

PROJECT PROFILE

ON

**VERMICELLI OR SEMIA
(WOMEN SHG ONLY)**

Month & Year
Aug 2010

**PREPARED BY
TANSTIA-FNF SERVICE CENTRE
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Supported by

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STIFTUNG **FÜR DIE FREIHEIT**



VERMICELLI OR SEMIA (WOMEN SHG ONLY)

1. Introduction

Vermicelli is a commonly consumed pasta product. It is normally used in the preparation of upma, khichadi, payasam etc. Many innovative recipes have been developed with vermicelli and these include barfis, halwa, puliyogare, curd semia etc. As a result of development of recipes, the acceptance of the product in households has increased manifold. Various brands of vermicelli are available in the market and these include Savorit, Bambino, True etc. However, various brands of vermicelli manufactured in the cottage sector are also in the market and these include “Anil”, “Empire” etc. On an average currently 1800 metric tonnes of semia are sold in the Tamil Nadu market every month and an equal amount as unbranded varieties. There is an increasing demand for vermicelli as it has become a staple food for breakfast or tiffin.

2. Market

The product finds placement in all “A”, and “B” class outlets, self service, departmental stores and supermarkets. The product has a lot of market potential if it is very hygienically processed and dried, does not disintegrate on cooking and if reasonably priced.

3. Packaging

Vermicelli is best packed in polyethylene or polypropylene or BOPP pouches as a primary packing. The pouch is placed in cartons and strapped prior to dispatch. The product is packed in weights of 200, 500 and 1000 gms.

4. Production capacity

- The plant operates to two shifts a day with each shift of eight hours duration.
- The plant will operate to a capacity of raw material (maida) input of 150 kilograms per hour. The anticipated production of semia is 2 M.T per day or 600 M.T per annum.
- The time period required for achieving full capacity utilization is one year.

5. Sales revenue

- At an ex-factory selling price of Rs. 8.00 per packet of 200 grams or Rs. 40 per kilogram, the total sales revenue would be Rs. 240 lakhs per annum. The MRP is Rs. 10 per packet of 200 grams.

6. Production process outline.

The ingredients comprising refined wheat flour or maida is kneaded to form a dough with the addition of small quantities of water. The dough is extruded through a die of less than 1 millimeter diameter, cut, steamed, and dried before packing.

7. Quality specifications

- Moisture - maximum 12 %.
- Ash - maximum 0.5%.
- Acid insoluble ash - maximum 0.01%
- Total solids in gruel - maximum 8%.
- The product should be free from coliforms, salmonella and streptococci bacteria. The total plate count should not exceed 30,000 per gram.
- The product should be free from rodent excreta, human hair, and insect infestation It should also not contain any added coal tar food colours, preservatives, emulsifiers, stabilizers, and artificial flavouring agents.

8. Pollution control measures

Not necessary as there are no pollutants or effluents.

9. Energy conservation measures

Common measures will do.

10. Land and construction cost for the proposed unit

The proposed unit is to be set up on a leased shed. The total processing area required is 3000 square feet vide details given below.

SI	Description	Sq. feet
1	Processing area	1000
2	Raw material store	200
3	Other ingredients store room	200
4	Finished goods store	200
5	Laboratory	200
6	Office	400
7	Machinery spares room	100
8	Toilets	200
9	Miscellaneous space	300
10	Boiler house	200
11	Total	3000

Lease rent – Rs. 6.0 per square foot

Total rent per month – Rs. 18000

Lease advance – Rs. 60000

. 11. Costing of machinery and equipment

SI	Description	Rs. lakhs
1	Baby boiler and accessories	1.850
2	Flour sifter	0.350
3	Stainless steel dough kneading unit	0.500
4	Vermicelli extruder and accessories with motor	1.850
5	Tray drier with 48 trays	1.650
6	Pedal sealing machines – 2 nos	0.150
7	Weighing scales – 3 nos	0.240
8	Machinery spares	0.100
9	Total	6.690
10	Laboratory equipment	0.500
11	Grand total machinery and equipment	7.190

