

Khadi and Village Industries Commission Mumbai

PROJECT PROFILE ON LPG COOKING RANGE

Introduction :

This is an item of use in nearly all urban & semi-urban household, restaurants, fast food joints & eateries. They are also widely used in canteens, hospitals, cafeterias & laboratories. Diff. types of cooking ranges exist, with the conventional domestic type having the largest consumption and heavy duty & larger ranges being used predominantly by comm. est. With availability of bottled liquefied petroleum gas burgeoning in all cities & urban areas & their inevitable spread to semi-urban areas, LPG Cooking ranges have become an accepted mode of cooking as they offer cleaner and better service. There is good demand for the product in the market & this is likely to grow as the spread of the use of LPG expands.

Process of Manufacture: The specifications are laid down under IS: 4760-68. Metal parts are to be selected with utmost care to ensure that they are corrosion resistant and can withstand high temperatures. Sheet metal is worked to the desired shape as per design specifications. Piping is done and gas pipe assembly is installed. Knobs and control assemblies are installed and the cooking range is tested for performance and quality. Raw materials required for LPG Cooking Range are CRC Sheet, iron angles, MS Plate, cast iron/alloy burners, piping, gas cock assemblies, knobs, hardware etc. With the availability of bottled liquefied petroleum gas in big cities for cooking purposes more and more cooking ranges are being accepted for household use for better and quicker services. Though there are several manufactures of this item, due to its ever increasing demand.

1 **Name of the Product :** **LPG COOKING RANGE**

2 **Project Cost :**

a Capital Expenditure

Land	:			Own
Workshed in sq.ft	:		Rs.	-
Equipment	:		Rs.	800,000.00

Guillotine shearing machine, Flexible shaft grinder, Portable drilling machine, Electric welding transformer, Gas welding equipment, Double ended bench grinder, Spray painting equipment, Baking oven, Spot welding machine, Power press, Drilling machine, Testing equipments.

Total Capital Expenditure		Rs.		800,000.00
b Working Capital		Rs.		920,000.00
TOTAL PROJECT COST :		Rs.		1,720,000.00

3 **Estimated Annual Production Capacity:**

(Rs. in 000)

Sr.No.	Particulars	Capacity in No./Q.	Rate	Total Value
1	LPG COOKING RANGE			5542.00
TOTAL		0.00	0.00	5542.00

4 **Raw Material** : **Rs.** **4,320,000.00**

5 **Labels and Packing Material** : **Rs.** **20,000.00**

6 **Wages (5-Skilled & 5-Unskilled)** : **Rs.** **720,000.00**

7 **Salaries (MANAGER-1)** : **Rs.** **120,000.00**

PAGE (2)

8	Administrative Expenses	:	Rs.	60,000.00
9	Overheads	:	Rs.	40,000.00
10	Miscellaneous Expenses	:	Rs.	30,000.00
11	Depreciation	:	Rs.	80,000.00
12	Insurance	:	Rs.	8,000.00
13	Interest (As per the PLR)			
	a. C.E.Loan	:	Rs.	104,000.00
	b. W.C.Loan	:	Rs.	119,600.00
	Total Interest		Rs.	223,600.00
14	Working Capital Requirement	:		
	Fixed Cost		Rs.	322,000.00
	Variable Cost		Rs.	5,219,600.00
	Requirement of WC per Cycle		Rs.	923,600.00

15 Cost Analysis

Sr.No.	Particulars	Capacity Utilization(Rs in '000)			
		100%	60%	70%	80%
1	Fixed Cost	322.00	193.20	225.40	257.60
2	Variable Cost	5220.00	3132.00	3654.00	4176.00
3	Cost of Production	5542.00	3325.20	3879.40	3911.60
4	Projected Sales	6000.00	3600.00	4200.00	4800.00
5	Gross Surplus	458.00	274.80	320.60	366.40
6	Expected Net Surplus	378.00	195.00	241.00	286.00

- Note :
1. All figures mentioned above are only indicative.
 2. If the investment on Building is replaced by Rental then
 - a. Total Cost of Project will be reduced.
 - b. Profitability will be increased.
 - c. Interest on C.E.will be reduced.