

# Project Profile on Petroleum Jelly

1. Product : Petroleum Jelly
2. Quality Control & Standards : As per IP, BP, USP specifications
3. Production Capacity : 150 M.T. per Annum
4. Month & Year of Preparation : January, 2011



Prepared By  
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## 1. INTRODUCTION :

Petroleum Jelly is also known as Mineral Jelly or Petrolatum. It is mostly used in emulsion form in cosmetics & pharmaceutical for the preparations of various creams, ointments, lotions etc. Commercial Petroleum Jelly is used in the manufacturing of lubricants & Grease. Petroleum Jelly of good quality is used in Vaseline manufacturing. It is also used as a moisturizer in good quality toilet soaps. It also finds its use as a anti rusting agent for iron goods like blade, wire surgical instruments etc. It is available in the market in various forms. It may be white, yellow, green or may be of some colour depending upon ingredients used. This project is prepared for white petroleum jelly, which can be used in cosmetics and pharmaceuticals. Hence strict quality control is required for the manufacturing of this item.

## 2. MARKET POTENTIAL:

Various Cosmetics and pharmaceuticals are used by the large number of people in general for wounds, cuts, burns, skin diseases. In today's business word, more and cosmetics industries are coming up and there by increasing the demand for the raw materials like petroleum jelly. Hence it can be assumed that the petroleum jelly is having very good market potential in view of development of cosmetic & pharmaceutical industry in India.

## 3. BASIS & PRESUMPTIONS :

- a. The production is based on single shift of eight hours and 300 working days per annum.
- b. The cost in respect of Plant & Machinery has been taken at the time of preparation of Project Profile, which may vary from place to place and time to time.
- c. Labour charges has been taken as per Govt. norms.
- d. It is presumed that plant will work at 50% efficiency in the first year, 60% in the second year and 70% in the third year.

## 4. IMPLEMENTATION SCHEDULE :

It will take about eight months to start commercial production as under :

Sr. No.	Activity	Estimated Period
01.	Registration under MSME Act	0 – 1 Month
02.	Preparation of Scheme	0 –1 Month
03.	Sanction of Loan	1 – 5 Month
04.	Placement of Order for Plant & Machinery	5 – 6 Month
05.	Power & Water Connection	5 – 6 Month
06.	Installation of Plant & Machinery	6 – 7 Month
07.	Procurement of Raw material & Trial Run	7 – 8 Month
08.	Commercial Production	8 <sup>th</sup> Month onwards

#### 4. TECHNICAL ASPECTS:

- a. **Production Capacity** : **150 M.T. per Annum**
- b. **Quality Control & Standards** : **As per IP, BP, USP specs**

The requirements for Sodium Hypochlorite Solution are as under :

Sr. No.	Characteristics	Standard
01.	Appearance	White soft, translucent, unctuous mass.
02.	Solubility	As per IP
03.	Acidity / Alkalinity / light absorption	As per IP
04.	Fixed oil / fats & rosin, foreign organic matter	As per IP
05.	Melting Point	38-56°C
06.	Sulphated Ash	0.1 % max.

#### c. PRODUCT MIX :

The product mix varies depending upon quality and use of final product. One of the formulae for petroleum jelly may be as under:

Sr. No.	Item	Quantity (%)
01.	Paraffin Wax	20 %
02.	Microcrystalline Wax	20 %
03.	White Oil	60 %

#### (d) Manufacturing Method :

First of all , the ingredients are weighed as per the formulations. Now paraffin wax is taken in to reaction vessel with electrical heater (Jacketed). Now micro crystalline wax is added in to reaction vessel. Both the waxes are then melted with continuous mixing and the temperature is maintained between 120<sup>o</sup> – 130<sup>o</sup> C. Now liquid paraffin is added with continuous stirring (150-200 rpm) at constant temperature, so that ingredients are mixed together to form emulsion or jel. The whole mass is cooled down and sample is taken for testing. After testing, material is packed in suitable containers.

## FINANCIAL ASPECTS

Sr. No.	Description	Quantity	Value (Rs.)
<b>A.</b>	<b>Land &amp; Building</b>		
	Covered Area of 2000 sq. ft. on rent	L.S.	10,000
<b>B.</b>	<b>Machinery &amp; Equipments</b>		
(i)	Cylindrical Alluminium jacketed Reaction Vessel with motor & stirer	1 No	30,000
(ii)	Alluminium Storage Vessels Cap:250 Kg. Each.	4 Nos.	30,000
(iii)	Laboratory Equipments	L.S.	50,000
(iv)	Office Furniture	L.S.	25,000
	Installation & Electrification Charges @ 10% of the cost of Machinery & Equipments		11,000
	<b>Total</b>		<b>156,000</b>

<b>C.</b>	<b>Raw &amp; Packing Materials per Month</b>			
Sr. No.	Item	Rate (Rs.)	Qty (Kg.)	Value (Rs.)
(i)	Paraffin Wax	90	1,250	112500
(ii)	Microcrystalline Wax	225	1,250	281250
(iii)	White Oil	80	3,750	300000
(iv)	Packing Material	L.S.		25,000
	<b>Total</b>			<b>718750</b>

