



## **Model Detailed Project Report**

### **NOODLES MANUFACTURING UNIT**

**Prepared by**

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## 1. INTRODUCTION

### NOODLE MANUFACTURING UNIT



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 flat or extruded and cut into one of variety of shapes. This is the perfect snacks for the young generation.

## **2. 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 lower-middle 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.

## **3. PRODUCT DESCRIPTION**

### **3.1 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.

### **3.2 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

### **3.3 MANUFACTURING PROCESS**

Noodles manufacturing attracts following steps.

## **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**

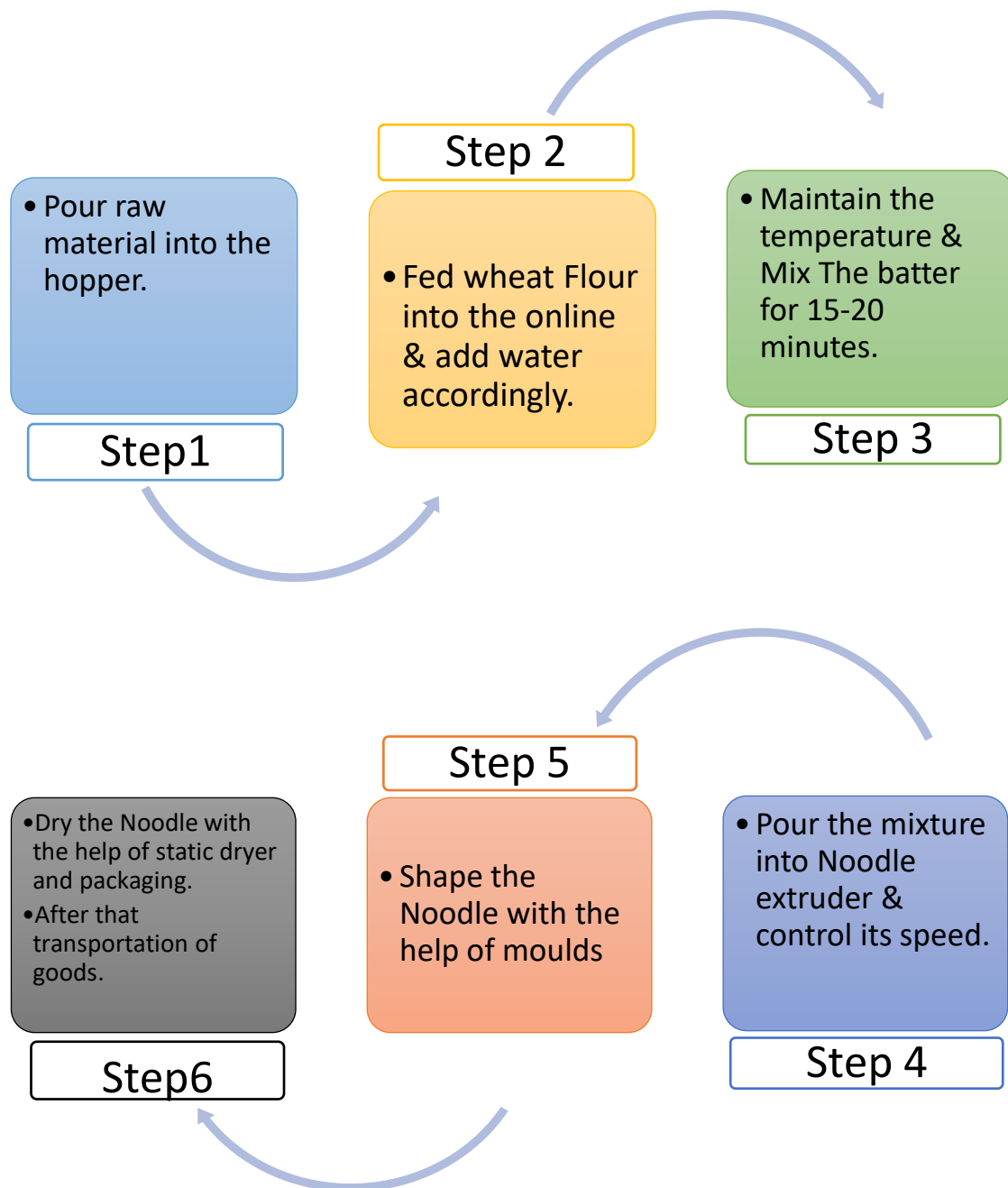
Then the cut noodles go from the cutting machine fall on wooden trays. The product undergoes surface drying and becomes sufficiently hard enough to handle without sticking or being crushed. The moisture content of the pre-dried product is about 29.5%.

