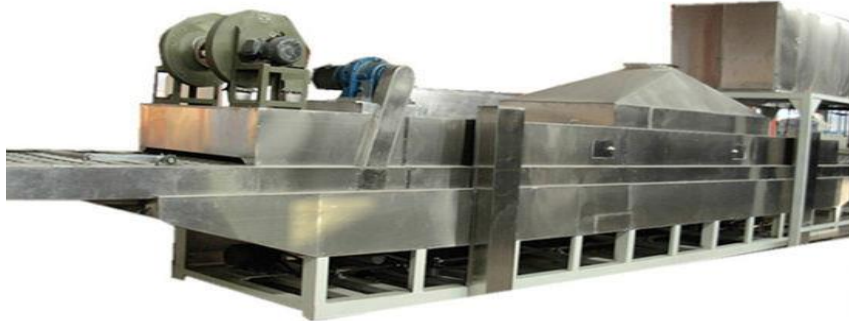


PROJECT REPORT FOR
NOODLES MANUFACTURING UNIT



PREPARED FOR:

PROPRIETOR:

XXXXXXXXXXXXXXXXXXXXXXX

PROJECT LOCATION:

XXXXXXXXXXXXXXXXXXXXXXX

PREPARED BY:

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I. PROJECT AT A GLANCE

1. About the Promoter : xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx
Project Location: xxxxxxxxxxxxxxxxxxxx
2. Project Cost : Rs.8.69 Lakhs
3. Mean of Finance
- A) T. L. facility from Bank : Rs. 4.46 Lakhs
 - B) Beneficiary contribution : Rs. 0.87 Lakhs
 - C) C.C. Facility from Bank : Rs. 3.37 Lakhs
 - D) Subsidy under PMEGP Scheme : Rs. 2.17 Lakhs
5. Rate of Interest : 11.00% Per Annum
6. Repayment : 60 monthly instalments, EMI @ 0.10 Lakhs
7. Nature of Project : Noodaes Product
8. Employment Potential : 8 Nos
9. Nature of the Firm : Proprietary Firm
10. Average Debt Coverage ratios : **2.48**

II. ABOUT THE PROJECT

INTRODUCTION :

Noodles are a type of food, made from unleavened dough which is rolled flat and cut, or extruded, into long strips or strings. Noodles can be refrigerated for short-term storage or dried and stored for future use. Noodles are a form of pasta that is becoming extremely popular in India even as Continental and Italian delicacy. Ready to eat Noodles are prepared by means of an extrusion machine that is basically made of an stainless steel make strips, either flat(rolled and Cut) or Oval round(Extruded). The process is quite simple and requires not much skilled labour. The machine itself is high technology and provides the manufacturers to produce noodles with several alternatives materials (like Maida, Suji, Rava, Rice flour etc.) These products can be described as Hard, Brittle pieces, formed into different shapes by extruding, cutting and drying tough dough made from semolina or farina mixed with water.

Noodles are unleavened dough which is stretched, rolled fat or extruded and cut into one of variety of shapes. This is the perfect snacks for the young generation.

MARKET POTENTIAL:

Ready to eat noodles are making a niche for itself based on its popularity for being tasty, nutritious, and quick to make. Although many would differ with the marketing strategy of noodles on the grounds of nutrition, the market has never kept itself away from such promotional campaigns

According to the report "Noodles Market Analysis & Forecast in India, 2018 to 2023: Projecting a CAGR of Approx. 5.6%"The noodles market in India was valued at INR 93.66 Billion in 2017, Following this, most companies focused on launching healthier versions of noodles using vegetables, atta, and oats. A large part of the population comes from the middle or lowermiddle class. Therefore, price sensitivity plays a significant role in hindering the growth of the noodles industry across the country. Most people in rural areas are unaware of the various brands that are available unless they see them at their local store. Hence, lack of a well-established distribution network acts as a challenge for the noodles market in India.

PRODUCT DESCRIPTION

1) PRODUCT USES

Despite being relatively low in some nutrients like fiber and protein, noodles contain several micronutrients, including iron, manganese, folate and B vitamins. Some noodles are also fortified with additional nutrients.

