

UP MSME 1-Connect

PROJECT REPORT

Planning to Start Your MSME Journey! Uncover Valuable Insights for your Business—Explore Now !!

PROJECT:

VERMICOMPOST

PROJECT REPORT

Of

VERMICOMPOST

PURPOSE OF THE DOCUMENT

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



Sl.No.	Description	1 st year	2 nd year	3 rd year	4 th year	5 th year
1.	Capacity utilized as percent of installed capacity	60	70	80	80	80
2.	Annual Sales Realization in Rs.	21,00,000	24,50,000	28,00,000	28,00,000	28,00,000
3.	Annual Costs in Rs.					
a)	Raw Materials	15,89,760	18,54,720	21,19,680	21,19,680	21,19,680
b)	Utilities	3,600	4,200	4,800	4,800	4,800
c)	Selling expenses	12,240	14,280	16,320	16,320	16,320
	Variable Cost	16,05,600	18,73,200	21,40,800	21,40,800	21,40,800

d)	Wages & Salaries	2,23,200	2,60,400	2,97,600	2,97,600	2,97,600
e)	Administrative expenses	90,000	1,05,000	1,20,000	1,20,000	1,20,000
f)	Depreciation	8,500	8,500	8,500	8,500	8,500

g)	Interest on Composite Loan	28,302	22,892	15,816	9,157	24,97
	Fixed & Semi Variable Cost	3,59,002	3,96,792	4,41,916	4,35,257	4,28,597
4.	Total Cost	19,64,602	22,69,992	25,82,716	25,76,057	25,69,397
5.	Annual Profit	1,35,398	1,80,008	2,17,284	2,23,943	2,30,603
6.	Return on Investment	38.46%	51.13%	61.12%	63.62%	65.51%
7.	Return on sales	6.45%	7.35%	7.76%	7.99%	8.2%
8.	Annual contribution	4,94,400	5,76,800	6,59,200	6,59,200	6,59,200
9.	Break Even Point as percent of capacity	43.56%				
10.	Cash accrual	1,43,898	1,88,508	2,25,784	2,32,443	2,39,103
11.	Debt Servicing Capacity	1,72,200	2,11,400	2,41,600	2,40,943	2,41,600
12.	Repayment of Composite Loan	39,957	46,616	53,276	53,276	53,276
13.	Debt Serviced	68,259	69,508	69,092	62,433	55,773
14.	Pay Back Period	2 year 6 month 7 days				
15.	Debt Service Coverage Ratio	2.52:1				

Cash Flow Statement:

(Rs. In Thousands)

Sl. No.	Description	Pre-operative Period	Operating Years				
			First	Second	Third	Fourth	Fifth
1.	Increase in Promoter's contribution	17,600	-	-	-	-	-
2.	Increase in Term loan	2,46,400	-	-	-	-	-
3.	Subsidy	88,000	-	-	-	-	-
4.	Depreciation	-	8,500	8,500	8,500	8,500	8,500

5.	Profit before interests	-	1,63,700	2,02,900	2,33,100	2,33,100	2,33,100
A.	TOTAL SOURCES	3,52,000	4,39,200	2,11,400	2,41,600	2,41,600	2,41,600
5.	Increase in capital investment	3,52,000	-	-	-	-	-
6.	Increase in working capital		2,67,000	-	-	-	-
7.	Interest	-	28,302	22,892	15,816	9,157	2,497
8.	Repayment of Term Loan	-	39,957	46,616	53,276	53,276	53,275
B.	TOTAL DISPOSALS	3,52,000	3,35,259	69,508	69,092	62,433	55,773
C.	OPENING BALANCE	NIL	NIL	1,03,941	2,45,833	4,18,341	5,97,508
D.	NET SURPLUS	NIL	1,03,941	1,41,892	1,72,508	1,79,167	1,85,828
E.	CLOSING BALANCE	NIL	1,03,941	2,45,833	4,18,341	5,97,508	7,83,336

Projected Balance sheet:

Sl.No.	Description	Amount in Rs. Thousands as at the end of the				
		1 st Yr.	2 nd Yr.	3 rd Yr.	4 th Yr.	5 th Yr.
1.	Capital of Account Promoter	17,600	1,52,998	3,33,006	5,50,290	7,74,233
2.	Surplus from operation	1,35,398	1,80,008	2,17,284	2,23,943	2,30,603
	NET WORTH:	1,52,998	3,33,006	5,50,290	7,74,233	10,04,836
3.	Subsidy	88,000	88,000	88,000	88,000	88,000
4.	Term loan outstanding	2,06,443	1,59,827	1,06,551	53,275	-
	TOTAL LIABILITIES	4,47,441	5,80,833	7,44,841	9,15,508	10,92,836
1.	Gross Block	85,000	85,000	85,000	85,000	85,000
	Less Depreciation	8,500	17,000	25,500	34,000	42,500
	NET BLOCK	76,500	68,000	59,500	51,000	42,500
2.	Working capital	2,67,000	2,67,000	2,67,000	2,67,000	2,67,000
3.	Cash & Bank Balance	1,03,941	2,45,833	4,18,341	5,97,508	7,83,336
	TOTAL ASSETS	4,47,441	5,80,833	7,44,841	9,15,508	10,92,836

DISCLAIMER

The views expressed in this Project Report are advisory in nature. UP MSME assume no financial liability to anyone using the content for any purpose. All the materials and content contained in Project report is for educational purpose and reflect the views of the industry which are drawn from various research material sources from internet, experts, suppliers and various other sources. The actual cost of the project or industry will have to be taken on case to case basis considering specific requirement of the project, capacity and type of plant and other specific factors/cost directly related to the implementation of project. It is intended for general guidance only and must not be considered a substitute for a competent legal advice provided by a licensed industry professional. UP MSME hereby disclaims any and all liability to any party for any direct, indirect, implied, punitive, special, incidental or other consequential damages arising directly or indirectly from any use of the Project Report Content, which is provided as is, and without warranties.