

PUFFED RICE



INTRODUCTION:

India is the world's largest producer across a range of commodities due to its favourable agro-climatic conditions and rich natural resource base. Puffed rice is "ideally suited for consumption as breakfast cereal and snack food. Due to low Fat, Very Low Sodium, No cholesterol, High in Manganese, Niacin, Riboflavin and No Sugar Diabeticians are referring Puffed Rice for Ideal Break Fast. When you have unexpected guests drop by and need to whip up a quick snack Puffed Rice Upma is the best way.

OBJECTIVE:

The primary objective of the model report is to facilitate the entrepreneurs in understanding the importance of setting up unit of Puffed Rice 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 only Raw Material is the Particular Variety of Rice i.e. "Chela Rice" and easily available in across India.

SUITABLE LOCATION:

Puffed Rice can be manufactured at any location.

MARKET OPPORTUNITIES:

Since the Puffed rice contain high Iron, Manganese, Niacin, Riboflavin and No sugar. Urban and Semi Urban populations are going this item for Break Fast as; it is very cost effective in comparison to Bread and Butter.

PROJECT DESCRIPTION:

CAPACITY OF THE PROJECT:

- The capacity of the project is 135 MT of Puffed Rice per year.

PRODUCTION TARGET:

- Qty.: 94.50 MT/Annum or 7.875 MT/Month.
- The scheme is worked out per shift (8 Hour) basis and 300 working days per annum.

MANUFACTURING PROCESS:

The Particular varieties of Rice soaked in water and drain the water and put the Rice in the Rice Puffed Making Machine. Add salt in the rice as per taste. Using the technique of pressure development in producing rice puff and then packing as per requirement.

PROJECT COMPONENT AND COST:**FINANCIAL ASPECTS:-****APPLICATION OF FUNDS**

Particular	Amount
Land & Building	200 sq. meter covered area on rent
Plant & Machinery	236,500.00
Office Equipment & Furniture	50,000.00
Working Capital	677,870.84
Pre-Operative Expenses	25,000.00
Total	989,370.84

BALANCE SHEET

Particular	Amount
Own Capital	473,973.96
Loan from Banks	214,875.00
Loan for Working Capital	300,521.88
Total	989,370.84

FIXED ASSETS

(1) Land And Building:				Value (Rs.)
	Land & Building 200 sq. meter covered area on rent			96,000.00
(2) Machinery And Equipment:				
S. N.	Description (Name of machine with specification)	Qty.	Rate	Value (Rs.)
Production Unit				
i	Puffed Rice Making Machine	1	125,000.00	125,000.00
ii	Soaking Vessel	2	25,000.00	50,000.00
iii	Weighing Balance	1	15,000.00	15,000.00
iv	Miscellaneous Equipments / items	0	-	25,000.00
Total Cost of Machinery & Equipments				215,000.00
Electrification & Installation Charges @ 10%				21,500.00
Total Cost of Production Unit				236,500.00
Furniture & Fixtures				- 50,000.00
3	Pre-Operative Expenses:			- 25,000.00
Total Fixed Capital (2+3)				- 261,500.00

RAW MATERIAL REQUIREMENT & STOCK

Particulars	Mode	Year' 1
Capacity Utilisation		70%
Daily Production at 100% capacity	450.00	
No of Working days per annum	300	
Annual Production	Kg	94,500.00
Wastage	%	2.00
Net Production	Kg	92,610.00
Gross Consumption		
Particular Variety of Rice	Kg	92,610.00
Salt and others	-	-
Rate (Per Kg)		
Particular Variety of Rice	Rs	30.00
Salt and others	-	-
Annual Consumption		
Particular Variety of Rice	Rs	2,778,300.00
Salt and others	Rs	5,000.00
		-
Total		2,783,300.00
Stock of Raw Material	30days	228,764.38
Stock of WIP	02 day	15,223.56
Purchase Cost of Raw Material	Rs	3,027,287.95

WORKING CAPITAL REQUIREMENT

Particulars	Days	Year' 1
Raw Material	30	228,764.38
Work in Process	2	15,223.56
Finished Goods	10	100,281.89
Receivables	30	385,875.00
Advance/Security		200,000.00
Total		930,144.83
Less: Creditors	30	252,274.00
Net Current Assets		677,870.84

