



17. PROJECT PROFILE ON MANUFACTURE OF VERMICELLI

Category : Food Product

Total Cost of Project : Rs. 1,77,000/-

BEP : 35%

I. INTRODUCTION OF BUSINESS IDEA :

Vermicelli is a popular item of the “ready-to-eat” series and presently available in market. Although this product is more popular in advanced countries and available in different forms, its demand and trend is catching up fast in India. The increase in population, increase in product marketing, rise in purchasing power, and change in the eating habits of people has led to their inclination towards “ready-to-eat” meal.

II. PRODUCT AND ITS APPLICATIONS :

Vermicelli is used in preparation of food items like Upama, Kheer etc. There is another variety where in it is available as a ready to eat food by mixing with milk. This can also be used in preparation of Chinese dishes.

III. MARKET POTENTIAL :

“Ready-to-eat” meal like vermicelli is becoming popular. This is used invariably in festivals by all communities, as such it has a very good potential. There are not many units in the district, and hence, the product comes from outside the district to cater to the district needs. The product is sold through kirani stores, departmental and general stores etc. As presently, the demand for the product is met mainly from Davangere, good scope for the unit is envisaged in the district.

IV. CAPACITY / REVENUE (1ST YEAR) :

First year production/selling of the proposed unit is as below :

Sl. No.	Product	Qty.	Rate Per kg	Sales Amount
01	Production of Vermicelli	12,000 kgs	65	7,80,000
Total				

V. MANUFACTURING PROCESS & QUALITY :

In the production process of vermicelli, first of all Suji Atta and other ingredients are mixed with 25% of water for about half an hour. Later this mixture is put into vermicelli making machine for extrusion, when, vermicelli comes out. The product is cut as per the requirement. After that, they are dried up in sun and then packed in specific weights. Quality product is possible if cleaned and pure raw material is used.



VI. COST OF PROJECT AND MEANS OF FINANCE, INCLUDING WORKING CAPITAL REQUIREMENTS :

A. COST OF PROJECT :

Sl. No.	Particulars	Amount (Rs).
1	Equipments	67,000
2	Other fixed assets	10,000
3	Preliminary and preoperative expenses	10,000
4	Deposits	50,000
5	Working Capital Requirements	40,000
	Total	1,77,000

B. MEANS OF FINANCE:

Sl. No.	Particulars	Amount (Rs).
1	Loan @ 75%	1,33,000
2	Equity	44,000
	Total	1,77,000

C. WORKING CAPITAL REQUIREMENT :

Sl. No.	Particulars	Basis	Period	Amount (Rs.)
1	Raw-material	$3,84,000/12 \times \frac{1}{2}$	2 w	16,000
2	Bills receivables	$7,80,000/12 \times \frac{1}{4}$	1 w	16,000
3	Working exp	LS	1m	8,000
	Total			40,000

VII. MAIN INPUTS REQUIREMENT :

A. MACHINERY :

Sl. No.	Particulars	No.	Rate	Total Cost
01.	Vermicelli extrusion machine $\frac{1}{2}$ HP	1	40,000/-	30,000
02.	Dyes	2 sets	4,000/-	8,000
03.	Kneading Machine $\frac{1}{2}$ HP	1	25,000/-	25,000
04.	Weighting Balance	1	2,000/-	2,000
05.	Sealing Machine	1	2,000/-	2,000
	Total			67,000

**B. RAW-MATERIALS :**

Sl. No.	Particulars	Qty	Rate	Monthly Cost (Rs.)	Annual Cost (Rs.)
1	Suji Atta/Rawa	1,000 Kg	30	30,000	3,60,000
2	Edible colour, salt, edible preservative, custard powder etc.	-	PM	1,000	12,000
3	Packing material (polythene bags, labels)	-	PM	1,000	12,000
	Total			19,000	3,84,000

C. UTILITIES :

Sl. No.	Particulars	Monthly Charges (Rs.)	Annually Charges (Rs.)
1	Electricity, water	2,500	30,000
	Total		30,000

D. MAN-POWER REQUIREMENT :

Sl. No.	Workers	No.	Monthly Salary (Rs.)	Annual Salary (Rs.)
01	Skilled Workers	1	7,000	84,000
02	Helper	1	4,000	48,000
	Total			1,32,000

E. MAIN INFRASTRUCTURE REQUIREMENT :

Building	Built shed of 600 sq.ft. is required
Power	1 H P power connection is required.
Water	1 KL water is required

VIII. PROFITABILITY PROJECTION (ANNUAL) :

Particulars	Basis	Amount (Rs.)
Sales Revenue (Projected)	Ref : IV	7,80,000
Raw Materials	Ref : VII B	3,84,000
Man power expenses	Ref : VII D	1,32,000
Utilities	Ref : VII C	18,000
Interest	@ 12%	16,000
Depreciation	15 % SLM	11,000
Overheads (rent etc.)		60,000
Total Expenses		6,21,000
Profit		1,59,000



IX. FINANCIAL INDICATOR :

Break Even Point FC ----- x 100 SR-VC	87,000 ----- x 100 2,46,000	35%
Payback period COP ----- Profit + Deprn.	1,77,000 ----- 1,70,000	1 Year 1 Month

X. ADDRESSES :

SUPPLIERS OF MACHINERY / EQUIPMENTS :

Star Associated Industries,
C-44, Rani Chennamma nagardustrial Area
Belgaum-590008 Ph- 0831-2440349

XI. SPECIAL NOTE :

The premises for manufacture should be clean and free from dust.