

UP MSME 1-Connect

PROJECT REPORT

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PROJECT:

Cheese slice Manufacturing unit

PROJECT REPORT

Of

CHEESE SLICE

PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding Cheese slice Manufacturing unit.

The objective of the pre-feasibility report is primarily to facilitate potential entrepreneurs in project identification for investment and in order to serve his objective; the document covers various aspects of the project concept development, start-up, marketing, finance and management.

[We can modify the project capacity and project cost as per your requirement. We can also prepare project report on any subject as per your requirement.]

PROJECT AT GLANCE

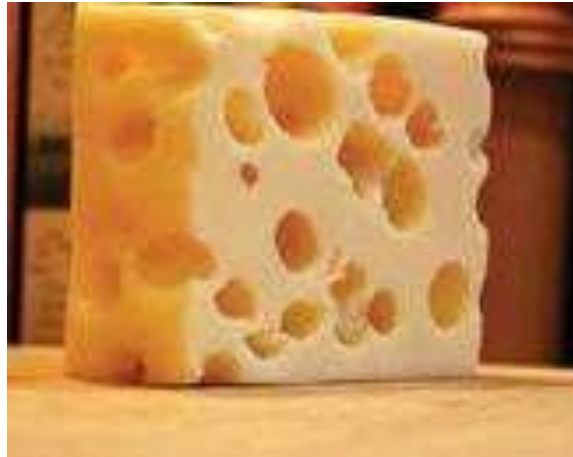
1 Name of Proprietor/Director	XXXXXXXXXX
2 Firm Name	XXXXXXXXXX
3 Registered Address	XXXXXXXXXX
4 Nature of Activity	XXXXXXXXXX
5 Category of Applicant	XXXXXXXXXX
6 Location of Unit	XXXXXXXXXX
7 Cost of Project	17.27 Rs. In Lakhs
8 Means of Finance	
i) Own Contribution	1.73 Rs. In Lakhs
ii) Term Loan	12.60 Rs. In Lakhs
iii) Working Capital	2.94 Rs. In Lakhs
9 Debt Service Coverage Ratio	3.16
10 Break Even Point	37%
11 Power Requirement	15 KW
12 Employment	10 Persons
13 Major Raw Materials	Milk, culture and rennet

14 Details of Cost of Project & Means of Finance

Cost of Project	Amount in Lacs
Particulars	Amount
Land and building	Owned/Leased
Plant & Machinery	12.50
Furniture & Fixture	-
Other Misc Assets	1.50
Working Capital Requirement	3.27
Total	17.27

Means of Finance	
Particulars	Amount
Own Contribution	1.73
Term Loan	12.60
Working capital Loan	2.94
Total	17.27

1. INTRODUCTION



Cheese is an ancient food whose origins predate recorded history. Cheese is valued for its portability, long shelf life, and high content of fat, protein, calcium, and phosphorus. Cheese is more compact and has a longer shelf life than milk, although how long a cheese will keep depends on the type of cheese. Cheese is a milk-based food that is produced in wide-ranging flavours, textures, and forms. Hundreds of types of cheese from various countries are produced. Cheese styles, textures and flavours depend on the origin of the milk. Cheese is produced by milk which is curdled by adding acids such as vinegar or lemon juice. Most cheeses are acidified to a lesser degree by bacteria which turn milk sugars into lactic acid and the addition of rennet completes the curdling. Vegetarian alternatives to rennet are available. Processed cheese is a food product made from cheese and unfermented dairy ingredients mixed with emulsifiers. Additional ingredients, such as vegetable oils, salt, food colouring, or sugar may be included.

2. PRODUCT DESCRIPTION

2.1 PRODUCT USES

- Cheese slices are used as a topping on pizza, filling in appetizers, slices on hamburgers, and sauces in pasta dishes.
- Cheese slice is an excellent source of getting our daily calcium intake without supplements.
- Cheese consumption are used for weight gain purpose in a healthy manner.
- Cheese is an excellent source of protein help to improve strong immune system, healthy hair, and proper fluid balance in our body.

- Cheese can reverse hypertension by lowering blood pressure.

2.2 MANUFACTURING PROCESS

This process can be broken down into the following steps-

Raw material procurement

Production Process

Raw Material Procurement

Procurement is the connection process of purchasing and arranging in bound movement of all items, supplies, materials, parts, finished inventory and general support services from the suppliers into manufacturing process or assembly plants or warehouses.