## **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 shelf-life. 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.

### Technical Process Flow Chart





## 4. PROJECT COMPONENTS


### 4.1 Land

Land required 1000-1200 square feet approx.

Approximate rent for the same is Rs.20000-25000 per month.

### 4.2 Plant & Machinery

Machine	Item Description	Image
Batch Mixer	A vessel and mixing system used to prepare treatment fluids	
Noodles Machine (10 Roller)	<b>This machine is used for Noodle manufacturing machine.</b>	

Steamer	<p><b>Steamer is used for partially cooking the fresh noodles with either saturated or unsaturated steam before they are marketed.</b></p>	
Static Dryer	<p><b>Used for drying the steamed Noodles.</b></p>	

Note: cost of the machinery is approx. Rs. 7,50,000 excluding GST and other transportation cost.

#### **4.3 Misc. Assets**

<b>S.N.</b>	<b>Item Description</b>	<b>Rate</b>
1	electricity connection	50,000
2	Storage tank, collection tank etc.	20,000
3	Furniture and equipment's	50,000



#### **4.4 Power Requirement**

The borrower shall require power load of 20 KW which shall be applied with Power Corporation. However, for standby power arrangement the borrower shall also purchase DG Set.

#### **4.5 Manpower Requirement**

7-8 Manpower are required for the Noodles manufacturing unit.

Includes:

2 Skilled Labour

2-3 Unskilled Labour

2 Helper

1 Accountant

## 5. FINANCIALS

### 5.1 Cost of Project

COST OF PROJECT			
(in Lacs)			
PARTICULARS	AMOUNT	Own Contribution	Bank Finance
		25.00%	75.00%
Land & Building		Owned /rented	
Plant & Machinery	7.50	1.88	5.63
Furniture & Fixtures and Other Assets	1.20	0.30	0.90
Working capital	4.00	1.00	3.00
<b>Total</b>	<b>12.70</b>	<b>3.18</b>	<b>9.53</b>

### 5.2 Means of Finance

MEANS OF FINANCE	
PARTICULARS	AMOUNT
Own Contribution	3.18
Bank Loan	6.53
Working capital Limit	3.00
<b>Total</b>	<b>12.70</b>

### 5.3 Projected Balance Sheet

(in Lacs)					
<b>PROJECTED BALANCE SHEET</b>					
<b>PARTICULARS</b>	<b>1st year</b>	<b>2nd year</b>	<b>3rd year</b>	<b>4th year</b>	<b>5th year</b>
<b><u>Liabilities</u></b>					
Capital					
opening balance		3.89	5.15	6.44	7.52
<i>Add:- Own Capital</i>	3.18				
Add:- Retained Profit	2.22	3.75	5.79	8.08	10.75
Less:- Drawings	1.50	2.50	4.50	7.00	9.00
Closing Balance	3.89	5.15	6.44	7.52	9.27
Term Loan	5.80	4.35	2.90	1.45	-
Working Capital Limit	3.00	3.00	3.00	3.00	3.00
Sundry Creditors	1.08	1.27	1.47	1.68	1.92
Provisions & Other Liab	0.50	0.63	0.75	0.90	1.08
<b>TOTAL :</b>	<b>14.27</b>	<b>14.39</b>	<b>14.56</b>	<b>14.55</b>	<b>15.27</b>
<b><u>Assets</u></b>					
<b>Fixed Assets ( Gross)</b>	8.70	8.70	8.70	8.70	8.70
Gross Dep.	1.25	2.31	3.22	4.00	4.66
<b>Net Fixed Assets</b>	<b>7.46</b>	<b>6.39</b>	<b>5.48</b>	<b>4.70</b>	<b>4.04</b>
<b>Current Assets</b>					
Sundry Debtors	2.13	2.54	2.92	3.32	3.74
Stock in Hand	3.57	4.16	4.77	5.41	6.07
Cash and Bank	1.12	1.29	1.39	1.13	1.41
<b>TOTAL :</b>	<b>14.27</b>	<b>14.39</b>	<b>14.56</b>	<b>14.55</b>	<b>15.27</b>

