

"KVIC- REGP-(Gramodyog Rojgar Yojana)"

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.