

# UP MSME 1-Connect

## PROJECT REPORT

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PROJECT:

Pasta Making Unit

**PROJECT REPORT**

**Of**

**PASTA MAKING UNIT**

**PURPOSE OF THE DOCUMENT**

This particular pre-feasibility is regarding **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.]

# PASTA UNIT

## Introduction

**Pasta** is a type of food typically made from an unleavened dough of durum wheat flour (semolina) mixed with water or eggs, and formed into sheets or various shapes, then cooked by boiling or baking. Rice flour, or legumes such as beans or lentils, are sometimes used in place of wheat flour to yield a different taste and texture, or as a gluten-free alternative. Pasta is a staple food of Italian cuisine. Pastas are divided into two broad categories: dried (pasta secca) and fresh (pasta fresca). Most dried pasta is produced commercially via an extrusion process, although it can be produced at home. Fresh pasta is traditionally produced by hand, sometimes with the aid of simple machines.[3] Fresh pastas available in grocery stores are produced commercially by large-scale machines.

Pasta is becoming extremely popular in India even as Continental and Italian delicacy. Cereals like wheat, rice, maize and millets are staple food grain for majority of population around the world. These are the rich source of carbohydrates and supply of calorie and other nutrients to the consumers. Apart from value addition by processing to traditional products from these grains, development of new products offers Variety, Convenience, Quality, Cost efficiency and Scope for increasing nutritional value. In the developed countries many convenience foods are prepared by extrusion process using extruder, as it offers a large number of desired characteristics to be incorporated in the product.

## Pasta Market Analysis

The popularity of Pasta can be attributed to its sensory appeal, Versatility, Low Cost, ease of preparation, Nutritional content and excellent storage stability as well as increased consumer interest in ethnic foods in the Western world. The demand for pasta is gaining immense popularity in India, particularly amongst the younger population, due to expansion in food-service restaurants. **“Indian Pasta Market: Industry Trends, Share, Size, Growth, Opportunity and Forecast 2018-2023”**, the pasta market in India reached a sales value of US\$ 286.6 Million in 2017, exhibiting a CAGR of 17.1% during 2010-2017.

As noodle's main ingredients is all purpose flour (Maida), which is very bad for human apatite where pasta came from Semolina, which is good in nutrition and very easy to enzyme. Urbanization is the key factor of pasta business. The primary factors catalysing the growth of the pasta market in India include rising urbanisation, changing lifestyles and surging demand for ready-to-eat products. In addition to this, the market is also influenced by an increasing women employment rate coupled with rising disposable incomes. Further, the health-conscious consumers are demanding food products with healthier ingredients, which have led to a rise in the demand for pasta made with whole-wheat. Some of the other forces that have been proactive in maintaining the market growth are longer shelf-life and ease of preparation. Looking forward, the market is registering a CAGR of 16.2% during 2018-2023, Pasta product have good potential especially in the Middle east/south east Asia.

**PROJECTED PROFITABILITY STATEMENT**

<b>PARTICULARS</b>	<b>1st year</b>	<b>2nd year</b>	<b>3rd year</b>	<b>4th year</b>	<b>5th year</b>	<b>6th year</b>
Capacity Utilisation %	<b>65%</b>	<b>70%</b>	<b>75%</b>	<b>80%</b>	<b>85%</b>	<b>90%</b>
<b>SALES</b>						
<b>Gross Sale</b>						
Pasta	47.19	56.78	62.65	68.76	75.11	81.70
<b>Total</b>	<b>47.19</b>	<b>56.78</b>	<b>62.65</b>	<b>68.76</b>	<b>75.11</b>	<b>81.70</b>
<b>COST OF SALES</b>						
Raw Material Consumed	38.60	42.81	47.25	51.91	56.81	61.96
Electricity Expenses	1.68	1.76	1.94	2.13	2.35	2.58
Repair & Maintenance	0.47	0.57	0.63	0.69	0.75	0.82
Labour & Wages	2.76	3.17	3.49	3.84	4.22	4.65
Consumables	1.18	1.14	1.25	1.38	1.50	1.63
<b>Cost of Production</b>	<b>44.69</b>	<b>49.46</b>	<b>54.56</b>	<b>59.95</b>	<b>65.63</b>	<b>71.64</b>
<b>Add: Opening Stock /WIP</b>	<b>-</b>	<b>3.72</b>	<b>4.12</b>	<b>4.55</b>	<b>5.00</b>	<b>5.47</b>
<b>Less: Closing Stock /WIP</b>	<b>3.72</b>	<b>4.12</b>	<b>4.55</b>	<b>5.00</b>	<b>5.47</b>	<b>5.97</b>
Cost of Sales	40.97	49.06	54.13	59.50	65.16	71.14
<b>GROSS PROFIT</b>	<b>6.22</b>	<b>7.72</b>	<b>8.52</b>	<b>9.26</b>	<b>9.95</b>	<b>10.56</b>
Depreciation	1.49	1.27	1.08	0.92	0.79	0.67
Interest on Term Loan	0.82	0.75	0.57	0.40	0.23	0.06
Interest on working Capital	0.83	0.83	0.83	0.83	0.83	0.83
rent	1.68	1.93	2.22	2.56	2.94	3.38
Selling & Adm Expenses Exp.	1.06	1.28	1.41	1.55	1.69	1.84
<b>TOTAL</b>	<b>4.39</b>	<b>4.78</b>	<b>5.03</b>	<b>5.33</b>	<b>5.68</b>	<b>6.10</b>
NET PROFIT	1.84	2.94	3.49	3.93	4.27	4.46
Taxation	-	-	-	-	-	-
PROFIT (After Tax)	1.84	2.94	3.49	3.93	4.27	4.46