## 5.4 Projected Cash Flow

(in Lacs)					
<b>PROJECTED CASH FLOW STATEMENT</b>					
<b>PARTICULARS</b>	<b>1st year</b>	<b>2nd year</b>	<b>3rd year</b>	<b>4th year</b>	<b>5th year</b>
<b><u>SOURCES OF FUND</u></b>					
Own Margin	3.18				
Net Profit	2.22	3.75	5.88	8.44	11.42
Depriciation & Exp. W/off	1.25	1.06	0.91	0.78	0.67
Increase in Cash Credit	3.00	-	-	-	-
Increase In Term Loan	6.53	-	-	-	-
Increase in Creditors	1.08	0.19	0.20	0.22	0.23
Increase in Provisions & Oth lib	0.50	0.13	0.13	0.15	0.18
<b>TOTAL :</b>	<b>17.74</b>	<b>5.13</b>	<b>7.12</b>	<b>9.58</b>	<b>12.50</b>
<b><u>APPLICATION OF FUND</u></b>					
Increase in Fixed Assets	8.70				
Increase in Stock	3.57	0.59	0.61	0.64	0.67
Increase in Debtors	2.13	0.42	0.38	0.40	0.42
Repayment of Term Loan	0.73	1.45	1.45	1.45	1.45
Drawings	1.50	2.50	4.50	7.00	9.00
Taxation	-	-	0.09	0.36	0.67
<b>TOTAL :</b>	<b>16.62</b>	<b>4.96</b>	<b>7.02</b>	<b>9.84</b>	<b>12.21</b>
Opening Cash & Bank Balance	-	1.12	1.29	1.39	1.13
Add : Surplus	1.12	0.17	0.10	(0.26)	0.29
Closing Cash & Bank Balance	<b>1.12</b>	<b>1.29</b>	<b>1.39</b>	<b>1.13</b>	<b>1.41</b>

## 5.5 Projected Profitability

(in Lacs)					
<b>PROJECTED PROFITABILITY STATEMENT</b>					
<b>PARTICULARS</b>	<b>1st year</b>	<b>2nd year</b>	<b>3rd year</b>	<b>4th year</b>	<b>5th year</b>
Capacity Utilisation %	<b>50%</b>	<b>55%</b>	<b>60%</b>	<b>65%</b>	<b>70%</b>
<b><u>SALES</u></b>					
<b>Gross Sale</b>					
Noodles	63.80	76.33	87.60	99.58	112.29
<b>Total</b>	<b>63.80</b>	<b>76.33</b>	<b>87.60</b>	<b>99.58</b>	<b>112.29</b>
<b><u>COST OF SALES</u></b>					
Raw Material Consumed	36.00	42.24	48.96	56.16	63.84
Electricity Expenses	4.80	5.52	6.35	7.30	8.03
Depreciation	1.25	1.06	0.91	0.78	0.67
Wages & labour	5.64	6.20	6.82	7.51	8.26
Repair & maintenance	2.23	2.67	3.07	3.49	2.81
consumables	3.19	3.82	3.50	2.69	2.81
<b>Cost of Production</b>	<b>53.11</b>	<b>61.52</b>	<b>69.61</b>	<b>77.92</b>	<b>86.41</b>
<b>Add: Opening Stock /WIP</b>	<b>-</b>	<b>1.77</b>	<b>2.05</b>	<b>2.32</b>	<b>2.60</b>
<b>Less: Closing Stock /WIP</b>	<b>1.77</b>	<b>2.05</b>	<b>2.32</b>	<b>2.60</b>	<b>2.88</b>
Cost of Sales	51.34	61.24	69.34	77.64	86.13
<b>GROSS PROFIT</b>	<b>12.46</b>	<b>15.09</b>	<b>18.25</b>	<b>21.94</b>	<b>26.17</b>
Salary to Staff	3.72	4.09	4.50	4.95	5.45
Interest on Term Loan	0.64	0.56	0.41	0.25	0.09
Interest on working Capital	0.33	0.33	0.33	0.33	0.33

