



MODEL PROJECT REPORT



PROJECT REPORT ON APRICOT OIL

SWAVALAMBI BHARAT ABHIYAN

PROJECT AT A GLANCE

- 1 Name of the Entrepreneur : xxxxxxxxxx
- 2 Constitution (legal Status) : xxxxxxxxxx
- 3 Father / Spouse Name : xxxxxxxxxxxxxx
- 4 Unit Address : xxxxxxxxxxxxxxxxxxxxxxxx
 District : xxxxxxxx
 Pin: xxxxxxxx State: xxxxx
 Mobile xxxxxxxx
- 5 Product and By Product : **APRICOT OIL**
- 6 Name of the project / business activity proposed : **APRICOT OIL PROCESSING UNIT**
- 7 Cost of Project : Rs.10.79 Lakhs
- 8 Means of Finance
 Term Loan Rs.5.85 Lakhs
 Own Capital Rs.1.08 Lakhs
 Working Capital Rs.3.86 Lakhs
- 9 Debt Service Coverage Ratio : 3.28
- 10 Pay Back Period : 5 Years
- 11 Project Implementation Period : 5-6 Months
- 12 Break Even Point : 29%
- 13 Employment : 10 Persons
- 14 Power Requirement : 8.00 HP
- 15 Major Raw materials : Dry Apricot Seeds and Packing Material
- 16 Estimated Annual Sales Turnover (Max Capacity) : 90.78 Lakhs
- 17 Detailed Cost of Project & Means of Finance

COST OF PROJECT

(Rs. In Lakhs)

Particulars	Amount
Land	Own/Rented
Plant & Machinery	5.00
Furniture & Fixtures	1.50
Working Capital	4.29
Total	10.79

MEANS OF FINANCE

Particulars	Amount
Own Contribution	1.08
Working Capital(Finance)	3.86
Term Loan	5.85
Total	10.79

APRICOT OIL PROCESSING UNIT

Introduction:

Apricot oil or apricot kernel oil is pressed from the kernels of the *Prunus armeniaca* (apricot). Apricot kernels have an oil content of 40-50%. Apricot oil which is thin, odourless oil pressed from the seed or kernel of the apricot. The oil is quite light and has a nutty, aromatic flavour, making it a popular addition to many culinary efforts in certain parts of the world. It is one oil that many people do not even know about its existence.

There are two different varieties of apricot kernel oil one which is used for cosmetic purposes and the other for culinary consumption. This oil has high levels of vitamin E, vitamin K, and a number of powerful antioxidants, such as caffeic acid and various catechins, all of which adds to the health benefit of this oil. It is commonly used in the world of massage. It is versatile and possesses multiple benefits, depending upon how you choose to use it.



Uses & Market Potential:

Apricot Oil uses

- Apricot oil helps to improve skin tone, maintain softness and radiance of the skin. It also nourishes the skin and lowers the appearance of face wrinkles, fine lines and blemishes (that's the Vitamin C and E working in partnership).
- Apricot oil has wonderful anti-aging properties. It provides nutrition and support to your skin so that the signs of aging are reduced.
- Apricot oil also helps in treating a dry and flaky scalp.
- Apricot stones/seeds otherwise thrown as a waste were utilized for extraction of oil for both edible and pharmaceutical purposes.

The global apricot oil market is projected to grow at a CAGR of 4.8% during the forecast period (2020 - 2025). The market is driven by robust demand for organic health-based products, with increased consumption among health-conscious consumers of high-quality essential oils, which is entailed in various application areas. Apricot oil market growth is driven by increasing demand for cosmetic, pharmaceutical, aromatherapy, and food industry. Macroeconomic factors such as increasing per capita income, changing lifestyle, growing economy, and rapid rate of urbanization are factors expected to fuel the growth of Indian apricot oil market.

Product:

Apricot Oil

Raw Material:

1. Dry Apricot Seeds
2. Packing Material

Manufacturing Process:

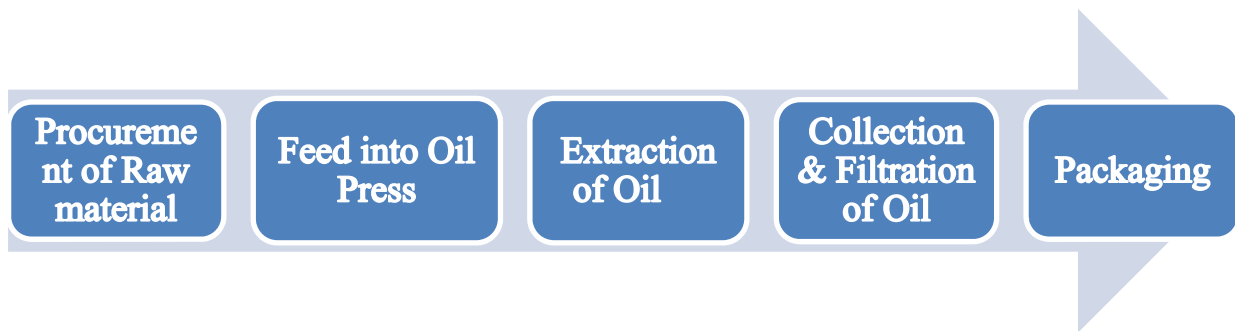


Fig. 1 – Process Flowchart

Area:

The industrial setup requires space for Inventory, workshop or manufacturing area, space for power supply utilities and polishing area. Also, some of the area of building is required for office staff facilities, office furniture, etc. Thus, the approximate total area required for complete industrial setup is 1000-1200Sqft.

