

# RICE WAFER



## **INTRODUCTION:**

Rice Wafer / Savory products are produced by cooking rice powder, Sabudana and Masala and are extruded through nozzle where dice is attached in the nozzle. This Product is cooled and is dried. The product is very much liked by children's. The product has taken a good market in recent years. Rice wafers are homely production in Tamilnadu / A.P. It is produced in household, since there is no extra machineries, equipments are involved and it is a cottage industry in Tamilnadu / A.P. It is known as 'Karuvadam' in Tamilnadu.

## **OBJECTIVE:**

The primary objective of the model report is to facilitate the entrepreneurs in understanding the importance of setting up unit of Rice Wafer Plant. This model report will serve as guidance to the entrepreneurs on starting up such a new project and basic technical knowledge for setting up such a facility.

## **RAW MATERIAL AVAILABILITY:**

The main raw materials for these products are Rice Powder & Sabudana. The various flavours like Pudina, Onion, Tomato, Chilies are also used to provide sophistications in the products. The raw materials are easily available and Rice Powders are made from low cost Rice mainly distributed in the Govt. scheme. Rice Wafers are produced in Summer Season as the products are to be dried in Sun in household level. Raw Materials are easily available in most parts of India.

## **SUITABLE LOCATION:**

Rice Wafer can be manufactured at any location.

## **MARKET OPPORTUNITIES:**

All over India it has heavy demand, children are very fond of this snacks. Especially in south India it has huge demand; it is like a side dish for every Meal like Lemon Rice, Tomato Rice, Tamarind Rice etc. In other parts it is used as an alternative to Papad for Rajma Chawal, Khadi Chawal, Chole Chawal etc.

## **PROJECT DESCRIPTION:**

### **CAPACITY OF THE PROJECT:**

- The capacity of the project is 45 MT of Rice Wafer per year.

### **PRODUCTION TARGET:**

- Qty.: 31.50 MT/Annum or 2.625 MT/Month.
- The scheme is worked out per shift (8 Hour) basis and 300 working days per annum.

## MANUFACTURING PROCESS:

Making Rice Wafers is a simple process. First of all clean the Rice from dust and stone and sock for 2-3 hours and wash and drain and dried it. Then the rice is milled and makes Rice Powder. The Powder and Sabudana were mixed with Salt & spices as per taste and cooked the mixture with water and make paste. The paste is extruded through Rice Wafer Machine and dried it from open sun or with the help of Tray Drier And then pack it. This is served after frying with vegetable oil.

## PROJECT COMPONENT AND COST:

### FINANCIAL ASPECTS:-

#### APPLICATION OF FUNDS

Particular	Amount
Land & Building	200 sq. meter covered area on rent
Plant & Machinery	348,700.00
Office Equipment & Furniture	50,000.00
Working Capital	499,856.95
Pre-Operative Expenses	25,000.00
<b>Total</b>	<b>923,556.95</b>

#### BALANCE SHEET

Particular	Amount
Own Capital	438,226.74
Loan from Banks	299,025.00
Loan for Working Capital	186,305.21
<b>Total</b>	<b>923,556.95</b>

### FIXED ASSETS

(1) <b>Land And Building:</b>				Value (Rs.)
	Land & Building 200 sq. meter covered area on rent			96,000 per annum
(2) <b>Machinery And Equipment:</b>				
<b>S. N.</b>	<b>Description (Name of machine with specification)</b>	<b>Qty.</b>	<b>Rate</b>	<b>Value (Rs.)</b>
	<b>Production Unit</b>			
<b>i</b>	Pulveriser /Milling Machine	1	50,000.00	50,000.00
<b>ii</b>	S.S. Tank	2	30,000.00	60,000.00
<b>iii</b>	Gas Stove	2	10,000.00	20,000.00
<b>iv</b>	Pan with Ladle	2	6,000.00	12,000.00
<b>v</b>	Wafer Making Machine	3	10,000.00	30,000.00
<b>vi</b>	Tray Drier	1	60,000.00	60,000.00
<b>vii</b>	Packing Machine	1	70,000.00	70,000.00
<b>viii</b>	Weighing Machine	1	10,000.00	10,000.00
<b>ix</b>	Miscellaneous Equipments / Items	-	-	5,000.00
				-