Rent	3.00	3.30	3.63	3.99	4.39
selling & adm exp	2.55	3.05	3.50	3.98	4.49
<b>TOTAL</b>	<b>10.24</b>	<b>11.34</b>	<b>12.37</b>	<b>13.50</b>	<b>14.75</b>
NET PROFIT	2.22	3.75	5.88	8.44	11.42
Taxation			0.09	0.36	0.67
PROFIT (After Tax)	2.22	3.75	5.79	8.08	10.75

## 5.6 Production and Yield

### COMPUTATION OF PRODUCTION OF NOODLES

#### Items to be Manufactured

Noodles

machine capacity	200	KG per Hour
Operational capacity Taken	100	KG per hour
Total working Hours	8	
machine capacity per day	800	KG
working days in a month	25	Days
working days per annum	300	
machine capacity per annum	240000	KG

#### Production of Noodles

Production	Capacity	KG
1st year	50%	120,000
2nd year	55%	132,000
3rd year	60%	144,000
4th year	65%	156,000
5th year	70%	168,000

<b>Raw Material Cost</b>			
<b>Year</b>	<b>Capacity Utilisation</b>	<b>Rate (per KG)</b>	<b>Amount (Rs. in lacs)</b>
1st year	50%	30.00	36.00
2nd year	55%	32.00	42.24
3rd year	60%	34.00	48.96
4th year	65%	36.00	56.16
5th year	70%	38.00	63.84

## 5.7 Sales Revenue

<b><u>COMPUTATION OF SALE</u></b>					
<b>Particulars</b>	<b>1st year</b>	<b>2nd year</b>	<b>3rd year</b>	<b>4th year</b>	<b>5th year</b>
Op Stock	-	4,000	4,400	4,800	5,200
Production	120,000	132,000	144,000	156,000	168,000
Less : Closing Stock	4,000	4,400	4,800	5,200	5,600
<b>Net Sale</b>	<b>116,000</b>	<b>131,600</b>	<b>143,600</b>	<b>155,600</b>	<b>167,600</b>
sale price per KG	55.00	58.00	61.00	64.00	67.00
<b>Sales (in Lacs)</b>	<b>63.80</b>	<b>76.33</b>	<b>87.60</b>	<b>99.58</b>	<b>112.29</b>

## 5.8 Working Capital Assessment

(in Lacs)					
<b>COMPUTATION OF CLOSING STOCK &amp; WORKING CAPITAL</b>					
<b>PARTICULARS</b>	<b>1st year</b>	<b>2nd year</b>	<b>3rd year</b>	<b>4th year</b>	<b>5th year</b>
<b><u>Finished Goods</u></b>					
	1.77	2.05	2.32	2.60	2.88
<b><u>Raw Material</u></b>					
	1.80	2.11	2.45	2.81	3.19
<b>Closing Stock</b>	<b>3.57</b>	<b>4.16</b>	<b>4.77</b>	<b>5.41</b>	<b>6.07</b>

<b><u>COMPUTATION OF WORKING CAPITAL REQUIREMENT</u></b>						
<b>TRADITIONAL METHOD</b>						
(in Lacs)						
<b>Particulars</b>	<b>Amount</b>	<b>Own Margin</b>		<b>Bank Finance</b>		
Finished Goods & Raw Material	3.57					
Less : Creditors	1.08					
<b>Paid stock</b>	<b>2.49</b>	<b>25%</b>	<b>0.62</b>	<b>75%</b>	<b>1.87</b>	
<b>Sundry Debtors</b>	<b>2.13</b>	<b>25%</b>	<b>0.53</b>	<b>75%</b>	<b>1.60</b>	
	<b>4.62</b>		<b>1.15</b>		<b>3.46</b>	
<b>WORKING CAPITAL LIMIT DEMAND ( from Bank)</b>						
				<b>3.00</b>		



## 5.9 Power, Salary & Wages Calculation

<b>Utility Charges (per month)</b>			
<b>Particulars</b>	<b>value</b>	<b>Description</b>	
Power connection required	20	KWH	
consumption per day	160	units	
Consumption per month	4,000	units	
Rate per Unit	10	Rs.	
power Bill per month	40,000	Rs.	