- Nutrition content: Basically, noodles are made up of salt, wheat flour and water. The micro nutrients differ according to various brands of instant noodles. Withal, noodles have low calories, protein, fiber, mineral and vitamins.
- Essential nutrients: Some noodles provide essential nutrients to the body. The nutrients in noodles differ according to brands. Some brands include manganese and Vitamin B complex such as thiamine and riboflavin. Literally the study shows that more than 6000 instant noodle consumers showed 31% and 16% greater intake of thiamine and riboflavin respectively.
- Low carbs: Rice noodles offers 44 grams of carbs per cup. It has higher glycemic index which means body breaks it down into sugar quickly.
- Full for longer: One bowl of noodles keeps one full for longer time period as it takes time to get digested.

2) RAW MATERIAL

The main ingredients used in dried noodles are wheat flour, palm oil, and salt. Common ingredients in the flavouring powder are salt, monosodium glutamate, seasoning, and sugar. Durum Wheat Semolina/wheat Flour (cost per KG) = Rs. 25

3) MANUFACTURING PROCESS

Dry Mixing: The average moisture content of dry mixes is 10-11%. First of all, you must blend the three ingredients maida, starch, and soda bicarbonate in a vertical mixer. Additionally, you will need to mix the edible color.

Dough Formation: You can make satisfactory dough with the above blend only by using boiled water. You will find a gelatine form of the starch here. Then mix the ingredients in the dough mixer for about 12 to 15 minutes.

Extrusion: Then transfer the kneaded dough to the noodles making machine. From here you can produce extruded material of desired shape and length. However, you must use an appropriate type of die. Adjust the distance between the dye surface and cutting blade. The moisture content of the product at this stage is about 33%.

Pre-drying: Then the cut noodles go from the cutting machine fall on wooden trays. The product undergoes surface drying and becomes sufficiently hard enough to handle without sticking or being crushed. The moisture content of the predried product is about 29.5%.

Project For:

NOODLES MANUFACTURING UNIT

Drying: Now the moisture content of the product is 17%. The final stage is steaming. After proper steaming, you can get a quality product that has longer shelflife. The steamed and subsequently dried product has a moisture content of about 10%.

Noodle is a consumer durable processed food product. Therefore, it demands to establish proper distribution channel, brand awareness, and sales promotion activity. Noodles manufacturing is highly profitable business as far as revenue is concerned.

Project For : Noodles Manufacturing Unit
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III. ECONOMICS OF THE PROJECT

A. COST OF PROJECT

(Rs. Lacs)

S.No.	Particulars	Total	Spent	Bal. To be spent
1	Building (Shed ,office)	2.20	0.00	2.20
2	Plant & Machinery Noodle Making Machine, Mixer , Seiveing Machine, Weighing Balance etc.	2.50	0.00	2.50
3	Furniture & Electricals	0.25	0.00	0.25
5	Working Capital	3.74	0.00	3.74
		8.69	0.00	8.69

Means of Finance :

a) Own Contribution (10%)	0.87
b) T L facility from Bank (90%)	4.46
c) C.C. Facility from Bank (90%)	3.37

8.69

d) Subsidy Entitlement Under PMEGP scheme @ 25%	2.17
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B. PROFITABILITY STATEMENT

(Rs. Lacs)

