

PROJECT PROFILE ON MUSTARD OIL

NAME OF THE PRODUCT : **MUSTARD OIL.**

PRODUCT CODE : 211001023.

QUALITY & STANDARD : PFA regulation is mandatory.
'Ag Mark' for quality products.
ISI Specification for Mustard Oil is
IS:546:1975.

PRODUCTION CAPACITY (Per Annum)	:	Item	Quantity	Value
		Mustard Oil	134 MT	Rs.122.30 Lakh
		Mustard Oil Cake	230 MT	

YEAR OF PREPARATION : 2011

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(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 7 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) IMPLEMENTATION SCHEDULE:

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 ISI specification is No. IS-546-1975 (2nd revision). 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	134.0 M. T.	102.31 Lakhs
Mustard Cake	230.0 M.T.	
	Total:	Rs. 122.30 Lakhs

d) Power requirement-

30 KW

e) Pollution Control:

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

(VI) FINANCIAL ASPECTS

Fixed Capital-

A. Land & Building –

Built up Area - 200 Sq. Mtrs. Rented @ Rs. 6,000/-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 27" X 5" 9 bolts capacity 80Kg/hr.	2 Nos.	1,60,000/-	3.20
2.	Filter press frame type 14" X 14" X 14' plates plunger pump and filler cloth.	1 No.	55,000/-	0.55
3.	Oil Storage Tank	3 Nos.	10,000/-	0.30
4.	Electronic Weighing Scale	1 No.	20,000/-	0.20
5.	Misc. equipment & Tools such as weighing Scale Can Sealing machine, Box stamping machine etc.	-	LS	0.20
6.	Electrical Accessories: Electric Meter 15 HP (2 Nos.) Starter, Switch & others		LS	0.70

TOTAL: Rs. 5.15 lakhs

C. Electrification, Installation, Packaging, Taxes, Lakhs Rs. 0.52
Forwarding charges etc. @ 10%

D. Office furniture & fixtures Rs. 1.00
Lakhs

E. Preliminary & pre-operative expenses Rs. 0.50 lakhs

(VII)
Investment
Lakhs

Total Fixed
Rs. 7.17

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

WORKING

a. Personnel:

Designation	No.	Salary (Rs.)	Total (Rs.)
Manager	1	8,000	8,000/-
Accountant/Store-Keeper	1	5,000	5,000/-
Skilled Worker	1	4,500	4,500/-
Unskilled Worker	2	3,500	7,000/-
Peon/Chowkidar	1	3,500	3,500/-
		Total:	28,000/-
Perquisites @ 10%			2,800/-
		Total:	Rs.30,800/-
		Say:	Rs. 0.31 Lakh

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

Items	Qty.	Rate Rs. Per MT	Amount Rs. in Lakhs
Mustard seeds	32 MT	25,000/-	8.00
Empty Tins	750 Nos.	35/-	0.26
Empty bags,Chemical & packing materials	.	L.S.	0.10
		Total:	Rs. 8.36 lakh

c. Utilities (per month):

Power, Electricity & Water charges	:	Rs. 0.30 lakhs
	Total: :	Rs. 0.30 lakhs

d. Other contingent expenses (per month):

Sl. No.	Description	Amount in Rs.
1.	Rent	: 6,000/-
2.	Consumable Store, Repair & Maintenance, Postage, Stationery, Insurance, Telephone Bill, Advertisement, Transport etc.	: 8,000/-
	Total :	14,000/-

Recurring Expenses (Per Month):

a. Personnel	Rs. 0.31 Lakh
b. Raw material	Rs. 8.36 Lakh
c. Utilities	Rs. 0.30 Lakh
d. Other Expenses	Rs. 0.14 Lakh
Total:	Rs. 9.11 lakh

Working Capital (3 months of recurring expenses) = Rs.27.33 lakh

(IX) COST OF THE PROJECT:

TOTAL

a. Fixed Investment	Rs. 7.17 Lakh
b. Working Capital for 3 months	Rs. 27.33 Lakh
Total:	Rs.34.50 Lakhs

(X) ANALYSIS:

FINANCIAL

A. Cost of production (per annum):

S. No.	Particulars	Amount (Rs. In Lakhs)
1.	Total recurring expenditure	109.32
2.	Depreciation on machinery & equipment @ 10% p.a.	0.52
3.	Depreciation on Office Furniture & Fixtures @ 20%	0.20
4.	Interest on total capital investment @ 13% p.a.	4.485
	Total :	Rs. 114.525 Lakh

B. Turnover (per annum):

Item	Qty./MT	Rate (Rs.)/MT	Amount (Rs. In Lakh)
Mustard Oil	134 MT	80,000/-	107.20
Mustard Oil Cake	230 MT	7,000/-	16.10

Total : Rs. 123.30 Lakh
LS Marketing Expenses (–) Rs. 1.00 Lakh
Net Sales : Rs. 122.30 lakh

C. NET PROFIT Per Annum (Before Taxes):

Rs. 7.775 Lakh

D. NET PROFIT RATIO ON SALES(Per Annum):

$\frac{\text{Profit/annum} \times 100}{\text{Sale Per Annum}} = 6.36\%$

E. RATE OF RETURN:

$\frac{\text{Profit/Annum} \times 100}{\text{Total Capital Investment}} = 22.53\%$

F. BREAK EVEN POINT: 52%

ADDRESSES OF MACHINERY & EQUIPMENTS SUPPLIERS:

Sl. Name & Address of the Supplier

No.

1. M/s Parekh Machine Tools,
5, Khetra Das Lane, Kolkata –700012.
2. M/s Bismillah Machineries Co. Pvt. Ltd.,
7A, K.S. Ray Road, P.P.S. Business Centre,
2nd Floor, Kolkata-700001.
3. M/s Bharat Industrial Corp.,
Petit Compound, Mana Chowk, Grant Road,
Mumbai-400001.
4. M/s Do-Well Oil Plant Pvt. Ltd.,
306, Manish Commercial Centre,
Dr. Annie Basant Road, Worli, Mumbai-400025.
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,
Laxman Mhatre Road, Navagaon,
Dahisar (West), Mumbai-400068.
Factory –
Plot No. 1610/1611, GIDC,
Sarigamvia Bhillad-396155. Gujrat
7. M/s Troika Processes Pvt. Ltd.,
607, Embassy Centre, Nariman Point,
Mumbai-400021.
8. M/s Ballestra (India) Ltd.,
11th Floor, Tulsiani Chambers,
212, Nariman Point
Mumbai- 400021. (Maharashtra)
Factory –
Gate No. 56, Village Dighk,
Thane Belapur Road, Kalwa,
Thane. (Maharashtra)
9. M/s Alfa Engineering Works,
Station Road, Bhandup,
Mumbai-400078.

ADDRESSES OF RAW MATERIAL SUPPLIERS:

Local Market.