

PROJECT PROFILE

ON

**PANEER
(WOMEN ONLY)**

Month & Year
Aug 2010

**PREPARED BY
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Supported by

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STIFTUNG **FÜR DIE FREIHEIT**

PANEER (WOMEN ONLY)

1. Introduction

Paneer is the precipitated milk solids. It is commonly prepared after skimming the milk. Fresh paneer is used in most households as an addition in vegetarian and non vegetarian dishes. It is consumed abundantly by eating houses for preparation of various recipes, as dishes containing paneer are the most sought after. Paneer is highly nutritive and a rich source of protein.

2. Market

The major market outlets are the “ A” and “B” class stores. The product also finds placement in self service counters and departmental stores.

3. Packaging

Paneer are packed in 100 grams packaging and multiples thereof.

4. Production capacity

- The plant will be in operation for one shift a day.
- The production capacity is estimated at processing 500 litres of milk per day yielding 40 kilograms of paneer.
- The yield of Paneer will be 1 ton per month and that per annum would be 12 metric tonnes.
- The time period required for achieving full capacity utilization is one year.

5. Sales revenue

- Good quality milk can be procured at Rs. 20 per litre. The resulting cream and paneer can be sold each at Rs. 300 per kilogram. MRP is Rs. 360 per kilogram
- The yield of cream per annum would be 4500 kilograms and the sales revenue would be Rs. 11.25 lakhs.
- The yield of paneer which is 12 metric tonnes would provide a sales revenue of Rs. 36.00 lakhs.
- The total sales revenue will be Rs. 47.25 lakhs.

6. Production process outline.

Milk is first skimmed in a cream separator. Skimmed milk is heated to about 60 degrees centigrade. It is then split by addition of a few drops of lime extract or citric acid. The coagulated mass is filtered through a muslin cloth and filter press when the cake is obtained. It is sliced manually to the desired weights, packed in wax paper and stored under refrigerated conditions.

7. Quality specifications

- The product should be free from any fermented odour.
- The product should not contain any added starches.
- The product should be prepared under hygienic conditions and should be free from coliforms, salmonella and streptococci bacteria.

8. Pollution control measures

Not necessary as there are no pollutants or effluents.

9. Energy conservation measures

Common measures will do.

10. Land and construction cost for the proposed unit

The proposed unit is to be set up in a leased area. The total area required is 1000 square feet as described below:

SI	Description	Sq. feet
1	Processing area	400
2	Milk store room	100
3	Packing material store	100
4	Finished goods store	100
5	Washing area	100
6	Toilets	100
7	Administrative office	100
8	Total	1000

Lease rent – Rs. 8.00 per square foot

Total rent per month – Rs. 8000

Lease advance – Rs. 50000

11. Costing of machinery and equipment

SI	Description	Rs. lakhs
1	Aluminum cans for storage of milk	0.800
2	Stainless steel precipitation tank	0.400
3	Filter press manual	0.100
4	Deep freezer	0.450
5	Weighing scales – electronic – 2 nos	0.200
6	Cream separator	0.350
7	Stainless steel vessels – 4 nos	0.500
8	Total cost of plant machinery	2.800
9	Laboratory equipment	0.200
10	Total cost of machinery and equipment	3.000

12. Project cost

SI	Description	Rs. lakhs
1	Land	On lease
2	Civil works	On lease
3	Plant machinery	2.800
4	Laboratory equipment	0.200
5	Transport vehicle (Tata Ace)	3.750
6	Pollution control equipment	0.000
7	Energy conservation equipment	0.000
8	Cost of power connection	0.050
9	Cost of electrification	0.200
10	Erection and commissioning	0.200
11	Cost of machinery spares	0.010
12	Cost of office equipment	1.000
13	Deposits if any	0.200
14	Company formation expenses	0.100
15	Gestation period expenses	0.500
16	Sales tax registration expenses	0.100
17	Initial advertisement and publicity	2.000
18	Contingencies	0.250
19	Working capital margin money	1.375
20	Total	12.735

13. Working capital requirements per month

a. Salaries and wages

SI	Description	No of persons	Total salary / month (Rs. lakhs)
1	Production Manager	1	0.150
2	Skilled worker	1	0.100
3	Unskilled worker	2	0.080
4	Driver	1	0.070
5	Total	5	0.400

b. Raw material requirement per month

SI	Description	Qty (kgs)	Rate / kg (Rs)	Value (Rs. lakhs)
1	Milk	12500	20.00	2.500
2	Sodium hypochlorite	25	20.00	0.005
3	Total raw material	12525		2.505

c. Packaging material requirement per month

SI	Description	Qty	Rate / unit (Rs)	Value (Rs. lakhs)
1	Primary packaging material – butter paper	5000 nos	0.25	0.012
2	Cartons and straps	400 nos	50	0.200
3	Total			0.212

Total raw + packaging material = Rs. 2.717 lakhs

d. Utilities per month

SI	Description	Rs. lakhs
1	Power 200kwh @ Rs. 5.50 per unit	0.011
2	Water	0.010
3	Boiler fuel	0.000
4	Total utilities	0.021

e. Contingent expenses per month

SI	Description	Rs. lakhs
1	Rent for processing shed	0.080
2	Postage and stationery	0.010
3	Telephones, fax etc.	0.050
4	Consumable stores	0.010
5	Repairs and maintenance	0.010
6	Local transports, loading and unloading	0.100
7	Sales expenses @ 1% of sales	0.040
8	Total contingent expenses	0.300

f. Total working capital requirement per month

SI	Description	Rs. lakhs
1	Salaries and wages	0.400
2	Raw material and packaging material	2.717
3	Utilities	0.021
4	Contingent expenses	0.300
5	Total	3.438

14. Means of finance

SI	Description	Rs. lakhs
1	Total Project Cost	12.735
2	Equity	4.202
3	Debt	8.533
4	Working capital margin money	1.375

15. Financial analysis

SI	Description	Rs. lakhs
1	Total recurring cost per year	41.256
2	Depreciation on land and building	0.000
3	Depreciation on machinery and vehicle	0.615
4	Depreciation on moulds and fixtures	0.010
5	Depreciation on office equipment	0.100
6	Interest on long term loan @ 13.5%	1.152
7	Interest on short term borrowings@ 13.5%	0.278

8	Total cost of production	43.411
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16. Turnover per year

SI	Item	Qty	Rate/unit (Rs)	Total Rs. lakhs
1	Cream	4500 kgs	250	11.25
2	Paneer	12000 kgs	300	36.00
3	Total	16500 kgs		47.25

17. Viability analysis

SI	Description	Value
1	Net profit before income tax (Rs. lakhs)	3.839
2	Net profit ratio	8.1%
3	Internal rate of return	18.3%
4	Break even percentage	52%
5	Debt service coverage ratio	1.839

List of machinery suppliers for paneer

Machinery has to be fabricated locally as per requirements. There are no standard machinery available.