PROJECT PROFILE ON COTTON SEED OIL UNIT

1. INTRODUCTION

Edible oil is the major elements of our meals and every person uses of various edibles oils in food every day in one or the other form. Many regions of India are quite prosperous in respect of the oil seeds -specially Madhya Pradesh, There are mainly two methods of extracting oil from the seeds> Expelling method and solvent extraction method. Boiler and steam kettleis quite important if oil has to be extracted out of ground nuts, cotton seeds, soyabean and castor seeds. The quantity of oil would increase by 2%.

2. MARKET DEMAND

There is evergreen demand for oil. Because every households and hotel use the oil every day in food items like curries and biryanies etc. Since it is a consumer product, the market is growing at 10-15% per annum.

PRODUCTION TARGETS

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

	Cotton Seed Oil
Quantity (Kg)	45000
Value (Rs)	4275000

3. MANUFACTURING PROCESS

Expeller is used to extract oil out of oilseeds. Expellers of varying capacity are available in markets ranging from 30 Kgs to 300 Kgs per hour. Filter pres is used for filtering the oil extracted out of oilseeds, the use of filter press would be relevant only if the entrepreneur himself extracts the oil from the seeds and sells it himself. But if the entrepreneur wants to extract oil on the basis of job work, he would not require filter press.

4. QUALITY CONTROL STANDARDS

Quality of the product must be as per customers demand and according to Beauro of Indian standards.

5. LAND & BUILDING

1.	Covered area	Sq. Ft.	1000
2.	Uncovered area	Sq. Ft.	1000
3.	Total area	Sq. Ft.	2000
4.	Whether constructed or Rented		Rented
5.	If constructed, constructed value	Rs	N.A.
6.	If Rented, Rental value (per month)	Rs	5000

6. MACHINERY AND EQUIPMENT

S.N.	Description	Qty.	Value (Rs.)
1.	9 Volt Expeller with accessories	1	150000
2.	Filter Press	1	
3.	Suitable Boiler	1	
4.	Steam Kettle	1	
5.	Weighing Balance	1	
6.	Hand Tools	1	
7.	Furniture	1	
8.	Sales Tax, Freight & Insurance etc.		15000
	Total		165000

7. RAW MATERIAL (PER MONTH)

S.N.	Particulars	Quantity (Kg)	Value (Rs)
1.	Cotton Seeds	12500	250000
2.	Packaging Material		3000
		Total	253000

8. STAFF & LABOUR (PER MONTH)

S.N.	Particulars	Qty	Rate	Value (Rs)
A	Administrative and Supervisory			
(i)	Manager	1	3000	3000
(ii)	Peon/ Chowkidar	2	2000	4000
B	Technical (Skilled-Unskilled)			
(i)	Skilled Worker	1	3000	3000
(ii)	Unskilled Worker	4	2000	8000
	Sub-Total			18000
	Plus perquisites @ 30% of salaries			5400
	TOTAL			23400

9. OTHER EXPENSES (PER MONTH)

1.	Rent of Land & Building	5000
2.	Electricity Charges	8000
3.	Fuel Exp.	5000
4.	Advertisement & Travelling	2000
5.	Transport	5000
6.	Consumable & stores etc.	1000
7.	Potage expenses/ telephones	1000
8.	Stationery	1000
9.	Repairs & Maintenance's	2000
	Total	30000

10. WORKING CAPITAL (FOR ONE MONTH)

SL.NO.	DESCRIPTION	AMOUNT(RS)
1	Raw material	253000
2	Salaries & Wages	23400
3	Other Expenses	30000
	Total	306400

11. TOTAL CAPITAL INVESTMENT

Building & Other Civil Works	-
Machinery & Equipment	165000
Working capital for one month	306400
Total	471400

12. COST OF PRODUCTION (PER ANNUM)

Total recurring cost per year	3676800
Depreciation on machinery & equipment	16500
Interest on total investment @ 10%	47000
Total	3740300

13. SALES PROCEEDS (PER ANNUM)

S.N.	Item	Qty (Kg)	Value (Rs.)
1.	Cotton Seed Oil	45000	4275000
	Total		4275000

14. PROFITABILITY (BEFORE INCOME TAX)

1.	Annual Gross Profit	534700
2.	% of Profit on Sales	12.51%
3.	Break Even Analysis	
3.1	Annual Fixed Cost	640800
3.2	Annual Sales	4275000
3.3	Annual Variable Cost	3036000
3.4	Break Even Point	51.72%

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	New Bharat Industries, Patel Marg, Gaziabad (U.P.)201 001
2.	Prem Engineering and Foundry Works, 43A, Industrial Co-operative estate, Govindnagar, Kanpur- 22.
3.	Arun Industries, Shambhu dayal college building, G.T.Road, Gaziabad(U.P.)
4	Bhandari Iron & Steel Co., 518, Shilnath Compound, Indore
5.	Huma Traders Near Shajanabad Thana, Bhopal

16. Suppliers of Raw Materials

From Local cotton mandi or cotton ginning units 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	Dhar , Barwani, Chhindwara and Seoni districts of MP
7	Depreciation	Straight Line Method

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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	Local market and households.
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