PROJECT PROFILE ON BONE MILL UNIT

1. INTRODUCTION

Unit, which crushes or converted bones into small pieces is known as bone mill. Bone crusher crushed the raw bone into small bone pieces. Crushed bones used as fertilizer. These bones also used in formulation of animal feed and poultry feed etc. Crushed bones also used in purification of sugar.

2. MARKET DEMAND

Demand of crushed bone is directly proportional to the installed capacity of different basic industries like sugar, cattle feed etc. the demand of these bones would increase or decrease according to the production capacity of these industries. As per survey small cattle / poultry feed manufacturing unit needs about 5-10 MT of bone meal every month and the district has 5-7 such unit than the demand of the district is around 30- 50 MT and it would further increase with their increase in production.

3. PRODUCTION TARGETS

Basis of estimation: 300 Working Days in a Year
Single Shift basis
8 hours per shift

	Crushed Bones of different Sizes
Quantity (MT)	270
Value (Rs)	16740000

4. MANUFACTURING PROCESS

The bones are cleaned from all types of outside material like flush and dust. These bones crushed with the help of crushers and segregated according to size. Bone powder also collected separately.

5. QUALITY CONTROL STANDARDS

Quality of the product must be as per customers demand and BIS standards.

6. LAND & BUILDING

1.	Covered area	Sq. Ft.	500
2.	Uncovered area	Sq. Ft.	1000
3.	Total area	Sq. Ft.	1500
4.	Whether constructed or Rented		Constructed
5.	If constructed, constructed value	Rs	100000
6.	If Rented, Rental value (per month)	Rs	N.A.

7. MACHINERY AND EQUIPMENT

S.N.	Description	Qty.	Value (Rs.)
1.	Bone Crusher with 20 HP Motor	1	200000
2.	Rotary Screen with 5 HP motor	1	
3.	Other accessories like weighing balance etc.	L.S.	
4.	Hand Tools	L.S.	
5.	Sales Tax, Freight & Insurance etc.		20000
	Total		220000

8. RAW MATERIAL (PER MONTH)

S.N.	Particulars	Quantity (MT)	Value (Rs)
1.	Raw Bones	25	75000
2.	Packaging Materials.	L.S.	1000
		Total	76000

9. STAFF & LABOUR (PER MONTH)

S.N.	Particulars	Qty	Rate	Value (Rs)
A	Administrative and Supervisory			
(i)	Manager	1	3000	3000
(ii)	Peon/ Chowkidar	1	2000	2000
B	Technical (Skilled-Unskilled)			
(i)	Skilled Worker	1	3000	3000
(ii)	Unskilled Worker	2	2000	4000
	Sub-Total			12000
	Plus perquisites @ 30% of salaries			3600
	TOTAL			15600

9. OTHER EXPENSES (PER MONTH)

1.	Rent of Land & Building	
2.	Electricity Charges	10000
3.	Fuel Exp.	0
4.	Advertisement & Travelling	1000
5.	Transport	5000
6.	Consumable & stores etc.	1000
7.	Potage expenses/ telephones	1000
8.	Stationery	1000
9.	Repairs & Maintenance’s	1000
	Total	20000

10. WORKING CAPITAL (FOR ONE MONTH)

SL.NO.	DESCRIPTION	AMOUNT(RS)
1	Raw material	76000
2	Salaries & Wages	15600
3	Other Expenses	20000
	Total	111600

11. TOTAL CAPITAL INVESTMENT

Building & Other Civil Works	100000
Machinery & Equipment	220000
Working capital for one month	111600
Total	431600

12. COST OF PRODUCTION (PER ANNUM)

Total recurring cost per year	1339200
Depreciation on machinery & equipment	30000
Interest on total investment @ 10%	43000
Total	1412200

13. SALES PROCEEDS (PER ANNUM)

S.N.	Item	Qty (MT)	Value (Rs.)
1.	Crushed Bone Meal	270	16740000
	Total		16740000

14. PROFITABILITY (BEFORE INCOME TAX)

1.	Annual Gross Profit	261800
2.	% of Profit on Sales	15.64%
3.	Break Even Analysis	
3.1	Annual Fixed Cost	427200
3.2	Annual Sales	16740000
3.3	Annual Variable Cost	912000
3.4	Break Even Point	56.06%

Break-Even Analysis

(% of Total Production envisaged)

$$\frac{\text{Annual fixed cost} \times 100}{\text{Annual sales} - \text{Annual variable costs}} = \quad \%$$

15. Manufactures/ Suppliers of Machinery

1.	Ambica Engg. Works, Ghopasni Road, Jodhpur.
2.	V.A.P Corportion Ltd. Industrial Area, Udhna, Surat (Gujrat)
3.	Bombay Machinery & Tools Syndicate 79, Siyaganj, Indore -452 007. Ph.- 536431,542067.
4.	Jitendra Agencies 5, shivsadan, sardar patel marg, Indore.
5.	Indore machinery stores 40, siyaganj, main road, Indore 452 007 Ph. 534339
6.	Huma Traders Infront of shajanabad thana, Shajanabad, Satna(m.p.)
7.	Maruti Sales Corporation Badshah Chamber, 45, Jawahar Marg, Indore (M.P.) 452 004

16. Suppliers of Raw Materials

From Local suppliers of raw bones of the area.

17. IMPLEMENTATION PERIOD

Proposed Project can commence production with in 6-8 weeks after sanction and first disbursement of term loan.

18. ASSUMPTION FOR GENERATING PROJECT PROFITABILITY

1	Number of Working Days in a year	300 Days
2	Number of Shifts in a day	1 One
3	Hours in a Shift	8 hours
4	Plant Capacity	Consider on Average production capacities of plant.
5	Raw material Estimates	Based upon product Mix
6	Raw Material Availability	All districts of MP
7	Depreciation	Straight Line Method
8	Manpower	According to project Requirement
9	Rent estimate	On the basis of current market prize of the area.
10	Potential Area of Marketing the products	Related industries demand of the area.
11	If project is funded, term loan would be	60-80% of Total investment
12	Moratorium Period	6- 12 months
13	Repayment Period	5-7 years
14	Project may be established under	PMEGP (GOI) / Tribal Self Employment Scheme (NSTFDC) or Rani Durgawati Scheme of MP