

PANEER



INTRODUCTION:

Paneer is milk made product common in South Asian cuisine. In eastern parts of Indian Subcontinent, it is generally called Chhena. It is an unaged, acid-set, non-melting curd made by curdling heated milk with lactic acid or citric acid. According to PFA rule it should not contain more than 70% moisture, and the milk fat not less than 50% of the dry matter.

As paneer has a fairly high fat and protein content, and also contain some minerals, especially calcium and phosphorus, its food and nutritive value is very high. It is a very good source of fat soluble vitamin A and D. The use of paneer is more common in Nepal, India, Pakistan, and Bangladesh due to the prominence of milk in their cuisine. It is sometimes wrapped in dough and deep-fried or served with either spinach (palak paneer) or peas (mattar paneer). The well-known rasgulla features plain chhana beaten by hand and shaped into balls which are soaked in syrup.

OBJECTIVE:

The primary objective of the model report is to facilitate the entrepreneurs in understanding the importance of setting up unit of paneer plant. This model report will serve as guidance to the entrepreneurs on starting up such a new project and basic technical knowledge for setting up such a facility.

RAW MATERIAL AVAILABILITY:

The main raw material is milk and easily available in across India.

SUITABLE LOCATION:

Paneer can be manufactured at any location which is near to the market.

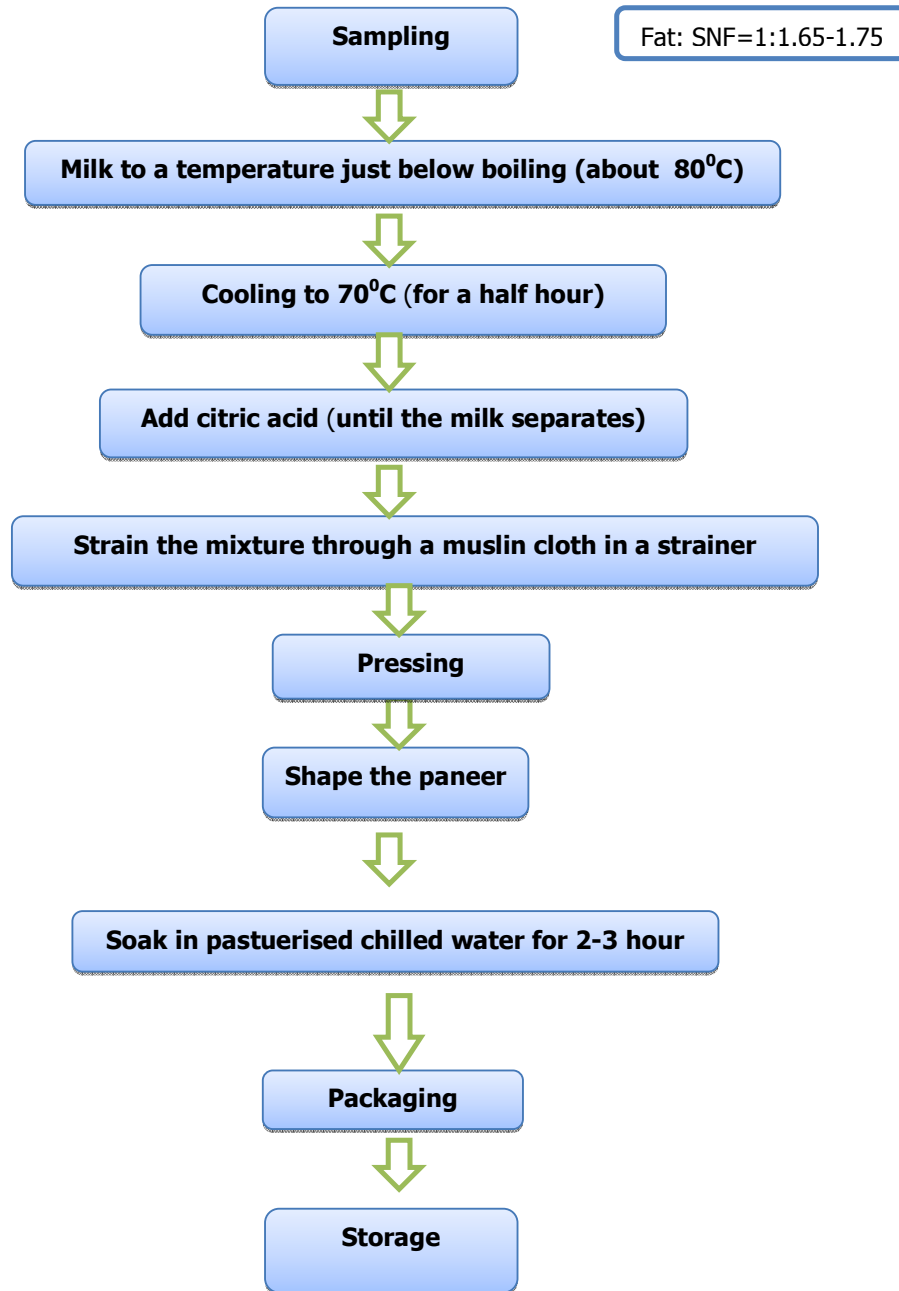
MARKET OPPORTUNITIES:

Paneer is being produced in the country since long and it is a mass consumption item as it is used in preparation of various food items. It has got a huge demand in the foodie country. Paneer represents an integral part of many Indian recipes and its demand is continuously rising as both as rural and urban disposable income continue to rise apart from the Indian dishes the demand of the paneer is continuously increasing in the western dishes. Paneer is a versatile product and various food items preparing application.

MANUFACTURING PROCESS:

To prepare paneer, food acid (usually lactic or citric acid) is added to hot milk to separate the curds from the whey. The curds are drained in muslin cloth and the excess water is pressed out. The resulting paneer is dipped in chilled water for 2–3 hours to give it a good texture and appearance. From this point, the preparation of paneer diverges based on its use and regional variation. In most cuisines, the curds are wrapped in cloth and placed under a pressure such as a stone slab, for 2–3 hours, and then cut into cubes for use in curries. Pressing for a shorter time (approximately 20 minutes) results in a softer, fluffier paneer. The chilled pieces store in polythene bags for refrigerated store.

Flow Chart of Paneer



CAPACITY OF THE PROJECT:

- The total capacity of the unit is to be produced 228 MT Paneer per year.

PRODUCTION TARGETS (PER ANNUM):

- The scheme is worked out per shift (8 Hour) basis and 300 working days per annum.
- Assume there'll be 70% production in first year.
- Quantity: 159.60 MT paneer per year or 13.30 MT per month.

PROJECT COMPONENT AND COST:**FINANCIAL ASPECTS:-****APPLICATION OF FUNDS**

Particular	Amount
Land & Building	300 sq. meter covered area on rent
Plant & Machinery	2,717,000.00
Office Equipment & Furniture	70,000.00
Working Capital	3,603,059.98
Pre-Operative Expenses	25,000.00
Total	6,415,059.98

SOURCE OF FUND

Particular	Amount
Own Capital	2,171,514.99
Loan from Banks	2,090,250.00
Loan for Working Capital	2,153,294.98
Total	6,415,059.98

