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PROJECT REPORT

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PROJECT:

MUSTARD OIL

PROJECT REPORT

Of

MUSTARD OIL

PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding **Mustard Oil 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.]

MUSTARD OIL MILL



Introduction

Mustard oil is made from pressing the seeds of a mustard plant to produce spicy oil. Mustard oil is popular in Eastern cooking, although some American chefs have begun experimenting with the oil, which has a heat and distinctive flavour to it.

Mustard Oil Current Market Analysis

On the record, production of mustard seeds, a winter crop cultivated in the northern States was very high as compared to last year. Rajasthan is the major producer contributing up to 47 per cent of the domestic production, followed by Madhya Pradesh (11.44 per cent), Haryana (12 per cent) and Uttar Pradesh (10.41 per cent).

Consumption of mustard oil has grown about 5 percent per year for the past 40 years and currently stands at approximately 2.3 million metric tons annually. Although consumption of mustard oil is typically more prevalent in rural areas, total consumption is usually higher in urban areas. Most mustard oil (around 90 percent) is used for cooking, and the rest is used for pickling and consumption as raw oil (sareson-ka-thal, "oil of mustard") directly on foods.

PROJECTED PROFITABILITY STATEMENT

PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
Capacity Utilization %	90%	93%	96%	100%	100%
<u>SALES</u>					
Gross Sale					
Mustard oil (main Product)	7.46	8.37	9.07	9.92	10.43
Mustard Cake (by product)	2.39	2.59	2.81	3.07	3.22
Total	9.85	10.96	11.88	12.99	13.65
<u>COST OF SALES</u>					
Raw Material Consumed	5.67	5.98	6.29	6.69	6.82
Electricity Expenses	0.76	0.78	0.81	0.84	0.84
Labour & Wages	0.96	1.01	1.06	1.11	1.17
Depreciation	0.50	0.43	0.36	0.31	0.26
Cost of Production	7.89	8.19	8.52	8.95	9.09
Add: Opening Stock /WIP	-	0.26	0.27	0.28	0.30
Less: Closing Stock /WIP	0.26	0.27	0.28	0.30	0.30
Cost of Sales	7.62	8.18	8.51	8.93	9.09
GROSS PROFIT	2.23	2.78	3.37	4.06	4.57
Gross Profit %	23%	25%	28%	31%	33%
Interest on Term Loan	0.25	0.22	0.15	0.09	0.02
rent	0.48	0.51	0.55	0.58	0.62
Selling & other expenses	0.08	0.09	0.10	0.10	0.18
TOTAL	0.81	0.82	0.79	0.77	0.75
NET PROFIT	1.42	1.96	2.58	3.29	3.75
Taxation	-	-	-	-	-
PROFIT (After Tax)	1.42	1.96	2.57	3.25	3.75

PROJECTED BALANCE SHEET

PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
<u>Liabilities</u>					
Capital opening balance		2.42	2.88	3.25	3.64
<i>Add:-Own Capital</i>	1.80				
Add:-Retained Profit	1.42	1.96	2.58	3.29	3.75
Less:- Drawings	0.80	1.50	2.20	2.90	3.50
Closing Balance	2.42	2.88	3.25	3.64	3.89
Term Loan	2.26	1.66	1.06	0.46	-
Sundry Creditors	0.09	0.10	0.10	0.11	0.11
TOTAL:	4.77	4.63	4.41	4.21	4.00
<u>Assets</u>					
Fixed Assets (Gross)	3.41	3.41	3.41	3.41	3.41
Gross Dep.	0.50	0.93	1.29	1.60	1.87
Net Fixed Assets	2.91	2.48	2.12	1.81	1.54
Current Assets					
Sundry Debtors	0.49	0.55	0.59	0.65	0.68
Stock in Hand	0.55	0.57	0.60	0.63	0.64
Cash and Bank	0.82	1.03	1.11	1.12	1.13
TOTAL :	4.77	4.63	4.41	4.21	4.00

PROJECTED CASH FLOW STATEMENT

PARTICULARS	1st year	2nd year	<u>3rd year</u>	<u>4th year</u>	5th year
<u>SOURCES OF FUND</u>					
Own Margin	1.80				
Net Profit	1.42	1.96	2.58	3.29	3.75
Depreciation & Exp. W/off	0.50	0.43	0.36	0.31	0.26
Increase In Term Loan	2.56	-	-	-	-
Increase in Creditors	0.09	0.01	0.01	0.01	0.00
TOTAL :	6.37	2.39	2.95	3.60	4.02
<u>APPLICATION OF FUND</u>					
Increase in Fixed Assets	3.41	-	-	-	-
Increase in Stock	0.55	0.03	0.03	0.03	0.01
Increase in Debtors	0.49	0.06	0.05	0.06	0.03
Repayment of Term Loan	0.30	0.60	0.60	0.60	0.46
Drawings	0.80	1.50	2.20	2.90	3.50
Taxation	-	-	-	-	-
TOTAL :	5.55	2.18	2.87	3.59	4.00
Opening Cash & Bank Balance	-	0.82	1.03	1.11	1.12
Add : Surplus	0.82	0.21	0.07	0.01	0.01
Closing Cash & Bank Balance	0.82	1.03	1.11	1.12	1.13

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