

# UP MSME 1-Connect

## PROJECT REPORT

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PROJECT:

Cold pressed Coconut Oil

# **PROJECT REPORT**

## **Of**

# **COLD PRESSED COCONUT OIL**

## **PURPOSE OF THE DOCUMENT**

This particular pre-feasibility is regarding **Cold pressed Coconut Oil**.

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 AT A GLANCE

- 1 Name of the Entrepreneur : xxxxxxxxx
- 2 Constitution (legal Status) : xxxxxxxxx
- 3 Father / Spouse Name : xxxxxxxxxxxx
- 4 Unit Address : xxxxxxxxxxxxxxxxxxxxxx
- District : xxxxxx
- Pin: xxxxxx State: xxxxxxxxx
- Mobile xxxxxx
- 5 Product and By Product : **COLDPRESS COCONUT OIL**
- 6 Name of the project / business activity proposed : **COLDPRESS COCONUT OIL MANUFACTURING UNIT**
- 7 Cost of Project : Rs.12.39 Lakhs
- 8 Means of Finance
- Term Loan Rs.7.16 Lakhs
- Own Capital Rs.1.24 Lakhs
- Working Capital Rs.4 Lakhs
- 9 Debt Service Coverage Ratio : 2.42
- 10 Pay Back Period : 5 Years
- 11 Project Implementation Period : 5-6 Months
- 12 Break Even Point : 44%
- 13 Employment : 13 Persons
- 14 Power Requirement : 15 HP
- 15 Major Raw materials : Copra
- Estimated Annual Sales Turnover (Max Utilized
- 16 Capacity) : 74.69 Lakhs
- 17 Detailed Cost of Project & Means of Finance

### COST OF PROJECT

(Rs. In Lakhs)

Particulars	Amount
Land	Own/Rented
Building /Shed 1500 Sq ft	Own/Rented
Plant & Machinery	6.80
Furniture & Fixtures	1.15
Working Capital	4.44
Total	<b>12.39</b>

### MEANS OF FINANCE

Particulars	Amount
Own Contribution	1.24
Term Loan	7.16
Working Capital	4.00
Total	<b>12.39</b>

## **COLD WOOD PRESSED COCONUT OIL PLANT**



### **Introduction**

Coconut oil, or copra oil, is an edible oil extracted from the kernel or meat of mature coconuts harvested from the coconut palm.

Coconut oil, also known as coconut butter, is a tropical oil with many applications. It is extracted from copra (derived from Malayalam word "kopra" which means dried coconut). Coconut oil contains mostly saturated fat, along with some unsaturated fat. Cold-pressed coconut oil is best for medium-heat cooking and excellent for baking and recipes where you want to impart a delicate coconut flavor.

### **Benefits of Cold pressed coconut Oil**

- Extracted from 100% top quality coconut copras, 100% cold pressed, unrefined, fresh & natural
- Can be used for cooking for diet purpose
- Great supplement for baby care, hair & skin care
- Promotes healthy metabolism & improves immunity
- Hair: Reduce Protein Loss & Nourishes.
- Head: Eliminates Mental Fatigue.
- Skin: Prevents Wrinkles, Sagging, Dryness & Flaking.
- Strengthens Immune System & Improves Bone Strength & Dental Health.
- Diabetes: Intake Controls Blood Sugar Levels & Improves Insulin Secretion.
- Prevents hair fall, controls dandruff and strengthens hair

## **Product & its application**

Coconut oil contains a certain kind of fat known as "medium chain triglycerides." Some of these fats work differently than other types of saturated fat in the body. When applied to the skin, coconut oil has a moisturizing effect.

## **Uses of Copra Cake (By-product)**

The terms "copra cake" and "copra meal" sometimes refer respectively to the mechanically extracted and the solvent extracted product. However, the names are often interchangeable in practice and in this datasheet copra meal will be used as a generic term to designate the oil by-product.

## **Raw Material**

Dry Coconut Known as copra is used as basic raw material for Cold Pressed Coconut Oil plant.

Copra is valued for the coconut oil extracted from it and for the resulting residue, coconut-oil cake, which is used mostly for livestock feed.

## **Cold Pressed Coconut Oil Market Analysis**

The global cold-pressed oil market size was valued at \$24.62 billion in 2018, and is expected to grow at a CAGR of 5.3% to reach \$36.40 billion by 2026.

