.00
<b>Annual Sales (Biscuit) - In Tk.</b>	<b>450,838,080</b>	<b>483,040,800</b>	<b>515,243,520</b>	<b>547,446,240</b>	<b>579,648,960</b>
<b>b) Wastage :</b>	<b><u>Year 1</u></b>	<b><u>Year 2</u></b>	<b><u>Year 3</u></b>	<b><u>Year 4</u></b>	<b><u>Year 5</u></b>
Capacity Utilization	70%	75%	80%	85%	90%
Annual Wastage Sales	55,440	59,400	63,360	67,320	71,280
Per unit Selling Price (Tk.) - Average	45	45	45	45	45
<b>Annual Sales (Wastage) - In Tk.</b>	<b>2,494,800</b>	<b>2,673,000</b>	<b>2,851,200</b>	<b>3,029,400</b>	<b>3,207,600</b>
<b>Annual Sales (a+b)</b>	<b>453,332,880</b>	<b>485,713,800</b>	<b>518,094,720</b>	<b>550,475,640</b>	<b>582,856,560</b>

## 2. Estimated Capacity of Production & Sales (In Average): - Spice

Name of Product	Unit	Per Hour	Per Day	Per Month	Per Year
<b>A. a) Spice:</b>					
Production at 100% Capacity	Kgs	133	3,200	88,000	1,056,000
Less: Wastage (8%)	Kgs	11	256	7,040	84,480
<b>Net Production at 100% Capacity</b>	<b>Kgs</b>	<b>123</b>	<b>2,944</b>	<b>80,960</b>	<b>971,520</b>
i) Net Annual Production at 100% Capacity	Kgs	<b>971,520</b>			
ii) Annual Wastage at 100% Capacity	Kgs	<b>84,480</b>			
	<u><b>Year 1</b></u>	<u><b>Year 2</b></u>	<u><b>Year 3</b></u>	<u><b>Year 4</b></u>	<u><b>Year 5</b></u>
Capacity Utilization	70%	75%	80%	85%	90%
Annual Sales (Spice) - In Pkt	680,064	728,640	777,216	825,792	874,368
Per unit Selling Price (Tk.)	572.45	572.45	572.45	572.45	572.45
<b>Annual Sales (Spice) - In Tk.</b>	<b>389,302,637</b>	<b>417,109,968</b>	<b>444,917,299</b>	<b>472,724,630</b>	<b>500,531,962</b>
<b>b) Wastage :</b>	<u><b>Year 1</b></u>	<u><b>Year 2</b></u>	<u><b>Year 3</b></u>	<u><b>Year 4</b></u>	<u><b>Year 5</b></u>
Capacity Utilization	70%	75%	80%	85%	90%
Annual Wastage Sales (In Kgs)	59,136	63,360	67,584	71,808	76,032
Per unit Selling Price (Tk.) - Average	80	80	80	80	80
<b>Annual Sales (Wastage) - In Tk.</b>	<b>4,730,880</b>	<b>5,068,800</b>	<b>5,406,720</b>	<b>5,744,640</b>	<b>6,082,560</b>
<b>Annual Sales (a+b)</b>	<b>394,033,517</b>	<b>422,178,768</b>	<b>450,324,019</b>	<b>478,469,270</b>	<b>506,614,522</b>

### 3. Estimated Capacity of Production & Sales (In Average): - Beverage

Name of Product	Unit	Per Hour	Per Day	Per Month	Per Year
<b>A. a) Beverage:</b>					
Production at 100% Capacity	Ltr	625	15,000	412,500	4,950,000
Less: Wastage (5%)	Ltr	31	750	20,625	247,500
<b>Net Production at 100% Capacity</b>	<b>Ltr</b>	<b>594</b>	<b>14,250</b>	<b>391,875</b>	<b>4,702,500</b>
i) Net Annual Production at 100% Capacity	Ltr	<b>4,702,500</b>			
ii) Annual Wastage at 100% Capacity	Ltr	<b>247,500</b>			
	<u><b>Year 1</b></u>	<u><b>Year 2</b></u>	<u><b>Year 3</b></u>	<u><b>Year 4</b></u>	<u><b>Year 5</b></u>
Capacity Utilization	70%	75%	80%	85%	90%
Annual Sales (Beverage) - In Ltr	3,291,750	3,526,875	3,762,000	3,997,125	4,232,250
Per unit Selling Price (Tk.)	184.04	184.04	184.04	184.04	184.04
<b>Annual Sales (Beverage) - In Tk.</b>	<b>605,813,670</b>	<b>649,086,075</b>	<b>692,358,480</b>	<b>735,630,885</b>	<b>778,903,290</b>
<b>b) Wastage :</b>	<u><b>Year 1</b></u>	<u><b>Year 2</b></u>	<u><b>Year 3</b></u>	<u><b>Year 4</b></u>	<u><b>Year 5</b></u>
Capacity Utilization	70%	75%	80%	85%	90%
Annual Wastage Sales (In Ltr)	173,250	185,625	198,000	210,375	222,750
Per unit Selling Price (Tk.) - Average	50	50	50	50	50
<b>Annual Sales (Wastage) - In Tk.</b>	<b>8,662,500</b>	<b>9,281,250</b>	<b>9,900,000</b>	<b>10,518,750</b>	<b>11,137,500</b>
<b>Annual Sales (a+b)</b>	<b>614,476,170</b>	<b>658,367,325</b>	<b>702,258,480</b>	<b>746,149,635</b>	<b>790,040,790</b>

#### 4. Estimated Capacity of Production & Sales (In Average): - Toast

Name of Product	Unit	Per Hour	Per Day	Per Month	Per Year
<b>A. a) Toast:</b>					
Production at 100% Capacity	Kgs	167	4,000	110,000	1,320,000
Less: Wastage (5%)	Kgs	8	200	5,500	66,000
<b>Net Production at 100% Capacity</b>	<b>Kgs</b>	<b>158</b>	<b>3,800</b>	<b>104,500</b>	<b>1,254,000</b>
i) Net Annual Production at 100% Capacity	Kgs	<b>1,254,000</b>			
ii) Annual Wastage at 100% Capacity	Kgs	<b>66,000</b>			
	<b><u>Year 1</u></b>	<b><u>Year 2</u></b>	<b><u>Year 3</u></b>	<b><u>Year 4</u></b>	<b><u>Year 5</u></b>
Capacity Utilization	70%	75%	80%	85%	90%
Annual Sales (Toast) - In Kgs	877,800	940,500	1,003,200	1,065,900	1,128,600
Per unit Selling Price (Tk.)	428.00	428.00	428.00	428.00	428.00
<b>Annual Sales (Toast) - In Tk.</b>	<b>375,698,400</b>	<b>402,534,000</b>	<b>429,369,600</b>	<b>456,205,200</b>	<b>483,040,800</b>
<b>b) Wastage :</b>	<b><u>Year 1</u></b>	<b><u>Year 2</u></b>	<b><u>Year 3</u></b>	<b><u>Year 4</u></b>	<b><u>Year 5</u></b>
Capacity Utilization	70%	75%	80%	85%	90%
Annual Wastage Sales (In Kgs)	46,200	49,500	52,800	56,100	59,400
Per unit Selling Price (Tk.) - Average	30	30	30	30	30
<b>Annual Sales (Wastage) - In Tk.</b>	<b>1,386,000</b>	<b>1,485,000</b>	<b>1,584,000</b>	<b>1,683,000</b>	<b>1,782,000</b>
<b>Annual Sales (a+b)</b>	<b>377,084,400</b>	<b>404,019,000</b>	<b>430,953,600</b>	<b>457,888,200</b>	<b>484,822,800</b>

<b>Total Annual Sales (Existing)</b>	772,047,761	817,462,336	862,876,910	862,876,910	862,876,910
<b>Total Annual Sales (Proposed)</b>	1,838,926,967	1,970,278,893	2,101,630,819	2,232,982,745	2,364,334,672
<b>Total Sales</b>	<b>2,610,974,728</b>	<b>2,787,741,229</b>	<b>2,964,507,729</b>	<b>3,095,859,655</b>	<b>3,227,211,581</b>



