



MODEL PROJECT REPORT



PROJECT REPORT ON DOMESTIC PRESSURE COOKER

SWAVALAMBI BHARAT ABHIYAN

INTRODUCTION

Pressure cooking is the process of cooking food at high pressure, employing water or a water-based cooking liquid, in a sealed vessel known as a pressure cooker. High pressure limits boiling, and permits cooking temperatures well above 100 °C (212 °F) to be reached.

Pressure cookers work by expelling air from the vessel, and trapping the steam produced from the boiling liquid inside. This raises the internal pressures and permits high cooking temperatures. This, together with high thermal heat transfer from the steam, cooks food far more quickly, often cooking in between half and a quarter the time for conventional boiling. After cooking the steam is released so that the vessel can be opened safely



The pressure cookers are extensively used in household for preparing food. The pressure cookers have preference over the conventional cooking utensils due to the advantage of retaining the nutritive value and flavour of the cooked food and less time required for cooking and thus effecting considerable savings in time and fuel. It is a closed cooking vessel for use with external heat source, capable of maintaining working steam pressure of 1.0 Kg.Sq. cm. The full liquid capacity of vessel i.e. total internal volume with lid in position, ranges from 2 to 10 litres capacity. But in market, the, Pressure Cookers of 3 and 5 litre capacity are mostly demanded by the customers.

It is a well known fact that a pressure cooker cooks food at a pressure higher than that of ambient pressure, thus necessitating sufficient precaution required in designing, manufacturing and use of domestic pressure cooker to safeguard against accidents in the kitchen.

MANUFACTURING PROCESS

The pressure cooker consists of components like main body, lid, regulator, gasket, fusible plug, handles, lugs etc. The main body and lid of the pressure cooker are manufactured of aluminum alloy sheet/Circles of different thicknesses depending upon the size and specifications of the Cooker. The components i.e. pressure regulator, Bakelite Handles and Lugs, Rubber Gasket, Fusible Plugs, Screws, Rivets, Packing Boxes etc. are usually purchased from outside sources by the pressure cooker manufacturers. In the manufacturing of pressure cookers operations like circle cutting, deep drawing of body, drawing of lid, trimming of body and lid, notching of body, drilling of holes in body and lid, fixing of lugs, handles, vent pipe, buffing and polishing, testing, packing etc. are involved.

MARKETING ASPECTS

It has been observed, keeping in view the average family, that medium size/capacity pressure cookers have greater market. With the rapid advancement in the general living standards of the people, the demand of pressure cookers is increasing day by day. Accordingly, there is great scope for setting up of the new units for manufacture of pressure cookers to standard specifications.

Indian Government's Ujjawala Scheme has opened a wide market for pressure cooker manufacturer as the demand is growing rapidly in rural and semi urban areas after successful implementation of Ujjawala Yojna. Now the families of Rural areas are also requires pressure cooker by replacing the traditional cooking utensils on LPG stoves provided to them under the scheme.

PROJECT AT A GLANCE

- 1 Name of the Entrepreneur : XXXXXXXX
- 2 Constitution (legal Status) : XXXXXXXX
- 3 Father's/Spouce's Name : XXXXXXXX
- 4 Unit Address : XXXXXXXX
 Taluk /Block: XXXXX
 District : XXXXX
 Pin: XXXXX
 E-Mail : XXXXX
 Mobile XXXXX
 State:
- 5 Product and By Product : Pressure Cooker
- 6 Name of the project / business activity proposed : Manufacturing of Pressure Cooker
- 7 Cost of Project : Rs. 27.40 Lacs
- 8 Means of Finance
 Term Loan Rs. 14.40 Lacs
 KVIC Margin Money As per Project Eligibility
 Own Capital Rs. 2.74 Lacs
- 9 Debt Service Coverage Ratio : 2.79
- 10 Pay Back Period : 5 Years Years
- 11 Project Implementation Period : 6 Months Months
- 12 Break Even Point :
- 13 Employment : 13 Persons
- 14 Power Requirement : 6 KW
- 15 Major Raw materials : Alumunium Alloy Sheets, Regulators etc
- 16 Estimated Annual Sales Turnover : Rs. 59 Lacs
- 16 Detailed Cost of Project & Means of Finance

COST OF PROJECT

(Rs. In Lacs)

Particulars	Amount
Land	Rented / Owned
Plant & Machinery	15.00
Furniture & Fixtures	1.00
Working Capital Requirement	8.32
Total	24.32

MEANS OF FINANCE

Particulars	Amount
Own Contribution 10%	2.43
Term Loan	14.40
Working capital	7.49
Total	24.32

