

PROJECT PROFILE

ON

FRIED NOODLES

Month & Year
Aug 2010

**PREPARED BY
TANSTIA-FNF SERVICE CENTRE
B-22, INDUSTRIAL ESTATE
CHENNAI-600032**

Supported by

Friedrich Naumann
STIFTUNG **FÜR DIE FREIHEIT**

FRIED NOODLES

1. Introduction

Fried noodles are a delicacy among children. It is consumed among most households as a tea time snack. Being precooked it is very easy to use and recipes can be prepared in a few minutes. Housewives find it very convenient to use and prefer it as a tea time snack for children.

2. Market

The major market outlets are the “A” and “ B” class outlets, departmental stores, super markets and self service counters. The product also has a good export potential.

3. Packaging

The processed product is packed in laminated BOPP pouches. The product is packed in measures of 100 grams.

4. Production capacity

- The plant will be in operation for two shifts a day with each shift of 8 hours duration.
- The plant will operate to a capacity of a raw material (maida) input of 50 kilograms per hour or 800 kilograms per day. The end product yield will be 920 kilograms per day.
- The estimated production per month is therefore 23 MT.
- The total production per annum production is estimated at 276 M.T
- The time period required for achieving full capacity utilization is one year.

5. Sales revenue

- The ex-factory selling price will be Rs. 120 per kilogram thereby yielding a sales revenue of Rs. 331.20 lakhs on full capacity utilization. The MRP is fixed at Rs. 160 per kilogram.

6. Production process outline.

Refined wheat flour (maida) is mixed with water in the mixer and kneaded to form a dough. The dough is flattened into sheets of 2 millimeters thickness. It is then slit into strands of 2 millimeters width and coiled. The coils are steamed and then conveyed into the frier by the conveyer. After frying at temperatures ranging between 160 to 180 degrees centigrade for about two to two and a half minutes, the cakes are removed, excess oil drained and packed using the machine. After packing, they are placed in cartons, strapped prior to dispatch.

7. Quality specifications

- Moisture - 12% maximum
- Total ash - 1.5% maximum
- Acid insoluble ash - 0.1% maximum
- Crude fibre - 2% maximum
- Protein - 8% minimum
- Fat - 15% maximum
- Free fatty acids of the oil used as oleic acid - 0.1% maximum
- Peroxide value of the oil used - nil

8. Pollution control measures

Not necessary as there are no pollutants or effluents.

9. Energy conservation measures

Common measures will do.

10. Land and construction cost for the proposed unit

The proposed unit is to be set up in a leased area. The total leased area is 3000 square feet vide details given below.

SI	Description	Sq. feet
1	Processing area	1500
2	Raw material store	100
3	Raw material (oil) storage room	100
4	Finished goods storage room	200
5	Packaging material storage room	100
6	Laboratory	200
7	Office space	200
8	Machinery spares	100
9	Toilet space	200
10	Miscellaneous space	100
11	Boiler area	200
12	Total	3000

Lease rent – Rs. 8.00 per square foot

Total rent per month – Rs. 24000

Lease advance – Rs. 100000

11. Costing of machinery and equipment

SI	Description	Rs. lakhs
1	Stainless steel mixer	0.755
2	Sheeting and slitting machine	5.123
3	Steaming cabinet	2.755
4	Souping conveyer	2.656
5	Frier	1.952
6	Pillow pack machine	5.116
7	Weighing scales – coarse and fine	0.450
8	Steam boiler and accessories	3.120
9	Total	21.927
11	Laboratory equipment	1.000
12	Grand total machinery and equipment	22.927