## **Estimated Cost of Goods Sold**

<b>Particulars</b>	<b>1st year 80%</b>	<b>2nd year 85%</b>	<b>3rd year 90%</b>	<b>4th year 95%</b>	<b>5th year 95%</b>
A) Raw Materials	2,266,161,995	2,419,612,800	2,573,063,605	2,687,230,835	2,801,398,065
B) Stores & Spares	23,078,649	21,517,899	21,517,899	21,517,899	21,517,899
C) Repair & Maintenance	23,078,649	21,517,899	21,517,899	21,517,899	21,517,899
D) 'Fuel & Lubricant	10,832,000	11,509,000	12,186,000	12,863,000	12,863,000
E) Insurance	11,539,324	10,758,949	10,758,949	10,758,949	10,758,949
F) General Factory Overhead	139,605,220	146,585,481	153,914,755	161,610,493	169,691,017
<b>Cost of Production</b>	<b>2,474,295,837</b>	<b>2,631,502,028</b>	<b>2,792,959,107</b>	<b>2,915,499,075</b>	<b>3,037,746,830</b>
Less: Closing Stock	469,975,451	501,793,421	533,611,391	557,254,738	580,898,085
<b>Cost of goods sold</b>	<b>2,004,320,386</b>	<b>2,129,708,606</b>	<b>2,259,347,715</b>	<b>2,358,244,337</b>	<b>2,456,848,745</b>

**Analysis of Cost of Raw Materials (Existing)**

**1 A. Estimated Raw Materials Requirement at rated (100%) Capacity (Quantity): - Biscuit**

Name of Product	Raw Materials Requirement (Per Unit)	Per Hour	Per Day	Per Month	Per Year
<b><u>Raw Materials:</u></b>	<b>Kgs</b>	<b>Kgs</b>	<b>Kgs</b>	<b>Kgs</b>	<b>Kgs</b>
Wheat Flour	0.63	65	1,555	42,750	513,000
Sugar	0.23	23	560	15,390	184,680
Palm Oil	0.10	10	249	6,840	82,080
Dalda	0.10	10	249	6,840	82,080
Marjrin	0.04	4	93	2,565	30,780
Baking Powder	0.01	1	19	513	6,156
Milk Powder	0.01	1	12	342	4,104
Lemon	0.00	0	1	17	205
Yellow Colour	0.00	0	6	171	2,052
Refine Salt	0.00	0	6	171	2,052
Coconut Flavor	0.00	0	2	51	616
Vanillin Powder	0.01	1	31	855	10,260
<b>Total:</b>	<b>1.12</b>	<b>116</b>	<b>2,782</b>	<b>76,505</b>	<b>918,065</b>

**1 B. Estimated Raw Materials Requirement at Attainable Capacity (Quantity): - (Iin Average) - Biscuit**

Name of Product	Unit	1st Year	2nd Year	3rd Year	4th Year	5th Year
		85%	90%	95%	95%	95%
<b><u>Raw Materials:</u></b>						
Wheat Flour	Kgs	436,050	461,700	487,350	487,350	487,350
Sugar	Kgs	156,978	166,212	175,446	175,446	175,446
Palm Oil	Kgs	69,768	73,872	77,976	77,976	77,976
Dalda	Kgs	69,768	73,872	77,976	77,976	77,976
Marjrin	Kgs	26,163	27,702	29,241	29,241	29,241
Baking Powder	Kgs	5,233	5,540	5,848	5,848	5,848
Milk Powder	Kgs	3,488	3,694	3,899	3,899	3,899
Lemon Yellow Colour	Kgs	174	185	195	195	195
Refine Salt	Kgs	1,744	1,847	1,949	1,949	1,949
Coconut Flavor	Kgs	1,744	1,847	1,949	1,949	1,949
Vanillin Powder	Kgs	523	554	585	585	585
Coconut Powder	Kgs	8,721	9,234	9,747	9,747	9,747
<b>Total:</b>		<b>780,355</b>	<b>826,258</b>	<b>872,162</b>	<b>872,162</b>	<b>872,162</b>

**1 C. Estimated Raw Materials Requirement at Utilised Capacity (Value): (In Average) - Biscuit**

Name of Product	Purchase Price Per Unit Tk.	1st Year	2nd Year	3rd Year	4th Year	5th Year
		85%	90%	95%	95%	95%
<b><u>Raw Materials:</u></b>						
Wheat Flour	186.00	81,105,300	85,876,200	90,647,100	90,647,100	90,647,100
Sugar	411.00	64,517,958	68,313,132	72,108,306	72,108,306	72,108,306
Palm Oil	465.48	32,475,609	34,385,939	36,296,268	36,296,268	36,296,268
Dalda	476.25	33,227,010	35,181,540	37,136,070	37,136,070	37,136,070
Marjrin	840.00	21,976,920	23,269,680	24,562,440	24,562,440	24,562,440
Baking Powder	195.00	1,020,357	1,080,378	1,140,399	1,140,399	1,140,399
Milk Powder	2100.00	7,325,640	7,756,560	8,187,480	8,187,480	8,187,480
Lemon	4230.00	737,797	781,196	824,596	824,596	824,596
Yellow Colour						
Refine Salt	141.60	246,979	261,507	276,035	276,035	276,035
Coconut						
Flavor	4230.00	7,377,966	7,811,964	8,245,962	8,245,962	8,245,962
Vanillin						
Powder	5130.00	2,684,324	2,842,225	3,000,127	3,000,127	3,000,127
Coconut						
Powder	660.00	5,755,860	6,094,440	6,433,020	6,433,020	6,433,020
<b>Total:</b>	<b>19,065.33</b>	<b>258,451,719</b>	<b>273,654,761</b>	<b>288,857,803</b>	<b>288,857,803</b>	<b>288,857,803</b>

**2 A. Estimated Raw Materials Requirement at rated (100%) Capacity (Quantity): - (In Average) - Spice**

Name of Product	Raw Materials Requirement (Per Unit)	Per Hour	Per Day	Per Month	Per Year
<b><u>Raw Materials:</u></b>	<b>Kgs</b>	<b>Kgs</b>	<b>Kgs</b>	<b>Kgs</b>	<b>Kgs</b>
Chilly (Taja)	0.50	23	552	15,180	182,160
Chilly Desi)	0.50	23	552	15,180	182,160
<b>Total:</b>	<b>1.00</b>	<b>46</b>	<b>1,104</b>	<b>30,360</b>	<b>364,320</b>

**2 B. Estimated Raw Materials Requirement at Attainable Capacity (Quantity): - (In Average) - Spice**

Name of Product	Unit	1st Year	2nd Year	3rd Year	4th Year	5th Year
		85%	90%	95%	95%	95%
<b><u>Raw Materials:</u></b>						
Chilly (Taja)	Kgs	154,836	163,944	173,052	173,052	173,052
Chilly Desi)	Kgs	154,836	163,944	173,052	173,052	173,052
<b>Total:</b>		<b>309,672</b>	<b>327,888</b>	<b>346,104</b>	<b>346,104</b>	<b>346,104</b>

**2 C. Estimated Raw Materials Requirement at Utilised Capacity (Value): (In Average) - Spice**

Name of Product	Purchase Price Per Unit Tk.	1st Year	2nd Year	3rd Year	4th Year	5th Year
		85%	90%	95%	95%	95%
<b><u>Raw Materials:</u></b>						
Chilly (Taja)	517.50	80,127,630	84,841,020	89,554,410	89,554,410	89,554,410
Chilly Desi)	517.50	80,127,630	84,841,020	89,554,410	89,554,410	89,554,410
<b>Total:</b>	<b>1,035.00</b>	<b>160,255,260</b>	<b>169,682,040</b>	<b>179,108,820</b>	<b>179,108,820</b>	<b>179,108,820</b>

<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>
<b>3.Raw Materials Cost of Chanachor &amp; Others (Existing)</b>				
190,127,248	201,311,204	212,495,159	212,495,159	212,495,159

**4 A. Estimated Raw Materials Requirement at rated (100%) Capacity (Quantity): - (In Average) - Toast**

Name of Product	Raw Materials Requirement (Per Unit)	Per Hour	Per Day	Per Month	Per Year
<b><u>Raw Materials:</u></b>	<b>Kgs</b>	<b>Kgs</b>	<b>Kgs</b>	<b>Kgs</b>	<b>Kgs</b>
Flour	0.75	18	428	11,756	141,075
Suger	0.15	4	86	2,351	28,215
Palm Oil	0.05	1	29	784	9,405
Dalda	0.08	2	43	1,176	14,108
Normal Salt	0.01	0	6	157	1,881
East	0.01	0	4	98	1,176
Calcium Propienet (CP)	0.00	0	1	35	423
Bread Improver	0.00	0	0	12	141
Black Cumen	0.00	0	1	31	376
Milk Powder	0.01	0	3	78	941
Milk Flavour	0.00	0	1	39	470
Marzarin	0.04	1	21	588	7,054
Vanillin Powder	0.00	0	0	12	141
<b>Total:</b>	<b>1.09</b>	<b>26</b>	<b>622</b>	<b>17,117</b>	<b>205,405</b>