General

Special

KVIC Margin Monery	Urban	15%	25%
KVIC Margin Monery	Rural	25%	35%

PROJECTED BALANCE SHEET

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
<u>SOURCES OF FUND</u>					
Capital Account	2.43	2.43	2.43	2.43	2.43
Retained Profit	2.71	6.38	12.02	20.13	30.57
Term Loan	14.40	10.80	7.20	3.60	-
Cash Credit	7.49	7.49	7.49	7.49	7.49
Sundry Creditors	0.83	1.04	1.22	1.39	1.57
TOTAL :	27.86	28.14	30.36	35.04	42.05
<u>APPLICATION OF FUND</u>					
Fixed Assets (Gross)	16.00	16.00	16.00	16.00	16.00
Gross Dep.	2.30	4.31	6.02	7.48	8.72
Net Fixed Assets	13.70	11.69	9.98	8.52	7.28
Current Assets					
Sundry Debtors	2.88	3.60	4.21	4.81	5.41
Stock in Hand	6.27	7.71	9.00	10.28	11.57
Cash and Bank	5.01	5.14	7.18	11.43	17.78
TOTAL :	27.86	28.14	30.36	35.04	42.05

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PROJECTED CASH FLOW STATEMENT

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
<u>SOURCES OF FUND</u>					
Share Capital	2.43	-	-	-	-
Reserve & Surplus	3.01	4.08	6.27	9.01	11.59
Depriciation & Exp. W / off	2.30	2.01	1.71	1.46	1.24
Increase in Cash Credit	7.49	-	-	-	-
Increase In Term Loan	14.40	-	-	-	-
Increase in Creditors	0.83	0.21	0.17	0.17	0.17
TOTAL :	30.47	6.30	8.15	10.64	13.01
<u>APPLICATION OF FUND</u>					
Increase in Fixed Assets	16.00	-	-	-	-
Increase in Stock	6.27	1.44	1.29	1.29	1.29
Increase in Debtors	2.88	0.72	0.60	0.60	0.60
Repayment of Term Loan	-	3.60	3.60	3.60	3.60
Taxation	0.30	0.41	0.63	0.90	1.16
TOTAL :	25.45	6.17	6.12	6.39	6.65
Opening Cash & Bank Balance	-	5.01	5.14	7.18	11.43
Add : Surplus	5.01	0.13	2.03	4.25	6.36
Closing Cash & Bank Balance	5.01	5.14	7.18	11.43	17.78

PROJECTED PROFITABILITY STATEMENT

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
Capacity Utilisation %					
<u>A) SALES</u>					
Gross Sale(Pressure Cooker)	57.00	71.40	83.40	95.40	107.40
Sale of Aluminium Scrap	0.60	0.66	0.73	0.80	0.88
Total (A)	57.60	72.06	84.13	96.20	108.28
<u>B) COST OF SALES</u>					
Raw Mateiral Consumed	35.71	44.68	52.16	59.64	67.13
Electricity Expenses	0.79	0.95	1.11	1.27	1.43
Repair & Maintenance	1.14	1.43	1.67	1.91	2.15
Labour & Wages	7.56	8.32	9.15	10.06	11.07
Depreciation	2.30	2.01	1.71	1.46	1.24
Cost of Production	47.50	57.38	65.79	74.34	83.02
Add: Opening Stock /WIP	-	2.70	3.24	3.78	4.32
Less: Closing Stock /WIP	2.70	3.24	3.78	4.32	4.86
Cost of Sales (B)	44.80	56.84	65.25	73.80	82.48
C) GROSS PROFIT (A-B)	12.80	15.22	18.87	22.40	25.80
	22%	21%	23%	23%	24%
D) Bank Interest (Term Loan)	1.19	1.44	1.04	0.64	0.25
Bank Interest (C.C. Limit)	0.82	0.82	0.82	0.82	0.82
E) Salary to Staff	4.92	5.31	5.74	6.20	6.69
F) Selling & Adm Expenses Exp.	2.85	3.57	5.00	5.72	6.44
TOTAL (D+E)	9.78	11.14	12.61	13.39	14.21
H) NET PROFIT	3.01	4.08	6.27	9.01	11.59
I) Taxation	0.30	0.41	0.63	0.90	1.16
J) PROFIT (After Tax)	2.71	3.67	5.64	8.11	10.43

