DETAILED PROJECT REPORT
ON
HOT WATER GENENRATOR (10000kCal/hr)
(SOLAPUR TEXTILE CLUSTER)











Bureau of Energy Efficiency

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ISTSL

ENERGY EFFICIENT HOT WATER GENERATOR

SOLAPUR TEXTILE CLUSTER

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Detailed Project Report on Energy Efficient Hot Water Generator
Textile SME Cluster, Solapur, Pune, Maharashtra (India)
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We have received very encouraging feedback for the BEE SME Program in various SME Clusters. Therefore, it was decided to bring out the DPR for the benefits of SMEs. We sincerely thank the officials of BEE, Executing Agencies and ISTSL for all the support and cooperation extended for preparation of the DPR. We gracefully acknowledge the diligent efforts and commitments of all those who have contributed in preparation of the DPR.

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List of Abbreviations

MT	Metric Tonne
kWh	kilo Watt Hour
GoI	Government of India
MSMEs	Micro Small and Medium Enterprises
SME	Small and Medium Enterprises
GHG	Green House Gas
BEE	Bureau of Energy Efficiency
DPR	Detailed Project Report
O&M	Operational & Maintenance
NPV	Net Present Values
ROI	Return on Investment
IRR	Internal Rate of Return
DSCR	Debt Service Coverage Ratio
PBT	Profit Before Tax
PAT	Profit After Tax
HWG	Hot Water Generator
DBT	Dry Bulb Temperature
SIDBI	Small Industries Development of India

EXECUTIVE SUMMARY

Zenith Energy Services Pvt. Ltd is executing BEE-SME program in Solapur textile cluster, supported by Bureau of Energy Efficiency (BEE) with an overall objective of improving the energy efficiency in cluster units.

Solapur textile cluster is one of the largest textile clusters in India; accordingly this cluster was chosen for energy efficiency improvements by implementing energy efficient measures/technologies, so as to facilitate maximum replication in other textile clusters in India.

The main energy forms used in the cluster units are Wood. Wood is used as fuel in thermic fluid heater for dyeing process. The energy cost used in dyeing process which is major cost in the overall energy cost in majority of textile industries in Solapur cluster.

Project implementation will lead to reduction in wood consumption by 74 tonnes per year however; this intervention will not have any effect on the existing consumption pattern of electricity.

The total investment, debt equity ratio for financing the project, monetary savings, Internal rate of return (IRR), Net present value (NPV),Debt service coverage ratio (DSCR), Return on investment (ROI) etc. for implementing energy efficient economizer is furnished in Table below

S.No	*Particular*	*Unit*	*Value*
1	Project cost	₹(in Lakh)	3.56
2	Wood saving	Tonnes / year	74
3	Monetary benefit	₹(in Lakh)	1.85
4	Debit equity ratio	Ratio	3:1
5	Simple payback period	years	1.9
6	NPV in 3 years @ 10.00%	₹(in Lakh)	3.45
7	IRR	%age	33.94
8	ROI	%age	32.35
9	DSCR	Ratio	2.27
10	Process down time	Days	8

The projected profitability and cash flow statements indicate that the project implementation will be financially viable and technically feasible.

ABOUT BEE'S SME PROGRAM

Bureau of Energy Efficiency (BEE) is implementing a BEE-SME Programme to improve the energy performance in 25 selected SMEs clusters. Solapur Textile Cluster is one of them. The BEE's SME Programme intends to enhance the energy efficiency awareness by funding / subsidizing need based studies in SME clusters and giving energy conservation recommendations. For addressing the specific problems of these SMEs and enhancing energy efficiency in the clusters, BEE will be focusing on energy efficiency, energy conservation and technology up-gradation through studies and pilot projects in these SMEs clusters.

Major activities in the BEE -SME program are furnished below:

Energy use and technology audit

The energy use technology studies would provide information on technology status, best operating practices, gaps in skills and knowledge on energy conservation opportunities, energy saving potential and new energy efficient technologies, etc for each of the sub sector in SMEs.