Production Process

Steps involved in the manufacturing of Cheese slices production unit

- ✓ **Preparing the milk:** Before it can be turned into cheese, the milk may need to be processed.
- ✓ **Acidifying the milk:** Adding cultures to the milk allows it to begin to ferment and makes it more acidic.
- ✓ **Curdling the milk:** Adding rennet causes a reaction that curdles the milk, creating curds.
- ✓ **Cutting the curd:** The cheese maker cuts the curd with knives and heats till further separating the curds and whey.
- ✓ **Processing the curd:** Processing the curd through stirring, cooking and washing continue to acidify and dry the curds.
- ✓ **Draining the whey:** The whey is drained leaving only a mat of cheese curds.
- ✓ **Cheddaring the cheese:** The cheese maker next cuts the curd mat into sections and repeatedly flips the sections before milling the mat.
- ✓ **Salting the cheese:** Some cheeses require is dry salting, and other require brining.
- ✓ **Shaping the cheese:** Cheese get the shape (slices) using molds to assist into final shape.
- ✓ **Aging the cheese:** Some cheeses are aged for anywhere from a number of days to a number of years.

3. PROJECT COMPONENTS

3.1 Land & Building

The land required for this manufacturing unit will be approx. around 600 square feet. Land Purchase and Building Civil Work Cost have not been considered as part of the cost of project. It is expected that the premises will be on rental and approximate rentals assumed of the same will be Rs.10,000 per month.

- Workshop Area- This area includes the setup and foundation space for all equipment's, work floor area, etc. Total workshop area is approx.200 Sqft.
- Inventory Area- This area includes the storage space for all the raw materials and finished goods. Total inventory area is approx. 200 Sqft.
- Office Area – This space includes staff working region, their accommodation space. Total workshop area is approx. 100 Sqft. This may be considered above the ground floor.
- Parking Space, Electric Mounting Space, and Others. This could be approx. 100 Sqft.

Land and building requirement may vary depending on the size of project.

3.2 Plant & Machinery

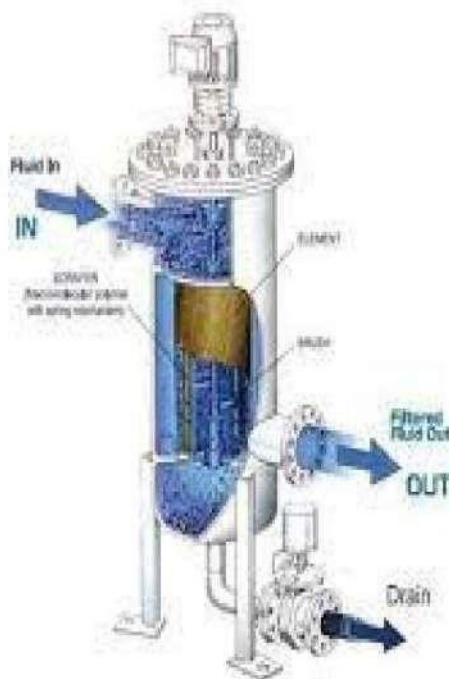
- **Cheese Agitator:** The cheese agitator is used to proper mixing of the ingredient in the milk so that proper formation take place.



- **Cheese Vat:** Cheese vat is a round vat where the curd is moulded and cut in the cheese making process. Cheese vats have been designed to maximise yield and usability.



- **Curd Strainer:** The curd strainer is used to separate curd from whey before going to the pressing process.



- **Cheese Press Machine:** The press machine is used to remove all the moisture present in before going to slicing process.



- **Slice Cutting Machine:** The slice cutting machine convert the partially semi liquid Cheese into a thin slice shape and remove moisture also during the process.



- **Automatic packaging machine:** Packaging machine is used to pack cheese slices with the measure of hygienic automation. Packaging machines also include related machinery for sorting, counting and packaging.



Machine	Quantity	Price
Cheese Vat	1	5,00,000
Cheese Agitator	1	60,000
Curd strainer	1	70,000
Cheese press machine	1	20,000
Slice cutting machine	1	2,00,000
Automatic Packaging Machine	1	4,00,000
TOTAL		12,50,000

Note: Total Machinery cost shall be Rs 12.50 lakhs (Approx.) including GST and Transportation Cost.

4 LICENSE & APPROVALS

Basic registration required in this project:

- MSME Udyam registration
- GST registration
- NOC for fire safety board and Pollution Control Board
- BIS Certification
- ISO Certification
- Trade License
- FSSAI License
- Factory License (Optional)
- Choice of a Brand Name of the product and secure the name with Trademark if required.