<b><u>BREAK UP OF LABOUR CHARGES</u></b>			
<b>Particulars</b>	<b>Wages</b>	<b>No of</b>	<b>Total</b>
	<b>Rs. per Month</b>	<b>Employees</b>	<b>Salary</b>
Skilled (in thousand rupees)	14,000	2	28,000
Unskilled (in thousand rupees)	9,500	2	19,000
<b>Total salary per month</b>			<b>47,000</b>
<b>Total annual labour charges</b>	<b>(in lacs)</b>		<b>5.64</b>

<b><u>BREAK UP OF Staff Salary CHARGES</u></b>			
<b>Particulars</b>	<b>Salary</b>	<b>No of</b>	<b>Total</b>
	<b>Rs. per Month</b>	<b>Employees</b>	<b>Salary</b>
helper	7,000	2	14,000
Accountant	17,000	1	17,000
<b>Total salary per month</b>			<b>31,000</b>
<b>Total annual Staff charges</b>	<b>(in lacs)</b>		<b>3.72</b>

## 5.10 Depreciation

(in Lacs)			
<b>COMPUTATION OF DEPRECIATION</b>			
<b>Description</b>	<b>Plant &amp; Machinery</b>	<b>Furniture</b>	<b>TOTAL</b>
Rate of Depreciation	<b>15.00%</b>	<b>10.00%</b>	
<b>Opening Balance</b>	-	-	-
Addition	7.50	1.20	8.70
Total	7.50	1.20	8.70
Less : Depreciation	1.13	0.12	1.25
<b>WDV at end of Year</b>	<b>6.38</b>	<b>1.08</b>	<b>7.46</b>
Additions During The Year	-	-	-
Total	6.38	1.08	7.46
Less : Depreciation	0.96	0.11	1.06
<b>WDV at end of Year</b>	<b>5.42</b>	<b>0.97</b>	<b>6.39</b>
Additions During The Year	-	-	-
Total	5.42	0.97	6.39
Less : Depreciation	0.81	0.10	0.91
<b>WDV at end of Year</b>	<b>4.61</b>	<b>0.87</b>	<b>5.48</b>
Additions During The Year	-	-	-
Total	4.61	0.87	5.48
Less : Depreciation	0.69	0.09	0.78
<b>WDV at end of Year</b>	<b>3.92</b>	<b>0.79</b>	<b>4.70</b>
Additions During The Year	-	-	-
Total	3.92	0.79	4.70
Less : Depreciation	0.59	0.08	0.67
<b>WDV at end of Year</b>	<b>3.33</b>	<b>0.71</b>	<b>4.04</b>

## 5.11 Repayment schedule

REPAYMENT SCHEDULE OF TERM LOAN							
						Interest	11.00%
Year	Particulars	Amount	Addition	Total	Interest	Repayment	Closing Balance
<b>1st</b>	Opening Balance						
	1st month	-	6.53	6.53	-	-	6.53
	2nd month	6.53	-	6.53	0.06	-	6.53
	3rd month	6.53	-	6.53	0.06	-	6.53
	4th month	6.53	-	6.53	0.06		6.53
	5th month	6.53	-	6.53	0.06		6.53
	6th month	6.53	-	6.53	0.06		6.53
	7th month	6.53	-	6.53	0.06	0.12	6.40
	8th month	6.40	-	6.40	0.06	0.12	6.28
	9th month	6.28	-	6.28	0.06	0.12	6.16
	10th month	6.16	-	6.16	0.06	0.12	6.04
	11th month	6.04	-	6.04	0.06	0.12	5.92
	12th month	5.92	-	5.92	0.05	0.12	5.80
					0.64	0.73	
<b>2nd</b>	Opening Balance						
	1st month	5.80	-	5.80	0.05	0.12	5.68
	2nd month	5.68	-	5.68	0.05	0.12	5.56
	3rd month	5.56	-	5.56	0.05	0.12	5.44
	4th month	5.44	-	5.44	0.05	0.12	5.32
	5th month	5.32	-	5.32	0.05	0.12	5.20
	6th month	5.20	-	5.20	0.05	0.12	5.08
	7th month	5.08	-	5.08	0.05	0.12	4.95
	8th month	4.95	-	4.95	0.05	0.12	4.83
	9th month	4.83	-	4.83	0.04	0.12	4.71
	10th month	4.71	-	4.71	0.04	0.12	4.59
	11th month	4.59	-	4.59	0.04	0.12	4.47
	12th month	4.47	-	4.47	0.04	0.12	4.35
					0.56	1.45	
<b>3rd</b>	Opening Balance						
	1st month	4.35	-	4.35	0.04	0.12	4.23
	2nd month	4.23	-	4.23	0.04	0.12	4.11
	3rd month	4.11	-	4.11	0.04	0.12	3.99
	4th month	3.99	-	3.99	0.04	0.12	3.87