Globally 5.5 million tons of coconuts are produced annually. It has a very wide export potential market as well.

Many manufacturers have begun to use coconut oil in packaged products, and many people use it for cooking. Many products, such as fried foods, sweets, shampoos, coffee, smoothies etc. contain coconut oil.

Therefore the demand for coconut oil is more, so it is profitable to start the coconut oil manufacturing business.

## **Description of Machinery & Equipment**

Following machineries are required for manufacturing of Cold Pressed Coconut Oil:

- Wood press Ghani Machine
- 5 HP Motor
- Filter Machine
- Other equipment's: Storage tank

## **Processing**

Coconut oil products claim to be "cold pressed" coconut oil. This generally means that a mechanical method of pressing out the oil is used, but without the use of any outside heat source. The high pressure needed to press out the oil generates some heat naturally, but the temperature is controlled so that temperatures do not exceed 120 degrees Fahrenheit.

## **Manufacturing Process**

- Take the raw material (Copra) & put it into the Ghani machine hopper.
- After that start the machine & process of crushing the copra will start. It requires manual manpower to operate the machine as well as for the crushing process.
- It takes time to manually crush the material through cold press and the generation of oil from it.
- Next step is to collect the oil from the machine kept it open for some time to cool & after that put it into the filter machine for the filtering process.
- After filtering of oil, product is ready for packaging.

One round of Coconut oil production takes 45 minutes for completion of production process.

Maximum 10 completed Rounds of coconut oil production can be done in a shift of 8 hours a day.

Normally Mustard oil is generated at 40-45% of raw material.

**PROJECTED BALANCE SHEET**

PARTICULARS	I	II	III	IV	V
<b><u>SOURCES OF FUND</u></b>					
<b><u>Capital Account</u></b>					
Opening Balance	-	1.46	2.70	4.70	6.73
Add: Additions	1.24	-	-	-	-
Add: Net Profit	0.72	2.23	3.50	4.53	5.30
Less: Drawings	0.50	1.00	1.50	2.50	4.00
<b>Closing Balance</b>	<b>1.46</b>	<b>2.70</b>	<b>4.70</b>	<b>6.73</b>	<b>8.03</b>
CC Limit	4.00	4.00	4.00	4.00	4.00
Term Loan	6.36	4.77	3.18	1.59	-
Sundry Creditors	0.28	0.33	0.38	0.44	0.50
<b>TOTAL :</b>	<b><u>12.10</u></b>	<b><u>11.79</u></b>	<b><u>12.26</u></b>	<b><u>12.75</u></b>	<b><u>12.53</u></b>
<b><u>APPLICATION OF FUND</u></b>					
<b>Fixed Assets ( Gross)</b>	7.95	7.95	7.95	7.95	7.95
Gross Dep.	1.14	2.11	2.94	3.65	4.25
Net Fixed Assets	6.82	5.84	5.01	4.30	3.70
<b>Current Assets</b>					
Sundry Debtors	3.25	3.83	4.34	4.88	5.45
Stock in Hand	1.81	2.04	2.32	2.63	2.96
Cash and Bank	0.23	0.08	0.58	0.94	0.42
<b>TOTAL :</b>	<b><u>12.10</u></b>	<b><u>11.79</u></b>	<b><u>12.26</u></b>	<b><u>12.75</u></b>	<b><u>12.53</u></b>
	-	-	-	-	-

