DISTILLED WATER

I. INTRODUCTION:

The demand for distilled water required for battery charging is of considerable value. Preparation of distilled water for battery charging seems to be one of the most prospective venture in small cities.

II. MARKET POTENTIAL

This unit can cover about 30 km radius in semi-urban area which has around 2000 four wheelers and it can also cater to the need of small laboratories. Considering the above consumers, the capacity is fixed at 6.0 lakh litres per year

III. BASIS AND PRESUMPTIONS:

The approximate estimate for setting up of unit to produce 6.0 lakh litres distilled water per year. The unit will work for 8 hours per day with 300 working days in a Year .

IV. IMPLEMENTATION SCHEDULE:

The unit can be set up in 6 months

V. TECHNICAL ASPECTS:

1.Process of Manufacturing:

Raw water, which is having solids of 1000-1200 ppm, is charged into ion exchanges. After the water is treated in the ion exchange, distilled water of 5 ppm range dissolved solids is obtained. The PH value would range from 8.0 to 8.5 and the electrical conductivity will be up to 30 ms per cm.

2.Quality Specification IS:

1069-1964 specification

3. Production Capacity per annum

Quantity: 300000 litres

Value: Rs.450000

4.Motive Power:

3 Phase

VI. TOTAL CAPITAL INVESTMENT

S.No	Description	Value Rs.
1	Fixed Capital	110000
2	Working capital	29150
	Total cost	139150

VII. MEANS OF FINANCE

1.Promoter's Contribution (5% of total cost) 6957
2.PMRY subsidy (15% of total cost or Rs.7500,whichever is less) 7500
3.Bank loan[total cost-(Promoter's Contribution+ PMRY subsidy) 124693

VIII. FINANCIAL ASPECTS

1. FIXED CAPITAL

i)Land & Buildings : Rented premises 500 sft. Rent of Rs.1500 pm.

ii)Machinery &Equipment

S.No	Description	Quantity	Value Rs.
1	Demineralised plant -200 ltr. Capacity	1	70000
2	Glass carboys- 500 capacity	10	5000
3	PVC carboys- 300 capacity	50	15000
4	Laboratory equipment		10000
5	Steel almirah		1500
6	Fans		2500
7	Miscellaneous		1000
8	Pre-operative expenses		5000
	Total		110000

2. WORKING CAPITAL

i. Staff & Labour per month

S.No	Designation	No	@ Rs.	Value Rs.
1	Manager	1	1500	1500
2	Workers	3	1000	3000
	Total			4500

ii)Raw Material (p.m.)

S.No	Description	Quantity	Value Rs.
1	Water	25000 ltr.	10000
2	Chemicals resins		1250
3	Miscellaneous		5000
	Total		16250

iii. Utilities per month

S.No.	Description	Value Rs.
1	Power	1250
2	Water	900
	Total	2150

iv. Other expenses per month

S.No	Description	Value Rs.
1	Packing materials	2500
2	Stationery, telephone, postage	1000
3	Conveyance, transport	1250
	Total	4750

v. Total working capital per month

S.No	Description	Value Rs,.
1	Rent	1500
2	Staff and labour	4500
3	Raw materials	16250
4	Utilities	2150
5	Other expenses.	4750
	Total	29150

IX. COST OF PRODUCTION PER ANNUM

S.No	Description	Value Rs.
1	Total working capital	349800
2	Depreciation on machinery	10500
3	Interest on total capital investment	20873
	Total	381173

X. TURNOVER PER YEAR

S.No	Item	Quantity	Rate Rs.	Value Rs.
1	Distilled water	300000 ltr.	1.50	450000
	Total			450000

XI. FIXED COST PER YEAR

S.No	Description	Value Rs.
1	Depreciation	10500
2	Interest	20873
3	Rent	18000
4	40% of salaries & wages	21600
5	40% of other expenses (utilities+OE)	33120
	Total	104093

XII. PROFIT ANALYSIS

Net Profit: sale-total cost =450000-381173=68827
% of Profit on Sale: Profit / Sale x100=15.30%
% of Return on Investment: Profit / (Investment) x 100=68827/139150]100=49.46%
Break-Even Analysis : FC / (FC+Profit) x100=104093/104093+68827]100=60.20%

XIII. MACHINERY SUPPLIERS

Locally available