<b>Total Cost of Machinery &amp; Equipments</b>		<b>317,000.00</b>
Electrification & Installation Charges @ 10%		31,700.00
<b>Total Cost of Production Unit</b>		<b>348,700.00</b>
Furniture & Fixtures		- 50,000.00
<b>3</b>	<b>Pre-Operative Expenses:</b>	- 25,000.00
<b>Total Fixed Capital ( 2+3)</b>		<b>- 373,700.00</b>

### **RAW MATERIAL REQUIREMENT & STOCK**

Particulars	Mode	Year' 1
Capacity Utilisation		<b>70%</b>
Daily Production at 100% capacity	150.00	
No of Working days per annum	300	
Annual Production	Kg	31,500.00
Wastage	%	2.00
Net Production	Kg	30,870.00
<b>Gross Consumption</b>		
Low cost Rice	Kg	29,036.14
Sabudana	Kg	1,528.22
Salt & Spices	Kg	305.64
<b>Rate (Per Kg)</b>		
Rice	Rs	25.00
Sabudana	Rs	60.00
Salt & Spices	Rs	100.00
<b>Annual Consumption</b>		
Low cost Rice	Rs	725,903.47
Sabudana	Rs	91,693.07
Salt & Spices	Rs	30,564.36
<b>Total</b>		<b>848,160.89</b>
Stock of Raw Material	30 days	69,711.85
Stock of WIP	02 days	3,977.55
Purchase Cost of Raw Material	Rs	921,850.30

## WORKING CAPITAL REQUIREMENT

Particulars	Days	Year' 1
Raw Material	30	69,711.85
Work in Process	2	3,977.55
Finished Goods	10	45,738.40
Receivables	30	257,250.00
Advance/Security		200,000.00
<b>Total</b>		<b>576,677.81</b>
Less: Creditors	30	76,820.86
<b>Net Current Assets</b>		<b>499,856.95</b>
Paid Stock		42,606.95
75% of Paid Stock		31,955.21
60% of Book Debts		154,350.00
Bank Limits		186,305.21
Margin for Working Capital		313,551.74

### SELLING & ADMINISTRATION EXPENSES

Particular	Year I
<b>i</b> Postage	18,000.00
<b>ii</b> Commission on sales	60,000.00
<b>iii</b> Office Expenses	29,000.00
<b>iv</b> Tour & Travel	18,000.00
<b>v</b> Printing & Stationary	20,000.00
<b>vi</b> Advertisement	52,000.00
<b>vii</b> Telephone	20,000.00
<b>viii</b> Repair & Maintenance	22,000.00
<b>ix</b> Conveyance	27,000.00
<b>x</b> Sales expenses	34,000.00
<b>xi</b> Insurance	20,000.00
<b>xii</b> Misc. Expenses	30,000.00
<b>Total</b>	<b>350,000.00</b>

### STAFF AND LABOUR EXPENSES

S. N.	Description	No.	Salary PM	Total Salaries-Year I
<b>(a) Administrative &amp; Supervisory</b>				
<b>i</b>	Production Incharge cum accountant	1	15,000.00	180,000.00
<b>Total Salaries</b>				<b>180,000.00</b>
<b>(b) Skilled &amp; Unskilled-Wages</b>				
<b>i</b>	Skilled Worker	1	10,000.00	120,000.00
<b>ii</b>	Semi Skilled Worker	1	8,000.00	96,000.00
<b>iii</b>	Helper	2	5,000.00	120,000.00
				<b>336,000.00</b>
<b>Grand Total</b>				<b>516,000.00</b>