Projected Balance Sheet

<u>PROJECTED BALANCE SHEET</u>					(in Lacs)
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
<u>Liabilities</u>					
Capital					
Opening balance		3.24	5.50	8.32	12.03
Add:- Own Capital	1.73				
Add:- Retained Profit	5.11	6.57	7.77	9.81	10.96
Less:- Drawings	3.60	4.30	4.95	6.10	7.60
Closing Balance	3.24	5.50	8.32	12.03	15.39
Term Loan	11.20	8.40	5.60	2.80	-
Working Capital Limit	2.94	2.94	2.94	2.94	2.94
Sundry Creditors	0.73	0.81	0.90	0.99	1.09
Provisions & Other Liability	0.40	0.48	0.58	0.80	0.96
TOTAL :	18.50	18.12	18.33	19.56	20.38
<u>Assets</u>					
Fixed Assets (Gross)	14.00	14.00	14.00	14.00	14.00
Gross Dep.	2.10	3.89	5.40	6.69	7.79
Net Fixed Assets	11.90	10.12	8.60	7.31	6.21
Current Assets					
Sundry Debtors	2.53	2.94	3.33	3.75	4.20
Stock in Hand	1.46	1.63	1.83	2.04	2.26
Cash and Bank	0.11	0.73	1.37	2.96	3.71
Loans & Advances /Other Current Assets	2.50	2.70	3.20	3.50	4.00
TOTAL :	18.50	18.12	18.33	19.56	20.38

Projected Profitability

<u>PROJECTED PROFITABILITY STATEMENT</u>					(in Lacs)
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
Capacity Utilisation %	60%	65%	70%	75%	80%
<u>SALES</u>					
Gross Sale					
Cheese Slices	50.63	58.86	66.62	75.05	83.97
Total	50.63	58.86	66.62	75.05	83.97
<u>COST OF SALES</u>					
Raw Material Consumed	31.10	34.63	38.51	42.55	46.77
Electricity Expenses	1.73	1.87	2.02	2.16	2.30
Depreciation	2.10	1.79	1.52	1.29	1.10
Wages & labour	5.04	6.65	8.52	10.64	12.77
Repair & maintenance	0.15	0.18	0.20	0.23	0.25
Packaging	0.05	0.07	0.08	0.09	0.10
Cost of Production	40.17	45.19	50.83	56.96	63.30
Add: Opening Stock	-	0.94	1.05	1.19	1.33
Less: Closing Stock	0.94	1.05	1.19	1.33	1.48
Cost of Sales	39.24	45.07	50.70	56.82	63.15
GROSS PROFIT	11.39	13.79	15.92	18.23	20.82
	22.50%	23.43%	23.89%	24.29%	24.80%
Salary to Staff	3.24	3.73	4.40	5.06	5.97
Interest on Term Loan	1.24	1.09	0.78	0.47	0.17
Interest on working Capital	0.32	0.32	0.32	0.32	0.32
Rent	1.20	1.38	1.59	1.83	2.10
Selling & Administrative Exp.	0.25	0.29	0.33	0.38	0.42
TOTAL	6.25	6.81	7.42	8.05	8.97
NET PROFIT	5.14	6.98	8.49	10.18	11.85
	10.15%	11.85%	12.75%	13.56%	14.11%
Taxation	0.03	0.41	0.73	0.37	0.89
PROFIT (After Tax)	5.11	6.57	7.77	9.81	10.96

Projected Cash Flow Statement

<u>PROJECTED CASH FLOW STATEMENT</u>					(in Lacs)
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
<u>SOURCES OF FUND</u>					
Own Margin	1.73				
Net Profit	5.14	6.98	8.49	10.18	11.85
Depreciation & Exp. W/off	2.10	1.79	1.52	1.29	1.10
Increase in Cash Credit	2.94	-	-	-	-
Increase In Term Loan	12.60	-	-	-	-
Increase in Creditors	0.73	0.08	0.09	0.09	0.10
Increase in Provisions & Oth labilities	0.40	0.08	0.10	0.22	0.16
	-				
TOTAL :	25.63	8.92	10.20	11.79	13.20
<u>APPLICATION OF FUND</u>					
Increase in Fixed Assets	14.00				
Increase in Stock	1.46	0.18	0.20	0.21	0.22
Increase in Debtors	2.53	0.41	0.39	0.42	0.45
Repayment of Term Loan	1.40	2.80	2.80	2.80	2.80
Loans & Advances /Other Current Assets	2.50	0.20	0.50	0.30	0.50
Drawings	3.60	4.30	4.95	6.10	7.60
Taxation	0.03	0.41	0.73	0.37	0.89
TOTAL :	25.52	8.30	9.56	10.20	12.45
Opening Cash & Bank Balance	-	0.11	0.73	1.37	2.96
Add : Surplus	0.11	0.63	0.64	1.59	0.75
Closing Cash & Bank Balance	0.11	0.73	1.37	2.96	3.71

DSCR

<u>CALCULATION OF D.S.C.R</u>					
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
CASH ACCRUALS	7.21	8.35	9.28	11.10	12.06
Interest on Term Loan	1.24	1.09	0.78	0.47	0.17
Total	8.45	9.44	10.07	11.58	12.22
REPAYMENT					
Instalment of Term Loan	1.40	2.80	2.80	2.80	2.80
Interest on Term Loan	1.24	1.09	0.78	0.47	0.17
Total	2.64	3.89	3.58	3.27	2.97
DEBT SERVICE COVERAGE RATIO	3.20	2.43	2.81	3.53	4.12
AVERAGE D.S.C.R.	3.16				