COMPUTATION OF MANUFACTURING OF PRESSURE COOKER**Items to be Manufactured**

Pressure Cooker

Manufacturing Capacity	Pressure Cooker	100.00	Pcs Per Day
		-	
No. of Working Hour		10	
No of Working Days per month		25	
No. of Working Day per annum		300	
Total Production per Annum	Pressure Cooker	30,000.00	Pcs per Annum
		-	
Year		Capacity Utilization	
		Pressure Cooker	
IST YEAR		50%	15,000.00
IIND YEAR		60%	18,000.00
IIIRD YEAR		70%	21,000.00
IVTH YEAR		80%	24,000.00
VTH YEAR		90%	27,000.00

COMPUTATION OF SALE**Pressure Cooker**

Particulars	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
Op Stock	-	750.00	900.00	1,050.00	1,200.00
Production	15,000.00	18,000.00	21,000.00	24,000.00	27,000.00
	15,000.00	18,750.00	21,900.00	25,050.00	28,200.00
Less : Closing Stock	750.00	900.00	1,050.00	1,200.00	1,350.00
Net Sale	14,250.00	17,850.00	20,850.00	23,850.00	26,850.00
Sale Price Per tonne	400.00	400.00	400.00	400.00	400.00
Sale (in Lacs)	57.00	71.40	83.40	95.40	107.40

COMPUTATION OF ELECTRICITY

(A) POWER CONNECTION				
Total Working Hour per day			10 Hrs	
Electric Load Required			6 KW	
Load Factor			0.08	
Electricity Charges			8 per unit	
Total Working Days			300	
Electricity Charges (10 Hrs Per day)				
=10*300 * 8 * 6				1,44,000.00
Add : Minimim Charges (@ 10%)				14,400.00
				1,58,400.00
Total cost of Power & Fuel at 100%				1.58
Year		Capacity		Amount
				(in Lacs)
IST YEAR		50%		0.79
IIND YEAR		60%		0.95
IIIRD YEAR		70%		1.11
IVTH YEAR		80%		1.27
VTH YEAR		90%		1.43

18,000.00
1,44,000.00

COMPUTATION OF CLOSING STOCK & WORKING CAPITAL

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR	
Finished Goods						
(15 Days requirement)	2.70	3.24	3.78	4.32	4.86	
Raw Material						
(30 Days requirement)	3.57	4.47	5.22	5.96	6.71	
Closing Stock	6.27	7.71	9.00	10.28	11.57	

COMPUTATION OF WORKING CAPITAL REQUIREMENT

Particulars	Total
	Amount
Stock in Hand	6.27
Sundry Debtors	2.88
	9.15
Sundry Creditors	0.83
WORKING CAPITAL	8.32
MARGIN @10%	0.83
WORKING CAPITAL FIANANCE	7.49

BREAK UP OF LABOUR

Particulars		Wages	No of	Total
		Per Month	Employees	Salary
Plant Operator		15,000.00	1	15,000.00
Skilled Worker		10,000.00	1	10,000.00
Unskilled Worker		6,000.00	3	18,000.00
Casual Labour		5,000.00	4	20,000.00
				63,000.00

Annual Cost (in lacs)

7.56

BREAK UP OF SALARY

Particulars		Salary	No of	Total
		Per Month	Employees	Salary
Accountant		10,000.00	1	10,000.00
Marketing Executive		8,000.00	2	16,000.00
Manager		15,000.00	1	15,000.00
Total Salary Per Month				41,000.00

Annual Cost (in lacs)

4.92

COMPUTATION OF DEPRECIATION

Description	Land	Plant &	Furniture	TOTAL
		Machinery		
Rate of Depreciation		15.00%	10.00%	
Opening Balance	Leased	-	-	-
Addition	-	15.00	1.00	16.00
	-	15.00	1.00	16.00
Less : Depreciation	-	2.25	0.05	2.30
WDV at end of Ist year	-	12.75	0.95	13.70
Additions During The Year	-	-	-	-
	-	12.75	0.95	13.70
Less : Depreciation	-	1.91	0.10	2.01
WDV at end of IIInd Year	-	10.84	0.86	11.69
Additions During The Year	-	-	-	-
	-	10.84	0.86	11.69
Less : Depreciation	-	1.63	0.09	1.71
WDV at end of IIIrd year	-	9.21	0.77	9.98
Additions During The Year	-	-	-	-
	-	9.21	0.77	9.98
Less : Depreciation	-	1.38	0.08	1.46
WDV at end of IV year	-	7.83	0.69	8.52
Additions During The Year	-	-	-	-
	-	7.83	0.69	8.52
Less : Depreciation	-	1.17	0.07	1.24
WDV at end of Vth year	-	6.66	0.62	7.28

