

# UP MSME 1-Connect

## PROJECT REPORT

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**PROJECT:**

Vermicelli Making unit

# PROJECT REPORT

Of

# VERMICELLI

## PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding **Vermicelli 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.]

# PROJECT REPORT ON VERMICELLI



## INTRODUCTION

Vermicelli is a popular instant food product. It falls under the category of extruded product and is made from wheat flour. At times tapioca or soybean or groundnut flour is also added. Thus, it is rich in proteins and liked by people from all walks of life, irrespective of age. It is basically a snack food item and at times it is also used as a table enricher. With changing lifestyles, greater awareness about health and preference for instant food items have made vermicelli very popular and an item of mass consumption.

## Objective

The primary objective of the model report is to facilitate the entrepreneurs in understanding the importance of setting up unit of vermicelli. 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.

## **Market Opportunities**

Urbanization has changed the lifestyles of not only urbanites but even of semi-urban and rural areas. This along with increase in the purchasing power of people has fuelled demand for many fast-food or instant food items and vermicelli is one such product. With the addition of groundnut or soybean or tapioca flour, it also becomes a nutritive product and thus even health conscious people prefer it. Vermicelli has, thus, become a very popular instant food variety since last few years and its demand is steadily growing. There are some established brands like Maggi and Fryums but the market is very large and growing. A small scale unit can compete with these brands in the local market on the price front because of low overheads, less transportation costs and reasonable advertisement budget. Proper and adequate placement of product and thrust on publicity basically at the point of sales would also be crucial.

**PROJECTED CASH FLOW STATEMENT**

<b>PARTICULARS</b>	<b>IST YEAR</b>	<b>IIND YEAR</b>	<b>IIIRD YEAR</b>	<b>IVTH YEAR</b>	<b>VTH YEAR</b>
<b><u>SOURCES OF FUND</u></b>					
Share Capital	1.60	-			
Reserve & Surplus	10.17	12.41	15.32	18.14	20.87
Depriciation & Exp. W/off	1.43	1.26	1.08	0.93	0.80
Increase in Cash Credit	4.47	-	-	-	-
Increase In Term Loan	9.94	-	-	-	-
Increase in Creditors	1.58	0.26	0.26	0.26	0.26
Increase in Provisions	0.36	0.04	0.04	0.04	0.05
<b>TOTAL :</b>	<b>29.54</b>	<b>13.97</b>	<b>16.71</b>	<b>19.38</b>	<b>21.98</b>
<b><u>APPLICATION OF FUND</u></b>					
Increase in Fixed Assets	10.54	-	-	-	-
Increase in Stock	3.84	0.34	0.50	0.50	0.50
Increase in Debtors	2.69	0.59	0.47	0.47	0.47
Increase in Deposits & Adv	2.50	0.25	0.28	0.30	0.33
Repayment of Term Loan	-	2.48	2.48	2.48	2.34
Taxation	-	1.24	3.06	3.63	4.17
<b>TOTAL :</b>	<b>19.58</b>	<b>4.23</b>	<b>6.80</b>	<b>7.39</b>	<b>7.82</b>
Opening Cash & Bank Balance	-	9.96	19.71	29.62	41.61
Add : Surplus	9.96	9.75	9.91	11.99	14.16
Closing Cash & Bank Balance	<b>9.96</b>	<b>19.71</b>	<b>29.62</b>	<b>41.61</b>	<b>55.77</b>

