

# Project Report on Edible oil processing

## **(I)INTRODUCTION**

Oil seed crops occupy an important place in the agriculture and industrial economy of the country. India is perhaps the only country in the world having the largest number of commercial varieties of oil seeds. Mustard Oil is also one of the major oil seeds from which edible oil is produced. In Northern & Central India, it is medium of cooking food. Besides it is also used in preparation of Pickles. The Mustard Oil Cake ( By Product) is used as cattle feed.

## **(II)MARKET:**

It has enormous demand as one of the edible oils and used as cooking medium especially in northern, eastern and north eastern of India. The demand of Mustard Oil is increasing with the time. Refined Ghani, filtered, double filtered mustard oil have given new thrust to its market. Due to consumption in household and in pickle industries it appears to be good scope for establishing mustard oil industry.

## **(III)BASIS&PRESUMPTIONS:**

1. This project is based on single shift basis and 300 working days in a year.
2. The cost of machinery & equipment/materials indicated refer to a particular make and the prices are approximate to these prevailing in the market at the time of preparation of this profile.
3. Depreciation has been taken as an –
  - a) On Machinery & Equipment @ 10%
  - b) On Office Furniture & Fixture @ 20%
4. Interest on Total Capital Investment has been taken @ 12% per annum.
5. Minimum 40% of the total investment is required as margin money.
6. Pay back period of the project will be 5 years, with half yearly installments.

7. Break Even Point has been calculated at the full capacity utilization.
8. For smooth functioning of unit it is suggested that unit should have a good stock of quality raw material (mustard seed).
9. The yield of mustard oil, mustard oil cake and wastage (stone/dust) have been taken as 35%, 60% & 5% based on raw mustard seed.

#### **(IV)IMPLEMENTATIONSCHEDULE:**

The following steps involves in the implementation of the project.

- a) Selection of site.
- b) Form ownership.
- c) Feasibility report.
- d) Registration with DIC, PFA etc.
- e) Arrangement of finance.
- f)Construction of Factory Shed & Building.
- g) Plant Erection & Electrification.
- h) Recruitment of manpower.
- i)Arrangement of raw materials including packaging materials.
- j)Selection of marketing channel.

k) Miscellaneous work ie. Power and Water connection, Pollution control board clearance etc.

Normally 6 months is required to implement the project.

## **(V) TECHNICAL ASPECTS:**

### **a) Production details & process of manufacture:**

The seeds are to be dried in sun and then they are to be cleaned by shakers to remove dust and foreign materials. The seeds are initially steamed and then passed through the expeller and the process is repeated till the maximum oil is extracted out of the seeds. The filtered oil is filled in to the containers, which are subsequently sealed and labeled for marketing. On an average around 35% recovery of oil from the seed is made.

### **b) Quality Specification-**

The quality of seeds should conform at least to the quality and standard laid down in P.F.A. Act. However, for better marketing the standards may be maintained as per 'AGMARK' specification. The entrepreneur may approach the appropriate authorities to get 'AGMARK' or ISI specification for better marketing of the product.

### **c) Production Capacity (per annum)-**

The estimated production capacity per annum is as follows -

ITEM	Qty.	Value (Rs. Lakhs )
Mustard Oil	63.0 MT	76.22
Mustard Cake	116 M.T.	
<b>Total:</b>		<b>Rs.76.22 Lakhs</b>

### **d) Power requirement- 15 -KW**

## e)PollutionControl:

Entrepreneur is advised to contact State Pollution Control Board for detailed guidance directly.

## (VI)FINANCIALASPECTS

### Fixed Capital-

#### A. Land & Building –

Built up Area - 200 Sq. Mtrs. Rented @ Rs. 4,000/-P. M.  
(Processing Hall, Store etc.)

#### B. Machinery & Equipment-

Sl. No.	Description	Qty.	Rate (Rs.)	Amount (Rs. In Lakhs)
1.	Oil Expeller with Single Steel gear Set size 30" X 5" 9 bolts capacity 80Kg/hr.	1 Nos.	1, 40,000/-	1.40
2.	Filter press frame type 14" X 14" X 14' plates plunger pump and filler cloth.	1 No.	50,000/-	0.50
3.	Oil Storage Tank	1 Nos.	5,000/-	0.05
4.	Electronic Weighing Scale	1 No.	5,000/-	0.05
5.	Misc. equipment & Tools such as weighing Scale Can Sealing machine, Box stamping machine etc.	-	LS	0.10
6.	Electrical Accessories: Electric Meter 15 HP ( 1 Nos.) Starter, Switch & others		LS	0.50