12. *Project cost*

SI	Description	Rs. lakhs
1	Land	On lease
2	Civil works	On lease
3	Plant machinery	21.927
4	Laboratory equipment	1.000
5	Transport vehicle (1 LCV)	7.500
6	Pollution control equipment	0.000
7	Energy conservation equipment	0.000
8	Cost of power connection	0.500
9	Cost of electrification	1.000
10	Erection and commissioning	2.293
11	Cost of machinery spares	0.500
12	Cost of office equipment	1.000
13	Deposits if any	0.600
14	Company formation expenses	0.100
15	Gestation period expenses	1.000
16	Sales tax registration expenses	0.100
17	Initial advertisement and publicity	10.000
18	Contingencies	0.500
19	Working capital margin money	8.897
20	Total	56.917

13. *Working capital requirements per month*

a. *Salaries and wages*

SI	Description	No of persons	Total salary / month (Rs. lakhs)
1	Production Manager	1	0.400
2	Production supervisor cum chemist	2	0.500
3	Skilled workers	4	0.400
4	Unskilled workers	6	0.300
5	Packing workers	4	0.160
6	Administrative staff	2	0.500
7	Sales coordinator	1	0.250
8	Driver	1	0.100

9	Total	21	2.610
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b. Raw material requirement per month

SI	Description	Qty (kgs)	Rate / kg (Rs)	Value (Rs. lakhs)
1	Maida	20000	20.00	4.000
2	Vanaspathi	3400	75.00	2.550
3	Salt	500	10.00	0.050
4	Total raw material	23900		6.600

c. Packaging material requirement per month

SI	Description	Qty	Rate / unit (Rs)	Value (Rs. lakhs)
1	Primary packaging material – BOPP laminate BOPP film	1610 kgs	140	2.254
2	Cartons and straps	4600 nos	50	2.300
3	Total			4.554

Total raw + packaging material = Rs. 11.154 lakhs

d. Utilities per month

SI	Description	Rs. lakhs
1	Power 14000 kwh @ Rs. 5.50 per unit	0.770
2	Water	0.100
3	Boiler fuel	0.250
4	Total utilities	1.120

e. Contingent expenses per month

SI	Description	Rs. lakhs
1	Rent for processing shed	0.240
2	Postage and stationery	0.050
3	Telephones, fax etc.	0.050
4	Consumable stores	0.020
5	Repairs and maintenance	0.126
6	Local transports, loading and unloading	0.500
7	Advertisement and publicity @ 15% of sales	4.140
8	Insurance	0.025
9	Sales expenses @ 1% of sales	0.276
10	Miscellaneous expenses @ 1% of sales	0.276
11	Trade incentives @ 2% of sales	0.552
12	Taxes @ 4%	1.104
13	Total contingent expenses	7.359

f. Total working capital requirement per month

SI	Description	Rs. lakhs
1	Salaries and wages	2.610
2	Raw material and packaging material	11.154
3	Utilities	1.120
4	Contingent expenses	7.359
5	Total	22.243

14. Means of finance

SI	Description	Rs. lakhs
1	Total Project Cost	56.917
2	Equity	18.783
3	Debt	38.134
4	Working capital margin money	8.897

15. Financial analysis

SI	Description	Rs. lakhs
1	Total recurring cost per year	266.916
2	Depreciation on land and building	0.000
3	Depreciation on machinery and vehicle	3.050
4	Depreciation on furnaces	0.000
5	Depreciation on moulds and fixtures	0.020
6	Depreciation on office equipment	0.100
7	Interest on long term loan @ 13.5%	5.148
8	Interest on short term borrowings@ 13.5%	1.802
9	Total cost of production	277.036

16. Turnover per year

SI	Item	Qty	Rate/unit (Rs)	Total Rs. lakhs
1	Fried Noodles	276,000 kgs	120	331.20

17. Viability analysis

SI	Description	Value
1	Net profit before income tax (Rs. lakhs)	54.164
2	Net profit ratio	16.3%
3	Internal rate of return	28.3%
4	Break even percentage	39%
5	Debt service coverage ratio	2.046

List of equipment suppliers for fried noodles

1. F.M.C. Hongkong Limited, 2, Bhuvaneshwari Housing Society, Pashan Road, Pune 411008, Maharashtra. ; Tel: 020 - 25893700; Fax: 020 - 25983701