Repayment schedule

REPAYMENT SCHEDULE OF TERM LOAN							
						Interest	11.00%
Year	Particulars	Amount	Addition	Total	Interest	Repayment	Closing Balance
1st	Opening Balance						
	1st month	-	12.60	12.60	-	-	12.60
	2nd month	12.60	-	12.60	0.12	-	12.60
	3rd month	12.60	-	12.60	0.12	-	12.60
	4th month	12.60	-	12.60	0.12		12.60
	5th month	12.60	-	12.60	0.12		12.60
	6th month	12.60	-	12.60	0.12		12.60
	7th month	12.60	-	12.60	0.12	0.23	12.37
	8th month	12.37	-	12.37	0.11	0.23	12.13
	9th month	12.13	-	12.13	0.11	0.23	11.90
	10th month	11.90	-	11.90	0.11	0.23	11.67
	11th month	11.67	-	11.67	0.11	0.23	11.43
	12th month	11.43	-	11.43	0.10	0.23	11.20
					1.24	1.40	
2nd	Opening Balance						
	1st month	11.20	-	11.20	0.10	0.23	10.97
	2nd month	10.97	-	10.97	0.10	0.23	10.73
	3rd month	10.73	-	10.73	0.10	0.23	10.50
	4th month	10.50	-	10.50	0.10	0.23	10.27
	5th month	10.27	-	10.27	0.09	0.23	10.03
	6th month	10.03	-	10.03	0.09	0.23	9.80

	7th month	9.80	-	9.80	0.09	0.23	9.57
	8th month	9.57	-	9.57	0.09	0.23	9.33
	9th month	9.33	-	9.33	0.09	0.23	9.10
	10th month	9.10	-	9.10	0.08	0.23	8.87
	11th month	8.87	-	8.87	0.08	0.23	8.63
	12th month	8.63	-	8.63	0.08	0.23	8.40
					1.09	2.80	
3rd	Opening Balance						
	1st month	8.40	-	8.40	0.08	0.23	8.17
	2nd month	8.17	-	8.17	0.07	0.23	7.93
	3rd month	7.93	-	7.93	0.07	0.23	7.70
	4th month	7.70	-	7.70	0.07	0.23	7.47
	5th month	7.47	-	7.47	0.07	0.23	7.23
	6th month	7.23	-	7.23	0.07	0.23	7.00
	7th month	7.00	-	7.00	0.06	0.23	6.77
	8th month	6.77	-	6.77	0.06	0.23	6.53
	9th month	6.53	-	6.53	0.06	0.23	6.30
	10th month	6.30	-	6.30	0.06	0.23	6.07
	11th month	6.07	-	6.07	0.06	0.23	5.83
	12th month	5.83	-	5.83	0.05	0.23	5.60
					0.78	2.80	
4th	Opening Balance						
	1st month	5.60	-	5.60	0.05	0.23	5.37
	2nd month	5.37	-	5.37	0.05	0.23	5.13
	3rd month	5.13	-	5.13	0.05	0.23	4.90

	4th month	4.90	-	4.90	0.04	0.23	4.67
	5th month	4.67	-	4.67	0.04	0.23	4.43
	6th month	4.43	-	4.43	0.04	0.23	4.20
	7th month	4.20	-	4.20	0.04	0.23	3.97
	8th month	3.97	-	3.97	0.04	0.23	3.73
	9th month	3.73	-	3.73	0.03	0.23	3.50
	10th month	3.50	-	3.50	0.03	0.23	3.27
	11th month	3.27	-	3.27	0.03	0.23	3.03
	12th month	3.03	-	3.03	0.03	0.23	2.80
					0.47	2.80	
5th	Opening Balance						
	1st month	2.80	-	2.80	0.03	0.23	2.57
	2nd month	2.57	-	2.57	0.02	0.23	2.33
	3rd month	2.33	-	2.33	0.02	0.23	2.10
	4th month	2.10	-	2.10	0.02	0.23	1.87
	5th month	1.87	-	1.87	0.02	0.23	1.63
	6th month	1.63	-	1.63	0.01	0.23	1.40
	7th month	1.40	-	1.40	0.01	0.23	1.17
	8th month	1.17	-	1.17	0.01	0.23	0.93
	9th month	0.93	-	0.93	0.01	0.23	0.70
	10th month	0.70	-	0.70	0.01	0.23	0.47
	11th month	0.47	-	0.47	0.00	0.23	0.23
	12th month	0.23	-	0.23	0.00	0.23	-
					0.17	2.80	
	DOOR TO DOOR MORATORIUM PERIOD	60		MONTHS			
		6		MONTHS			
	REPAYMENT PERIOD	54		MONTHS			

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