Cost of Machines:

S No.	Machine	Unit	Price (INR)
1.	Oil Press Machine	1	450000
2.	Filter Machine	1	50000
	Total		5,00,000/-

Power Requirement- The estimated Power requirement is taken at 8 HP

Manpower Requirement— Following manpower is required:

- Machine operator-2
- Skilled/unskilled worker-3
- Helper-3
- Manager cum Accountant-1
- Sales Personnel-1

FINANCIALS

PROJECTED BALANCE SHEET

PARTICULARS	I	II	III	IV	V
<u>SOURCES OF FUND</u>					
<u>Capital Account</u>					
Opening Balance	-	1.66	2.71	4.27	6.22
Add: Additions	1.08	-	-	-	-
Add: Net Profit	2.08	3.05	4.06	4.95	5.85
Less: Drawings	1.50	2.00	2.50	3.00	4.00
Closing Balance	1.66	2.71	4.27	6.22	8.07
CC Limit	3.86	3.86	3.86	3.86	3.86
Term Loan	5.20	3.90	2.60	1.30	-
Sundry Creditors	1.35	1.61	1.87	2.15	2.43
TOTAL :	12.07	12.08	12.60	13.53	14.36
<u>APPLICATION OF FUND</u>					
Fixed Assets (Gross)	6.50	6.50	6.50	6.50	6.50
Gross Dep.	0.90	1.67	2.34	2.91	3.40
Net Fixed Assets	5.60	4.83	4.16	3.59	3.10
Current Assets					
Sundry Debtors	2.31	2.90	3.42	3.96	4.54
Stock in Hand	3.33	3.97	4.63	5.31	6.04
Cash and Bank	0.83	0.38	0.39	0.66	0.67
TOTAL :	12.07	12.08	12.60	13.53	14.36
	-	-	-	-	-

PROJECTED PROFITABILITY STATEMENT

PARTICULARS	I	II	III	IV	V
<u>A) SALES</u>					
Gross Sale	46.17	58.02	68.33	79.24	90.78
Total (A)	46.17	58.02	68.33	79.24	90.78
<u>B) COST OF SALES</u>					
Raw Material Consumed	27.00	32.13	37.44	42.93	48.60
Electricity Expenses	0.54	0.63	0.72	0.81	0.90
Repair & Maintenance	1.15	1.45	1.71	1.98	2.27
Labour & Wages	9.95	12.24	14.69	17.04	19.94
Depreciation	0.90	0.77	0.66	0.57	0.49
Cost of Production	39.55	47.22	55.22	63.33	72.19
Add: Opening Stock /WIP	-	1.98	2.36	2.76	3.17
Less: Closing Stock /WIP	1.98	2.36	2.76	3.17	3.61
Cost of Sales (B)	37.57	46.84	54.82	62.92	71.75
C) GROSS PROFIT (A-B)	8.60	11.18	13.51	16.32	19.03
	18.63%	19.26%	19.77%	20.59%	20.96%
D) Bank Interest i) (Term Loan)	0.63	0.52	0.38	0.23	0.09
ii) Interest On Working Capital	0.42	0.42	0.42	0.42	0.42
E) Salary to Staff	4.54	5.44	6.26	7.39	8.20
F) Selling & Adm Expenses Exp.	0.92	1.74	2.39	3.17	4.09
G) TOTAL (D+E+F)	6.52	8.13	9.45	11.21	12.80
H) NET PROFIT	2.08	3.05	4.06	5.10	6.23
	4.5%	5.3%	5.9%	6.4%	6.9%
I) Taxation	-	-	-	0.15	0.39
J) PROFIT (After Tax)	2.08	3.05	4.06	4.95	5.85

PROJECTED CASH FLOW STATEMENT

PARTICULARS	I	II	III	IV	V
<u>SOURCES OF FUND</u>					
Own Contribution	1.08	-	-	-	-
Reserve & Surplus	2.08	3.05	4.06	5.10	6.23
Depreciation & Exp. W/off	0.90	0.77	0.66	0.57	0.49
Increase In Cash Credit	3.86	-	-	-	-
Increase In Term Loan	5.85	-	-	-	-
Increase in Creditors	1.35	0.26	0.27	0.27	0.28
TOTAL :	15.12	4.08	4.99	5.95	7.01
<u>APPLICATION OF FUND</u>					
Increase in Fixed Assets	6.50	-	-	-	-
Increase in Stock	3.33	0.64	0.67	0.68	0.73
Increase in Debtors	2.31	0.59	0.52	0.55	0.58
Repayment of Term Loan	0.65	1.30	1.30	1.30	1.30
Taxation	-	-	-	0.15	0.39
Drawings	1.50	2.00	2.50	3.00	4.00
TOTAL :	14.29	4.53	4.98	5.68	6.99
Opening Cash & Bank Balance	-	0.83	0.38	0.39	0.66
Add : Surplus	0.83	0.45	0.01	0.27	0.02
Closing Cash & Bank Balance	0.83	0.38	0.39	0.66	0.67