**4 B. Estimated Raw Materials Requirement at Attainable Capacity (Quantity): - (In Average) - Toast**

Name of Product	Unit	1st Year	2nd Year	3rd Year	4th Year	5th Year
		85%	90%	95%	95%	95%
<b><u>Raw Materials:</u></b>						
Flour	Kgs	119,914	126,968	134,021	134,021	134,021
Sugar	Kgs	23,983	25,394	26,804	26,804	26,804
Palm Oil	Kgs	7,994	8,465	8,935	8,935	8,935
Dalda	Kgs	11,991	12,697	13,402	13,402	13,402
Normal Salt	Kgs	1,599	1,693	1,787	1,787	1,787
East	Kgs	999	1,058	1,117	1,117	1,117
Calcium Propienet (CP)	Kgs	360	381	402	402	402
Bread Improver	Kgs	120	127	134	134	134
Black Cumen	Kgs	320	339	357	357	357
Milk Powder	Kgs	799	846	893	893	893
Milk Flavor	Kgs	400	423	447	447	447
Marzarin	Kgs	5,996	6,348	6,701	6,701	6,701
Vanillin Powder	Kgs	120	127	134	134	134
<b>Total:</b>		<b>174,594</b>	<b>184,865</b>	<b>195,135</b>	<b>195,135</b>	<b>195,135</b>

**4 C. Estimated Raw Materials Requirement at Utilised Capacity (Value): (In Average) - Toast**

Name of Product	Purchase Price Per Unit Tk.	1st Year	2nd Year	3rd Year	4th Year	5th Year
		85%	90%	95%	95%	95%
<b>Raw Materials:</b>						
Flour	214.50	25,721,499	27,234,529	28,747,558	28,747,558	28,747,558
Sugar	445.25	10,678,319	11,306,456	11,934,592	11,934,592	11,934,592
Palm Oil	504.27	4,031,260	4,268,393	4,505,526	4,505,526	4,505,526
Dalda	515.94	6,186,800	6,550,729	6,914,659	6,914,659	6,914,659
Normal Salt	153.73	245,783	260,241	274,699	274,699	274,699
East	1527.50	1,526,402	1,616,190	1,705,979	1,705,979	1,705,979
Calcium Propienet (CP)	780.00	280,598	297,104	313,610	313,610	313,610
Bread Improver	1170.00	140,299	148,552	156,805	156,805	156,805
Black Cumen	812.50	259,813	275,096	290,379	290,379	290,379
Milk Powder	2275.00	1,818,692	1,925,674	2,032,656	2,032,656	2,032,656
Milk Flavor	4745.00	1,896,636	2,008,203	2,119,769	2,119,769	2,119,769
Marzarin	910.00	5,456,076	5,777,021	6,097,967	6,097,967	6,097,967
Vanillin Powder	6207.50	744,365	788,151	831,937	831,937	831,937
<b>Total:</b>	<b>20,261.18</b>	<b>58,986,543</b>	<b>62,456,340</b>	<b>65,926,136</b>	<b>65,926,136</b>	<b>65,926,136</b>

<b>Cost of Raw Materials (Existing)</b>	<b>477,693,522</b>	<b>505,793,141</b>	<b>533,892,760</b>	<b>533,892,760</b>	<b>533,892,760</b>
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***Analysis of Cost of Raw Materials (Proposed)***

**1 A. Estimated Raw Materials Requirement at rated (100%) Capacity (Quantity): - Biscuit**

Name of Product	Raw Materials Requirement (Per Unit)	Per Hour	Per Day	Per Month	Per Year
<b><u>Raw Materials:</u></b>	<b>Kgs</b>	<b>Kgs</b>	<b>Kgs</b>	<b>Kgs</b>	<b>Kgs</b>
Wheat Flour	0.63	65	1,555	42,750	513,000
Sugar	0.23	23	560	15,390	184,680
Palm Oil	0.10	10	249	6,840	82,080
Dalda	0.10	10	249	6,840	82,080
Marjrin	0.04	4	93	2,565	30,780
Baking Powder	0.01	1	19	513	6,156
Milk Powder	0.01	1	12	342	4,104
Lemon Yellow Colour	0.00	0	1	17	205
Refine Salt	0.00	0	6	171	2,052
Coconut Flavour	0.00	0	6	171	2,052
Vanillin Powder	0.00	0	2	51	616
Coconute Powder	0.01	1	31	855	10,260
<b>Total:</b>	<b>1.12</b>	<b>116</b>	<b>2,782</b>	<b>76,505</b>	<b>918,065</b>

**1 B. Estimated Raw Materials Requirement at Attainable Capacity (Quantity): - (Iin Average) - Biscuit**

Name of Product	Unit	1st Year	2nd Year	3rd Year	4th Year	5th Year
		85%	90%	95%	95%	95%
<b><u>Raw Materials:</u></b>						
Wheat Flour	Kgs	436,050	461,700	487,350	487,350	487,350
Sugar	Kgs	156,978	166,212	175,446	175,446	175,446
Palm Oil	Kgs	69,768	73,872	77,976	77,976	77,976
Dalda	Kgs	69,768	73,872	77,976	77,976	77,976
Marjrin	Kgs	26,163	27,702	29,241	29,241	29,241
Baking Powder	Kgs	5,233	5,540	5,848	5,848	5,848
Milk Powder	Kgs	3,488	3,694	3,899	3,899	3,899
Lemon Yellow Colour	Kgs	174	185	195	195	195
Refine Salt	Kgs	1,744	1,847	1,949	1,949	1,949
Coconut Falvour	Kgs	1,744	1,847	1,949	1,949	1,949
Vanillin Powder	Kgs	523	554	585	585	585
Coconut Powder	Kgs	8,721	9,234	9,747	9,747	9,747
<b>Total:</b>		<b>780,355</b>	<b>826,258</b>	<b>872,162</b>	<b>872,162</b>	<b>872,162</b>

**1 C. Estimated Raw Materials Requirement at Utilised Capacity (Value): (In Average) - Biscuit**

Name of Product	Purchase Price Per Unit Tk.	1st Year	2nd Year	3rd Year	4th Year	5th Year
		85%	90%	95%	95%	95%
<b><u>Raw Materials:</u></b>						
Wheat Flour	186.00	81,105,300	85,876,200	90,647,100	90,647,100	90,647,100
Sugar	411.00	64,517,958	68,313,132	72,108,306	72,108,306	72,108,306
Palm Oil	465.48	32,475,609	34,385,939	36,296,268	36,296,268	36,296,268
Dalda	476.25	33,227,010	35,181,540	37,136,070	37,136,070	37,136,070
Marjrin	840.00	21,976,920	23,269,680	24,562,440	24,562,440	24,562,440
Baking Powder	195.00	1,020,357	1,080,378	1,140,399	1,140,399	1,140,399
Milk Powder	2100.00	7,325,640	7,756,560	8,187,480	8,187,480	8,187,480
Lemon Yellow Colour	4230.00	737,797	781,196	824,596	824,596	824,596
Refine Salt	141.60	246,979	261,507	276,035	276,035	276,035
Coconut Flavour	4230.00	7,377,966	7,811,964	8,245,962	8,245,962	8,245,962
Vanillin Powder	5130.00	2,684,324	2,842,225	3,000,127	3,000,127	3,000,127
Coconute Powder	660.00	5,755,860	6,094,440	6,433,020	6,433,020	6,433,020
<b>Total:</b>	<b>19,065.33</b>	<b>258,451,719</b>	<b>273,654,761</b>	<b>288,857,803</b>	<b>288,857,803</b>	<b>288,857,803</b>

**2 A. Estimated Raw Materials Requirement at rated (100%) Capacity (Quantity): - (In Average) - Spice**

Name of Product	Raw Materials Requirement (Per Unit)	Per Hour	Per Day	Per Month	Per Year
<b><u>Raw Materials:</u></b>	<b>Kgs</b>	<b>Kgs</b>	<b>Kgs</b>	<b>Kgs</b>	<b>Kgs</b>
Chilly (Taja)	0.50	23	552	15,180	182,160
Chilly Desi)	0.50	23	552	15,180	182,160
<b>Total:</b>	<b>1.00</b>	<b>46</b>	<b>1,104</b>	<b>30,360</b>	<b>364,320</b>

**2 B. Estimated Raw Materials Requirement at Attainable Capacity (Quantity): - (In Average) - Spice**

Name of Product	Unit	1st Year	2nd Year	3rd Year	4th Year	5th Year
		85%	90%	95%	95%	95%
<b><u>Raw Materials:</u></b>						
Chilly (Taja)	Kgs	154,836	163,944	173,052	173,052	173,052
Chilly Desi)	Kgs	154,836	163,944	173,052	173,052	173,052
<b>Total:</b>		<b>309,672</b>	<b>327,888</b>	<b>346,104</b>	<b>346,104</b>	<b>346,104</b>

