

# UP MSME 1-Connect

## PROJECT REPORT

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PROJECT:

Groundnut Unit

# **PROJECT REPORT**

## **Of**

# **GROUNDNUT OIL**

## **PURPOSE OF THE DOCUMENT**

This particular pre-feasibility is regarding **Groundnut 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.]

# PROJECT REPORT ON GROUNDNUT OIL



Groundnut oil production in India is financially a profitable venture with huge export potential. In addition, you can initiate the groundnut oil processing operation as small and medium scale basis according to the desired output and project cost. Initiating a groundnut oil production business requires feasibility study preparation, procurement and installation of machines in the appropriate accommodation, recruitment of personnel and project commercial take-off. One metric ton of groundnut seed produces an average of 420 LTR of groundnut oil, 420Kg of groundnut cake, and 40Kg of groundnut sludge.

## **Groundnut Oil Production Market Potential**

Groundnuts are a popular source of food throughout the world. Groundnut oil is used for cooking food and as a shortening or as a base for confectioneries and they can be used to make peanut butter. Groundnut oil ranks at the top among edible oils exported from India. It is a premium oil and its cost is also high. Most other edible oils are priced lower than groundnut oil. Groundnut oil is available in the

market in refined and filtered forms. Although filtered oils are nutritionally superior in quality.

The size of the global groundnut oil market is about 188,000 MT, during FY2013. Additionally, India exports about 16,500 MT of groundnut. With liberal export policies and a good domestic crop, exports are expected to exceed 25,000 MT in FY 2015.

## Financial Analysis

### COST OF PROJECT

S.NO.	PARTICULARS	TOTAL COST	MARGIN 25%	LOAN
1	Land & Building		0.00	own
2	Plant and Machinery	5.90	1.48	4.43
3	Furniture & Fixture	0.10	0.03	0.08
4	Contingencies	0.75	0.19	0.56
5	Pre and Post operative and	0.20	0.20	0.00
6	Margin for Working Capital	41.13	10.36	30.77
	Total	<b>48.08</b>	12.25	35.83

### MEANS OF FINANCE

S.NO.	PARTICULARS		AMOUNT
1	Own Contribution		12.25
2	Term Loan		5.06
3	Working capital		30.77
	Total		<b>48.08</b>

DE Ratio                      2.92

### PRODUCTION CAPACITY(Per annum)

S.NO.	PARTICULARS	Production/year	Weight/unit(gms )	Quantity(Tonnes )
1	Groundnut Oil			84.00
	At 100% Capacity			
	Total			84.00

<b>TOTAL CAPITAL INVESTMENT</b>			Rs.
1	Total Fixed Capital		6.95
2	Working Capital for 3 Months		41.13
	Total		48.08

#### FIXED CAPITAL

(i)	Land and building			Amount(In Rs.)
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	3000 sq Ft area			own
	constructed area1500 sq mt			
	(Factory shed, godown, office)			

#### (ii) Machinery and Equipment

S.no.	Description	Qty. nos.	Price/unit	Amount(In Rs.)
1	Pre-cleaner for cleaning the oil seeds			10,000.00
2	Cans and trays for handling oil seeds			15,000.00
3	Batch type solar dryer			35,000
4	Tapering screw types mechanical oil expeller			350,000
5	Filter press			125,000
6	Steel drums for storing edible oil and sedimentation of impurities			15,000
7	Weighing balance			5,000
8	Semiautomatic bottle filling machine			35,000.00
				590000.00
	Total	In Lac		5.90
	Pre and Post-Operative Expenses			0.20
	Furniture and Fixture/ Office Equipment			0.10
	Contingencies			0.75
	<b>Total Fixed Capital</b>			<b>6.95</b>

	<b>TOTAL WORKING CAPITAL 1.5 MONTHS</b>				Rs.
1	Salary and Wages				197,400.00
2	Raw Material				15,700,000.00
3	Utilities				80,797.20
4	Other selling and administrative Expenses				474,800.00
	Total				164.53
	Working Capital for 1.5 months		Rs in Lakhs		41.13

**B. WORKING CAPITAL**

**(i) Staff and Labour**

S.No.	Designation	No.	Salary(Rs.)		Total(In. Rs.)
1	Skilled Workers	2	6,000.00		12,000.00
2	Semi-skilled Workers	2	4,500.00		9,000.00
3	Helpers	1	2,500.00		2,500.00
		5			23,500.00
					282,000.00
	<b>Total Annual Salary</b>	<b>For 210 days</b>	<b>70%</b>		<b>197,400.00</b>

(ii) Raw Materials

No of Days 210  
Installed capacity 240 tonnes  
Cap Utilisation 100%

S.No.	Particulrs	Rate(Rs)	Quantity(Tonne)		Total(In. Rs.)
1	Groundnut seeds	65,000.00	240.00		15,600,000.00
2	Packing materials like tins, jars or plastic pouches				100,000.00
	<b>Total</b>				<b>15,700,000.00</b>

(iii) Utilities

CALCULATION OF POWER EXPENSE			
Total Power Load Required		7.5	HP
No of Days		210	
No of Hours		8	
Total Power Expense		9399.6	KWH
(i) Power Supply from UPPCL	100%	9400	
COST OF POWER			
(I) Cost of power from UPPCL		65,797.20	
( @ 7/- per Unit)			
Add : Fixed Cost		15,000.00	
Add : Lubricants		-	
<b>Total Annual Power Expense</b>		<b>80,797.20</b>	

(iv) Other Expenses

S.No.	Particulars		Amount(In.Rs)
1	Rent		0.00
2	Repair and Maintenance		15000.00
3	Postage and Stationery		5000.00
4	Telephone Charges		5000.00
5	Transporatation and Freight		20000.00
6	Insurance		10000.00
7	Sales Expenses	2% of Sales	194800.00
8	Other Maufacturing Expenses		25000.00
9	Miscellaneous Expenses		200000.00
	Total		474800.00



**(i) Cost of Production**

S.No.	Particulars		In. Rs.
1	Total Recurring Expenditure		164.53
2	Depreciation on Plant and Machinery @ 15%		0.89
3	Depreciation of Furniture/Fixture & Office Equipment @ 10 %		0.01
4	Finance Cost		4.30
	<b>TOTAL COST OF PRODUCTION</b>	(in Lacs)	169.72

**(ii) Turnover (per annum)**

S.No.	Particulars	Qty(Nos.)MT	Rate (in Rs)	In. Rs.
1	Groundnut Oil	204	90,000.00	18,360,000.00
	groundnut seeds will yield 85% of Oil			
	De oiled Cake	80	14,000.00	1,120,000.00
	TOTAL TURNOVER			19,480,000.00
		(In Lacs)		194.80

<b>(ii)</b>	<b>Profit [ii-i]</b>	(In Lacs)		<b>25.08</b>
	<b>At 100% capacity utilization</b>			
	<b>Percentage profit on sales</b>			<b>12.87%</b>

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