<b>D.</b>	<b>Staff &amp; Labour per Month.</b>			
Sr. No.	Item	Rate (Rs.)	Nos.	Value (Rs.)
(i)	Manager	6000	1	6000
(ii)	Supervisor / Chemist	4000	1	4000
(iii)	Skilled Workers	3000	1	3000
(iv)	Unskilled Workers	2500	2	5000
(v)	Sales Executive	4000	1	4000
	<b>Total</b>			<b>22000</b>

<b>(E)</b>	<b>Utilities per Month</b>			
Sr. No.	Item	Rate (Rs.)	Qty	Value (Rs.)
(i)	Power	5.5	600	3300
(ii)	Fuel & Water	L.S.	L.S.	1000
	<b>Total</b>			<b>4300</b>

<b>(F) Other Expenses per Month</b>			<b>Value</b>
<b>Sr. No.</b>	<b>Item</b>		<b>(Rs.)</b>
(i)	Rent		10000
(ii)	Postage & Stationery		1000
(iii)	Telephone		2000
(iv)	Repair & Maintenance		1500
(v)	Insurance		500
(vi)	Marketing & Travelling Expenses		10000
		<b>Total</b>	<b>25000</b>

**(G) Working Capital per Month 770050**

<b>Total Capital Investment</b>			<b>Value</b>
<b>(H) (T.C.I.)</b>			<b>(Rs.)</b>
(i)	Fixed Capital		156,000
(ii)	Working Capital for three Months		2310150
		<b>Total</b>	<b>2,466,150</b>

### **Financial Analysis Cost of Production per**

<b>(a) Annum</b>			<b>Value (Rs.)</b>
(i)	Raw Materials		8625000
(ii)	Staff & Labour		264000
(iii)	Utilities		51600
(iv)	Other Expenses		300000
(v)	Depreciation on Machinery & equipments @ 10%		15600
(vi)	Interest on Total Capital Investment @ 12% p.a.		295938
		<b>Total</b>	<b>9552138</b>

**(b)** Turnover per Annum @ Rs.75000 per M.T. for 75 MT      75      137000      **10275000**

**(c) Net Profit per Annum**  
 Net profit = Total turnover - Total Cost of Production      **722862**

**(d) Profit on turnover**

$$\% \text{ Profit} = \frac{\text{Net Profit}}{\text{Total Turnover}} \times 100 \quad \mathbf{7.04 \%}$$

**(e) Rate of Return (ROR) on T.C.I.**

$$\text{ROR} = \frac{\text{Net profit}}{\text{T.C.I.}} \times 100 \quad \mathbf{29.31 \%}$$

**(f) Break - Even Analysis**

	Value (Rs.)
<b>Fixed Cost</b>	
Depreciation on machinery & Equipments	
(i) @ 10%	15600
Interest on Total Capital	
(ii) Investment @ 12%	295938
(iii) 40 % of Salary & Wages	105600
(iv) 40 % of other Expenses	120000
<b>Total</b>	<b>537138</b>

**(g) Break - Even Point (B.E.P.)**

$$\text{B.E.P.} = \frac{\text{Fixed Cost}}{\text{Fixed Cost} + \text{Profit}} \times 100 \quad \mathbf{42.63 \%}$$

**FINANCIAL ASPECTS**

Sr. No.	Description	Quantity	Value	Value (Rs.)
<b>A.</b>	<b>Land &amp; Building</b>			
	Covered Area of 500 sq. mtrs. on rent	L.S. Rs.10,000.00		20,000
<b>B.</b>	<b>Machinery &amp; Equipments</b>			
	M.S.Saponification Vessel, Cap:			
(i)	100 Ltrs per batch	1 No		26,000
	M.S.Mixing Vessel, Cap : 250 Ltrs. per batch.	1 No.		44,000
(iii)	M.S. Storage Tank	3 Nos.		66,000
(iv)	Automatic Filling Machine	1 No.		83,000

(v)	Installation & Electrification Charges @ 10% of the cost of Machinery & Equipments	11,000
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**Total 250,000**

**C. Raw & Packing Materials per Month**

Sr. No.	Item	Rate (Rs.)	Qty (Kg.)	Value (Rs.)
(i)	Paraffin Wax	90	1,250	112500
(ii)	Microcrystalline Wax	225	1,250	281250
(iii)	White Oil	80	3,750	300000
(iv)	Packing Material	L.S.		25,000
<b>Total</b>				<b>718750</b>

**D. Staff & Labour per Month.**

Sr. No.	Item	Rate (Rs.)	Nos.	Value (Rs.)
(i)	Manager	6000	1	6000
(ii)	Supervisor / Chemist	4000	1	4000
(iii)	Skilled Workers	3000	1	3000
(iv)	Unskilled Workers	2500	2	5000
(v)	Sales Executive	4000	1	4000
<b>Total</b>				<b>22000</b>