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1	Sales	21.69	26.03	30.37	34.71	36.88	39.05
	Add : Increase in Cl.Stock	2.84	1.59	1.81	2.03	1.96	2.08
	Total Turnover	24.54	27.62	32.18	36.74	38.84	41.13
2	RM Consumption	14.01	16.81	19.61	22.42	23.82	25.22
3	Overheads						
	a) Direct	7.15	7.87	8.65	9.52	9.70	9.99
	b) Indirect	1.02	1.07	1.13	1.18	1.23	1.30
4	Balance	2.36	1.87	2.78	3.63	4.10	4.63
5	Interest on TL & CC	0.86	0.78	0.69	0.58	0.47	-
6	Depreciation	0.62	0.54	0.47	0.41	0.36	0.31
7	Preliminary expenses W/off	-	-	-	-	-	-
8	Profit after Interest & Dep.	0.88	0.56	1.63	2.64	3.27	4.32
9	Income Tax	-	-	-	-	0.33	0.43
10	Profit after Tax	0.88	0.56	1.63	2.64	2.94	3.89
11	Add: Depreciation & Pre Exp.	0.62	0.54	0.47	0.41	0.36	0.31
12	Add : Interest on TL	0.86	0.78	0.69	0.58	0.47	-
13	Cash Accruals	2.36	1.87	2.78	3.63	3.77	4.20
14	Instalments of TL & Interest	1.16	1.16	1.16	1.16	1.16	-
15	DSCR	2.03	1.61	2.39	3.12	3.24	-
16	Average DSCR	2.48					
17	N.P. to Total receipts	4.05	2.14	5.35	7.59	7.98	9.96

Project For :
Noodles Manufacturing Unit

C. CASH FLOW STATEMENT

(Rs. Lacs)

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
A CASH INFLOW :							
1	Collection from Debtors	20.79	24.95	29.11	33.27	35.34	37.42
2	T.L. from Bank	4.46					
3	CC from bank	3.37					
4	Capital	0.87	-	-	-	-	-
5	Subsidy	2.17	-				
TOTAL (A)		31.66	24.95	29.11	33.27	35.34	37.42
B CASH OUTFLOW :							
1	Fixed Assets	4.95			-		
2	Payments to creditors	11.68	14.01	16.35	18.68	19.85	21.02
3	Direct overheads	7.15	7.87	8.65	9.52	9.70	9.99
4	Indirect Overheads	1.02	1.07	1.13	1.18	1.23	1.30
5	Interest on Bank Loan	0.86	0.78	0.69	0.58	0.47	0.40
6	Income Tax	-	-	-	-	0.33	0.43
7	Term Loan Repayment	0.71	0.79	0.88	0.98	1.10	-
8	Drawings	0.15	0.17	0.18	0.20	0.22	0.24
TOTAL (B)		26.51	24.68	27.88	31.14	32.89	33.38
SUMMARY:							
Op. Cash & Bank Balance.		-	5.15	5.42	6.65	8.77	11.23
Add : Surplus / (Deficit)		5.15	0.27	1.23	2.12	2.45	4.05
Cl. Cash & Bank Balance.		5.15	5.42	6.65	8.77	11.23	15.28

D. BALANCE SHEET

(Rs. Lacs)

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
A	ASSETS :						
1	Fixed Assets	4.33	3.79	3.32	2.91	2.56	2.24
2	Investments	-	-	-	-	-	-
3	Current Assets	8.90	11.84	16.14	21.74	27.69	35.45
4	Loans & Advances	-	-	-	-	-	-
5	Pre Exp. Not written off	-	-	-	-	-	-
	TOTAL (A)	13.23	15.63	19.46	24.65	30.25	37.69
B	LIABILITIES:						
1	Capital	7.14	7.53	8.98	11.41	14.14	17.78
2	Secured loans						
	Term Loan	3.75	2.96	2.08	1.10	-	-
3	Unsecured Loans	-	-	-	-	-	-
4	Current Liabilities						
	Cash Credit	-	-	-	-	-	-
	Sundry Creditors	2.34	5.14	8.41	12.14	16.11	20.31
	TOTAL (B)	13.23	15.63	19.46	24.65	30.25	38.10

Project For :
Noodles Manufacturing Unit

(Rs. Lacs)

E. CAPITAL ACCOUNT

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1	Op. Balance	-	7.14	7.53	8.98	11.41	14.14
2	Additions	6.41	-	-	-	-	-
3	Net Profit for the year.	0.88	0.56	1.63	2.64	2.94	3.89
	Sub Total	7.29	7.70	9.16	11.61	14.36	18.03
4	Less : Drawings	0.15	0.17	0.18	0.20	0.22	0.24
5	Cl. Balance	7.14	7.53	8.98	11.41	14.14	17.78