	5th month	3.87	-	3.87	0.04	0.12	3.75
	6th month	3.75	-	3.75	0.03	0.12	3.63
	7th month	3.63	-	3.63	0.03	0.12	3.50
	8th month	3.50	-	3.50	0.03	0.12	3.38
	9th month	3.38	-	3.38	0.03	0.12	3.26
	10th month	3.26	-	3.26	0.03	0.12	3.14
	11th month	3.14	-	3.14	0.03	0.12	3.02
	12th month	3.02	-	3.02	0.03	0.12	2.90
					<b>0.41</b>	<b>1.45</b>	
<b>4th</b>	Opening Balance						
	1st month	2.90	-	2.90	0.03	0.12	2.78
	2nd month	2.78	-	2.78	0.03	0.12	2.66
	3rd month	2.66	-	2.66	0.02	0.12	2.54
	4th month	2.54	-	2.54	0.02	0.12	2.42
	5th month	2.42	-	2.42	0.02	0.12	2.30
	6th month	2.30	-	2.30	0.02	0.12	2.18
	7th month	2.18	-	2.18	0.02	0.12	2.05
	8th month	2.05	-	2.05	0.02	0.12	1.93
	9th month	1.93	-	1.93	0.02	0.12	1.81
	10th month	1.81	-	1.81	0.02	0.12	1.69
	11th month	1.69	-	1.69	0.02	0.12	1.57
	12th month	1.57	-	1.57	0.01	0.12	1.45
					<b>0.25</b>	<b>1.45</b>	
<b>5th</b>	Opening Balance						
	1st month	1.45	-	1.45	0.01	0.12	1.33
	2nd month	1.33	-	1.33	0.01	0.12	1.21
	3rd month	1.21	-	1.21	0.01	0.12	1.09
	4th month	1.09	-	1.09	0.01	0.12	0.97
	5th month	0.97	-	0.97	0.01	0.12	0.85
	6th month	0.85	-	0.85	0.01	0.12	0.72
	7th month	0.72	-	0.72	0.01	0.12	0.60
	8th month	0.60	-	0.60	0.01	0.12	0.48
	9th month	0.48	-	0.48	0.00	0.12	0.36
	10th month	0.36	-	0.36	0.00	0.12	0.24
	11th month	0.24	-	0.24	0.00	0.12	0.12
	12th month	0.12	-	0.12	0.00	0.12	-
					<b>0.09</b>	<b>1.45</b>	
	DOOR TO DOOR	60		MONTHS			
	MORATORIUM PERIOD	6		MONTHS			
	REPAYMENT PERIOD	54		MONTHS			