FIXED ASSETS

(1) Land And Building:				Value (Rs.)
	Land & Building: 300 sq. meter covered area on rent			180,000 per annum on rent
(2) Machinery And Equipment:				
S. N.	Description (Name of machine with specification)	Qty.	Rate	Value (Rs.)
	Production Unit			
i	Storage Tank: 2000 L	2	140,000.00	280,000.00
ii	Weighing Balance	1	100,000.00	100,000.00
iii	Multipurpose Vat 500 L/hr	1	150,000.00	150,000.00
iv	Chiller	1	300,000.00	300,000.00
v	Vat for Whey Collecting	2	75,000.00	150,000.00
vi	Paneer Pressing Machine	1	50,000.00	50,000.00
vii	Working Table with S.S. top	1	40,000.00	40,000.00
viii	Packaging Machine	1	300,000.00	300,000.00
ix	Freezer	1	100,000.00	100,000.00
x	Boiler: 500 Kg/Hr	1	600,000.00	600,000.00
xi	DG Set: Cap 30 KVA	1	300,000.00	300,000.00
xii	Miscellaneous Equipments (Lab equipments, aluminum vessels, mat, mugs, ladle, gloves etc.)	-	-	100,000.00
	Total Cost of Machinery & Equipments		-	2,470,000.00
	Electrification & Installation Charges @ 10%		-	247,000.00
	Total Cost of Production Unit		-	2,717,000.00
	Furniture & Fixtures		-	70,000.00

(3) Pre-Operative Expenses:	-	25,000.00
Total Fixed Capital (2+3)	-	2,742,000.00

SALES TURNOVER PER MONTH

Description	Qty. (Kg)	Rate (Rs./Kg)	Value (Rs.)
Paneer	13,300.00	200.00	2,660,000.00
Total			2,660,000.00

RAW MATERIAL REQUIREMENT & STOCK

Raw Material (per month):

Description with specification	Qty. (Kg.)	Rate (Rs./Kg.)	Value (Rs.)
Milk	95,000.00	25.00	2,375,000.00
Citric acid etc.	-	-	500.00

ANNUAL CONSUMPTION

Milk	Rs	28,500,000.00
Citric acid etc.	Rs	6,000.00

Total **28,506,000.00**

Stock of Raw Material	30 Days	2,342,958.90
Stock of WIP	02 Days	156,164.38
Purchase Cost of Raw Material	Rs	31,005,123.29

WORKING CAPITAL REQUIREMENT

Particulars	Days	Year' 1
Raw Material	30	2,342,958.90
Work in Process	2	156,164.38
Finished Goods	10	827,696.96
Receivables	30	2,660,000.00
Advance/Security		200,000.00
Total		6,186,820.25
Less: Creditors	30	2,583,760.27
Net Current Assets		3,603,059.98
Paid Stock		743,059.98
75% of Paid Stock		557,294.98
60% of Book Debts		1,596,000.00
Bank Limits		2,153,294.98
Margin for Working Capital		1,449,764.99

SELLING & ADMINISTRATION EXPENSES

Particular	Year I
i Postage	18,000.00
ii Commission on sales	60,000.00
iii Office Expenses	24,000.00
iv Tour & Travel	18,000.00
v Printing & Stationary	20,000.00
vi Advertisement	60,000.00
vii Telephone	20,000.00
viii Repair & Maintenance	22,000.00
ix Conveyance	27,000.00
x Sales expenses	36,000.00
xi Insurance	20,000.00
xii Misc. Expenses	20,744.00
Total	345744.00

STAFF AND LABOUR EXPENSES

S. No.	Description	No.	Salary	Total Salaries-Year I
(a) Administrative & Supervisory				
i	Production Incharge cum accountant	1	15,000.00	180,000.00
ii	Salesman	1	8,000.00	96,000.00
Total Salaries				276,000.00
(b) Technical Skilled & Unskilled				
i	Skilled Worker	1	10,000.00	120,000.00
ii	Semi Skilled Worker	1	8,000.00	96,000.00
iii	Helper	1	5,000.00	60,000.00
Total Wages				276,000.00
Grand Total				552,000.00