**PROJECTED BALANCE SHEET**

<b>PARTICULARS</b>	<b>1st year</b>	<b>2nd year</b>	<b>3rd year</b>	<b>4th year</b>	<b>5th year</b>	<b>6th year</b>
<b><u>Liabilities</u></b>						
Capital						
opening balance		6.47	8.91	10.65	12.58	14.35
<i>Add:- Own Capital</i>	5.04					
Add:- Retained Profit	1.84	2.94	3.49	3.93	4.27	4.46
Less:- Drawings	0.40	0.50	1.75	2.00	2.50	2.75
Closing Blance	6.47	8.91	10.65	12.58	14.35	16.06
Term Loan	6.89	5.45	4.01	2.57	1.12	-
Working Capital Limit	7.50	7.50	7.50	7.50	7.50	7.50
Sundry Creditors	0.64	0.71	0.79	0.87	0.95	1.03
Provisions & Other Liab	0.50	0.75	0.90	1.08	1.35	1.62
<b>TOTAL :</b>	<b>22.00</b>	<b>23.32</b>	<b>23.84</b>	<b>24.59</b>	<b>25.27</b>	<b>26.21</b>
<b><u>Assets</u></b>						
<b>Fixed Assets ( Gross)</b>	10.14	10.14	10.14	10.14	10.14	10.14
Gross Dep.	1.49	2.75	3.83	4.75	5.54	6.21
<b>Net Fixed Assets</b>	<b>8.65</b>	<b>7.39</b>	<b>6.31</b>	<b>5.39</b>	<b>4.60</b>	<b>3.93</b>
<b>Current Assets</b>						
Sundry Debtors	5.51	6.25	6.89	7.56	8.26	8.99
Stock in Hand	5.91	8.12	8.96	9.84	10.77	11.75
Cash and Bank	1.93	1.57	1.69	1.80	1.64	1.55
<b>TOTAL :</b>	<b>22.00</b>	<b>23.32</b>	<b>23.84</b>	<b>24.59</b>	<b>25.27</b>	<b>26.22</b>

**PROJECTED CASH FLOW STATEMENT**

<b>PARTICULARS</b>	<b>1st year</b>	<b>2nd year</b>	<b>3rd year</b>	<b>4th year</b>	<b>5th year</b>	<b>6th year</b>
<b><u>SOURCES OF FUND</u></b>						
Own Margin	5.04					
Net Profit	1.84	2.94	3.49	3.93	4.27	4.46
Depreciation & Exp. W/off	1.49	1.27	1.08	0.92	0.79	0.67
Increase in Cash Credit	7.50	-	-	-	-	-
Increase In Term Loan	7.61	-	-	-	-	-
Increase in Creditors	0.64	0.07	0.07	0.08	0.08	0.09
Increase in Provisions & Oth lib	0.50	0.25	0.15	0.18	0.27	0.27
<b>TOTAL :</b>	<b>24.61</b>	<b>4.53</b>	<b>4.79</b>	<b>5.11</b>	<b>5.40</b>	<b>5.49</b>
<b><u>APPLICATION OF FUND</u></b>						
Increase in Fixed Assets	10.14	-	-	-	-	-
Increase in Stock	5.91	2.21	0.84	0.88	0.93	0.98
Increase in Debtors	5.51	0.74	0.65	0.67	0.70	0.72
Repayment of Term Loan	0.72	1.44	1.44	1.44	1.44	1.12
Drawings	0.40	0.50	1.75	2.00	2.50	2.75
Taxation	-	-	-	-	-	-
<b>TOTAL :</b>	<b>22.68</b>	<b>4.89</b>	<b>4.67</b>	<b>5.00</b>	<b>5.57</b>	<b>5.58</b>
Opening Cash & Bank Balance	-	1.93	1.57	1.69	1.80	1.64
Add : Surplus	1.93 -	0.36	0.11	0.11 -	0.17 -	0.09
Closing Cash & Bank Balance	<b>1.93</b>	<b>1.57</b>	<b>1.69</b>	<b>1.80</b>	<b>1.64</b>	<b>1.55</b>

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