

Project Profile on Filters for Air Conditioners service

Introduction :

The project envisages manufacture of absolute filters capable of filtering and purifying air supply to 0.3 microns. Essentially these use woven and non-woven paper filter elements. Although the filters are supplied with the original equipment, a very good replacement market exists especially in cities & urban areas where higher levels of pollution make for regular replacement market. The demand arises mainly from air conditioning requirements of hospitals, factories and laboratories besides households and hotels. **Raw materials** required for the Filters for Air conditioners are CRCA sheetss, aluminium foil, fibre glass filter, paper, wire mesh, adhesives, cutting tools and packing materials.

Process of Manufacture: The CRCA sheet is formed to hape by pressing. The body , filter element, wire mesh and filter paper are assembled as per design and fixed to the body of the filter. The completed filter is tested for performance as per BS-2831. **Market Potential :** Air conditioners have assumed the role of a common consumer durable in urban areas. With the increase in utilisation of this equipment, the demand has constantly been increasing, both from original equipment manufacturers and for the replacement market.

1 **Name of the Product :** **FILTERS FOR AIR CONDITIONERS**

2 **Project Cost :**

a Capital Expenditure

| | | | | |
|-------------------|---------|--|-----|------------|
| Land | : | | | Own |
| Workshed in sq.ft | On rent | | Rs. | 24,000.00 |
| Equipment | : | | Rs. | 700,000.00 |

Hand shearing machine, Folding machine, spot welding apparatus, pleating machine for filter paper, centre lathe, bench grinder, hand tools, jigs, press and fixtures.

| | | |
|---------------------------|-----|------------|
| Total Capital Expenditure | Rs. | 724,000.00 |
|---------------------------|-----|------------|

| | | |
|-------------------|-----|------------|
| b Working Capital | Rs. | 504,000.00 |
|-------------------|-----|------------|

| | | |
|-----------------------------|------------|---------------------|
| TOTAL PROJECT COST : | Rs. | 1,228,000.00 |
|-----------------------------|------------|---------------------|

3 **Estimated Annual Production Capacity:**

(Rs. in 000)

| Sr.No. | Particulars | Capacity in No.. | Rate Rs | Total Value |
|--------------|------------------------------|------------------|-------------|----------------|
| 1 | Filters for Air Conditioners | 12000.00 | | 3062.36 |
| TOTAL | | 12000.00 | 0.00 | 3062.36 |

| | | | | |
|-----------------------|---|--|-----|--------------|
| 4 Raw Material | : | | Rs. | 2,520,000.00 |
|-----------------------|---|--|-----|--------------|

| | | | | |
|--------------------------------------|---|--|-----|-----------|
| 5 Labels and Packing Material | : | | Rs. | 10,000.00 |
|--------------------------------------|---|--|-----|-----------|

| | | | | |
|--|---|--|-----|------------|
| 6 Wages (Skilled & Unskilled) | : | | Rs. | 240,000.00 |
|--|---|--|-----|------------|

| | | | | |
|-------------------|---|--|-----|-----------|
| 7 Salaries | : | | Rs. | 60,000.00 |
|-------------------|---|--|-----|-----------|

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|----|-----------------------------|---|-----|--------------|
| 8 | Administrative Expenses | : | Rs. | 25,000.00 |
| 9 | Overheads | : | Rs. | 30,000.00 |
| 10 | Miscellaneous Expenses | : | Rs. | 10,000.00 |
| 11 | Depreciation | : | Rs. | 71,200.00 |
| 12 | Insurance | : | Rs. | 7,240.00 |
| 13 | Interest (As per the PLR) | | | |
| | a. C.E.Loan | : | Rs. | 94,120.00 |
| | b. W.C.Loan | : | Rs. | 65,520.00 |
| | Total Interest | | Rs. | 159,640.00 |
| 14 | Working Capital Requirement | : | | |
| | Fixed Cost | | Rs. | 196,360.00 |
| | Variable Cost | | Rs. | 2,865,520.00 |
| | Requirement of WC per Cycle | | Rs. | 510,313.00 |

15 Cost Analysis

| Sr.No. | Particulars | Capacity Utilization(Rs in '000) | | | |
|--------|----------------------|----------------------------------|---------|---------|---------|
| | | 100% | 60% | 70% | 80% |
| 1 | Fixed Cost | 196.36 | 117.82 | 137.45 | 157.09 |
| 2 | Variable Cost | 2866.00 | 1719.60 | 2006.20 | 2292.80 |
| 3 | Cost of Production | 3062.36 | 1837.42 | 2143.65 | 2163.29 |
| 4 | Projected Sales | 3800.00 | 2280.00 | 2660.00 | 3040.00 |
| 5 | Gross Surplus | 737.64 | 442.58 | 516.35 | 590.11 |
| 6 | Expected Net Surplus | 666.00 | 371.00 | 445.00 | 519.00 |

- 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.