**2 C. Estimated Raw Materials Requirement at Utilized Capacity (Value): (In Average) - Spice**

Name of Product	Purchase Price Per Unit Tk.	1st Year	2nd Year	3rd Year	4th Year	5th Year
		85%	90%	95%	95%	95%
<b><u>Raw Materials:</u></b>						
Chilly (Taja)	517.50	80,127,630	84,841,020	89,554,410	89,554,410	89,554,410
Chilly Desi)	517.50	80,127,630	84,841,020	89,554,410	89,554,410	89,554,410
<b>Total:</b>	<b>1,035.00</b>	<b>160,255,260</b>	<b>169,682,040</b>	<b>179,108,820</b>	<b>179,108,820</b>	<b>179,108,820</b>

<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>
<b>3.Raw Materials Cost of Beverage (Proposed):</b>				
522,304,745	559,612,226	596,919,708	634,227,190	671,534,672

**4 A. Estimated Raw Materials Requirment at rated (100%) Capacity (Quantity): - (In Average) - Toast**

Name of Product	Raw Materials Requirement (Per Unit)	Per Hour	Per Day	Per Month	Per Year
<b><u>Raw Materials:</u></b>	<b>Kgs</b>	<b>Kgs</b>	<b>Kgs</b>	<b>Kgs</b>	<b>Kgs</b>
Flour	0.75	119	2,850	78,375	940,500
Sugar	0.15	24	570	15,675	188,100
Palm Oil	0.05	8	190	5,225	62,700
Dalda	0.08	12	285	7,838	94,050
Normal Salt	0.01	2	38	1,045	12,540
East	0.01	1	24	653	7,838
Calcium Propienet (CP)	0.00	0	9	235	2,822
Bread Improver	0.00	0	3	78	941
Black Cumen	0.00	0	8	209	2,508
Milk Powder	0.01	1	19	523	6,270
Milk Flavour	0.00	0	10	261	3,135
Marzarin	0.04	6	143	3,919	47,025
Vanillin Powder	0.00	0	3	78	941
<b>Total:</b>	<b>1.09</b>	<b>173</b>	<b>4,150</b>	<b>114,114</b>	<b>1,369,368</b>

**4 B. Estimated Raw Materials Requirement at Attainable Capacity (Quantity): - (In Average) - Toast**

Name of Product	Unit	1st Year	2nd Year	3rd Year	4th Year	5th Year
		70%	75%	80%	85%	90%
<b><u>Raw Materials:</u></b>						
Flour	Kgs	658,350	705,375	752,400	799,425	846,450
Sugar	Kgs	131,670	141,075	150,480	159,885	169,290
Palm Oil	Kgs	43,890	47,025	50,160	53,295	56,430
Dalda	Kgs	65,835	70,538	75,240	79,943	84,645
Normal Salt	Kgs	8,778	9,405	10,032	10,659	11,286
East	Kgs	5,486	5,878	6,270	6,662	7,054
Calcium Propienet (CP)	Kgs	1,975	2,116	2,257	2,398	2,539
Bread Improver	Kgs	658	705	752	799	846
Black Cumen	Kgs	1,756	1,881	2,006	2,132	2,257
Milk Powder	Kgs	4,389	4,703	5,016	5,330	5,643
Milk Flavour	Kgs	2,195	2,351	2,508	2,665	2,822
Marzarin	Kgs	32,918	35,269	37,620	39,971	42,323
Vanillin Powder	Kgs	658	705	752	799	846
<b>Total:</b>		<b>958,558</b>	<b>1,027,026</b>	<b>1,095,494</b>	<b>1,163,963</b>	<b>1,232,431</b>

**4 C. Estimated Raw Materials Requirement at Utilised Capacity (Value): (In Average) - Toast**

Name of Product	Purchase Price Per Unit Tk.	1st Year	2nd Year	3rd Year	4th Year	5th Year
		70%	75%	80%	85%	90%
<b>Raw Materials:</b>						
Flour	214.50	141,216,075	151,302,938	161,389,800	171,476,663	181,563,525
Suger	445.25	58,626,068	62,813,644	67,001,220	71,188,796	75,376,373
Palm Oil	504.27	22,132,410	23,713,297	25,294,183	26,875,070	28,455,956
Dalda	515.94	33,966,745	36,392,941	38,819,138	41,245,334	43,671,530
Normal Salt	153.73	1,349,398	1,445,784	1,542,169	1,638,555	1,734,940
East	1527.50	8,380,247	8,978,836	9,577,425	10,176,014	10,774,603
Calcium Propienet (CP)	780.00	1,540,539	1,650,578	1,760,616	1,870,655	1,980,693
Bread Improver	1170.00	770,270	825,289	880,308	935,327	990,347
Black Cumen	812.50	1,426,425	1,528,313	1,630,200	1,732,088	1,833,975
Milk Powder	2275.00	9,984,975	10,698,188	11,411,400	12,124,613	12,837,825
Milk Flavour	4745.00	20,825,805	22,313,363	23,800,920	25,288,478	26,776,035
Marzarin	910.00	29,954,925	32,094,563	34,234,200	36,373,838	38,513,475
Vanillin Powder	6207.50	4,086,708	4,378,615	4,670,523	4,962,431	5,254,338
<b>Total:</b>	<b>20,261.18</b>	<b>334,260,589</b>	<b>358,136,346</b>	<b>382,012,102</b>	<b>405,887,858</b>	<b>429,763,615</b>

**A) Total Annual Raw Materials Cost (Existing + Proposed)**      **2,266,161,995    2,419,612,800    2,573,063,605    2,687,230,835    2,801,398,065**

**B) Stores & Spares :**

Particulars	1st year	2nd year	3rd year	4th year	5th year
On machinery	14,458,915	12,898,165	12,898,165	12,898,165	12,898,165
On building	8,619,734	8,619,734	8,619,734	8,619,734	8,619,734
<b>Total:</b>	<b>23,078,649</b>	<b>21,517,899</b>	<b>21,517,899</b>	<b>21,517,899</b>	<b>21,517,899</b>

**C) Repairs & Maintenance :**

Particulars	1st year	2nd year	3rd year	4th year	5th year
On machinery	14,458,915	12,898,165	12,898,165	12,898,165	12,898,165
On building	8,619,734	8,619,734	8,619,734	8,619,734	8,619,734
<b>Total:</b>	<b>23,078,649</b>	<b>21,517,899</b>	<b>21,517,899</b>	<b>21,517,899</b>	<b>21,517,899</b>

**D) Fuel Lubricants**

Particulars	Unit	Quantity	Unit Price	Amount
Diesel for generator	Liter	80,000	68	5,440,000
Grease	Kg	30,000	100	3,000,000
Octane for vehicles	Liter	75,000	68	5,100,000
<b>Total:</b>				<b>13,540,000</b>

1st year	2nd year	3rd year	4th year	5th year
<b>80</b>	<b>85</b>	<b>90</b>	<b>95</b>	<b>95</b>
10,832,000	11,509,000	12,186,000	12,863,000	12,863,000
<b>10,832,000</b>	<b>11,509,000</b>	<b>12,186,000</b>	<b>12,863,000</b>	<b>12,863,000</b>

**E) Insurance :**

Particulars	Rate	1st year	2nd year	3rd year	4th year	5th year
WDV of the Project	1	11,539,324	10,758,949	10,758,949	10,758,949	10,758,949
<b>Total:</b>		<b>11,539,324</b>	<b>10,758,949</b>	<b>10,758,949</b>	<b>10,758,949</b>	<b>10,758,949</b>



**F) General Factory Expenses**

Particulars	1st year	2nd year	3rd year	4th year	5th year
Water	9,504,000	9,979,200	10,478,160	11,002,068	11,552,171
Power	4,350,720	4,568,256	4,796,669	5,036,502	5,288,327
Entertainment	2,200,000	2,310,000	2,425,500	2,546,775	2,674,114
Stationary & Others	650,500	683,025	717,176	753,035	790,687
Telephone, Fax and Internet	2,800,000	2,940,000	3,087,000	3,241,350	3,403,418
Promotional Expenses	50,000,000	52,500,000	55,125,000	57,881,250	60,775,313
Travelling and Conveyance	3,500,000	3,675,000	3,858,750	4,051,688	4,254,272
Loading and Unloading Expenses	60,000,000	63,000,000	66,150,000	69,457,500	72,930,375
Medical Expenses	2,400,000	2,520,000	2,646,000	2,778,300	2,917,215
Form, Fees, and License	1,000,000	1,050,000	1,102,500	1,157,625	1,215,506
Car Expenses	2,400,000	2,520,000	2,646,000	2,778,300	2,917,215
Postage and Stamp	800,000	840,000	882,000	926,100	972,405
<b>Total</b>	<b>139,605,220</b>	<b>146,585,481</b>	<b>153,914,755</b>	<b>161,610,493</b>	<b>169,691,017</b>