**TOTAL: Rs. 2.60 lakh**

C. Electrification, Installation, Packaging, Taxes, Lakhs  
Forwarding charges etc. @ 10% Rs. 0.20

D. Office furniture & fixtures Lakhs Rs. 0.10

**(VII) Total Fixed Investment 2.90 lakhs**

**(VIII) WORKING CAPITAL (per month):**

**a. Personnel:**

Designation	No.	Salary (Rs.)	Total (Rs.)
Skilled Worker 10,000/-	1	10,000	10,000
Perquisites @ 10%			1000/-
			<b>Total: Rs.11,000/- Say: Rs. 0.11 Lakh</b>

**b. Raw material including packaging materials (per month):**

Items	Qty/QT	Rate	Rs./QT	Amount Rs. in Lakhs
Mustard seeds	150 qui	33,00/-	4.95	
Empty Tins 100 Nos.	50/TEEN	0.05		
Empty bags, Chemical & packing materials	.		L.S.	0.05
<b>Total:</b>				<b>Rs. 5.05 lakh</b>

**c. Utilities ( per month):**

Power, Electricity & Water charges	:	Rs. 0.15 lakhs
<b>Total:</b>	<b>:</b>	<b>Rs. 0.15 lakhs</b>

**d. Other contingent expenses ( per month):**

Sl. No.	Description	Amount in Rs.
1.	Rent	: 2,000/-
2.	Consumable Store, Repair & Maintenance, Postage, Stationery, Insurance, Telephone Bill, Advertisement, Transport etc.	: 3,000/-
<b>Total :</b>		<b>5,000/-</b>

### **Recurring Expenses (Per Month):**

a. Personnel	Rs. 0.11 Lakh
b. Raw material	Rs. 5.05 Lakh
c. Utilities	Rs. 0.15 Lakh
d. Other Expenses	Rs. 0.05 Lakh
<b>Total:</b>	<b>Rs. 5.36 lakh</b>

**WorkingCapital(1 monthsofrecurringexpenses)=Rs.5.36lakh**

### **(IX)TOTAL COSTOF THEPROJECT:**

a. Fixed Investment	Rs. 2.90 Lakh
b. Working Capital for 1 months	Rs.5.36 Lakh
<b>Total:</b>	<b>Rs.8.26Lakhs</b>

### **(X)FINANCIALANALYSIS**

#### **A.Costofproduction(per annum):**

S. No.	Particulars	Amount (Rs. In Lakhs)
1.	Total recurring expenditure	64.32
2.	Depreciation on machinery & equipment @ 10% p.a.	0.29

3.	Depreciation on Office Furniture & Fixtures @ 20%	0.08
4.	Interest on total capital investment @ 12% p.a.	2.22
<b>Total :</b>		<b>Rs. 66.91 Lakh</b>

### **B.Turnover(per annum):**

Item	Qty./QTRate (Rs.)/QT	Amount (Rs. In Lakh )
Mustard Oil	630.00 QT 8500/-	53.55
Mustard Oil Cake	1130.00QT 19,00/-	21.54

**Total : 75.09 Lakh**

**LS Marketing Expenses ( – ) Rs. 1.00 Lakh**

**Net Sales : Rs. 74.09 lakh**

### **C.NETPROFITPerAnnum(BeforeTaxes):**

**Rs. 7.18 Lakh**

### **D.NETPROFITRATIOONSALES(PerAnnum):**

$\frac{\text{Profit/annum} \times 100}{\text{Sale Per Annum}} = 9.69\%$

### **ADDRESSES OF MACHINERY & EQUIPMENTS SUPPLIERS:**

**Sl. Name & Address of the Supplier  
No.**

1. M/s Parekh Machine Tools,  
Ravatpur kanpur.
2. M/s Bismillah Machineries Co. Pvt. Ltd.,  
7A, K.S. sadar Road,kanpur
3. sahu Edibles Pvt klyanpur kanpur
4. mantora oil products Pvt Ltd Kanpur
5. M/s Alfa Tamil (India) Ltd.,  
Mumbai-Pune Road, Dapoli,  
Pune-411012. (Maharashtra)



6. M/s Chemi Filter Corporation,  
Shop No. 3, Aranti Apartments,  
AGRA.
7. M/s Troika Processes Pvt. Ltd.,  
607, Embassy Centre, Nariman Point,  
Ghaziabad
8. M/s Ballestra (India) Ltd.,  
, Tulsiani Chambers, Ghaziabad
  
9. M/s Alfa Engineering Works,  
Station Road, ,ghaziabad.

### **ADDRESSES OF RAW MATERIAL SUPPLIERS:**

Local Market.