

PROJECT REPORT

Of

MULTIGRAIN PASTA

PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding Multigrain Pasta Making unit.

The objective of the pre-feasibility report is primarily to facilitate potential entrepreneurs in project identification for investment and in order to serve his objective; the document covers various aspects of the project concept development, start-up, marketing, finance and management.

[We can modify the project capacity and project cost as per your requirement. We can also prepare project report on any subject as per your requirement.]



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PROJECT AT A GLANCE

- 1 Name of the Entrepreneur : xxxxxxxxxx
- 2 Constitution (legal Status) : xxxxxxxxxx
- 3 Father / Spouse Name : xxxxxxxxxxxx
- 4 Unit Address : xxxxxxxxxxxxxxxxxxxxxxxx
- District : xxxxxxxx
- Pin: xxxxxxxx State: xxxxx
- Mobile xxxxxxxx
- 5 Product and By Product : **MULTIGRAIN PASTA**
- 6 Name of the project / business activity proposed : **MULTIGRAIN PASTA MAKING UNIT**
- 7 Cost of Project : Rs.15.65 Lakhs
- 8 Means of Finance
- Term Loan Rs.8.82 Lakhs
- Own Capital Rs.1.56 Lakhs
- Working Capital Rs.5.26 Lakhs
- 9 Debt Service Coverage Ratio : 3.04
- 10 Pay Back Period : 5 Years
- 11 Project Implementation Period : 5-6 Months
- 12 Break Even Point : 28%
- 13 Employment : 11 Persons
- 14 Power Requirement : 20.00 HP
- 15 Major Raw materials : Durum Wheat Semolina, Multigrain Flour, Water and Salt.
- 16 Estimated Annual Sales Turnover (Max Capacity) : 127.76 Lakhs
- 17 Detailed Cost of Project & Means of Finance

COST OF PROJECT

(Rs. In Lakhs)

Particulars	Amount
Land	Own/Rented
Plant & Machinery	9.00
Furniture & Fixtures	0.80
Working Capital	5.85
Total	15.65

MEANS OF FINANCE

Particulars	Amount
Own Contribution	1.56
Working Capital(Finance)	5.26
Term Loan	8.82
Total	15.65

MULTIGRAIN PASTA MAKING UNIT

Introduction:

Pasta is a generally loved delicacy, with a variety of noodle dishes available in almost every country. Pasta is a popular cuisine that found in most households, restaurants, and institutional settings. Wheat flour, semolina, starch, vegetable oils, various spices, Sodium Bicarbonate, and other basic raw materials are required. Whole-grain wheat flour contains both anatomic components of the grain, including endosperm, bran, and germ, in the same proportions as intact shape. The use of pasta products, particularly noodles, is continuously expanding in India. Pasta products are becoming more popular since they are easy to create, inexpensive, and can be stored after drying for longer periods of time without losing quality. Pasta has the advantage of slowly releasing glucose, which the body requires as it progresses. Even though individuals are concerned about their health, they do not have the time to ingest each grain one by one. As a result, there is a greater demand for multigrain products that provide nutritious benefits from all of the grains utilized in their formulation. People can profit from the manufacture of designed foods with high protein and fiber content, such as pasta. Even if people are worried about their health, they do not have time to eat each grain individually.



Uses & Market Potential:

Multigrain products that give nutritional benefits from all of the grains included in their formulation are in higher demand. People can benefit from the production of planned foods like pasta that are abundant in protein and fiber. According to “Indian Pasta Market: Industry Trends, Share, Size, Growth, Opportunity, and Forecast 2018-2023,” the Indian pasta market reached a sales value of US\$ 286.6 million in 2017, with a CAGR of 17.1% from 2010 to 2017. Pasta revenue is expected to reach US\$11,881 million in 2020. The market is predicted to grow at a rate of 3.8 percent per year (CAGR 2020-2025). In 2020, the average per capita consumption will be 6.5 kilograms. Rising urbanization, changing lifestyles, and rising demand for ready-to-eat goods are the key drivers driving the pasta market in India to rise. In addition, the market is influenced by the increased employment rate of women, as well as rising disposable incomes. Furthermore, health-conscious consumers are seeking food products with healthier components, resulting in an increase in demand for whole wheat pasta. The market has been divided into three types: dried pasta, instant pasta, and fresh pasta. Dry pasta currently dominates the Indian pasta market, accounting for the vast bulk of sales.

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Product:

Multigrain Pasta

Raw Material:

Basic raw material is Durum Wheat Semolina, Multigrain Flour, Water and Salt.

Manufacturing Process:



Area:

The industrial setup requires space for Inventory, workshop or manufacturing area, space for power supply utilities and polishing area. Also, some of the area of building is

required for office staff facilities, office furniture, etc. Thus, the approximate total area required for complete industrial setup is 1200-1800Sqft.