Capacity building of stake holders in cluster on energy efficiency

In most of the cases SME entrepreneurs are dependent on the locally available technologies, service providers for various reasons. To address this issue BEE has also undertaken capacity building of local service providers and entrepreneurs/ Managers of SMEs on energy efficiency improvement in their units as well as clusters. The local service providers will be trained in order to be able to provide the local services in setting up energy efficiency projects in the clusters

Implementation of energy efficiency measures

To implement the technology up-gradation projects in clusters, BEE has proposed to prepare the technology based detailed project reports (DPRs) for a minimum of five technologies in three capacities for each technology.

Facilitation of innovative financing mechanisms for implementation of energy efficiency projects

The objective of this activity is to facilitate the uptake of energy efficiency measures through innovative financing mechanisms without creating market distortion

1 INTRODUCTION TO THE EXISTING SITUATION

1.1 About the solapur textile cluster

The products manufactured in Solapur Textile Cluster are cotton terry towels and bed sheets. The towels and bed sheets are renowned in the country and have good market in India. The main raw material for the units is cotton yarn, which is procured from local spinning mills and agents. The cost of energy (electrical and thermal energy) as percentage of manufacturing cost varies between 8 and 10%.

Majority of the cluster units are of integrated type, where the raw material yarn is processed in-house to the final product. The energy cost is second to the raw materials cost. Majority of the units in the cluster are dependent on local/ run of the mill technologies of low end and with little investment initiatives and technology up-gradation.

The main energy forms used in the cluster units are grid electricity, wood, and small quantity of coal. The electricity is used for power looms, doubling machines, winding machines, hydro extractors, warping machines and lighting. Wood is used as fuel for boilers, thermic fluid heaters, and chulhas for hot water generation. The details of annual energy consumption of a typical unit having a production capacity of 2.88 lakh kg of final product of the cluster are furnished in the table below:

Table 1.1 Details of annual energy consumption of a typical unit

Parameter	*Unit*	*Value*
Electricity consumption	kWh	1,97,784
Wood consumption	Tonnes	140
Production	kg	2,88,000

1.1.1 Production process

The main operational process for production of towels and bed sheets in cluster units are:

Doubling

In the Doubling process, thin single yarn is converted to double yarn for strengthening the yarn by using doubling machine.

Yarn dyeing

Initially, the yarn is soaked in soap water for 24 hours to remove the dirt and other foreign materials and after soaking, the yarn is taken for bleaching. Bleaching is carried out by

soaking the yarn in tanks mixed with bleaching agents and after completion of the process; the yarn is washed with normal water.

The hang dyeing machine tanks are filled with required quantity of normal water and required chemicals and dyeing agents are added. The temperature of the water is raised by oil circulation or direct steam injection. Fire wood is used as fuel. The required colors are added to the yarn and the dyeing process takes about 90 to 120 minutes per batch. After dyeing, the yarn is washed with normal water, and the yarn is taken for soaping for colour fixation in hot water for about 20 minutes in hang dyeing machines. The water is drained to the waste drainage lines. The wet yarn is taken to hydro extractors for removing the water in the yarn and taken for drying in the natural sunlight.

Winding

The yarn after drying is taken for winding in which the yarn is wounded to bobbins and cones. The winded yarn is taken for further process.

Warping

In warping, the winded yarn is wound to beams according to designed pattern (customized designs). Then the beams are taken for Weaving.

Weaving

The beams, which are wound with yarn are taken and placed in power looms where the designed pattern is already set. In power looms, the yarn is converted to final product (Towel or bed sheets) by weaving. The product obtained from weaving is taken for stitching and packing. The general process flow diagram of a typical unit for production of towels and bed sheets is furnished in Figure 1.1.