F. PRODUCTION AND SALES

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
	Capacity utilisation	0.50	0.60	0.70	0.80	0.85	0.90
1	Production per annum (MT) Noodles Manufacturing	84.53	101.43	118.34	135.24	143.69	152.15
2	Cl.Stock of Finished Goods (MT) Noodles Manufacturing	7.04	8.45	9.86	11.27	11.97	12.68
3	Sales per annum (MT) (Tot Production less Cl. Stock) Noodles Manufacturing	77.48	92.98	108.47	123.97	131.72	139.47
4	Sales per annum Noodles Manufacturing (Selling Price @ 27,000 per MT)	21.69	26.03	30.37	34.71	36.88	39.05
	Total Sale	<u>21.69</u>	<u>26.03</u>	<u>30.37</u>	<u>34.71</u>	<u>36.88</u>	<u>39.05</u>
5	Sundry Debtors (Credit period allowed 15 days)	0.90	1.08	1.27	1.45	1.54	1.63
6	Collection from Debtors	20.79	24.95	29.11	33.27	35.34	37.42
7	Total cost of Production	21.16	24.68	28.27	31.93	33.51	35.20
8	Cost per MT	0.25	0.24	0.24	0.24	0.23	0.23
9	Value of Closing Stock	1.76	2.06	2.36	2.66	2.79	2.93

Project For : Noodles Manufacturing Unit
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PRODUCTION

S.No.	Particulars	Installed capacity (MT)	Year 1 0.50	Year 2 0.60	Year 3 0.70	Year 4 0.80	Year 5 0.85	Year 6 0.90
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1	Production of Noodles Manufacturing	169.05	84.53	101.43	118.34	135.24	143.69	152.15
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Installed Capacity Kg/ Hrs	75.00
Per Day Working Hours	8.00
Less: Lunch Hours	1.00
Net	<u>7.00</u>
Total Production per day	0.53 MT
Total production per annum	169.05 MT
Total Working Days	365.00
Weekly off	26.00
Holidays	7.00
Machine Break down	10.00
Net Working days	<u>322.00</u>

Project For :
Noodles Manufacturing Unit

(Rs. Lacs)

G. RAW MATERIAL CONSUMPTION AND INVENTORY

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1	Production (MT) (Output)	84.53	101.43	118.34	135.24	143.69	152.15
2	RM Purchases	12.93	15.52	18.11	20.69	21.98	23.28

Raw Material requirement (Input)

S.No.	Items	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1	Requirement of Raw Material (MT)	84.53	101.43	118.34	135.24	143.69	152.15
2	Purchase of Raw Material (@Rs. 16 per KG.)	12.68	15.21	17.75	20.29	21.55	22.82
3	Packaing Material (@Rs. 300 per KG.)	0.25	0.30	0.36	0.41	0.43	0.46
4	Total cost of R.M	12.93	15.52	18.11	20.69	21.98	23.28

Project For :
Noodles Manufacturing Unit

(Rs. Lacs)

RAW MATERIAL CONSUMPTION AND INVENTORY

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1	RM cost for total production	12.93	15.52	18.11	20.69	21.98	23.28
2	Cl. Stock of RM (assumed 30 days consumption)						
	O/p Stock	-	1.08	2.37	3.88	5.60	7.44
	Add : Addition	1.08	1.29	1.51	1.72	1.83	1.94
	Closing Stock	1.08	2.37	3.88	5.60	7.44	9.38
3	RM Purchases	14.01	16.81	19.61	22.42	23.82	25.22
4	Sundry Creditors (Credit period allowed 60 days)	2.34	2.80	3.27	3.74	3.97	4.20
5	Payment to creditors	11.68	14.01	16.35	18.68	19.85	21.02

Project For : Noodles Manufacturing Unit
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(Rs. Lacs)