## 5.12 Financial Indicators

<b>FINANCIAL INDICATORS</b>					
<b>PARTICULARS</b>	<b>1st year</b>	<b>2nd year</b>	<b>3rd year</b>	<b>4th year</b>	<b>5th year</b>
TURNOVER	63.80	76.33	87.60	99.58	112.29
GROSS PROFIT	12.46	15.09	18.25	21.94	26.17
<b>G.P. RATIO</b>	<b>19.53%</b>	<b>19.77%</b>	<b>20.84%</b>	<b>22.03%</b>	<b>23.30%</b>
NET PROFIT	2.22	3.75	5.88	8.44	11.42
<b>N.P. RATIO</b>	<b>3.48%</b>	<b>4.92%</b>	<b>6.72%</b>	<b>8.47%</b>	<b>10.17%</b>
CURRENT ASSETS	6.82	8.00	9.08	9.85	11.23
CURRENT LIABILITIES	4.58	4.89	5.22	5.58	6.00
<b>CURRENT RATIO</b>	<b>1.49</b>	<b>1.63</b>	<b>1.74</b>	<b>1.76</b>	<b>1.87</b>
TERM LOAN	5.80	4.35	2.90	1.45	-
TOTAL NET WORTH	3.89	5.15	6.44	7.52	9.27
<b>DEBT/EQUITY</b>	<b>1.49</b>	<b>0.85</b>	<b>0.45</b>	<b>0.19</b>	<b>-</b>
TOTAL NET WORTH	3.89	5.15	6.44	7.52	9.27
TOTAL OUTSIDE LIABILITIES	10.38	9.24	8.12	7.03	6.00
<b>TOL/TNW</b>	<b>2.67</b>	<b>1.80</b>	<b>1.26</b>	<b>0.94</b>	<b>0.65</b>
PBDIT	4.44	5.71	7.53	9.79	12.50
INTEREST	0.97	0.89	0.74	0.58	0.42
<b>INTEREST COVERAGE RATIO</b>	<b>4.57</b>	<b>6.38</b>	<b>10.24</b>	<b>17.00</b>	<b>30.02</b>
WDV	7.46	6.39	5.48	4.70	4.04
TERM LOAN	5.80	4.35	2.90	1.45	-
<b>FACR</b>	<b>1.29</b>	<b>1.47</b>	<b>1.89</b>	<b>3.24</b>	<b>-</b>

### 5.13 DSCR

<b><u>CALCULATION OF D.S.C.R</u></b>					
<b>PARTICULARS</b>	<b>1st year</b>	<b>2nd year</b>	<b>3rd year</b>	<b>4th year</b>	<b>5th year</b>
CASH ACCRUALS	3.46	4.82	6.70	8.86	11.42
Interest on Term Loan	0.64	0.56	0.41	0.25	0.09
<b>Total</b>	<b>4.11</b>	<b>5.38</b>	<b>7.11</b>	<b>9.10</b>	<b>11.50</b>
<b><u>REPAYMENT</u></b>					
Instalment of Term Loan	0.73	1.45	1.45	1.45	1.45
Interest on Term Loan	0.64	0.56	0.41	0.25	0.09
Total	1.37	2.01	1.86	1.70	1.54
<b>DEBT SERVICE COVERAGE RATIO</b>	<b>3.00</b>	<b>2.67</b>	<b>3.83</b>	<b>5.37</b>	<b>7.49</b>
<b>AVERAGE D.S.C.R.</b>	<b>4.47</b>				

### 5.14 Break Even Point Analysis

<b>BREAK EVEN POINT ANALYSIS</b>					
<b>Year</b>	<b>I</b>	<b>II</b>	<b>III</b>	<b>IV</b>	<b>V</b>
<b>Net Sales &amp; Other Income</b>	63.80	76.33	87.60	99.58	112.29
Less : Op. WIP Goods	-	1.77	2.05	2.32	2.60
Add : Cl. WIP Goods	1.77	2.05	2.32	2.60	2.88