**Water:**

Particulars	Unit	Demand P/Hour	Hours per day	No. of days	Annual Demand	Rate Tk.	Amount
Water	M3	250	16	330	1,320,000	12	15,840,000
<b>Total:</b>							<b>15,840,000</b>

1st year	2nd year	3rd year	4th year	5th year
9,504,000	11,088,000	11,880,000	12,672,000	13,464,000
<b>9,504,000</b>	<b>11,088,000</b>	<b>11,880,000</b>	<b>12,672,000</b>	<b>13,464,000</b>

**Power**

Particulars	Unit	Demand P/Hour	Hours per day	No. of days	Annual Demand	Rate Tk.	Amount
Electricity	KW	30	16	330	158,400	16	2,534,400
Gas	M3	25	16	330	132,000	22	2,904,000
<b>Total:</b>							<b>5,438,400</b>

1st year	2nd year	3rd year	4th year	5th year
<b>80</b>	<b>85</b>	<b>90</b>	<b>95</b>	<b>95</b>
4,350,720	4,622,640	4,894,560	5,166,480	5,166,480
<b>4,350,720</b>	<b>4,622,640</b>	<b>4,894,560</b>	<b>5,166,480</b>	<b>5,166,480</b>

## **Estimate of Financial Expense**

<b>Particulars</b>	<b>1st year 80%</b>	<b>2nd year 85%</b>	<b>3rd year 90%</b>	<b>4th year 95%</b>	<b>5th year 95%</b>
Profit/Interest on Invest./Term Loan	24,083,274	19,584,193	14,663,071	9,280,312	3,392,612
Profit/Interest on Working Capital Loan	58,329,701	66,811,617	74,499,026	77,775,456	81,045,978
<b>Total</b>	<b>82,412,975</b>	<b>86,395,810</b>	<b>89,162,097</b>	<b>87,055,768</b>	<b>84,438,590</b>

### **Bank's Investment/ Term Loan :**

<b>Particulars</b>	<b>1st year 80%</b>	<b>2nd year 85%</b>	<b>3rd year 90%</b>	<b>4th year 95%</b>	<b>5th year 95%</b>
Principal (Project)	289,218,240	241,257,173	188,797,027	131,415,757	68,651,728
Installment	72,044,341	72,044,339	72,044,341	72,044,341	72,044,340
Balance	241,257,173	188,797,027	131,415,757	68,651,728	-
Profit/Interest @9.00% p.a.	24,083,274	19,584,193	14,663,071	9,280,312	3,392,612

### **Profit/Interest on Cash Credit**

<b>Particulars</b>	<b>1st year 80%</b>	<b>2nd year 85%</b>	<b>3rd year 90%</b>	<b>4th year 95%</b>	<b>5th year 95%</b>
Amount of Working Capital Loan	648,107,794	742,351,305	827,766,955	864,171,737	900,510,869
Profit/Interest @9.00% p.a.	58,329,701	66,811,617	74,499,026	77,775,456	81,045,978

**INSHA FOOD & BEVERAGELTD.**  
**BALANCE SHEET**

<b>Particulars</b>	<b><u>Year -1</u></b>	<b><u>Year -2</u></b>	<b><u>Year -3</u></b>	<b><u>Year -4</u></b>	<b><u>Year -5</u></b>
<b>Liability &amp; O/E</b>					
Capital (Paid Up Capital + Share Money Deposit)	998,929,953	1,086,393,047	1,174,624,039	1,221,241,549	1,252,825,975
Profit and Loss Account	261,330,763	271,274,371	296,188,556	317,305,008	341,916,650
	1,260,260,716	1,357,667,418	1,470,812,595	1,538,546,558	1,594,742,625
Term Loan from Bank (Project )	241,257,173	188,797,027	131,415,757	68,651,728	-
<b>Current Liabilities</b>					
Outstanding Expenses	8,577,536	10,750,329	12,359,444	12,897,273	13,313,613
Accounts Payable	240,518,446	170,376,689	112,967,386	117,912,217	122,842,437
Advance Received	515,027,235	390,283,772	413,716,533	457,215,955	451,763,233
Bank Loan (OD )	648,107,794	742,351,305	827,766,955	864,171,737	900,510,869
Provision for Income Tax	111,998,898	116,260,445	126,937,953	135,987,861	146,535,707
	1,524,229,909	1,430,022,540	1,493,748,271	1,588,185,043	1,634,965,859
<b>Total</b>	<b>3,025,747,798</b>	<b>2,976,486,984</b>	<b>3,095,976,623</b>	<b>3,195,383,328</b>	<b>3,229,708,484</b>
<b>Assets</b>					
Fixed Assets	1,007,376,321	961,074,071	959,601,865	942,173,405	900,856,577
<b>Current Assets :</b>					
Accounts Receivable	731,072,924	783,044,728	830,062,164	866,840,703	903,619,243
Inventory	469,975,451	501,793,421	533,611,391	557,254,738	580,898,085
Advance Deposits & Prepay.	373,457,398	255,760,024	268,734,889	296,771,184	295,708,611
Short Term Investment	313,316,967	335,427,678	355,740,927	371,503,159	387,265,390
Cash in Hand and at Bank	130,548,736	139,387,061	148,225,386	160,840,139	161,360,579
	2,018,371,477	2,015,412,913	2,136,374,758	2,253,209,923	2,328,851,908
<b>Total</b>	<b>3,025,747,799</b>	<b>2,976,486,984</b>	<b>3,095,976,623</b>	<b>3,195,383,328</b>	<b>3,229,708,484</b>

**INSHA FOOD & BEVERAGELTD.**  
**LOAN AMORTISATION CHART FOR THE PROJECT**

Principal Amount	289,218,240	EMI (Monthly Payment)	6,003,695
Interest rate	9.00	Total Interest Payable	71,003,458
Loan Tenure	60 Months	Total Payment Done	360,221,699

Month	EMI	Monthly Principle	Monthly Interest	Balance
1	6,003,695	3,834,558	2,169,137	285,383,683
2	6,003,695	3,863,317	2,140,378	281,520,365
3	6,003,695	3,892,292	2,111,403	277,628,073
4	6,003,695	3,921,484	2,082,211	273,706,589
5	6,003,695	3,950,896	2,052,799	269,755,693
6	6,003,695	3,980,527	2,023,168	265,775,166
7	6,003,695	4,010,381	1,993,314	261,764,785
8	6,003,695	4,040,459	1,963,236	257,724,326
9	6,003,695	4,070,763	1,932,932	253,653,563
10	6,003,695	4,101,293	1,902,402	249,552,270
11	6,003,695	4,132,053	1,871,642	245,420,217
12	6,003,695	4,163,043	1,840,652	241,257,173
13	6,003,695	4,194,266	1,809,429	237,062,907
14	6,003,695	4,225,723	1,777,972	232,837,184
15	6,003,695	4,257,416	1,746,279	228,579,768
16	6,003,695	4,289,347	1,714,348	224,290,421
17	6,003,695	4,321,517	1,682,178	219,968,904
18	6,003,695	4,353,928	1,649,767	215,614,976
19	6,003,695	4,386,583	1,617,112	211,228,394
20	6,003,695	4,419,482	1,584,213	206,808,912
21	6,003,695	4,452,628	1,551,067	202,356,283
22	6,003,695	4,486,023	1,517,672	197,870,261
23	6,003,695	4,519,668	1,484,027	193,350,593
24	6,003,695	4,553,566	1,450,129	188,797,027
25	6,003,695	4,587,717	1,415,978	184,209,310
26	6,003,695	4,622,125	1,381,570	179,587,185
27	6,003,695	4,656,791	1,346,904	174,930,393
28	6,003,695	4,691,717	1,311,978	170,238,676
29	6,003,695	4,726,905	1,276,790	165,511,771
30	6,003,695	4,762,357	1,241,338	160,749,415
31	6,003,695	4,798,074	1,205,621	155,951,340