H. DIRECT OVERHEADS

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1	Salary & wages	5.25	5.78	6.35	6.99	7.06	7.27
2	Power @ Rs. 5000 per Month	0.60	0.66	0.73	0.80	0.81	0.83
3	Selling & distribution (Rs.5,000 per month)	0.60	0.66	0.73	0.80	0.81	0.83
4	Transport	0.20	0.22	0.24	0.27	0.29	0.30
5	Other Mfg. Overheads	0.50	0.55	0.61	0.67	0.73	0.75
	Total	7.15	7.87	8.65	9.52	9.70	9.99

Salary & Wages Cost
Labour

Particulars	No	Days	Rate per day	Total
Semiskilled	4	300	200.00	240000.00
Skilled	3	300	250.00	225000.00
Total				<u>465000.00</u> 4.65

Office Staff

Name	No	Rate per month	Yearly
Accountant	1	5,000	60,000
Total			<u>60,000</u> 0.60
Total cost (Labour + staff)			5.25

Project For :
Noodles Manufacturing Unit

(Rs. Lacs)

I. INDIRECT OVERHEADS

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1	Advertisement & Publicity	0.30	0.33	0.36	0.40	0.44	0.48
2	Repairs & Maint. (5% of machinery cost)	0.22	0.19	0.17	0.15	0.13	0.11
3	Misc. Expenses	0.50	0.55	0.61	0.64	0.67	0.70
		<u>1.02</u>	<u>1.07</u>	<u>1.13</u>	<u>1.18</u>	<u>1.23</u>	<u>1.30</u>

Project For :
Noodles Manufacturing Unit

(Rs. Lacs)

J. TERM LOAN REPAYMENT AND INTEREST THEREON

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1	TL / Op. Bal.	4.46	3.75	2.96	2.08	1.10	-
2	Repayment during the year	0.71	0.79	0.88	0.98	1.10	-
3	Cl. Balance	3.75	2.96	2.08	1.10	-	-
4	Interest at 11 per cent p.a.	0.46	0.37	0.28	0.18	0.07	-
5	Total repayment with Interest	1.16	1.16	1.16	1.16	1.16	-
6	Interest on CC (at 12 per cent p.a.)	0.40	0.40	0.40	0.40	0.40	0.40
	Total Interest	0.86	0.78	0.69	0.58	0.47	-

Term Loan Repayment Schedule

MONTHS	EMI	INTEREST	PRINCIPAL REPAYMENT	OST PRINCIPAL
0				4.46
1	0.10	0.04	0.06	4.40
2	0.10	0.04	0.06	4.34
3	0.10	0.04	0.06	4.29
4	0.10	0.04	0.06	4.23
5	0.10	0.04	0.06	4.17
6	0.10	0.04	0.06	4.11
7	0.10	0.04	0.06	4.05
8	0.10	0.04	0.06	3.99
9	0.10	0.04	0.06	3.93
10	0.10	0.04	0.06	3.87
11	0.10	0.04	0.06	3.81
12	0.10	0.03	0.06	3.75
First Year	1.16	0.46	0.71	
13	0.10	0.03	0.06	3.69
14	0.10	0.03	0.06	3.62
15	0.10	0.03	0.06	3.56
16	0.10	0.03	0.06	3.49
17	0.10	0.03	0.06	3.43
18	0.10	0.03	0.07	3.36
19	0.10	0.03	0.07	3.30