Existing process flow in textile industry:

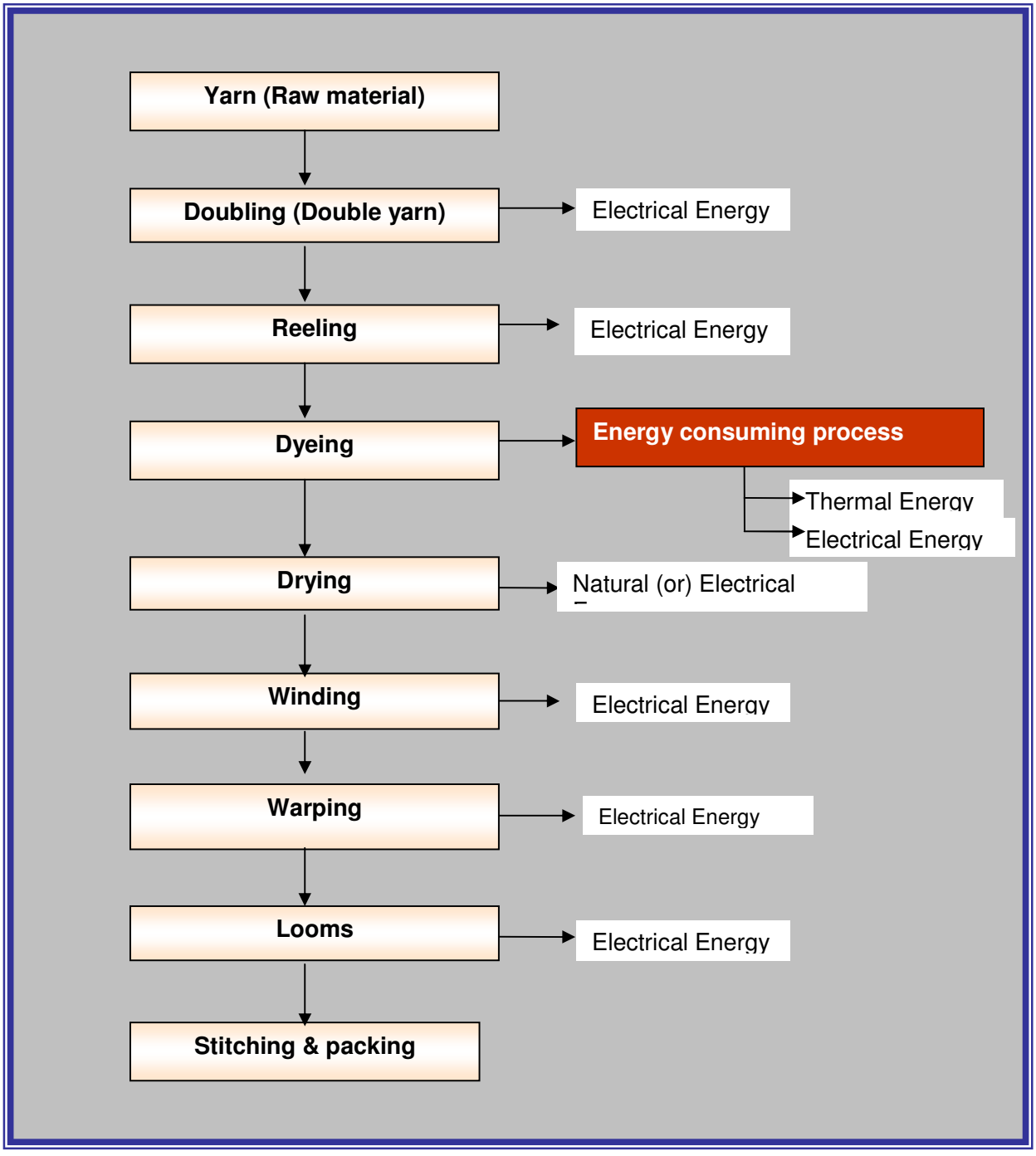


Figure 1.1 Process flow chart of typical textile unit

The production process as depicted above is similar for all textile units in Solapur textile cluster. However, depending on type of product and product quality, the above stated process flow varies as per the requirement of the industry.

1.2 Energy performance in solapur textile cluster

Majority of the industries located in solapur are engaged in manufacturing of towels and bed sheets. The main energy sources for Solapur cluster units are electricity and fuels such as Wood & briquettes. The wood and GN husk briquettes are used as fuel for boilers, thermic fluid heaters and chulhas for hot water generation and electricity is used for operation of prime movers of doubling machine motors, ID fans, pumps, hank dyeing machine drives, power loom drives, winding machine motors, etc. Majority of the units in the Solapur textile cluster are using wood for thermal energy generation due to easy availability and economical point of view.

