

PROJECT PROFILE

ON

NOODLES AND MACARONI

Month & Year
Aug 2010

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

Supported by

Friedrich Naumann
STIFTUNG **FÜR DIE FREIHEIT**

NOODLES AND MACARONI

1. Introduction

Noodles and macaroni are commonly consumed pasta products. They are normally used in the preparation of Chinese and western dishes. Many innovative recipes have been developed by catering establishments using these products. As a result of development of recipes, the acceptance of the product in households has increased manifold. Various brands of noodles and macaroni are available in the market and these include Savorit, Bambino, MTR, True etc. However, various brands of noodles and macaroni manufactured in the cottage sector are also available in the market and are commonly called as “Chow”. There is an increasing demand for pasta products as it has become a staple food for breakfast, tiffin or even supper..

2. Market

The product finds placement in all “A”, and “B” class outlets, self service, departmental stores and supermarkets. The product has a lot of market potential if it is very hygienically processed and dried, does not disintegrate on cooking and if reasonably priced.

3. Packaging

Noodles and macaroni are best packed in polyethylene or polypropylene or BOPP pouches as primary packing. The pouch is placed in cartons and strapped prior to dispatch. The product is packed in weights of 200, 500 and 1000 gms.

4. Production capacity

- The plant operates to two shifts a day with each shift of eight hours duration.
- The plant will operate to a capacity of raw material (maida) input of 150 kilograms per hour. The anticipated production of noodles is 2 M.T per day or 600 M.T per annum.
- The time period required for achieving full capacity utilization is one year.

5. Sales revenue

- At an ex-factory selling price of Rs. 10.00 per packet of 200 grams or Rs. 50 per kilogram, the total sales revenue would be Rs. 300 lakhs per annum.

6. Production process outline.

The ingredients comprising refined wheat flour or maida is kneaded to form a dough with the addition of small quantities of water. The dough is extruded through a die suited either for noodles or macaroni, cut, steamed, and dried before packing.

7. Quality specifications

- Moisture - maximum 12 %.
- Ash - maximum 0.5%.
- Acid insoluble ash - maximum 0.01%
- Total solids in gruel - maximum 8%.
- The product should be free from coliforms, salmonella and streptococci bacteria. The total plate count should not exceed 30,000 per gram.
- The product should be free from rodent excreta, human hair, and insect infestation It should also not contain any added coal tar food colours, preservatives, emulsifiers, stabilizers, and artificial flavouring agents.

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 on a leased shed. The total processing area required is 3500 square feet vide details given below.

SI	Description	Sq. feet
1	Processing area – pre preparation	1500
2	Raw material store	200
3	Other ingredients storage room	200
4	Finished goods storage room	200
5	Laboratory	200
6	Office space	500
7	Machinery spares room	100
8	Toilet space	200
9	Miscellaneous space	200
10	Boiler house	200
11	Total	3500

Lease rent – Rs8.00 per square foot

Total rent per month – Rs. 27000

Lease advance – Rs. 100000

11. Costing of machinery and equipment

SI	Description	Rs. lakhs
1	Baby boiler and accessories	2.850
2	Flour sifter	0.650
3	Stainless steel dough kneading unit	0.800
4	Noodles and macaroni extruder unit	3.700
5	Tray drier	1.600
6	Pedal sealing machine – 2 nos	0.200
7	Weighing scales – 3 nos	0.300
8	Machine spares	0.100
9	Total	10.200
10	Laboratory equipment	1.000
11	Grand total machinery and equipment	11.200

12. Project cost

SI	Description	Rs. lakhs
1	Land	On lease
2	Civil works	On lease
3	Plant machinery	10.200
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	0.750
11	Cost of machinery spares	0.200
12	Cost of office equipment	1.000
13	Deposits if any	0.700
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	0.250
19	Working capital margin money	8.819
20	Total	43.119

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	1	0.250
3	Skilled workers	2	0.120
4	Unskilled workers	10	0.400
5	Sales staff	1	0.150
6	Administrative staff	1	0.250
7	Total	16	1.570

b. Raw material requirement per month

SI	Description	Qty (kgs)	Rate / kg (Rs)	Value (Rs. lakhs)
1	Maida	52500	22.00	11.550
2	Water			0.025
3	Total raw material	52500		11.575

c. Packaging material requirement per month

SI	Description	Qty	Rate / unit (Rs)	Value (Rs. lakhs)
1	Primary packaging pouches	150000 nos	1.50	2.250
2	Cartons and straps	2500	40	1.000
3	Total			3.250

Total raw + packaging material = Rs. 14.825 lakhs.

d. Utilities per month

SI	Description	Rs. lakhs
1	Power 3000 kwh @ Rs. 5.50 per unit	0.165
2	Water	0.050
3	Boiler fuel	0.150
4	Total utilities	0.365

e. Contingent expenses per month

SI	Description	Rs. lakhs
1	Rent for processing shed	0.270
2	Postage and stationery	0.020
3	Telephones, fax etc.	0.050
4	Consumable stores	0.020
5	Repairs and maintenance	0.109
6	Local transports, loading and unloading	0.300
7	Advertisement and publicity @ 10% of sales	2.500
8	Insurance	0.018
9	Sales expenses @ 1% of sales	0.250
10	Miscellaneous expenses @ 1% of sales	0.250
11	Trade incentives @ 2% of sales	0.500
12	Taxes @ 4%	1.000

13	Total contingent expenses	5.287
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f. Total working capital requirement per month

SI	Description	Rs. lakhs
1	Salaries and wages	1.570
2	Raw material and packaging material	14.825
3	Utilities	0.365
4	Contingent expenses	5.287
5	Total	22.047

14. Means of finance

SI	Description	Rs. lakhs
1	Total Project Cost	43.119
2	Equity	14.229
3	Debt	28.890
4	Working capital margin money	8.819

15. Financial analysis

SI	Description	Rs. lakhs
1	Total recurring cost per year	264.564
2	Depreciation on land and building	0.000
3	Depreciation on machinery and vehicle	1.560
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%	3.945
8	Interest on short term borrowings@ 13.5%	1.887
9	Total cost of production	272.076

16. Turnover per year

SI	Item	Qty	Rate/unit (Rs)	Total Rs. lakhs
1	Noodles and macaroni	600 MT	50,000	300

17. Viability analysis

SI	Description	Value
1	Net profit before income tax (Rs. lakhs)	27.940
2	Net profit ratio	9.3%
3	Internal rate of return	22.8%
4	Break even percentage	51%
5	Debt service coverage ratio	1.865

List of machinery suppliers for noodles and macaroni

1. Saraswathi Industries, 41-A., L.G.B. Nagar, Krishnapuram, Sarvanampatty P.O., Coimbatore 641035, Tamil Nadu.; Tel: 0422 – 5531536; 9943012777