REPAYMENT SCHEDULE OF TERM LOAN

11%

Year	Particulars	Amount	Addition	Total	Interest	Repayment	CI Balance
IST YEAR	Opening Balance						
	Ist Quarter	-	14.40	14.40	-	-	14.40
	Iind Quarter	14.40	-	14.40	0.40	-	14.40
	IIIrd Quarter	14.40	-	14.40	0.40	-	14.40
	Ivth Quarter	14.40	-	14.40	0.40	-	14.40
					1.19	-	
IIND YEAR	Opening Balance						
	Ist Quarter	14.40	-	14.40	0.40	0.90	13.50
	Iind Quarter	13.50	-	13.50	0.37	0.90	12.60
	IIIrd Quarter	12.60	-	12.60	0.35	0.90	11.70
	Ivth Quarter	11.70		11.70	0.32	0.90	10.80
					1.44	3.60	
IIIRD YEAR	Opening Balance						
	Ist Quarter	10.80	-	10.80	0.30	0.90	9.90
	Iind Quarter	9.90	-	9.90	0.27	0.90	9.00
	IIIrd Quarter	9.00	-	9.00	0.25	0.90	8.10
	Ivth Quarter	8.10		8.10	0.22	0.90	7.20
					1.04	3.60	
IVTH YEAR	Opening Balance						
	Ist Quarter	7.20	-	7.20	0.20	0.90	6.30
	Iind Quarter	6.30	-	6.30	0.17	0.90	5.40
	IIIrd Quarter	5.40	-	5.40	0.15	0.90	4.50
	Ivth Quarter	4.50		4.50	0.12	0.90	3.60
					0.64	3.60	
VTH YEAR	Opening Balance						
	Ist Quarter	3.60	-	3.60	0.10	0.90	2.70
	Iind Quarter	2.70	-	2.70	0.07	0.90	1.80
	IIIrd Quarter	1.80	-	1.80	0.05	0.90	0.90
	Ivth Quarter	0.90		0.90	0.02	0.90	0.00
					0.25	3.60	

CALCULATION OF D.S.C.R

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
<u>CASH ACCRUALS</u>	5.01	5.68	7.35	9.57	11.68
Interest on Term Loan	1.19	1.44	1.04	0.64	0.25
Total	6.20	7.11	8.39	10.21	11.92
<u>REPAYMENT</u>					
Instalment of Term Loan	-	3.60	3.60	3.60	3.60
Interest on Term Loan	1.19	1.44	1.04	0.64	0.25
Total	1.19	5.04	4.64	4.24	3.85
DEBT SERVICE COVERAGE RATIO	5.22	1.41	1.81	2.41	3.10
AVERAGE D.S.C.R.			2.79		

BREAK EVEN POINT ANALYSIS					
Year	I	II	III	IV	V
Net Sales & Other Income	57.60	72.06	84.13	96.20	108.28
Less : Op. WIP Goods	-	2.70	3.24	3.78	4.32
Add : Cl. WIP Goods	2.70	3.24	3.78	4.32	4.86
Total Sales	60.30	72.60	84.67	96.74	108.82
Variable & Semi Variable Exp.					
Raw Material & Tax	35.71	44.68	52.16	59.64	67.13
Electricity Exp/Coal Consumption at 8	0.67	0.81	0.94	1.08	1.21
Wages & Salary at 60%	7.49	8.18	8.93	9.76	10.66
Repair & Maintenance	1.14	1.43	1.67	1.91	2.15
Selling & administrative Expenses 80%	2.28	2.86	4.00	4.58	5.16
Intt. On Working Capital Loan	0.82	0.82	0.82	0.82	0.82
Total Variable & Semi Variable Exp	48.12	58.77	68.53	77.79	87.13
Contribution	12.18	13.83	16.14	18.95	21.69
Fixed & Semi Fixed Expenses					
Electricity Exp/Coal Consumption at 15	0.12	0.14	0.17	0.19	0.21
Wages & Salary at 40%	4.99	5.45	5.95	6.50	7.10
Interest on Term Loan	1.19	1.44	1.04	0.64	0.25
Depreciation	2.30	2.01	1.71	1.46	1.24
Selling & administrative Expenses 20%	0.57	0.71	1.00	1.14	1.29
Total Fixed Expenses	9.17	9.75	9.87	9.94	10.10
Capacity Utilization	50%	60%	70%	80%	90%
OPERATING PROFIT	3.01	4.08	6.27	9.01	11.59
BREAK EVEN POINT	38%	42%	43%	42%	42%
BREAK EVEN SALES	45.38	51.19	51.79	50.74	50.67