32	6,003,695	4,834,060	1,169,635	151,117,280
33	6,003,695	4,870,315	1,133,380	146,246,965
34	6,003,695	4,906,843	1,096,852	141,340,122
35	6,003,695	4,943,644	1,060,051	136,396,478
36	6,003,695	4,980,721	1,022,974	131,415,757
37	6,003,695	5,018,077	985,618	126,397,680
38	6,003,695	5,055,712	947,983	121,341,968
39	6,003,695	5,093,630	910,065	116,248,337
40	6,003,695	5,131,832	871,863	111,116,505
41	6,003,695	5,170,321	833,374	105,946,184
42	6,003,695	5,209,099	794,596	100,737,085
43	6,003,695	5,248,167	755,528	95,488,918
44	6,003,695	5,287,528	716,167	90,201,390
45	6,003,695	5,327,185	676,510	84,874,206
46	6,003,695	5,367,138	636,557	79,507,067
47	6,003,695	5,407,392	596,303	74,099,675
48	6,003,695	5,447,947	555,748	68,651,728
49	6,003,695	5,488,807	514,888	63,162,921
50	6,003,695	5,529,973	473,722	57,632,948
51	6,003,695	5,571,448	432,247	52,061,500
52	6,003,695	5,613,234	390,461	46,448,266
53	6,003,695	5,655,333	348,362	40,792,933
54	6,003,695	5,697,748	305,947	35,095,185
55	6,003,695	5,740,481	263,214	29,354,704
56	6,003,695	5,783,535	220,160	23,571,169
57	6,003,695	5,826,911	176,784	17,744,258
58	6,003,695	5,870,613	133,082	11,873,645
59	6,003,695	5,914,643	89,052	5,959,002
60	6,003,695	5,959,002	44,693	0

### Ratio Analysis

<b><u>Particulars</u></b>	<b>1st year 80%</b>	<b>2nd year 85%</b>	<b>3rd year 90%</b>	<b>4th year 95%</b>	<b>5th year 95%</b>
Sales/Revenue	2,610,974,728	2,787,741,229	2,964,507,729	3,095,859,655	3,227,211,581
Gross Profit	606,654,343	658,032,622	705,160,014	737,615,318	770,362,836
Operating Profit	442,687,763	459,991,920	497,466,067	524,869,339	556,754,890
Net Profit	261,330,763	271,274,371	296,188,556	317,305,008	341,916,650
Current assets	2,018,371,477	2,015,412,913	2,136,374,758	2,253,209,923	2,328,851,908
Fixed assets	1,007,376,321	961,074,071	959,601,865	942,173,405	900,856,577
Total assets	3,025,747,799	2,976,486,984	3,095,976,623	3,195,383,328	3,229,708,484
Current liability	1,524,229,909	1,430,022,540	1,493,748,271	1,588,185,043	1,634,965,859
Inventory	469,975,451	501,793,421	533,611,391	557,254,738	580,898,085
Debtors	731,072,924	783,044,728	830,062,164	866,840,703	903,619,243
COGS	2,004,320,386	2,129,708,606	2,259,347,715	2,358,244,337	2,456,848,745
Cash Flow From Operating Activities	- 49,322,474	236,716,140	295,533,921	353,379,784	354,892,751
Loan Interest - Short Term	58,329,701	66,811,617	74,499,026	77,775,456	81,045,978
Loan Interest - Long Term	24,083,274	19,584,193	14,663,071	9,280,312	3,392,612
Principle Loan Payment - Long Term	47,961,066	52,460,147	57,381,269	62,764,028	68,651,728
Bank Loan-Short Term	648,107,794	742,351,305	827,766,955	864,171,737	900,510,869
Bank Loan-Long Term	241,257,173	188,797,027	131,415,757	68,651,728	-
Total Liabilities/Debt	1,765,487,082	1,618,819,567	1,625,164,028	1,656,836,771	1,634,965,859
Tangible Net worth	1,260,260,716	1,357,667,418	1,470,812,596	1,538,546,557	1,594,742,625
Paid up capital (For Ltd. Co.)	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000

**Analysis of  
Financial Position:**

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>
Sales growth (%)	-	6.77	6.34	4.43	4.24

**A) Liquidity:**

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Ideal Rate</u>
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**Formula: Current Ratio (times) = Current Assets / Current Liabilities**

Current Ratio (times)	1.32	1.41	1.43	1.42	1.42	<b>1:1</b>
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**Formula: Quick Ratio (times) = Current Assets - Inventory / Current Liabilities**

Quick Ratio (times)	1.02	1.06	1.07	1.07	1.07	<b>1:1</b>
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**B)  
Profitability:**

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>
--	---------------	---------------	---------------	---------------	---------------

Gross Profit Ratio (%)	23.23	23.60	23.79	23.83	23.87
Operating Profit Ratio (%)	16.95	16.50	16.78	16.95	17.25
Net Profit Ratio (%)	10.01	9.73	9.99	10.25	10.59

**Formula: Return on Assets (ROA) = Operating Profit / Total Assets**

Return on Assets (ROA)	14.63	15.45	16.07	16.43	17.24	<b>5% or Above</b>
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**Formula: Operating Return to Asset (OROA) = Operating Profit / Average Total Assets**

Operating Return to Asset (OROA)	-	10.25	10.85	11.07	11.53	<b>5% or Above</b>
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### **C) Coverage:**

**Year 1**

**Year 2**

**Year 3**

**Year 4**

**Year 5**

**Formula: Interest Service Coverage ratio (ISCR) (times) = Operating Profit / Interest Expenses**

Interest Service Coverage ratio (ISCR) (times)	5.37	5.32	5.58	6.03	6.59	<b>2 or more</b>
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**Formula: Debt Service Coverage ratio (DSCR) (times) = EBITDA / Debt Service**

Debt Service Coverage ratio (DSCR) (times)	3.29	3.29	3.47	3.68	3.93	<b>1 or Above</b>
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### **D) Leverage:**

**Year 1**

**Year 2**

**Year 3**

**Year 4**

**Year 5**

Debt to tangible net worth (times)	1.40	1.19	1.10	1.08	1.03	<b>Below 1</b>
Debt to total assets (times)	0.58	0.54	0.52	0.52	0.51	<b>0.30-0.60</b>

### **E) Operational Efficiency:**

**Year 1**

**Year 2**

**Year 3**

**Year 4**

**Year 5**

Stock Turnover Days	86	86	86	86	86
Trade Debtors Collection Days	102	103	102	102	102
Asset Turnover	-	0.62	0.65	0.65	0.67



## **Break Even Analysis**

<b>Operating Year</b>	<b>1st year</b>
<b>Capacity Utilization</b>	<b>80</b>
<b>Earning Revenue</b>	<b>2,610,974,728</b>
<b>Total Cost:</b>	<b>2,474,295,837</b>

<b>Expenditure</b>	<b>Total Cost</b>	<b>Fixed Cost</b>	<b>Variable Cost</b>
Raw Materials	2,266,161,995	-	2,266,161,995
Stores & Spares	23,078,649	4,615,730	18,462,919
Repair & Maintenance	23,078,649	4,615,730	18,462,919
Factory Depreciation	-	-	-
Fuel & Lubricant	10,832,000	6,499,200	4,332,800
Insurance	11,539,324	8,077,527	3,461,797
General Factory Overhead	139,605,220	90,743,393	48,861,827
		-	-
<b>Total</b>	<b>2,474,295,837</b>	<b>114,551,580</b>	<b>2,359,744,257</b>

**P/V Ratio : Sales-Variable cost/ Sales                      0.10**

**Break Even Point (Sales) = Fixed  
Cost/P/V Ratio    1,190,505,586**

**Break Even Point (Sales) = In %                                      45.60**

## Cash Flow:



### INSHA FOOD & BEVERAGELTD. Cash Flow Statement

Particulars	Year 1	Year 2	Year 3	Year 4	Year 5
Cash From A/R	731,072,924	783,044,728	830,062,164	866,840,703	903,619,243
Cash From A/P	240,518,446	170,376,689	112,967,386	117,912,217	122,842,437
Expenses Paid	193,439,961	236,584,263	249,112,889	253,943,331	256,729,708
<b>Net Cash</b>	<b>297,114,517</b>	<b>376,083,777</b>	<b>467,981,889</b>	<b>494,985,156</b>	<b>524,047,097</b>
Cash B/Fwd	998,929,953	1,296,044,470	1,672,128,247	2,140,110,136	2,635,095,292
<b>Cash C/Fwd</b>	<b>1,296,044,470</b>	<b>1,672,128,247</b>	<b>2,140,110,136</b>	<b>2,635,095,292</b>	<b>3,159,142,389</b>

## Sensitivity Analysis

Based on 5% decrease in Sales

Particular	1st year 80%	2nd year 85%	3rd year 90%	4th year 95%	5th year 95%
Sales revenue	2,480,425,992	2,648,354,167	2,816,282,343	2,941,066,672	3,065,851,002
Cost of Goods Sold	2,004,320,386	2,129,708,606	2,259,347,715	2,358,244,337	2,456,848,745
<b>Gross Profit</b>	<b>476,105,606</b>	<b>518,645,561</b>	<b>556,934,628</b>	<b>582,822,335</b>	<b>609,002,257</b>
Administrative & Marketing Expenses	163,966,580	198,040,702	207,693,946	212,745,979	213,607,946
<b>Operating profit</b>	<b>312,139,027</b>	<b>320,604,858</b>	<b>349,240,681</b>	<b>370,076,356</b>	<b>395,394,311</b>
Financial Expenses	82,412,975	86,395,810	89,162,097	87,055,768	84,438,590
	<b>229,726,051</b>	<b>234,209,048</b>	<b>260,078,585</b>	<b>283,020,588</b>	<b>310,955,720</b>
Operating Income	13,054,874	13,938,706	14,822,539	15,479,298	16,136,058
<b>Profit Before Tax</b>	<b>242,780,925</b>	<b>248,147,754</b>	<b>274,901,123</b>	<b>298,499,886</b>	<b>327,091,778</b>
Income Tax (30%)	72,834,277	74,444,326	82,470,337	89,549,966	98,127,533
<b>Net profit</b>	<b>169,946,647</b>	<b>173,703,428</b>	<b>192,430,786</b>	<b>208,949,920</b>	<b>228,964,245</b>

