



22. PROJECT PROFILE ON MILK PRODUCTS

Category : Manufacturing

Total Cost of Project : Rs. 3,82,000/-

BEP : 36 %

I. INTRODUCTION OF BUSINESS IDEA :

Milk products like ghee, curd and butter are items used daily in all houses. The conventional methods are still adopted in rural area to prepare these products. However, in cities, people wish to go for readymade products.

II. PRODUCT AND ITS APPLICATIONS :

Ghee, Curd and Butter are the products proposed which are used in all houses and hotels.

III. MARKET POTENTIAL :

The milk is easily available and hence, using modern techniques, the products are prepared in rural area where there is surplus milk availability. The products have a good market in all towns especially in hotels. Prior tie up with the hotels and colonies where many houses are existing will be useful.

IV. CAPACITY-REVENUE & SALES (1 ST YEAR):

Sl. No.	Product	Qty	Rate (Rs) per kg	Sales amount (Rs)
1	Ghee	4,000 kg	250	10,00,000
2	Curd	10,000 kg	80	8,00,000
	Total			18,00,000

V. MANUFACTURING PROCESS & QUALITY:

The milk obtained is checked for the quality and stored in the freezer. Part of the milk is converted into curd using very little curd to initiate the conversion process. The other part is fed to the cream separator and the cream is separated. This cream is stored as butter. Once a batch size of butter is ready, the same is converted into ghee using the furnace.



VI. COST OF PROJECT AND MEANS OF FINANCE, INCLUDING WORKING CAPITAL REQUIREMENTS :

A. COST OF PROJECT :

Sl. No.	Particulars	Amount (Rs).
1	Equipments	1,30,000
2	Other fixed assets	10,000
3	Preliminary and preoperative expenses	10,000
4	Deposits	60,000
5	Working Capital Requirements	1,72,000
	Total	3,82,000

B. MEANS OF FINANCE:

Sl. No.	Particulars	Amount (Rs).
1	Loan @ 75%	2,87,000
2	Equity	95,000
	Total	3,82,000

C. WORKING CAPITAL REQUIREMENT :

Sl. No.	Particulars	Basis	Period	Amount (Rs.)
1	Raw-material	$\frac{10,40,000 \times 1}{12}$	1 month	87,000
2	Bills receivable	$\frac{18,00,000 \times 1/2}{12}$	½ month	75,000
3	Working exp		1 month	10,000
	Total			1,72,000

VII. MAIN INPUTS REQUIREMENT :

A. MACHINERY :

Sl. No.	Particulars	Qty.	Total Cost
1.	Cream separator (100 lit)	1	40,000
2.	Beater	1	10,000
3.	Gas/diesel furnace	1	20,000
4.	Freezer	1	30,000
5.	Tools and Accessories	1	10,000
6	Electrification and installation	1	20,000
	Total		1,30,000

**B. RAW-MATERIALS(P.A.) :**

Sl. No.	Particulars	Qty	Rate (Rs.)	Total Cost (Rs.)
1	Milk	32,000 lit	30	9,60,000
2	Packing materials/consumables			80,000
	Total			10,40,000

C. UTILITIES :

Sl. No.	Particulars	Total Charges. (Rs.)pm	Annual Charges Rs.
1	Electricity	5,000	60,000
2	Water	1,000	12,000
	Total		72,000

D. MAN-POWER REQUIREMENT :

Sl. No.	Workers	No.	Monthly Salary (Rs.)	Annual Salary (Rs.)
1	Skilled worker	1	8,000	96,000
2	Helper	2	6,000	1,44,000
	Total			2,40,000

E. MAIN INFRASTRUCTURE REQUIREMENT :

Building	500 sq. ft. building on rent.
Power	5kva power connection is required.
Water	2 kl Water required

VIII. PROFITABILITY (ANNUAL) :

Particulars	Basis	Amount (Rs.)
Sales Revenue (Projected)	Ref : IV	18,00,000
Raw Materials	Ref : VII B	10,40,000
Man power expenses	Ref : VII D	2,40,000
Utilities	Ref : VII C	72,000
Interest	At 12%	35,000
Depreciation	20% slm	26,000
Overheads	Rent, maintenance	1,00,000
Total Expenses		15,13,000
Profit		2,87,000



IX. FINANCIAL INDICATOR :

Break Even Point		
$\frac{FC}{SR - VC} \times 100$	$\frac{1,60,000}{4,48,000} \times 100$	36 %
PBP		
$\frac{COP}{Profit + Deprn.}$	$\frac{3,82,000}{3,13,000}$	1 year 3 months

ADDRESSES :

X. SUPPLIERS OF MACHINERY / EQUIPMENTS :

- 1 Surabee Essar Machines and co.
84, SJP road, Bangalore-560002
Ph 080-41149634

SUPPLIERS OF RAW MATERIAL

Local market.

XI. SPECIAL NOTE :

The promoter should have a training from KMF at Hubli or any other center