**MANUFACTURING AND PROFIT & LOSS**  
**ACCOUNT**

Particulars	Year' 1
Sales Value @ Rs 100 per Kg	3,087,000.00
<b>Cost of Production:</b>	
Raw Material Consumed:	
Opening Stock	-
Add: Purchases	921,850.30
	921,850.30
Less: Closing Stock	69,711.85
Raw Material Consumption	852,138.44
Add: Op Stock of WIP	-
	852,138.44
Less: Cl Stock of WIP	3,977.55
	848,160.89
Power & Fuel	200,000.00
Manufacturing Wages	336,000.00
Bonus & Incentives	23,520.00
Packaging Materials	70,000.00
Rent	96,000.00
Raw material storage & ins.	4,800.00
Cost	4,800.00
Carriage inward	8,296.65
Depreciation	59,805.00
<b>Total Cost of Production</b>	<b>1,646,582.54</b>
Add: Op. Stock of Finish. Goods	-
	1,646,582.54
Less: Cls. Stock of F. Goods	45,738.40
<b>Cost of Sales</b>	<b>1,600,844.14</b>
<b>Gross Profit</b>	<b>1,486,155.86</b>
	0.48
Selling & Admin Cost:	
Expenses	350,000.00
Salary	180,000.00
Financial Expenses:	
Interest on Term Loan	40,742.16
Interest on W. Capital	23,288.15
Pre. Expenses	74,740.00
<b>Profit Before Taxation</b>	<b>817,385.55</b>
Taxation	245,215.67
<b>Net Profit After Taxation</b>	<b>572,169.89</b>
Cash withdrawal	228,867.95
Transfer to Reserves	343,301.93
Cumulative Reserves	343,301.93
% of PBT on Sales	26.48

**BALANCE SHEET**

Particulars	Year' 1
<b>Liabilities:</b>	
Capital	786926.74
Reserve & Surplus	343301.93
Secured Loan:	
Term Loan	239220.00
Unsecured loan:	
Current Liabilities:	
Bank Borrowings	186305.21
Sundry Creditors	76820.86
	1632574.74
<b>Assets:</b>	
Fixed Assets:	
Gross Block:	398700.00
Less: Depreciation	59805.00
	338895.00
Current Assets:	
Inventories	119427.81
Receivables	257250.00
Advance/Security	200000.00
Cash & Bank Balance	418041.93
Preliminary Expenses	298960.00
	<hr/>
	1632574.74
Difference	0.00

## RATIO ANALYSIS

Particulars	Year' 1
<b>NET PROFIT RATIO</b>	
NP*100/Total sales	<b>18.53</b>
<b>RATE OF RETURN</b>	
NP*100/Total Investment	<b>44.97</b>

## BREAK EVEN ANALYSIS

<b>Fixed Cost</b>	
Rent	96,000.00
Interest on Borrowing	40,742.16
40% of Salaries	72,000.00
40% of Utilities	80,000.00
25% of Admin Exp	87,500.00
Depreciation	59,805.00
<b>Total</b>	<b>436,047.16</b>
<b>BREAK EVEN POINT</b>	$\frac{\text{Fixed Cost} * 100}{\text{Fixed Cost} + \text{Profit}}$
	<b>43.25</b>

### **ADDRESS OF MACHINERY & EQUIPMENT SUPPLIERS:**

- M/s Bajaj Processpack Maschinen Pvt. Ltd., 7/27, Jai Lakshmi Industrial Estate, Sahibabad Industrial Area, Sahibabad, Dist. Ghaziabad (U.P.) - 201301.
- M/s Jaya Industries, Kolkata, West Bengal - 700028, India
- M/s A.M. I. Engineering, Station Road, Opp. Veena Cinema, Patna – 800 001.
- M/s Jayems Engineering Works, Strand Road, Kolkata – 700 001
- M/s Advance Machinery Corporation 220, Ranaga Konar Street, Kattor, Coimbatore - 641009.