### Ratios Analysis :

Gross Profit to sales	0.19	0.20	0.20	0.20	0.20
Net Operating profit to sales	0.10	0.09	0.10	0.10	0.11
Net Profit to sales	0.07	0.07	0.07	0.07	0.07
Return on Equity	0.65	0.33	0.23	0.18	0.15
Debt-Service Coverage Ratio	1.98	1.94	2.04	2.15	2.27
Return on Investment	0.08	0.08	0.09	0.09	0.10
IRR	15%				
Pay Back Period is about 5 years and 10 months					

**Based on 5% increase in Production Cost**

<b>Particular</b>	<b>1st year 80%</b>	<b>2nd year 85%</b>	<b>3rd year 90%</b>	<b>4th year 95%</b>	<b>5th year 95%</b>
Sales revenue	2,610,974,728	2,787,741,229	2,964,507,729	3,095,859,655	3,227,211,581
Cost of Goods Sold	2,104,536,405	2,236,194,037	2,372,315,101	2,476,156,554	2,579,691,182
<b>Gross Profit</b>	<b>506,438,323</b>	<b>551,547,192</b>	<b>592,192,628</b>	<b>619,703,101</b>	<b>647,520,399</b>
Administrative & Marketing Expenses	163,966,580	198,040,702	207,693,946	212,745,979	213,607,946
<b>Operating profit</b>	<b>342,471,743</b>	<b>353,506,489</b>	<b>384,498,682</b>	<b>406,957,122</b>	<b>433,912,453</b>
Financial Expenses	82,412,975	86,395,810	89,162,097	87,055,768	84,438,590
	<b>260,058,768</b>	<b>267,110,679</b>	<b>295,336,585</b>	<b>319,901,354</b>	<b>349,473,863</b>
Operating Income	13,054,874	13,938,706	14,822,539	15,479,298	16,136,058
<b>Profit Before Tax</b>	<b>273,113,642</b>	<b>281,049,385</b>	<b>310,159,124</b>	<b>335,380,652</b>	<b>365,609,921</b>
Income Tax (30%)	81,934,092	84,314,815	93,047,737	100,614,196	109,682,976
<b>Net profit</b>	<b>191,179,549</b>	<b>196,734,569</b>	<b>217,111,387</b>	<b>234,766,456</b>	<b>255,926,945</b>

**Ratios Analysis :**

Gross Profit to sales	0.19	0.20	0.20	0.20	0.20
Net Operating profit to sales	0.10	0.10	0.10	0.11	0.11
Net Profit to sales	0.07	0.07	0.07	0.08	0.08
Return on Equity	0.73	0.37	0.26	0.20	0.17
Debt-Service Coverage Ratio	2.11	2.09	2.20	2.31	2.44
Return on Investment	0.09	0.09	0.10	0.10	0.11
IRR	17%				
Pay Back Period is about 5 years and 4 Months					

## **Financial Rate of Return**

<b>Year</b>	<b>Investment</b>	<b>Benefit</b>	<b>Net Cash Flow</b>
-	933,765,916	-	- 933,765,916
1	648,107,794	314,270,357	333,837,437
2		319,126,621	319,126,621
3		343,931,710	343,931,710
4		363,163,425	363,163,425
5		383,233,478	383,233,478
7		383,233,478	383,233,478
8		383,233,478	383,233,478
9		383,233,478	383,233,478
10		383,233,478	383,233,478
11		383,233,478	383,233,478
12		383,233,478	383,233,478
13		383,233,478	383,233,478
14		383,233,478	383,233,478
15		383,233,478	383,233,478

**Financial Rate of Return                      23%**

**Assumptions :**

01. The economic life of the project has been estimated to be 15 years without any major replacement

02. Benefit of the project has been estimated as appended :

Year	Net Profit	Dep.	Total
1	261,330,763	52,939,595	314,270,357
2	271,274,371	47,852,250	319,126,621
3	296,188,556	47,743,154	343,931,710
4	317,305,008	45,858,417	363,163,425
5	341,916,650	41,316,828	383,233,478

**Based on 5% decrease in Sales**

Year	Investment	Benefit	Net Cash Flow
-	933,765,916	-	- 933,765,916
1	648,107,794	222,886,242	- 425,221,552
2	-	221,555,678	221,555,678
3	-	240,173,940	240,173,940
4	-	254,808,337	254,808,337
5	-	270,281,073	270,281,073
6		270,281,073	270,281,073
7		270,281,073	270,281,073
8		270,281,073	270,281,073
9		270,281,073	270,281,073
10		270,281,073	270,281,073
11		270,281,073	270,281,073
12		270,281,073	270,281,073
13		270,281,073	270,281,073
14		270,281,073	270,281,073
15		270,281,073	270,281,073

**Financial Rate of Return                      15%**

Benefit of the project has been estimated as appended :

Year	NP before Tax	Dep.	Total
1	169,946,647	52,939,595	222,886,242
2	173,703,428	47,852,250	221,555,678
3	192,430,786	47,743,154	240,173,940
4	208,949,920	45,858,417	254,808,337
5	228,964,245	41,316,828	270,281,073

**Based on 5% increase in Production Cost**

<b>Year</b>	<b>Investment</b>	<b>Benefit</b>	<b>Net Cash Flow</b>
-	933,765,916	-	- 933,765,916
1	648,107,794	244,119,144	- 403,988,651
2	-	244,586,819	244,586,819
3	-	264,854,540	264,854,540
4	-	280,624,873	280,624,873
5	-	297,243,773	297,243,773
6	-	297,243,773	297,243,773
7	-	297,243,773	297,243,773
8	-	297,243,773	297,243,773
9	-	297,243,773	297,243,773
10		297,243,773	297,243,773
11		297,243,773	297,243,773
12		297,243,773	297,243,773
13		297,243,773	297,243,773
14		297,243,773	297,243,773
15		297,243,773	297,243,773

**Financial Rate of Return                      17%**



Benefit of the project has been estimated as appended :

<b>Year</b>	<b>Operating Profit</b>	<b>Dep.</b>	<b>Total</b>
1	191,179,549	52,939,595	244,119,144
2	196,734,569	47,852,250	244,586,819
3	217,111,387	47,743,154	264,854,540
4	234,766,456	45,858,417	280,624,873
5	255,926,945	41,316,828	297,243,773

### Debt-Service Coverage Ratio

Particulars	1st year 80%	2nd year 85%	3rd year 90%	4th year 95%	5th year 95%
<b><u>Income</u></b>					
Net Profit before Tax	373,329,661	387,534,815	423,126,509	453,292,869	488,452,358
Depreciation & write-off	52,939,595	47,852,250	47,743,154	45,858,417	41,316,828
Financial expenses (Loan Interest)	82,412,975	86,395,810	89,162,097	87,055,768	84,438,590
<b><i>Total Income (EBITDA)</i></b>	<b>508,682,231</b>	<b>521,782,876</b>	<b>560,031,760</b>	<b>586,207,054</b>	<b>614,207,776</b>
<b><u>Obligation</u></b>					
Financial expenses (Loan Interest)	82,412,975	86,395,810	89,162,097	87,055,768	84,438,590
Installment of term loan	72,044,341	72,044,339	72,044,341	72,044,341	72,044,340
<b><i>Total Obligation (Debt Service)</i></b>	<b>154,457,316</b>	<b>158,440,149</b>	<b>161,206,438</b>	<b>159,100,109</b>	<b>156,482,930</b>

<i>Debt-Service Coverage Ratio(Time)</i>	<b>3.29</b>	<b>3.29</b>	<b>3.47</b>	<b>3.68</b>	<b>3.93</b>
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**Average DSCR** **3.53**

*N.B. DSCR = EBITDA (Earning before Interest, Tax, Depreciation & Amortization)/Debt Service*