COMPUTATION OF CLOSING STOCK & WORKING CAPITAL

PARTICULARS	I	II	III	IV	V
<u>Finished Goods</u>					
(15 Days requirement)	1.98	2.36	2.76	3.17	3.61
<u>Raw Material</u>					
(15 Days requirement)	1.35	1.61	1.87	2.15	2.43
Closing Stock	3.33	3.97	4.63	5.31	6.04

COMPUTATION OF WORKING CAPITAL REQUIREMENT

Particulars	Amount	Margin(10%)	Net
			Amount
Stock in Hand	3.33		
Less:			
Sundry Creditors	1.35		
Paid Stock	1.98	0.20	1.78
Sundry Debtors	2.31	0.23	2.08
Working Capital Requirement			3.86
Margin			0.43
MPBF			3.86
Working Capital Demand			3.86

REPAYMENT SCHEDULE OF TERM LOAN						11.0%	
Year	Particulars	Amount	Addition	Total	Interest	Repayment	CI Balance
I	Opening Balance						
	Ist Quarter	-	5.85	5.85	0.16	-	5.85
	Iind Quarter	5.85	-	5.85	0.16	-	5.85
	IIIrd Quarter	5.85	-	5.85	0.16	0.33	5.53
	Ivth Quarter	5.53	-	5.53	0.15	0.33	5.20
					0.63	0.65	
II	Opening Balance						
	Ist Quarter	5.20	-	5.20	0.14	0.33	4.88
	Iind Quarter	4.88	-	4.88	0.13	0.33	4.55
	IIIrd Quarter	4.55	-	4.55	0.13	0.33	4.23
	Ivth Quarter	4.23		4.23	0.12	0.33	3.90
					0.52	1.30	
III	Opening Balance						
	Ist Quarter	3.90	-	3.90	0.11	0.33	3.58
	Iind Quarter	3.58	-	3.58	0.10	0.33	3.25
	IIIrd Quarter	3.25	-	3.25	0.09	0.33	2.93
	Ivth Quarter	2.93		2.93	0.08	0.33	2.60
					0.38	1.30	
IV	Opening Balance						
	Ist Quarter	2.60	-	2.60	0.07	0.33	2.28
	Iind Quarter	2.28	-	2.28	0.06	0.33	1.95
	IIIrd Quarter	1.95	-	1.95	0.05	0.33	1.63
	Ivth Quarter	1.63		1.63	0.04	0.33	1.30
					0.23	1.30	
V	Opening Balance						
	Ist Quarter	1.30	-	1.30	0.04	0.33	0.97
	Iind Quarter	0.97	-	0.97	0.03	0.33	0.65
	IIIrd Quarter	0.65	-	0.65	0.02	0.33	0.32
	Ivth Quarter	0.32		0.32	0.01	0.33	- 0.00
					0.09	1.30	
<div> <div>Door to Door Period</div> <div>60 Months</div> </div> <div> <div>Moratorium Period</div> <div>6 Months</div> </div> <div> <div>Repayment Period</div> <div>54 Months</div> </div>							

CALCULATION OF D.S.C.R

PARTICULARS	I	II	III	IV	V
<u>CASH ACCRUALS</u>	2.98	3.82	4.72	5.52	6.34
Interest on Term Loan	0.63	0.52	0.38	0.23	0.09
Total	3.62	4.34	5.10	5.75	6.43
<u>REPAYMENT</u>					
Repayment of Term Loan	0.65	1.30	1.30	1.30	1.30
Interest on Term Loan	0.63	0.52	0.38	0.23	0.09
Total	1.28	1.82	1.68	1.53	1.39
DEBT SERVICE COVERAGE RATIO	2.82	2.39	3.04	3.76	4.62
AVERAGE D.S.C.R.			3.28		

Assumptions:

1. Production Capacity of Apricot Oil unit is taken at 75 Ltr per day. First year, Capacity has been taken @ 30%.
2. Working shift of 10 hours per day has been considered.
3. Raw Material stock and Finished goods closing stock has been taken for 15 days.
4. Credit period to Sundry Debtors has been given for 15 days.
5. Credit period by the Sundry Creditors has been provided for 15 days.
6. Depreciation and Income tax has been taken as per the Income tax Act,1961.
7. Interest on working Capital Loan and Term loan has been taken at 11%.
8. Salary and wages rates are taken as per the Current Market Scenario.
9. Power Consumption has been taken at 8 HP.
10. Selling Prices & Raw material costing has been increased by 3% & 2% respectively in the subsequent years.