<b>Total Sales</b>	<b>65.57</b>	<b>76.61</b>	<b>87.87</b>	<b>99.86</b>	<b>112.57</b>
<b>Variable &amp; Semi Variable Exp.</b>					
Raw Material Consumed	36.00	42.24	48.96	56.16	63.84
Electricity Exp/Coal Consumption at 85%	4.08	4.69	5.40	6.21	6.83
Wages & Salary at 60%	5.62	6.18	6.80	7.47	8.22
Selling & administrative Expenses 80%	2.04	2.44	2.80	3.19	3.59
Interest on working Capital	0.33	0.33	0.33	0.33	0.33
Repair & maintenance	2.23	2.67	3.07	3.49	2.81
Packaging	3.19	3.82	3.50	2.69	2.81
<b>Total Variable &amp; Semi Variable Exp</b>	<b>53.49</b>	<b>62.37</b>	<b>70.85</b>	<b>79.53</b>	<b>88.43</b>
<b>Contribution</b>	<b>12.08</b>	<b>14.24</b>	<b>17.01</b>	<b>20.33</b>	<b>24.15</b>
<b>Fixed &amp; Semi Fixed Expenses</b>					
Electricity Exp/Coal Consumption at 15%	0.72	0.83	0.95	1.10	1.20
Wages & Salary at 40%	3.74	4.12	4.53	4.98	5.48
Interest on Term Loan	0.64	0.56	0.41	0.25	0.09
Depreciation	1.25	1.06	0.91	0.78	0.67
Selling & administrative Expenses 20%	0.51	0.61	0.70	0.80	0.90
Rent	3.00	3.30	3.63	3.99	4.39
<b>Total Fixed Expenses</b>	<b>9.86</b>	<b>10.49</b>	<b>11.13</b>	<b>11.89</b>	<b>12.73</b>
<b>Capacity Utilization</b>	<b>50%</b>	<b>55%</b>	<b>60%</b>	<b>65%</b>	<b>70%</b>
<b>OPERATING PROFIT</b>	<b>2.22</b>	<b>3.75</b>	<b>5.88</b>	<b>8.44</b>	<b>11.42</b>
<b>BREAK EVEN POINT</b>	<b>41%</b>	<b>41%</b>	<b>39%</b>	<b>38%</b>	<b>37%</b>
<b>BREAK EVEN SALES</b>	<b>53.53</b>	<b>56.42</b>	<b>57.48</b>	<b>58.41</b>	<b>59.34</b>

## **6. LICENSE & APPROVALS**

- Obtain the GST registration.
- Additionally, obtain the UDYAM registration Number.
- Fire/pollution license as required.
- FSSAI License.
- Factory License
- Choice of a Brand Name of the product and secure the name with Trademark if required.

### **Implementation Schedule**

S.N.	Activity	Time Required (in Months)
1	Acquisition Of premises	1-2
2	Procurement & installation of Plant & Machinery	1-2
3	Arrangement of Finance	1-2
4	Requirement of required Manpower	1
	Total time Required (some activities shall run concurrently)	5-6 Months



## **7. ASSUMPTIONS**

1. Production Capacity of noodle is 800 Kgs per day. First year, Capacity has been taken @ 50%.
2. Working shift of 8 hours per day has been considered.
3. Raw Material stock is for 15 days and Finished goods Closing Stock has been taken for 10 days.
4. Credit period to Sundry Debtors has been given for 10 days.
5. Credit period by the Sundry Creditors has been provided for 9 days.
6. Depreciation and Income tax has been taken as per the Income tax Act, 1961.
7. Interest on working Capital Loan and Term loan has been taken at 11%.
8. Salary and wages rates are taken as per the Current Market Scenario.
9. Power Consumption has been taken at 20 KW.
10. Selling Prices & Raw material costing has been increased by 5% & 5% respectively in the subsequent years.

## Limitations of the Model DPR and Guidelines for Entrepreneurs

### Limitations of the Model DPR

- i. This model DPR has provided only the basic standard components and methodology to be adopted by an entrepreneur while submitting a proposal under the Formalization of Micro Food Processing Enterprises Scheme of MoFPI.
- ii. This is a model DPR made to provide general methodological structure not for specific entrepreneur/crops/location. Therefore, information on the entrepreneur, forms and structure (proprietorship/partnership/cooperative/ FPC/joint stock company) of his business, details of proposed DPR, project location, raw material base/contract sourcing, entrepreneurs own SWOT analysis, detailed market research, rationale of the project for specific location, community advantage/benefit from the project, employment generation and many more detailed aspects not included.
- iii. The present DPR is based on certain assumptions on cost, prices, interest, capacity utilization, output recovery rate and so on. However, these assumptions in reality may vary across places, markets and situations; thus the resultant calculations will also change accordingly.