

# UP MSME 1-Connect

## PROJECT REPORT

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PROJECT:

Macaroni Unit

# PROJECT REPORT

Of

# MACARONI

## PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding **Macaroni**.

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.]

# MACARONI UNIT

## Introduction

Macaroni is dry pasta shaped like narrow tubes. Made with durum wheat, macaroni is commonly cut in short lengths; curved macaroni may be referred to as elbow macaroni. Some home machines can make macaroni shapes, but like most pasta, macaroni is usually made commercially by large-scale extrusion. The curved shape is created by different speeds of extrusion on opposite sides of the pasta tube as it comes out of the machine.

Macaroni 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.

## **Macaroni Market Analysis**

The popularity of macaroni 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 macaroni is gaining immense popularity in India, particularly amongst the younger population, due to expansion in food-service restaurants. **“Indian Macaroni & Pasta Market: Industry Trends, Share, Size, Growth, Opportunity and Forecast 2018-2023”**, the Macaroni & 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 macaroni 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, Macaroni product have good potential especially in the Middle east/south east Asia.

<b><u>PROJECTED PROFITABILITY STATEMENT</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>	<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><u>SALES</u></b>						
<b>Gross Sale</b>						
Macroni	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><u>COST OF SALES</u></b>						
Raw Mateiral Consumed	38.60	42.81	47.25	51.91	56.81	61.96
Elecricity Expenses	1.68	1.76	1.94	2.13	2.35	2.58
Repair & Maintenance	0.33	0.40	0.44	0.48	0.53	0.57
Labour & Wages	2.76	3.17	3.49	3.84	4.22	4.65
Consumables	0.57	0.68	0.75	0.83	0.90	0.98
<b>Cost of Production</b>	<b>43.93</b>	<b>48.83</b>	<b>53.87</b>	<b>59.19</b>	<b>64.81</b>	<b>70.74</b>
<b>Add: Opening Stock /WIP</b>	<b>-</b>	<b>3.66</b>	<b>4.07</b>	<b>4.49</b>	<b>4.93</b>	<b>5.40</b>
<b>Less: Closing Stock /WIP</b>	<b>3.66</b>	<b>4.07</b>	<b>4.49</b>	<b>4.93</b>	<b>5.40</b>	<b>5.89</b>
Cost of Sales	40.27	48.42	53.45	58.75	64.34	70.24
<b>GROSS PROFIT</b>	<b>6.92</b>	<b>8.36</b>	<b>9.20</b>	<b>10.01</b>	<b>10.77</b>	<b>11.46</b>
Depriciation	1.52	1.29	1.10	0.94	0.80	0.69
Interest on Term Loan	1.02	0.99	0.85	0.70	0.24	0.10
Interest on working Capital	0.99	0.99	0.99	0.99	0.99	0.99
rent	1.56	1.79	2.06	2.37	2.73	3.14
Selling & Adm Expenses Exp.	0.14	0.45	1.25	1.55	1.69	1.84
<b>TOTAL</b>	<b>5.23</b>	<b>5.52</b>	<b>6.26</b>	<b>6.55</b>	<b>6.46</b>	<b>6.75</b>

NET PROFIT	1.69	2.84	2.94	3.46	4.31	4.70
Taxation	-	-	-	-	-	-
PROFIT (After Tax)	1.69	2.84	2.94	3.46	4.31	4.70

**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>
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**Liabilities**

## Capital

opening balance		3.23	5.57	7.01	8.57	10.38
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<i>Add:- Own Capital</i>	2.04					
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Add:- Retained Profit	1.69	2.84	2.94	3.46	4.31	4.70
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Less:- Drawings	0.50	0.50	1.50	1.90	2.50	1.75
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Closing Blance	3.23	5.57	7.01	8.57	10.38	13.34
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Subsidy for reserve	2.61	2.61	2.61			
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Term Loan	8.80	7.60	6.40	2.59	1.39	-
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Working Capital Limit	9.00	9.00	9.00	9.00	9.00	9.00
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Sundry Creditors	0.64	0.71	0.79	0.87	0.95	1.03
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Provisions & Other Liab	0.50	0.75	0.90	1.08	1.35	1.62
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<b>TOTAL :</b>	<b>24.78</b>	<b>26.24</b>	<b>26.71</b>	<b>22.10</b>	<b>23.07</b>	<b>24.99</b>
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**Assets**

<b>Fixed Assets ( Gross)</b>	10.44	10.44	10.44	10.44	10.44	10.44
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Gross Dep.	1.52	2.81	3.91	4.86	5.66	6.35
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<b>Net Fixed Assets</b>	<b>8.92</b>	<b>7.63</b>	<b>6.53</b>	<b>5.58</b>	<b>4.78</b>	<b>4.09</b>
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FD with bank	2.61	2.61	2.61			
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**Current Assets**

Sundry Debtors	5.51	6.25	6.89	7.56	8.26	8.99
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Stock in Hand	5.85	8.07	8.90	9.78	10.70	11.68
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Cash and Bank	1.90	1.69	1.78	1.79	1.93	2.84
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<b>TOTAL :</b>	<b>24.78</b>	<b>26.24</b>	<b>26.71</b>	<b>24.71</b>	<b>25.68</b>	<b>27.60</b>
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**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	2.04					
Net Profit	1.69	2.84	2.94	3.46	4.31	4.70
Depreciation & Exp. W/off	1.52	1.29	1.10	0.94	0.80	0.69
Increase in Cash Credit	9.00	-	-	-	-	-
Increase In Term Loan	9.40	-	-	-	-	-
Increase in subsidy	2.61	-	-			
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>27.40</b>	<b>4.45</b>	<b>4.27</b>	<b>4.66</b>	<b>5.47</b>	<b>5.75</b>
<b><u>APPLICATION OF FUND</u></b>						
Increase in FD	2.61	-	-	2.61		
Increase in Fixed Assets	10.44					
Increase in Stock	5.85	2.22	0.83	0.88	0.93	0.97
Increase in Debtors	5.51	0.74	0.65	0.67	0.70	0.72
Repayment of Term Loan	0.60	1.20	1.20	3.81	1.20	1.39
Drawings	0.50	0.50	1.50	1.90	2.50	1.75
Taxation	-	-	-	-	-	-
<b>TOTAL :</b>	<b>25.50</b>	<b>4.66</b>	<b>4.18</b>	<b>4.65</b>	<b>5.32</b>	<b>4.84</b>
Opening Cash & Bank Balance	-	1.90	1.69	1.78	1.79	1.93
Add : Surplus	1.90	0.21	0.09	0.01	0.14	0.91
Closing Cash & Bank Balance	<b>1.90</b>	<b>1.69</b>	<b>1.78</b>	<b>1.79</b>	<b>1.93</b>	<b>2.84</b>

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