## **Calculation of Pay Back Period**

Year	Investment	Amount Recovered (Net Profit)	Amount to be recovered	Payback Period Year	Month
-	933,765,916	-	933,765,916	-	-
1	-	261,330,763	672,435,153	1	-
2	-	271,274,371	401,160,782	2	-
3	-	296,188,556	104,972,226	3	-
4	-	317,305,008	212,332,783	4	4
5	-	341,916,650	554,249,433	5	-
6	-	341,916,650	896,166,083	6	-
7	-	341,916,650	1,238,082,734	7	-
8	-	341,916,650	1,579,999,384	8	-
9	-	341,916,650	1,921,916,034	9	-
10	-	341,916,650	2,263,832,685	10	-

**Pay Back Period is about 4  
years and 4 months**

**Based on 5% decrease in Sales**

<b>Year</b>	<b>Investment</b>	<b>Amount Recovered (Net Profit)</b>	<b>Amount to be recovered</b>	<b>Payback Period Year</b>	<b>Month</b>
-	933,765,916	-	933,765,916	-	-
1	-	169,946,647	763,819,269	1	-
2	-	173,703,428	590,115,841	2	-
3	-	192,430,786	397,685,055	3	-
4	-	208,949,920	188,735,134	4	-
5	-	228,964,245	40,229,110	5	10
6	-	228,964,245	269,193,355	6	-
7	-	228,964,245	498,157,600	7	-
8	-	228,964,245	727,121,845	8	-
9	-	228,964,245	956,086,089	9	-
10	-	228,964,245	1,185,050,334	10	-

**Pay Back Period is about 5 years and 10 months**

**Based on 5% increase in Production Cost**

<b>Year</b>	<b>Investment</b>	<b>Amount Recovered (Net Profit)</b>	<b>Amount to be recovered</b>	<b>Payback Period Year</b>	<b>Month</b>
-	933,765,916	-	933,765,916	-	-
1	-	191,179,549	742,586,367	1	-
2	-	196,734,569	545,851,797	2	-
3	-	217,111,387	328,740,411	3	-
4	-	234,766,456	93,973,954	4	-
5	-	255,926,945	-	5	4
6	-	255,926,945	161,952,990	6	-
7	-	255,926,945	417,879,935	7	-
8	-	255,926,945	673,806,879	8	-
9	-	255,926,945	929,733,824	9	-
10	-	255,926,945	1,185,660,768	10	-
			-		
			1,441,587,713		

**Pay Back Period is about 5 years and 4 Months**

### ANALYSIS OF RETURN ON INVESTMENT :

1. Return on Investment =  $\frac{\text{Average Return} \times 100}{\text{Capital Employed}}$
2. Return = Profit before tax + Depreciation + Interest on loan
3. Capital Employed = Loan Amount

### RETURN ON INVESTMENT :

PARTICULARS	OPERATING YEARS				
	1	2	3	4	5
Profit before tax	373,329,661	387,534,815	423,126,509	453,292,869	488,452,358
Depreciation	52,939,595	47,852,250	47,743,154	45,858,417	41,316,828
Interest on Loan	82,412,975	86,395,810	89,162,097	87,055,768	84,438,590
	508,682,231	521,782,876	560,031,760	586,207,054	614,207,776

# Average Return	558,182,339
# Capital Employed	937,326,036
# Return on Investment	60 %

## Net Present Value (NPV)

Particulars	Year 0	1st year 80%	2nd year 85%	3rd year 90%	4th year 95%	5th year 95%
Capital investment	933,765,916					
Net operating profit add Depreciation		426,269,256	435,387,066	470,869,663	499,151,286	529,769,186
Income tax		111,998,898	116,260,445	126,937,953	135,987,861	146,535,707
<b>Cash inflow/outflow</b>	<b>933,765,916</b>	<b>314,270,357</b>	<b>319,126,621</b>	<b>343,931,710</b>	<b>363,163,425</b>	<b>383,233,478</b>

### Net Present Value (NPV)

Year		Cash flow		Discount at 13%		Present Value
-		-				-
1		933,765,916		1.00		933,765,916
2		314,270,357		0.88		278,115,361
3		319,126,621		0.78		249,922,955
4		343,931,710		0.69		238,361,928
5		363,163,425		0.61		222,734,930
6		383,233,478		0.54		208,003,778
7		383,233,478		0.48		184,074,140
8		383,233,478		0.43		162,897,469
9		383,233,478		0.38		144,157,052
10		383,233,478		0.33		127,572,613
				0.29		112,896,117

**NPV=** 994,970,427

**IRR=** 35%

## INSHA FOOD & BEVERAGELTD.

### Calculation of Working Capital

#### **Calculation of Working Capital Justification:**

##### **Figure based on projected Financials**

##### **Items for Consideration**

Sales/Bills Received	2,610,974,728
Cost of goods sold	2,004,320,386
Debtors/Account receivables	731,072,924
Creditors/ suppliers credit	240,518,446
Inventory/Stock	469,975,451

#### **Formula:**

##### **Calculation of Working Capital Cycle:**

	<b><u>Days</u></b>	<b><u>Amount</u></b>
Holding Period of Raw Materials/Stock/Inventory = $\text{Stock/COGS} \times 360$	84	469,975,451
Receivables/Debtors Collection period= Debtors/Sales x 360	101	731,072,924
Payment period to Creditors/suppliers = Creditors/COGS x 360	43	240,518,446
Goods in Transit (Days)	45	250,540,048
Finished Goods (Days)	7	38,972,896
Overhead (1 Quarter)		
	<b>194</b>	<b>1,250,042,873</b>



**Working Capital Cycle Calculation:**

**Days for finance required/Working Capital cycle in Days**

(Holding Period + Collection Period) - Payment Period = 194

**Working Capital Required in Amounts**  
(COGS/360xWorking Capital Cycle in Days)

**1,080,179,657**

**Means Of Finance:**

**Share**

**Amount**

Bank Contribution 60% **648,107,794**

Owners Contribution 40% 432,071,863

**1,080,179,657**

## **Contribution to GDP**

<b>Sales Revenue (5th Year)</b>	<b>3,227,211,581</b>
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**Less: Inter-Firm transactions (5th Year)**

Raw Materials	1,803,138,330
Wages & Salaries	100,344,008
Stores & Spares	2,827,651
Repair & Maintenance	1,885,100
Fuel & Lubricant	4,517,404
Insurance	6,245,966
General Factory Overhead	85,361,927
Salary (Admin & Selling)	45,628,413
Administrative Overhead	126,662,705
<b>Total</b>	<b>2,176,611,504</b>

<b>C. Contribution to GDP (A-B):</b>	<b>1,050,600,078</b>
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## **Conclusion:**

INSHA FOOD & BEVERAGE LTD. has a coherent plan for future success and it is going to complete the whole Fabrics and garments manufacturing process starting from sourcing of raw materials, Food Product manufacturing to packing. It is well positioned to target Food products manufacturers, indenter, retail and wholesale market in Europe, USA etc. The management team have provided a clear objective of for growing future market it planning to increase sales by about 5-10 percent in every year for the next 5 years and takeover main competitors. It also planning to franchising in almost every major nations in the world, multiplying current sales by exporting to abroad unexplored market in the world. The company is also going to install new high quality machines and equipments, launch new types of products, moving service online to grow sales and profit. in the five year period. The financial targets have been shown to be realistic given the strengths of the business and its strategic position. The management team is committed to achieve the strategic goals. They have a clear plan of strategic stages to realize the potential of the business and generate healthy returns for all stakeholders.

## **Appendix:**

### **A. Assumptions**

The following assumptions were made in developing this plan.

1. BDT. 2,610,974,728 sales in the first year. This level of sales is realistic given previous experience and the turnover of similar business within the sector.
2. Around 5-10 percent annual growth in sales. This level of sales growth is achievable given the attractiveness of the market and the coherent strategic plans of the management team.
3. Around 76 percent cost of sales. This cost of sales percentage is in line with the sector average. The cost of sales percentage is expected to remain stable during the period of the plan.
4. BDT. 360,274,787 expenses in the first year. This level of overhead expense is in line with similar size businesses within the sector.
5. 1 percent annual growth in expenses. This expense growth takes into account changes in overhead as the firm develops.
6. Around 90 days customer days credit. This is in line with industry terms of trade and should be competitive.
7. Around 45 days supplier credit. This is realistic given the terms normally offered by suppliers.

8. The cash flow forecast assumes that receivables and payables are settled before the next period.
9. The cash flow does not take into account the acquisition of fixed assets from cash generated.
10. BDT. 998,929,953 equity cash injection by the owners. This equity is confirmed to be available and ready to be invested in the business.
11. Equity cash injections are assumed to be made at the start of the plan.
12. These figures take into account inflation.
13. These figures are realistic given the current market situation and expected trends.
14. While a conservative approach has been taken to projections and an attempt to factor in risks, like all predictions there is the potential of unexpected factors.

**The End**









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