**PROJECTED PROFITABILITY STATEMENT**

PARTICULARS	I	II	III	IV	V
<b><u>A) SALES</u></b>					
Gross Sale	43.85	52.03	59.22	66.77	74.69
Sale of By Product	4.86	5.40	5.94	6.48	7.02
<b>Total (A)</b>	<b><u>48.71</u></b>	<b><u>57.43</u></b>	<b><u>65.16</u></b>	<b><u>73.25</u></b>	<b><u>81.71</u></b>
<b><u>B) COST OF SALES</u></b>					
Raw Mateiral Consumed	17.01	19.85	22.93	26.27	29.88
Electricity Expenses	1.31	1.46	1.60	1.75	1.89
Repair & Maintenance	0.22	0.26	0.30	0.33	0.37
Labour & Wages	10.76	11.83	13.02	14.32	15.75
Depreciation	1.14	0.97	0.83	0.71	0.61
<b>Cost of Production</b>	<b><u>30.43</u></b>	<b><u>34.37</u></b>	<b><u>38.67</u></b>	<b><u>43.38</u></b>	<b><u>48.51</u></b>
<b>Add: Opening Stock /WIP</b>	-	1.01	1.11	1.25	1.40
<b>Less: Closing Stock /WIP</b>	1.01	1.11	1.25	1.40	1.57
Cost of Sales (B)	29.42	34.28	38.53	43.22	48.34
<b>C) GROSS PROFIT (A-B)</b>	19.29	23.15	26.63	30.03	33.37
	<b>39.60%</b>	<b>40.31%</b>	<b>40.86%</b>	<b>40.99%</b>	<b>40.84%</b>
D) Bank Interest (Term Loan )	0.78	0.63	0.46	0.28	0.11
ii) Interest On Working Capital	0.44	0.44	0.44	0.44	0.44
E) Salary to Staff	8.58	9.44	10.38	11.42	12.56
F) Selling & Adm Expenses Exp.	8.77	10.41	11.84	13.35	14.94
<b>TOTAL (D+E)</b>	<b><u>18.57</u></b>	<b><u>20.92</u></b>	<b><u>23.12</u></b>	<b><u>25.50</u></b>	<b><u>28.05</u></b>
H) NET PROFIT	0.72	2.23	3.50	4.53	5.32
	<b>1.5%</b>	<b>3.9%</b>	<b>5.4%</b>	<b>6.2%</b>	<b>6.5%</b>
I) Taxation	-	-	-	-	0.02
J) PROFIT (After Tax)	0.72	2.23	3.50	4.53	5.30



**PROJECTED CASH FLOW STATEMENT****PARTICULARS****I****II****III****IV****V****SOURCES OF FUND**

Own Contribution	1.24	-			
Net Profit	0.72	2.23	3.50	4.53	5.32
Depreciation & Exp. W/off	1.14	0.97	0.83	0.71	0.61
Increase In Cash Credit	4.00				
Increase In Term Loan	7.16	-	-	-	-
Increase in Creditors	0.28	0.05	0.05	0.06	0.06
<b>TOTAL :</b>	<b>14.53</b>	<b>3.25</b>	<b>4.38</b>	<b>5.30</b>	<b>5.99</b>

**APPLICATION OF FUND**

Increase in Fixed Assets	7.95	-	-	-	-
Increase in Stock	1.81	0.23	0.28	0.31	0.33
Increase in Debtors	3.25	0.58	0.52	0.54	0.56
Repayment of Term Loan	0.80	1.59	1.59	1.59	1.59
Taxation	-	-	-	-	0.02
Drawings	0.50	1.00	1.50	2.50	4.00
<b>TOTAL :</b>	<b>14.30</b>	<b>3.40</b>	<b>3.89</b>	<b>4.94</b>	<b>6.50</b>

Opening Cash & Bank Balance	-	0.23	0.08	0.58	0.94
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Add : Surplus	0.23	- 0.15	0.49	0.36	- 0.52
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Closing Cash & Bank Balance	<b>0.23</b>	<b>0.08</b>	<b>0.58</b>	<b>0.94</b>	<b>0.42</b>
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**COMPUTATION OF COLDPRESS COCONUT OIL MANUFACTURING UNIT****Items to be Manufactured COLDPRESS COCONUT OIL**

Manufacturing Capacity per Day		300.00	kg	
No. of Working Hour		8		
No of Working Days per month		25		
No. of Working Day per annum		300		
Total Production per Annum		90,000	kg	
Year		Capacity	COLDPRESS COCONUT OIL	COPRA CAKE
		Utilisation		
I		45%	16,200	24,300
II		50%	18,000	27,000
III		55%	19,800	29,700
IV		60%	21,600	32,400
V		65%	23,400	35,100

**COMPUTATION OF RAW MATERIAL**

Item Name		Quantity of Raw Material	Unit	Unit Rate of	Total CostPer Annum (100%)
Raw Material Consumed		94,500	kg	100	9,450,000
Total		<b>94,500.00</b>			<b>9,450,000.00</b>

Total Raw material in Rs lacs at 100% Capacity 94.50  
Cost per Liter (In Rs) 105.00

