

MILK PACKING AND SELLING

1. INTRODUCTION

The milk after collection from the people is immediately chilled to 4.4 degree centigrade by placing in bulk tank collectors, which is run by a mechanical refrigeration system. It will cool the milk rapidly to a low temperature and automatically maintain this temperature during the storage period. Milk can be poured directly from milking pan into the tank. Subsequently milk can be drawn into cans into a tanker, for dispatch to city dairy.

2. MARKET

There is good demand from milk. Now a days many of the dairy units come up in India. Due to rapid growth of population there is need to set up this type of units in sub urban and rural areas.

3. MANUFACTURING PROCESS

The entrepreneur collect the milk from the farmer and supply to the mini dairy units in the town.

4. PRODUCTION CAPACITY PER ANNUM

Capacity 48000 Ltrs per annum
Selling Price Rs. 16.5 Per kg

5. PROJECT COST/CAPITAL INVESTMENT

S.No	Description	Amount Rs.
1	Preliminary & Preoperative Expns	1000
2	Fixed Capital	120000
3	Working Capital for 1 month(s)	58700
	Total Project Cost	179700

6. MEANS OF FINANCE

S.No	Description	%age	Amount Rs.
1	Promoter Contribution	15%	26955
2	Subsidy /Soft Loan	20%	35940
3	Term Loan	65%	116805
	Total		179700

7. FINANCIAL ASPECTS

A. FIXED CAPITAL

i. Land and Buildings

Rented

1500 per month

ii. Machinery and Equipment

S.No	Description		Qty.	Rate	Amount Rs.
1	Milk cans	Nos	10	1000	10000
2	Testing machine	Nos	1	10000	10000
3	Auto	Nos	1	90000	90000
4	Rickshaw	Nos	2	5000	10000
	Total				120000

B. WORKING CAPITAL

i. Salaries & Wages (per month)

S.No	Description	Nos.	Sal/mon.	Amount Rs.
1	Supervisor/Entrepreneur	1	2000	2000
2	Skilled workers	1	1500	1500
3	Workers	1	1000	1000
	Total			4500

ii. Raw Material (per month)

S.No	Description	Unit	Qty.	Rate	Amount Rs.
1	Milk	Ltrs	4000	12	48000
	Total				48000

iii. Utilities (per month)

S.No	Description	Unit	Amount Rs.
1	Power	LS	500
2	Water	LS	200
	Total		700

iv. Other Expenses (per month)

S.No	Description	Amount Rs.	
1	Transportation Expenses	2000	
2	Consumable Stores	1000	
3	Miscellaneous Expenses	1000	
	Total		4000

v. Total Working Capital (per month)

S.No	Description	Amount Rs.
1	Rent	1500
2	Salaries and Wages	4500
3	Raw Material	48000
4	Utilities	700
5	Other Expenses	4000
	Total	58700

8. COST OF PRODUCTION (PER ANNUM)

S.No	Description	Amount Rs.
1	Total Working Capital	704400
2	Depreciation @ 15%	18000
3	Interest @ 12%	14017
	Total	736417

9. TURNOVER (PER YEAR)

S.No	Description	Unit	Qty.	Rate Rs.	Amount Rs.
1		Ltrs per annu	48000	16.5	792000
	Total				792000

10. FIXED COST (PER YEAR)

S.No	Description	Amount Rs.
1	Depreciation	18000
2	Interest	14017
3	Rent	18000
4	Salaries & Wages @ 40%	21600
5	Other Expenses incl. Utilities @ 40%	22560
	Total	94177

11. PROFIT ANALYSIS & RATIOS

1	Net Profit	Rs.	55583
2	Percentage of Profit on Sales		7%
3	Percentage of Return on Investment		31%
4	Break Even Point		63%