12. Project cost

SI	Description	Rs. lakhs
1	Land	On lease
2	Civil works	On lease
3	Plant machinery	6.690
4	Laboratory equipment	0.500
5	Transport vehicle (1 LCV)	7.500
6	Pollution control equipment	0.000
7	Energy conservation equipment	0.000
8	Cost of power connection	0.500
9	Cost of electrification	0.650
10	Erection and commissioning	0.650
11	Cost of machinery spares	0.250
12	Cost of office equipment	1.000
13	Deposits if any	0.600
14	Company formation expenses	0.100
15	Gestation period expenses	0.500
16	Sales tax registration expenses	0.100
17	Initial advertisement and publicity	10.000
18	Contingencies	0.500
19	Working capital margin money	7.423
20	Total	36.963

13. Working capital requirements per month

a. Salaries and wages

SI	Description	No of persons	Total salary / month (Rs. lakhs)
1	Production Supervisor	1	0.150
2	Chemist	1	0.100
3	Skilled workers	2	0.120
4	Unskilled workers	6	0.240
5	Packing workers	4	0.160
6	Administrative staff	1	0.100
7	Sales coordinator	1	0.100
8	Security staff	2	0.100
9	Total	18	1.070

b. Raw material requirement per month

SI	Description	Qty (kgs)	Rate / kg (Rs)	Value (Rs. lakhs)
1	Maida	52500	20.00	10.500
2	Total raw material	52500		10.500

c. Packaging material requirement per month

SI	Description	Qty	Rate / unit (Rs)	Value (Rs. lakhs)
1	Poly Propylene pouches	1,50,000 nos	1.00	1.500
2	Cartons and straps	2500 nos	40	1.000
3	Total			2.500

Total raw + packaging material = Rs.13.00 lakhs

d. Utilities per month

SI	Description	Rs. lakhs
1	Power 3000 kwh @ Rs. 5.50 per unit	0.165
2	Water	0.050
3	Boiler fuel	0.100
4	Total utilities	0.765

e. Contingent expenses per month

SI	Description	Rs. lakhs
1	Rent for processing shed	0.180
2	Postage and stationery	0.010
3	Telephones, fax etc.	0.050
4	Consumable stores	0.020
5	Repairs and maintenance	0.053
6	Local transports, loading and unloading	0.150
7	Advertisement and publicity @ 5% of sales	1.000
8	Insurance	0.010
9	Sales expenses @ 1% of sales	0.200
10	Miscellaneous expenses @ 1% of sales	0.200
11	Trade incentives @ 2% of sales	0.400
12	Taxes @ 4%	0.800

13	Total contingent expenses	3.073
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f. Total working capital requirement per month

SI	Description	Rs. lakhs
1	Salaries and wages	1.070
2	Raw material and packaging material	13.000
3	Utilities	0.765
4	Contingent expenses	3.073
5	Total	17.908

14. Means of finance

SI	Description	Rs. lakhs
1	Total Project Cost	36.963
2	Equity	12.198
3	Debt	24.765
4	Working capital margin money	7.423

15. Financial analysis

SI	Description	Rs. lakhs
1	Total recurring cost per year	214.896
2	Depreciation on land and building	0.000
3	Depreciation on machinery and vehicle	1.969
4	Depreciation on furnaces	0.000
5	Depreciation on moulds and fixtures	0.020
6	Depreciation on office equipment	0.100
7	Interest on long term loan @ 13.5%	3.343
8	Interest on short term borrowings@ 13.5%	1.415
9	Total cost of production	221.743

16. Turnover per year

SI	Item	Qty	Rate/unit (Rs)	Total Rs. lakhs
1	Vermicelli	600,000 kgs	40	240.00

17. Viability analysis

Sl	Description	Value
1	Net profit before income tax (Rs. lakhs)	18.257
2	Net profit ratio	7.6%
3	Internal rate of return	22.8%
4	Break even percentage	37%
5	Debt service coverage ratio	2.138

Vermicelli

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2. M. Son Industries, D - 33, Sector - 2, Noida 201301, District Ghaziabad, Uttar Pradesh.; Tel: 0118 -24552197; Fax: 0118 - 24552197
3. Raj Products and Equipment Private Limited, Mehta House, 397, S.V. Road, Vile Parle West, Mumbai. 400056.; Tel: 022 - 28162250; Fax: 022 - 28162750
4. Saraswathi Industries, 41-A., L.G.B. Nagar, Krishnapuram, Sarvanampatty P.O., Coimbatore 641035, Tamil Nadu.; Tel: 0422 – 5531536; 9943012777