

Ready to Eat Noodles

Product and its applications

Fast food consumption is a popular trend these days. Its consumption is growing by leaps and bounds not only in urban locations but also in semi urban places. It is sometimes considered a necessity in today's fast life. The availability of such products helps the family in organizing their busy life. It is very common now to find that both husband and wife work to maintain their family. Under the circumstances it becomes difficult for the family to settle for full meals with considering the busy life and it is also difficult for the housewife to spare enough time for cooking while also keeping up with her office work. This thus calls for some arrangement so that food is also available and office work also is not disturbed. The answer is in such fast food items such as noodles which do not require lot of time in cooking and can also supplement regular food. The concept has been popularised by "Maggie" which is now a household name and its cooking is so simple that even children do not find any trouble.

There are many pasta products like vermicelli, macaroni, instant noodles etc. They are wheat based snack foods. These are basically extruded products and are meant for direct consumption. Preparation time is hardly few minutes and even children can prepare it. The products have good market but have stiff competition in large cities with the branded products. Semi urban locations can however a good market.

Certification under the PFA Act is essential.

Industry Profile and Market Assessment

It is a growing market. The area selection for marketing and its pricing are of utmost importance to capture a market. Branded products may be selling at Rs.100, per kg. But any new entrant will have to price its products cleverly and maintain quality to attract customers. The product is already well known in the market due to advertising and publicity done by the large manufacturers. In semi urban areas it may need a little push over initially. In order to popularize the product pricing it at around Rs.60-65 per kg the product will sell in semi urban and rural areas. Thus proper pricing, good quality and concentration to semi urban and up coming rural areas being the key factors the product can have a good market.

Manufacturing Process & Know How

The process of manufacturing is basically an extrusion process of pre conditioned dough. The dough is prepared by thorough mixing of the raw material and steaming it to increase its moisture content. Steaming helps in proper mixing and also helps extrusion. A small and appropriate quantity of oil is added to the processed dough before extrusion. The noodles are next extruded using a proper die and the product is dried and packed.

Know how is available with Central Food Technology Research Institute Mysore. The machinery is all indigenously available.

The production capacity envisaged is 100 tonnes of noodles per year.

Plant and Machinery

The main plant and machinery required comprise

- Extrusion machine
- Pre conditioner
- Mixer 50 kg
- Pouch packing & sealing machine.

The total cost of machinery is estimated to be Rs.2.65 lakhs.

The unit will also require miscellaneous assets such as furniture, fixtures, storage facilities etc. the total cost of these is estimated to be Rs. 50,000/-.

Raw material and Components

The basic raw material for the unit is wheat flour. Other materials required are corn and rice flour, protein isolates, salt, spices, edible oil, & preservatives. Packing material comprises plastic sheets and colorful plastic pouches as well as cardboard boxes for bulk packing. The total cost of raw material and packing material for 100tonnes production is estimated to be about Rs. 30.00 lakhs and 5.00 lakhs per annum respectively. At 60% capacity in 1st year the cost works out to Rs 21.00 lakhs.

Land and Building

For smooth operation of the unit, it will require a land of 200 sq. mts, with a built up area of 100 sq. mts. The total cost of building shall be Rs. 2.50 lakhs. And cost of land will be Rs. 0.60 lakhs. The main production area is 50 sq. mts and the rest will be for storage and packing

Manpower

For smooth functioning of the unit the requirement of man power is expected to be around 5 persons.

Technical staff	1
Semi skilled workers	2
Helpers	2
The annual salary bill is estimated to be around	Rs.1.56 lakhs

Sales Revenue: (100% capacity)

Selling price varies depending on quality considering an average selling price of Rs.60/- per kg the annual income at installed capacity is Rs.60.00 lakhs.

Cost of Project

Particulars	Rs. lakhs
Land & Building	3.10
Plant & Machinery	2.65
Other assets	0.50
Contingencies & pre-expenses	1.20
Margin money	1.36
Total	8.81

Means of Finance

Promoters Contribution	2.64 (Rs. lakhs)
Term Loan	6.17
Total	8.81

Profitability:(60%capacity)

Sales	36.00 (Rs. lakhs)
Raw material	21.00
Salary	1.56
Utilities	0.54
Stores & Spares	0.42
Repairs & Maintenance	0.54
Selling expenses	7.20
Administrative expenses	0.48
Depreciation	0.88
Interest on T.L	0.67
Interest on W.C	0.37
Cost of production	33.66
Profit	2.34

Requirement of Working Capital

		Margin	W.C	Margin Money
Raw material	15 days	30%	0.88	0.26
Stock of finished goods	15 days	25%	1.20	0.30
Working expenses	1 month	100%	0.40	0.40
Sale on credit	1 month	25%	1.50	0.40
Margin money for W.C				1.36

Break Even point

46%

Machinery Suppliers

- M/S Gurunanak Engg & Foundry Works 166 Focal Point, Mehta Road Amritsar
- M/s Sen & Barry 60/34, New Rohtak road. N.Delhi.
- M/S Universal Polypac 2. Old ESI Road, Ramapuram, Ambattur, Chennai.
- M/S Raylons Metal Works, 17426, JB Nagar, Andheri(E) Mumbai.
- M/S Monarch Engg. Works 13, Kharwa Lane, Khumbarwada, Mumbai..