Raw Material Consumed	Capacity Utilisation	Rate	Amount (Rs.)
I	45%	105.00	17.01
II	50%	110.30	19.85
III	55%	115.80	22.93
IV	60%	121.60	26.27
V	65%	127.70	29.88

**COMPUTATION OF SALE**

Particulars	I	II	III	IV	V
Op Stock	-	540.00	600.00	660.00	720.00
Production	16,200.00	18,000.00	19,800.00	21,600.00	23,400.00
	16,200.00	18,540.00	20,400.00	22,260.00	24,120.00
Less : Closing Stock(10 Days)	540.00	600.00	660.00	720.00	780.00
Net Sale	15,660.00	17,940.00	19,740.00	21,540.00	23,340.00
Sale Price per Litre	280.00	290.00	300.00	310.00	320.00
<b>Sale (in Lacs)</b>	<b>43.85</b>	<b>52.03</b>	<b>59.22</b>	<b>66.77</b>	<b>74.69</b>

**COMPUTATION OF CLOSING STOCK & WORKING CAPITAL**

PARTICULARS	I	II	III	IV	V
<b><u>Finished Goods</u></b>					
(10 Days requirement)	1.01	1.11	1.25	1.40	1.57
<b><u>Raw Material</u></b>					
(14 Days requirement)	0.79	0.93	1.07	1.23	1.39
<b>Closing Stock</b>	<b>1.81</b>	<b>2.04</b>	<b>2.32</b>	<b>2.63</b>	<b>2.96</b>

**COMPUTATION OF WORKING CAPITAL REQUIREMENT**

Particulars	Amount	Margin(10%)	Net Amount
Stock in Hand	1.81		
Less:			
Sundry Creditors	0.28		
<b>Paid Stock</b>	<b>1.52</b>	<b>0.15</b>	<b>1.37</b>
Sundry Debtors	3.25	0.32	2.92
<b>Working Capital Requirement</b>			<b>4.29</b>
<b>Margin</b>			0.48
<b>MPBF</b>			<b>4.29</b>
<b>Working Capital Demand</b>			<b>4.00</b>

**BREAK UP OF LABOUR**

Particulars		Wages	No of	Total
		Per Month	Employees	Salary
Supervisor		20,000.00	1	20,000.00
Plant Operator		15,000.00	1	15,000.00
Unskilled Worker		8,500.00	4	34,000.00
Helper		5,000.00	1	5,000.00
Security Guard		7,500.00	1	7,500.00
				81,500.00
Add: 10% Fringe Benefit				8,150.00
Total Labour Cost Per Month				89,650.00
Total Labour Cost for the year ( In Rs. Lakhs)			8	10.76

**BREAK UP OF SALARY**

Particulars		Salary	No of	Total
		Per Month	Employees	Salary
Accountant cum store keeper		15,000.00	1	15,000.00
Administrative Staffs		12,500.00	4	50,000.00
Total Salary Per Month				65,000.00
Add: 10% Fringe Benefit				6,500.00
Total Salary for the month				71,500.00

Total Salary for the year ( In Rs. Lakhs)

5 8.58

**COMPUTATION OF DEPRECIATION**

Description	Land	Building/shed	Plant & Machinery	Furniture	TOTAL
Rate of Depreciation			15.00%	10.00%	
<b>Opening Balance</b>	Own/Rented		-	-	-
Addition	-		6.80	1.15	7.95
	-		6.80	1.15	7.95
TOTAL		-	6.80	1.15	7.95
Less : Depreciation	-	-	1.02	0.12	1.14
WDV at end of Ist year	-	-	5.78	1.04	6.82
Additions During The Year	-	-	-	-	-
	-	-	5.78	1.04	6.82
Less : Depreciation	-	-	0.87	0.10	0.97
WDV at end of IIInd Year	-	-	4.91	0.93	5.84
Additions During The Year	-	-	-	-	-
	-	-	4.91	0.93	5.84
Less : Depreciation	-	-	0.74	0.09	0.83
WDV at end of IIIrd year	-	-	4.18	0.84	5.01
Additions During The Year	-	-	-	-	-
	-	-	4.18	0.84	5.01
Less : Depreciation	-	-	0.63	0.08	0.71
WDV at end of IV year	-	-	3.55	0.75	4.30
Additions During The Year	-	-	-	-	-
	-	-	3.55	0.75	4.30
Less : Depreciation	-	-	0.53	0.08	0.61
WDV at end of Vth year	-	-	3.02	0.68	3.70