Cost of Machines:

Machine	Unit	Rate	Price
Dough kneading machine	2	60000	120000
Extruder	2	150000	300000
Dryer machine	1	200000	200000
Packaging machine	1	180000	180000
Material handling and other equipment's	-	100000	100000
Total Amount			900000

Power Requirement- The estimated Power requirement is taken at 20 HP.

Manpower Requirement- Following manpower is required:

- Machine operator-2
- Skilled/unskilled worker-3
- Helper-4
- Manager cum Accountant-1
- Sales Personnel-1

FINANCIALS

PROJECTED BALANCE SHEET

PARTICULARS	I	II	III	IV	V
<u>SOURCES OF FUND</u>					
<u>Capital Account</u>					
Opening Balance	-	2.14	3.47	5.39	8.11
Add: Additions	1.56	-	-	-	-
Add: Net Profit	3.08	4.33	5.42	6.71	7.64
Less: Drawings	2.50	3.00	3.50	4.00	5.00
Closing Balance	2.14	3.47	5.39	8.11	10.75
CC Limit	5.26	5.26	5.26	5.26	5.26
Term Loan	7.84	5.88	3.92	1.96	-
Sundry Creditors	1.98	2.36	2.75	3.15	3.57
TOTAL :	17.23	16.97	17.32	18.48	19.59
<u>APPLICATION OF FUND</u>					
Fixed Assets (Gross)	9.80	9.80	9.80	9.80	9.80
Gross Dep.	1.43	2.65	3.69	4.58	5.33
Net Fixed Assets	8.37	7.15	6.11	5.22	4.47
Current Assets					
Sundry Debtors	3.03	3.81	4.50	5.21	5.96
Stock in Hand	4.80	5.73	6.68	7.68	8.72
Cash and Bank	1.03	0.28	0.04	0.37	0.44
TOTAL :	17.23	16.97	17.32	18.48	19.59

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PROJECTED PROFITABILITY STATEMENT

PARTICULARS	I	II	III	IV	V
<u>A) SALES</u>					
Gross Sale	64.98	81.73	96.35	111.70	127.76
Total (A)	64.98	81.73	96.35	111.70	127.76
<u>B) COST OF SALES</u>					
Raw Material Consumed	39.60	47.12	54.93	63.03	71.44
Electricity Expenses	1.34	1.57	1.79	2.01	2.24
Repair & Maintenance	1.62	2.04	2.41	2.79	3.19
Labour & Wages	12.35	15.44	18.52	21.86	25.35
Depreciation	1.43	1.22	1.04	0.89	0.76
Cost of Production	56.35	67.39	78.69	90.58	102.98
Add: Opening Stock /WIP	-	2.82	3.37	3.93	4.53
Less: Closing Stock /WIP	2.82	3.37	3.93	4.53	5.15
Cost of Sales (B)	53.53	66.84	78.13	89.98	102.36
C) GROSS PROFIT (A-B)	11.45	14.90	18.23	21.71	25.40
	17.62%	18.23%	18.92%	19.44%	19.88%
D) Bank Interest i) (Term Loan)	0.96	0.78	0.57	0.35	0.13
ii) Interest On Working Capital	0.58	0.58	0.58	0.58	0.58
E) Salary to Staff	5.67	6.92	8.30	9.55	11.07
F) Selling & Adm Expenses Exp.	1.17	2.29	3.08	3.91	5.11
G) TOTAL (D+E+F)	8.38	10.57	12.53	14.38	16.90
H) NET PROFIT	3.08	4.33	5.70	7.33	8.50
	4.7%	5.3%	5.9%	6.6%	6.7%
I) Taxation	-	-	0.28	0.61	0.86
J) PROFIT (After Tax)	3.08	4.33	5.42	6.71	7.64

PROJECTED CASH FLOW STATEMENT

PARTICULARS	I	II	III	IV	V
<u>SOURCES OF FUND</u>					
Own Contribution	1.56	-	-	-	-
Reserve & Surplus	3.08	4.33	5.70	7.33	8.50
Depreciation & Exp. W/off	1.43	1.22	1.04	0.89	0.76
Increase In Cash Credit	5.26	-	-	-	-
Increase In Term Loan	8.82	-	-	-	-
Increase in Creditors	1.98	0.38	0.39	0.40	0.42
TOTAL :	22.14	5.92	7.13	8.62	9.68
<u>APPLICATION OF FUND</u>					
Increase in Fixed Assets	9.80	-	-	-	-
Increase in Stock	4.80	0.93	0.96	1.00	1.04
Increase in Debtors	3.03	0.78	0.68	0.72	0.75
Repayment of Term Loan	0.98	1.96	1.96	1.96	1.96
Taxation	-	-	0.28	0.61	0.86
Drawings	2.50	3.00	3.50	4.00	5.00
TOTAL :	21.11	6.67	7.37	8.29	9.61
Opening Cash & Bank Balance	-	1.03	0.28	0.04	0.37
Add : Surplus	1.03	- 0.75	- 0.25	0.33	0.07
Closing Cash & Bank Balance	1.03	0.28	0.04	0.37	0.44