MANUFACTURING AND PROFIT & LOSS
ACCOUNT

Particulars	Year' 1
Sales Value of Paneer	31,920,000.00
Cost of Production:	
Raw Material Consumed:	
Opening Stock	-
Add: Purchases	31,005,123.29
	<u>31,005,123.29</u>
Less: Closing Stock	2,342,958.90
Raw Material Consumption	<u>28,662,164.38</u>
Add: Op Stock of WIP	-
	28,662,164.38
Less: CI Stock of WIP	<u>156,164.38</u>
	28,506,000.00
Power & Fuel	240,000.00
Manufacturing Wages	276,000.00
Bonus & Incentives	16,560.00
Packaging Materials	100,000.00
Rent	180,000.00
Raw material storage & ins.	13,800.00
Cost	
Carriage inward	186,030.74
Depreciation	278,700.00
Total Cost of Production	29,797,090.74
Add: Op. Stock of Finish. Goods	-
	29,797,090.74
Less: Cls. Stock of F. Goods	827,696.96
Cost of Sales	28,969,393.77
Gross Profit	2,950,606.23
	0.09
Selling & Admin Cost:	
Expenses	345,744.00
Salary	276,000.00
Financial Expenses:	
Interest on Term Loan	246,823.69
Interest on W. Capital	269,161.87
Pre. Expenses	5,000.00
Profit Before Taxation	1,807,876.66
Taxation	542,363.00
Net Profit After Taxation	1,265,513.67
Cash withdrawal	506,205.47
Transfer to Reserves	759,308.20
Cumulative Reserves	759,308.20
% of PBT on Sales	5.66

BALANCE SHEET

Particulars	Year' 1
Liabilities:	
Capital	2,171,514.99
Reserve & Surplus	759,308.20
Secured Loan:	
Term Loan	1,672,200.00
Unsecured loan:	
Current Liabilities:	
Bank Borrowings	2,153,294.98
Sundry Creditors	2,583,760.27
	<u>9,340,078.45</u>
Assets:	
Fixed Assets:	
Gross Block:	2,787,000.00
Less: Depreciation	278,700.00
	<u>2,508,300.00</u>
Current Assets:	
Inventories	3,326,820.25
Receivables	2,660,000.00
Advance/Security	200,000.00
Cash & Bank Balance	624,958.20
Preliminary Expenses	20,000.00
	<u>9,340,078.45</u>
Difference	0.00

RATIO ANALYSIS

Particulars	Year' 1
Net Profit ratio	
NP*100/Total sales	3.96
Rate of Return	
NP*100/Total Investment	19.73

BREAK EVEN ANALYSIS

Fixed Cost	
Rent	360,000.00
Interest on Borrowing	975,515.94
40% of Salaries	244,800.00
40% of Utilities	400,000.00
25% of Admin Exp	174,250.00
Depreciation	1,101,500.00
Total	3,256,065.94
Break Even Point	$\frac{\text{Fixed Cost} * 100}{\text{Fixed Cost} + \text{Profit}}$
	44.10

ADDRESS OF MACHINERY & EQUIPMENT SUPPLIERS:

- M/s Bajaj Processpack Maschinen Pvt. Ltd., 7/27, Jai Lakshmi Industrial Estate, Sahibabad Industrial Area, Sahibabad, Dist. Ghaziabad (U.P.) - 201301.
- M/s Jaya Industries, No. 543, Jessore Road, Kolkata - 700 028, West Bengal, India.
- M/s Food & Biotech Engineers (I) Pvt. Ltd., Chaprola Road, Prithla, Tehsil- Palwal Distt. - Palwal, Pin: 121102 Haryana (India).
- M/s Filtron Engineers Ltd., 6, Sitabaug Colony, Sinhagad Road, Pune – 411030 (Mahaeashtra).
- M/s Eskimo Refrigeration Industries, S. No. 85/1, Shree Shankar Nagar, B-Building, Ground Floor, Poud Road, Kothrud, Pune - 411038, Maharashtra, India.
- M/s Om Metals & Engineers, S. No. 5, Ekata Hsg. Society, Bapujibuwa Nagar, Thergaon, Pune - 411 033, Maharashtra, India.