Energy cost is around 8 to 10 percent of manufacturing cost in typical manufacturing unit, out of which the cost of thermal energy works out to 42 percent of the total energy cost and remaining accounts for electrical energy.

In a typical textile manufacturing unit annual consumption of electrical energy and wood is 1,97,784 kWh and 140 tonnes respectively. Average production capacity of a typical textile manufacturing unit in Solapur textile cluster is around 2,88,000 kg per annum.

Specific energy consumption of final product

Specific electrical and thermal energy consumption in textile unit depends upon the final product manufactured in that unit. The electrical and thermal energy consumption of typical textile unit is 1.37kWh/kg of final product and 0.49kg of wood/kg of final product respectively (includes all colours dyeing in cold water, medium temperature water and high temperature water)

Specific energy consumption – Dyeing Process only

The average specific electricity consumption and specific fuel consumption per kg of the yarn dyeing process for 3 typical units and for different process are furnished below in Table 1 and Table 1.2

Table 1.2 Average specific electricity consumption

Unit name	Production		Electricity consumption		Specific electricity consumption	
	Dyeing	Soaping	Dyeing	Soaping	Dyeing	Soaping
	kg	kg	kWh	kWh	kWh/kg	kWh/kg
Rajashree Industries	200	800	17	35	0.085	0.044
Gaddam Textiles	400	400	2	1	0.005	0.003
A-tex	500	1500	22	30	0.044	0.02

Table 1.3 Average specific fuel consumption

Unit Name	Fuel consumption		Production		Heat input		Specific fuel consumption	
	Dyeing	Soaping	Dyeing	Soaping	Dyeing	Soaping	Dyeing	Soaping
	kg	kg	kg	kg	kCal	kCal	kCal/kg	kCal/kg
Rajashree Industries	200	400	200	800	6,40,000	12,80,000	3,200	1,600
Gaddam Textiles	200	65	400	400	8,40,000	2,73,000	2,100	682.5
A-tex	420	580	500	1500	13,44,000	18,56,000	2,688	1,237

1.3 Proposed equipment to be upgrade

1.3.1 Description of existing equipment

During Energy use and technology audit studies in various textile industries in Solapur textile cluster, it was observed that most of the textile units are using inefficient thermic fluid heaters (and boilers) for generation of hot water and it is found that the efficiencies of the existing thermic fluid heaters (and boilers) are low. The performance of various thermic fluid heaters and boilers in Solapur textile units are evaluated and analyzed for various losses and the details are furnished in Annexure 1.

Figure 1.2 Thermic Fluid Heater

From energy use and technology gap audit studies in various textile industries in Solapur textile cluster, the following were identified

- Energy efficiency improvement opportunities
- Environment and safety improvement of workers
- Design flaws in the conventional thermic fluid heater
- Operational & maintenance practices in conventional thermic fluid heater

Technical gap analysis in wood fired Thermic fluid heater:

Details of technology gaps in wood fired Thermic fluid heaters and boilers are as under:

- ***Poor heat transfer efficiency*** The present thermic fluid heater is of single pass system. The heat transfer is poor due to low heat transfer area and short contact time between flue gas and oil and hence leads to inefficiency and high flue gas losses. The flue gas losses are found to be range of 35 to 40%.
- ***Heat loss from charging door*** The charging door remains more or less open during the entire operation due to various reasons; those are human error and non compatibility of wood logs in combustion chamber. Grate/combustion chamber is not designed to accommodate wood log size and vice versa.
- ***Loss due to excess air*** Stable combustion conditions require the right amounts of fuels and oxygen. High excess air level leads to high flue gas losses and drop in thermal efficiency. As per the stiochometric air analysis, the excess air optimum level is 45 to 5o% for wood fired thermic fluid heaters and boilers. Whereas, the excess air supply is above 100%