20	0.10	0.03	0.07	3.23
21	0.10	0.03	0.07	3.16
22	0.10	0.03	0.07	3.10
23	0.10	0.03	0.07	3.03
24	0.10	0.03	0.07	2.96
Second Year	1.16	0.37	0.79	
25	0.10	0.03	0.07	2.89
26	0.10	0.03	0.07	2.82
27	0.10	0.03	0.07	2.75
28	0.10	0.03	0.07	2.68
29	0.10	0.02	0.07	2.60
30	0.10	0.02	0.07	2.53
31	0.10	0.02	0.07	2.46
32	0.10	0.02	0.07	2.38
33	0.10	0.02	0.08	2.31
34	0.10	0.02	0.08	2.23
35	0.10	0.02	0.08	2.16
36	0.10	0.02	0.08	2.08
Third Year	1.16	0.28	0.88	
37	0.10	0.02	0.08	2.00
38	0.10	0.02	0.08	1.92
39	0.10	0.02	0.08	1.84
40	0.10	0.02	0.08	1.76
41	0.10	0.02	0.08	1.68
42	0.10	0.02	0.08	1.60
43	0.10	0.01	0.08	1.52
44	0.10	0.01	0.08	1.44
45	0.10	0.01	0.08	1.35
46	0.10	0.01	0.08	1.27
47	0.10	0.01	0.09	1.18
48	0.10	0.01	0.09	1.10
Fourth Year	1.16	0.18	0.98	
49	0.10	0.01	0.09	1.01
50	0.10	0.01	0.09	0.92
51	0.10	0.01	0.09	0.83
52	0.10	0.01	0.09	0.74
53	0.10	0.01	0.09	0.65
54	0.10	0.01	0.09	0.56
55	0.10	0.01	0.09	0.47
56	0.10	0.00	0.09	0.38
57	0.10	0.00	0.09	0.29
58	0.10	0.00	0.09	0.19
59	0.10	0.00	0.10	0.10
60	0.10	0.00	0.10	(0.00)
Fifth Year	1.16	0.07	1.10	

Project For :
Noodles Manufacturing Unit

(Rs. Lacs)

K. WORKING CAPITAL

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1	Total Inventory	2.84	4.43	6.24	8.27	10.23	12.31
2	Sundry Debtors	0.90	1.08	1.27	1.45	1.54	1.63
	Total	3.74	5.51	7.50	9.71	11.77	13.94
3	Bank C.C. (90 per cent)	3.37	4.96	6.75	8.74	10.59	12.54
4	Own Contribution (10%)	0.37	0.55	0.75	0.97	1.18	1.39

(Rs. Lacs)

L. CURRENT ASSETS

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1	Cl. Stock of Materials	1.08	2.37	3.88	5.60	7.44	9.38
2	Cl. Stock of Finished Goods	1.76	2.06	2.36	2.66	2.79	2.93
	Total Inventory	<u>2.84</u>	<u>4.43</u>	<u>6.24</u>	<u>8.27</u>	<u>10.23</u>	<u>12.31</u>
3	Cash and bank Balance	5.15	5.42	6.65	8.77	11.23	15.28
4	Sundry Debtors	0.90	1.99	3.25	4.70	6.24	7.86
	Total	<u>8.90</u>	<u>11.84</u>	<u>16.14</u>	<u>21.74</u>	<u>27.69</u>	<u>35.45</u>

Project For : Noodles Manufacturing Unit
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M. FIXED ASSETS AND DEPRECIATION

(Rs. Lacs)

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1	Building						
	Op. Balance	-	1.98	1.78	1.60	1.44	1.30
	Additions	2.20	-				
	Total	2.20	1.98	1.78	1.60	1.44	1.30
	Less : Depreciation	0.22	0.20	0.18	0.16	0.14	0.13
	Cl. WDV	1.98	1.78	1.60	1.44	1.30	1.17
2	Plant & Machinery						
	Op. Balance	-	2.13	1.81	1.54	1.31	1.11
	Additions	2.50	-				
	Total	2.50	2.13	1.81	1.54	1.31	1.11
	Less : Depreciation	0.38	0.32	0.27	0.23	0.20	0.17
	Cl. WDV	2.13	1.81	1.54	1.31	1.11	0.94
2	Furniture & Electricals						
	Op. Balance	-	0.23	0.20	0.18	0.16	0.15
	Additions	0.25	-				
	Total	0.25	0.23	0.20	0.18	0.16	0.15
	Less : Depreciation	0.03	0.02	0.02	0.02	0.02	0.01
	Cl. WDV	0.23	0.20	0.18	0.16	0.15	0.13
	Total Depreciation	0.62	0.54	0.47	0.41	0.36	0.31
	Cl. WDV	4.33	3.79	3.32	2.91	2.56	2.24