**(E) Utilities per Month**

Sr. No.	Item	Rate (Rs.)	Qty	Value (Rs.)
(i)	Power	5.5	600	3300
(ii)	Fuel & Water	L.S.	L.S.	1000
<b>Total</b>				<b>4300</b>

**(F) Other Expenses per Month**

Sr. No.	Item	Value (Rs.)
(i)	Rent	10000
(ii)	Postage & Stationery	1000
(iii)	Telephone	2000
(iv)	Repair & Maintenance	1500
(v)	Insurance	500
(vi)	Marketing & Travelling Expenses	10000
<b>Total</b>		<b>25000</b>

**(G) Working Capital per Month 770050**

<b>Total Capital Investment (T.C.I.)</b>		<b>Value (Rs.)</b>
(i)	Fixed Capital	250,000
(ii)	Working Capital for three Months	2310150
<b>Total</b>		<b>2,560,150</b>

### **Financial Analysis Cost of Production per**

<b>Annum</b>		<b>Value (Rs.)</b>
(i)	Raw Materials	8625000
(ii)	Staff & Labour	264000
(iii)	Utilities	51600
(iv)	Other Expenses	300000
(v)	Depreciation on Machinery & equipments @ 10%	25000
(vi)	Interest on Total Capital Investment @ 12% p.a.	307218
<b>Total</b>		<b>9572818</b>

(b)	Turnover per Annum @ Rs.75000 per M.T. for 75 MT	75	137000	<b>10275000</b>
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(c)	<b>Net Profit per Annum</b> Net profit = Total turnover - Total Cost of Production			<b>702182</b>
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(d)	<b>Profit on turnover</b>			
	Profit	Net		
	% Profit = $\frac{\text{Profit}}{\text{Total Turnover}} \times 100$			
			<b>6.83</b>	<b>%</b>

(e)	<b>Rate of Return (ROR) on T.C.I.</b>			
	ROR = $\frac{\text{Net profit}}{\text{T.C.I.}} \times 100$			
			<b>27.43</b>	<b>%</b>

### **(f) Break - Even Analysis**



	<b>Fixed Cost</b>	<b>Value (Rs.)</b>
	Depreciation on machinery & Equipments	
(i)	@ 10%	25000
	Interest on Total Capital	
(ii)	Investment @ 12%	307218
(iii)	40 % of Salary & Wages	105600
(iv)	40 % of other Expenses	120000
	<b>Total</b>	<b>557818</b>

**(g) Break - Even Point (B.E.P.)**

$$\text{B.E.P.} = \frac{\text{Fixed Cost}}{\text{Fixed Cost} + \text{Profit}} \times 100$$

**44.27 %**

## **NAME & ADDRESSES OF MACHINERY SUPPLIERS :**

1. M/s. Unique Enterprises, 201, Konarka Mugdha Apartment, Plot No.36, Saraswati Cooperative Housing Society, Deendayal Nagar, Nagpur - 22.  
Cont. Person : Dr. Mukund Moholkar  
Mb: 09823116709, Tel. No.(07104)235675,(0712)2224362  
Visit us at : <http://www.uniquepulveriser.com> ,  
E – mail : [uniquepulveriser@mahamail.com](mailto:uniquepulveriser@mahamail.com)
2. M/s. Bhojwani Engineering Works, 74, Old Bagadganj, Gangabai Ghat Chowk, Nagpur.
3. M/s. New Rolex Engineering Works, 28 Great Nag Road, Nagpur – 440003
4. M/s. Suveja Engineers, U-52, MIDC, Hingna, Nagpur – 440016.  
Cont. Person : Shri J.K.Ghagre, Tel.No. (07104)232121 Mb:09403593827,  
E-mail: [suvejaeng@gmail.com](mailto:suvejaeng@gmail.com)

## **NAME & ADDRESSES OF RAW MATERIAL SUPPLIERS :**

1. M/s. Surya Chemical Industries, Panjwani Market, Tinnal Chowk, Gandhibagh, Nagpur- 440002. Tel. No.(0712)2767536  
Cont. Person: Shri H.D. Nagpal, Mb. No. 09373107557.
2. M/s. Jaysons, 2/22, Earth House, 1<sup>ST</sup> Floor, Princess Street, Mumbai – 400002. Tel. No.(022)22050264, 22060611.
3. M/s. Gujrat Paraffins Pvt. Ltd., 909 Embassy Centre Nariman Point, Mumbai. Tel. No.(022)22047593.
4. M/s. Bhagat Minerals, Chhota Haripura, P.O. Jasala Flour Mills, Amritsar (Punjab). Tel No.2522020, 2522525.

## **NAME & ADDRESSES OF PACKING MATERIAL SUPPLIERS :**

1. M/s. Plasto Containers (India) Pvt. Ltd., J – 3, MIDC, Hingna, Nagpur – 440016. Cont. Person : Shri Neelesh Agrawal. Tel No. (07104)236672, 236671, Mb: 09373104501
2. M/s. Vaibhav Plastimoulds Pvt. Ltd., J – 2, MIDC Area, Nagpur – 440016, Cont. Person : Shri Vishal Agrawal  
Tel. No. (07104)395486, 395487, Mb:09890016601  
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