- ***No Waste Heat Recovery*** The temperature of the flue gases is found to be in the range of 350 to 360^{o}C as the thermic fluid heater is of single pass system. The high temperature flue gases is vented to the atmosphere without any waste heat recovery
- ***Low loading of the thermic fluid heater*** The capacity utilization of the thermic fluid heater is low and is less than 30% and hence reduction in thermal efficiency of the system
- ***There is no control on fuel firing*** In Conventional / existing thermic fluid heater, there is no control system of fuel firing in combustion chamber
- ***Uncontrolled Temperature of oil*** There is no temperature control of oil and is manually controlled. The oil is heated even after completion of process.
- ***Poor insulation on thermic fluid heater*** The surface temperature of the thermic fluid heater is high due to poor insulation leading to high radiation losses

From the above mentioned analysis, it is clear that thermic fluid heater has poor performance from Energy, Environment and Social point of view. Existing conventional wood fired thermic fluid heater installed in most of the textile industries has poor energy efficiency thus generating / emitting more GHGs (Green House Gases), etc. Due to above mentioned reasons; the thermic fluid heater is to be replaced with energy efficient hot water generator.

1.3.2 Role in process

For production of towels and bed sheets of different colours, the dyeing of cotton yarn is vital and dying process requires hot water. The thermic fluid heater is used for hot water generation required for processing and to maintain the constant temperature during dyeing and soaping.

Though, numbers of technologies / equipments are available for the purpose, the thermic fluid heater has been chosen for easy maintenance and for avoiding IBR boiler installation in the cluster units.

1.4 Baseline for existing equipment

Energy consumption in thermic fluid heater would depend on following:

- Dyeing temperature which depend on the color of the yarn required
- Climate conditions
- Operational & maintenance practices in hot water generator
- Type of wood and its calorific value

Energy use and technology audit studies were conducted in various units of Solapur textile cluster, the baseline energy consumption of thermic fluid heater and the performance of the same is carried out and attached in Annexure 1.

1.4.1 Energy audit methodology of Thermic Fluid Heater

The following methodology was adopted to evaluate the performance of thermic fluid heater:

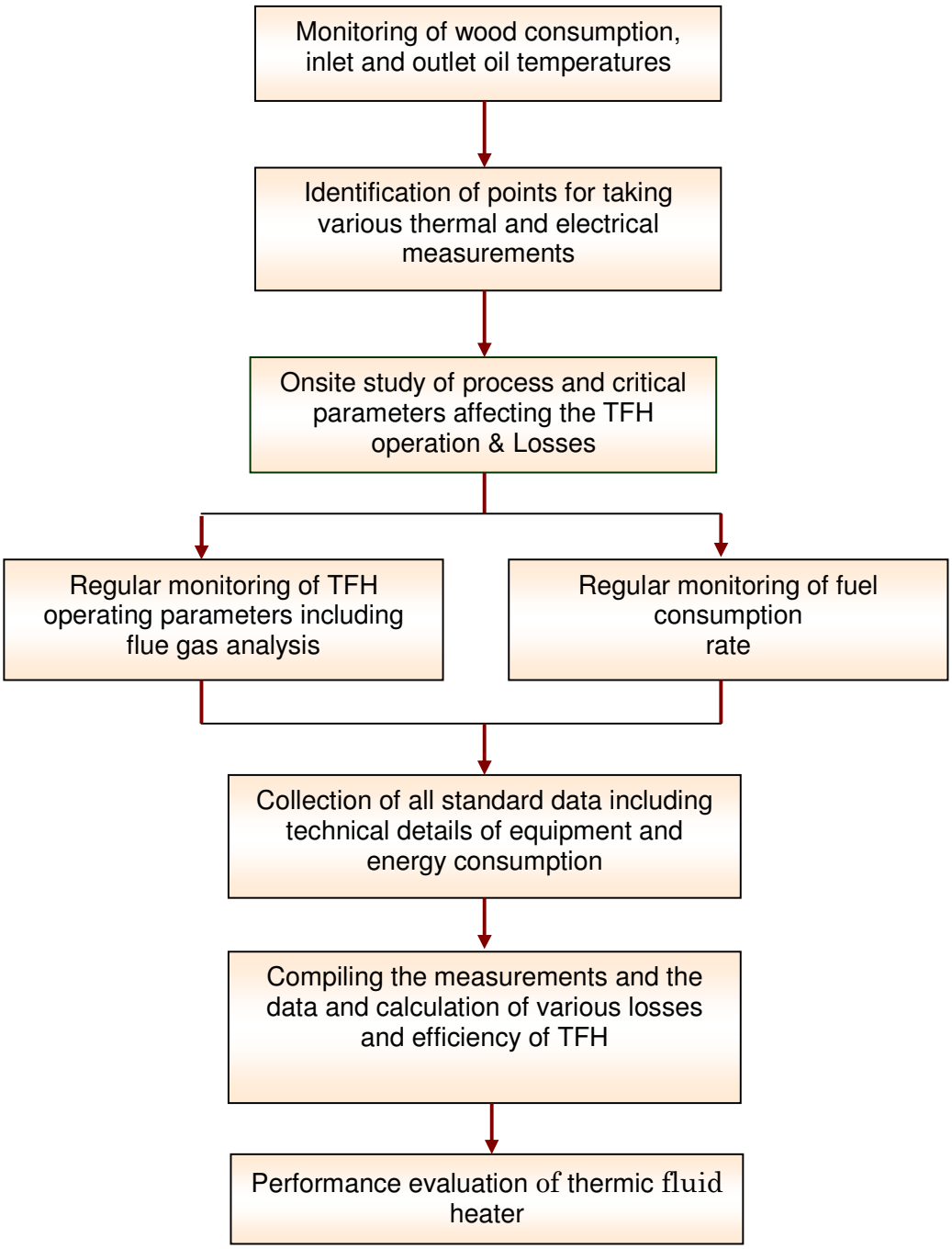


Figure 1.3 Energy audit methodology of Thermic Fluid Heater

The operating efficiency of the existing thermic fluid heater is 27.7% and the details of operating parameters recorded, estimation of various associated losses and efficiency of the TFH are furnished in Annexure 1.

1.4.2 Specific energy consumption

The specific fuel consumption per kg of yarn processing in three typical units of the cluster separately for dyeing and soaping process is furnished below

Table 1.4 Details of specific energy consumption

Name of the unit	*Specific power consumption (kWh/kg)*		*Specific fuel consumption (kCal/kg)*	
	Dyeing	*Soaping*	*Dyeing*	*Soaping*
Rajashree Industries	0.085	0.044	3,200	1,600
Gaddam textiles	0.005	0.003	2,100	682.5
A-Tex	0.044	0.02	2,688	1,237

1.5 Barriers for adoption of proposed equipment

The technology and innovations in SMEs are generally different from that of large firms. Technology in the SME sector has an increasingly complex or combinative character, most of the SMEs units in Solapur cluster are labour intensive and utilize local resources. The SME entrepreneurs are generally not willing to invest in state-or-art technology. Major barriers in the up-gradation of technology in the cluster are non availability of technology; distrust on technology supplier, lack of awareness about energy efficiency among small and medium enterprises, prevents them from adoption of energy efficient technologies. Further, non availability of skilled manpower and exorbitant cost of new technologies also works as the barrier. Details of the other barriers in the implementation of energy efficient technologies / equipments in the Solapur textile cluster are presented in below sections

1.5.1 Technological Barriers

The major technical barriers that prevented the implementation of energy efficient hot water generator are

- Lack of awareness and information about the new and emerging energy efficient technologies.
- Dependence on local equipment suppliers for uninterrupted after sales service and hence adopting low end inefficient technologies
- The main focus of SME owners is on uninterrupted production of the plant by necessary repair work at low costs, than on investing on new technologies.
- More focus on investing in enhancing production capacity for the economic viability of the plant, than benefits in the form of future savings due to implementation of energy efficiency measures.
- Investments in replacing operational equipment are therefore perceived as an unnecessary expenditure, and short-term planning generally assumes higher priority than sustainable long-term issues.
- There is a strong feeling in the owners, that energy efficiency initiatives are a risky proposition as it may lead to interruption in business and production loss due to process down time as most of the owners are ignorant about the losses in the plant due to poor energy efficiency..
- The majority of the textile unit owners/entrepreneurs do not have in-depth technical expertise, knowledge or training about energy efficiency, and are dependent on local

technology suppliers or service companies, whom they normally rely for established and commonly used technology. The lack of technical know-how makes it difficult for the textile unit owners to identify the most effective technical measures.