**PROJECTED BALANCE SHEET**

<b>PARTICULARS</b>	<b>IST YEAR</b>	<b>IIND YEAR</b>	<b>IIIRD YEAR</b>	<b>IVTH YEAR</b>	<b>VTH YEAR</b>
<b><u>SOURCES OF FUND</u></b>					
Capital Account	1.60	1.60	1.60	1.60	1.60
Retained Profit	10.17	21.34	33.60	48.11	64.81
Term Loan	9.94	7.45	4.97	2.48	0.14
Cash Credit	4.47	4.47	4.47	4.47	4.47
Sundry Creditors	1.58	1.84	2.10	2.36	2.63
Provisions & Other Liab	0.36	0.40	0.44	0.48	0.53
<b>TOTAL :</b>	<b>28.11</b>	<b>37.09</b>	<b>47.17</b>	<b>59.50</b>	<b>74.17</b>
<b><u>APPLICATION OF FUND</u></b>					
Fixed Assets ( Gross)	10.54	10.54	10.54	10.54	10.54
Gross Dep.	1.43	2.70	3.78	4.71	5.51
Net Fixed Assets	9.11	7.84	6.76	5.83	5.03
<b>Current Assets</b>					
Sundry Debtors	2.69	3.28	3.76	4.23	4.70
Stock in Hand	3.84	3.50	4.00	4.50	5.01
Cash and Bank	9.96	19.71	29.62	41.61	55.77
Deposits & Advances	2.50	2.75	3.03	3.33	3.66
<b>TOTAL :</b>	<b>28.11</b>	<b>37.09</b>	<b>47.17</b>	<b>59.50</b>	<b>74.17</b>
	-	-	-	-	-

**PROJECTED PROFITABILITY STATEMENT**

<b>PARTICULARS</b>	<b>IST YEAR</b>	<b>IIND YEAR</b>	<b>IIIRD YEAR</b>	<b>IVTH YEAR</b>	<b>VTH YEAR</b>
<b><u>A) SALES</u></b>					
Gross Sale	53.87	65.68	75.13	84.58	94.03
<b>Total (A)</b>	<b>53.87</b>	<b>65.68</b>	<b>75.13</b>	<b>84.58</b>	<b>94.03</b>
<b><u>B) COST OF SALES</u></b>					
Raw Mateiral Consumed	31.50	36.75	42.00	47.25	52.50
Elecricity Expenses	2.15	2.51	2.86	3.22	3.58
Repair & Maintenance	-	0.66	0.75	0.85	0.94
Labour & Wages	3.43	3.78	4.15	4.57	5.02
Depriciation	1.43	1.26	1.08	0.93	0.80
Consumables and Other Expense	2.69	3.28	3.76	4.23	4.70
<b>Cost of Production</b>	<b>41.21</b>	<b>48.24</b>	<b>54.61</b>	<b>61.05</b>	<b>67.55</b>
<b>Add: Opening Stock /WIP</b>	<b>-</b>	<b>2.27</b>	<b>2.65</b>	<b>3.02</b>	<b>3.40</b>
<b>Less: Closing Stock /WIP</b>	<b>2.27</b>	<b>2.65</b>	<b>3.02</b>	<b>3.40</b>	<b>3.78</b>
Cost of Sales (B)	38.94	47.86	54.23	60.67	67.17
<b>C) GROSS PROFIT (A-B)</b>	<b>14.93</b>	<b>17.82</b>	<b>20.90</b>	<b>23.91</b>	<b>26.86</b>
	<b>28%</b>	<b>27%</b>	<b>28%</b>	<b>28%</b>	<b>29%</b>
D) Bank Interest (Term Loan )	0.86	1.04	0.75	0.46	0.18
Bank Interest ( C.C. Limit )	0.45	0.45	0.45	0.45	0.45
E) Salary to Staff	2.38	2.61	2.87	3.16	3.48
F) Selling & Adm Expenses Exp.	1.08	1.31	1.50	1.69	1.88
<b>TOTAL (D+E)</b>	<b>4.76</b>	<b>5.41</b>	<b>5.57</b>	<b>5.76</b>	<b>5.99</b>
<b>H) NET PROFIT</b>	<b>10.17</b>	<b>12.41</b>	<b>15.32</b>	<b>18.14</b>	<b>20.87</b>
I) Taxation	-	1.24	3.06	3.63	4.17
<b>J) PROFIT (After Tax)</b>	<b>10.17</b>	<b>11.17</b>	<b>12.26</b>	<b>14.52</b>	<b>16.70</b>

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