**REPAYMENT SCHEDULE OF TERM LOAN**

11.0%

Year	Particulars	Amount	Addition	Total	Interest	Repayment	CI Balance
<b>I</b>	Opening Balance						
	Ist Quarter	-	7.16	7.16	0.20	-	7.16
	IInd Quarter	7.16	-	7.16	0.20	-	7.16
	IIIrd Quarter	7.16	-	7.16	0.20	0.40	6.76
	Ivth Quarter	6.76	-	6.76	0.19	0.40	6.36
					0.78	0.80	
<b>II</b>	Opening Balance						
	Ist Quarter	6.36	-	6.36	0.17	0.40	5.96
	IInd Quarter	5.96	-	5.96	0.16	0.40	5.57
	IIIrd Quarter	5.57	-	5.57	0.15	0.40	5.17
	Ivth Quarter	5.17		5.17	0.14	0.40	4.77
					0.63	1.59	
<b>III</b>	Opening Balance						
	Ist Quarter	4.77	-	4.77	0.13	0.40	4.37
	IInd Quarter	4.37	-	4.37	0.12	0.40	3.98
	IIIrd Quarter	3.98	-	3.98	0.11	0.40	3.58
	Ivth Quarter	3.58		3.58	0.10	0.40	3.18
					0.46	1.59	
<b>IV</b>	Opening Balance						
	Ist Quarter	3.18	-	3.18	0.09	0.40	2.78
	IInd Quarter	2.78	-	2.78	0.08	0.40	2.39
	IIIrd Quarter	2.39	-	2.39	0.07	0.40	1.99
	Ivth Quarter	1.99		1.99	0.05	0.40	1.59
					0.28	1.59	
<b>V</b>	Opening Balance						
	Ist Quarter	1.59	-	1.59	0.04	0.40	1.19
	IInd Quarter	1.19	-	1.19	0.03	0.40	0.80
	IIIrd Quarter	0.80	-	0.80	0.02	0.40	0.40
	Ivth Quarter	0.40		0.40	0.01	0.40	-
					0.11	1.59	

Door to Door Period      60   Months  
Moratorium Period        6   Months  
Repayment Period        54   Months

**CALCULATION OF D.S.C.R**

<b>PARTICULARS</b>	<b>I</b>	<b>II</b>	<b>III</b>	<b>IV</b>	<b>V</b>
<b><u>CASH ACCRUALS</u></b>	1.86	3.20	4.33	5.24	5.91
Interest on Term Loan	0.78	0.63	0.46	0.28	0.11
Total	2.64	3.84	4.79	5.53	6.02
<b><u>REPAYMENT</u></b>					
Repayment of Term Loan	0.80	1.59	1.59	1.59	1.59
Interest on Term Loan	0.78	0.63	0.46	0.28	0.11
Total	1.57	2.22	2.05	1.87	1.70
<b>DEBT SERVICE COVERAGE RAT</b>	<b>1.68</b>	<b>1.73</b>	<b>2.34</b>	<b>2.95</b>	<b>3.54</b>
<b>AVERAGE D.S.C.R.</b>			<b>2.42</b>		



**COMPUTATION OF ELECTRICITY****(A) POWER CONNECTION**

Total Working Hour per day	Hours	8	
Electric Load Required	HP	15	
Load Factor		0.7460	
Electricity Charges	per unit	7.50	
Total Working Days		300	
<b>Electricity Charges</b>			2.01
Add : Minimim Charges (@ 10%)			
<b>(B) DG set</b>			
No. of Working Days		300	days
No of Working Hours		0.5	Hour per day
Total no of Hour		150	
Diesel Consumption per Hour		8	
Total Consumption of Diesel		1,200	
Cost of Diesel		65.00	Rs. /Ltr
Total cost of Diesel		0.78	
Add : Lube Cost @15%		0.12	
Total		<b>0.90</b>	
Total cost of Power & Fuel at 100%			2.91
<b>Year</b>	<b>Capacity</b>	<b>Amount</b>	
		<b>(in Lacs)</b>	
I	45%		1.31
II	50%		1.46
III	55%		1.60
IV	60%		1.75
V	65%		1.89

### **DISCLAIMER**

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