COMPUTATION OF CLOSING STOCK & WORKING CAPITAL

PARTICULARS	I	II	III	IV	V
<u>Finished Goods</u>					
(15 Days requirement)	2.82	3.37	3.93	4.53	5.15
<u>Raw Material</u>					
(15 Days requirement)	1.98	2.36	2.75	3.15	3.57
Closing Stock	4.80	5.73	6.68	7.68	8.72

COMPUTATION OF WORKING CAPITAL REQUIREMENT

Particulars	Amount	Margin(10%)	Net Amount
Stock in Hand	4.80		
Less:			
Sundry Creditors	1.98		
Paid Stock	2.82	0.28	2.54
Sundry Debtors	3.03	0.30	2.73
Working Capital Requirement			5.26
Margin			0.58
MPBF			5.26
Working Capital Demand			5.26

REPAYMENT SCHEDULE OF TERM LOAN

11.0%

Year	Particulars	Amount	Addition	Total	Interest	Repayment	CI Balance
I	Opening Balance						
	Ist Quarter	-	8.82	8.82	0.24	-	8.82
	Iind Quarter	8.82	-	8.82	0.24	-	8.82
	IIIrd Quarter	8.82	-	8.82	0.24	0.49	8.33
	Ivth Quarter	8.33	-	8.33	0.23	0.49	7.84
					0.96	0.98	
II	Opening Balance						
	Ist Quarter	7.84	-	7.84	0.22	0.49	7.35
	Iind Quarter	7.35	-	7.35	0.20	0.49	6.86
	IIIrd Quarter	6.86	-	6.86	0.19	0.49	6.37
	Ivth Quarter	6.37		6.37	0.18	0.49	5.88
					0.78	1.96	
III	Opening Balance						
	Ist Quarter	5.88	-	5.88	0.16	0.49	5.39
	Iind Quarter	5.39	-	5.39	0.15	0.49	4.90
	IIIrd Quarter	4.90	-	4.90	0.13	0.49	4.41
	Ivth Quarter	4.41		4.41	0.12	0.49	3.92
					0.57	1.96	
IV	Opening Balance						
	Ist Quarter	3.92	-	3.92	0.11	0.49	3.43
	Iind Quarter	3.43	-	3.43	0.09	0.49	2.94
	IIIrd Quarter	2.94	-	2.94	0.08	0.49	2.45
	Ivth Quarter	2.45		2.45	0.07	0.49	1.96
					0.35	1.96	
V	Opening Balance						
	Ist Quarter	1.96	-	1.96	0.05	0.49	1.47
	Iind Quarter	1.47	-	1.47	0.04	0.49	0.98
	IIIrd Quarter	0.98	-	0.98	0.03	0.49	0.49
	Ivth Quarter	0.49		0.49	0.01	0.49	- 0.00
					0.13	1.96	

Door to Door Period 60 Months
Moratorium Period 6 Months
Repayment Period 54 Months

CALCULATION OF D.S.C.R

PARTICULARS	I	II	III	IV	V
<u>CASH ACCRUALS</u>	4.51	5.55	6.46	7.60	8.40
Interest on Term Loan	0.96	0.78	0.57	0.35	0.13
Total	5.46	6.33	7.03	7.95	8.54
<u>REPAYMENT</u>					
Repayment of Term Loan	0.98	1.96	1.96	1.96	1.96
Interest on Term Loan	0.96	0.78	0.57	0.35	0.13
Total	1.94	2.74	2.53	2.31	2.09
DEBT SERVICE COVERAGE RATIO	2.82	2.31	2.78	3.44	4.07
AVERAGE D.S.C.R.			3.04		

Assumptions:

1. Production Capacity of Multigrain Pasta Making unit is taken at 800 KG per day. First year, Capacity has been taken @ 30%.
2. Working shift of 10 hours per day has been considered.
3. Raw Material stock and Finished goods closing stock has been taken for 15 days.
4. Credit period to Sundry Debtors has been given for 14 days.
5. Credit period by the Sundry Creditors has been provided for 15 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 HP.
10. Selling Prices & Raw material costing has been increased by 3% & 2% respectively in the subsequent years.

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