Paid Stock	91,995.84
75% of Paid Stock	68,996.88
60% of Book Debts	231,525.00
Bank Limits	300,521.88
Margin for Working Capital	377,348.96

**SELLING & ADMINISTRATION
EXPENSES**

S. N.	Particular	Year I
i	Postage	18,000.00
ii	Commission on sales	60,000.00
iii	Office Expenses	29,000.00
iv	Tour & Travel	18,000.00
v	Printing & Stationary	20,000.00
vi	Advertisement	60,000.00
vii	Telephone	20,000.00
viii	Repair & Maintenance	22,000.00
ix	Conveyance	27,000.00
x	Sales expenses	36,000.00
xi	Insurance	20,000.00
xii	Misc. Expenses	30,000.00
Total		360000.00

STAFF AND LABOUR EXPENSES

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

MANUFACTURING AND PROFIT & LOSS
ACCOUNT

Particulars	Year' 1
Sales Value @ Rs 50 per Kg	4,630,500.00
Cost of Production:	
Raw Material Consumed:	
Opening Stock	-
Add: Purchases	3,027,287.95
	3,027,287.95
Less: Closing Stock	228,764.38
Raw Material Consumption	2,798,523.56
Add: Op Stock of WIP	-
	2,798,523.56
Less: Cl Stock of WIP	15,223.56
	2,783,300.00
Power & Fuel	200,000.00
Manufacturing Wages	336,000.00
Bonus & Incentives	16,800.00
Packaging Materials	100,000.00
Rent	96,000.00
Raw material storage & ins.	4,800.00
Cost	
Carriage inward	30,272.88
Depreciation	42,975.00
Total Cost of Production	3,610,147.88
Add: Op. Stock of Finish. Goods	-
	3,610,147.88
Less: Cls. Stock of F.Goods	100,281.89
Cost of Sales	3,509,865.99
Gross Profit	1,120,634.01
	0.24
Selling & Admin Cost:	
Expenses	360,000.00
Salary	180,000.00
Financial Expenses	
Interest on Term Loan	29,276.72
Interest on W.Capital	37,565.23
Pre. Expenses	52,300.00
Profit Before Taxation	461,492.05
Taxation	138,447.62
Net Profit After Taxation	323,044.44
Cash withdrawal	129,217.77
Transfer to Reserves	193,826.66
Cumulative Reserves	193,826.66
% of PBT on Sales	9.97

BALANCE SHEET

Particulars	Year' 1
Liabilities:	
Capital	710473.96
Reserve & Surplus	193826.66
Secured Loan:	
Term Loan	171900.00
Unsecured loan:	
Current Liabilities:	
Bank Borrowings	300521.88
Sundry Creditors	252274.00
	1628996.49
Assets:	
Fixed Assets:	
Gross Block:	286500.00
Less: Depreciation	42975.00
	243525.00
Current Assets:	
Inventories	344269.83
Recievables	385875.00
Advance/Security	200000.00
Cash & Bank Balance	246126.66
Preliminary Expenses	209200.00
	1628996.49
Difference	0.00

RATIO ANALYSIS

Particulars	Year' 1
NET PROFIT RATIO	
NP*100/Total sales	6.98
RATE OF RETURN	
NP*100/Total Investment	26.35

BREAK EVEN ANALYSIS

Fixed Cost	
Rent	96000.00
Interest on Borrowing	29276.72
40% of Salaries	72000.00
40% of Utilities	80000.00
25% of Admin Exp	90000.00
Depreciation	42975.00
	410251.72
BREAK EVEN POINT	$\frac{\text{Fixed Cost} * 100}{\text{Fixed Cost} + \text{Profit}}$
	55.95

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 A.M. I. Engineering, Station Road, Opp. Veena Cinema, Patna – 800 001.
- M/s Jayems Engineering Works, Strand Road, Kolkata – 700 001
- M/s SP Engg Corp., Fazalgunj, Kanpur
- M/s KS Engineering Works, Factory Area, Nr. Ranjit Press, Patiala (Punjab) - 147003.