1.5.2 Financial Barrier

Implementation of the proposed project activity requires investment of ₹3.56lakh per unit. Such investment is not commonly seen in the cluster units, as the units have less financial strength. Further, from the business perspective of SMEs, it is more viable, assured, and convenient to invest on project expansion for improving the production capacity or quality, rather than make piecemeal investment in retrofit and replace options for energy savings. In view of this and given the limited financial strength of the textile mills, it is evident that the owners would not like to take the risk and invest in energy efficiency measures.

However, the financial attractiveness of the project activity may motivate the owners to move forward in taking up initiatives in energy conservation and efficiency.

1.5.3 Skilled manpower

The non-availability of skilled manpower having awareness about energy efficiency and related issues in the cluster is one of the major barriers. Though, the skilled manpower is available in the cluster, they are not aware of energy conservation/efficiency and its importance. Their prime responsibility is to maintain machines and ensure uninterrupted production by minimizing down time as per the targets set by the management.

Specialized training with the local service providers for better operation and maintenance of the equipments, importance of energy use and conservation will create awareness among workforce thereby enhancing their skill set about efficient use of energy and its conservation.

1.5.4 Other barrier (If any)

The non-availability of local supplier for efficient hot water generator

2 PROPOSED ENERGY EFFICIENT EQUIPMENT

2.1 Energy efficient wood fired Hot Water Generator

2.1.1 Description of equipment

Figure 2.1 Energy efficient wood fired Hot Water Generator

The hot water generator is a compact and ready to install and can be installed where ever space is available. It does not require any special space / room like boiler house. It falls outside the policies applicable of Indian Boiler Regulations.

The proposed hot water generator mainly consists of the following elements.

The hot water generator converts the energy available in fuels into thermal energy in the form of hot water

- The hot water generator consists of a pump for circulating the water from the tank to generator. The hot water generated can be directly used for the process or can be circulated in the heat exchanger tubes for heating the fluids.
- The hot water generator is of natural draft system and doesn't have FD and ID fans
- The fuel injection and removal of resultant ash is carried out manually.

2.1.2 Comparison of Thermic Fluid Heater with Hot Water Generator

Technical, economic, Environmental and safety aspects of thermic fluid heater and hot water generator are compared on life cycle of equipment, same is given in table below

Table 2.1 Comparison of Thermic Fluid Heater with Hot Water Generator

S. No	Details	Thermic Fluid Heater	Hot Water Generator
1	Wood consumption	High	Low
2	Environment pollution	High	Low
3	Safety of workers	Poor	Good
4	Maintenance	High	Low
5	Operational cost	High	Low
6	Availability of local service providers	Yes	Yes
	Technical comparison between thermic fluid heater & hot water generators		
7	Draught system	Forced	Natural
8	Fuel combustion	Partial(due to inefficient combustion chamber design)	Complete
9	Waste heat recovery	No	Yes
10	Heat losses through grate and surface	High	Low
11	Radiation losses	More	Less
12	Utilization of heat	Less (Single pass system)	Maximum (multi pass system)
13	Capacity utilisation	Low	Optimum
14	Combustion chamber	Conventional	Water walled
15	Secondary air ducting	No	Yes (partly flue gases are recirculated to the furnace)
16	Operation and maintenance	Less easy	Easy
17	Time required for attaining the water temperature	More (due to more heat capacity), as initially 150 to 200kgs are loaded for attaining the required temperature	Less (optimum capacity), only 40kg required

2.2 Details of energy efficient Hot Water Generator

Detail of technology providers / equipment suppliers of wood fired hot water generator along with terms of sales, performance guarantee and after sales services details are furnished in annexure -8..

2.2.1 Availability of equipment

Based on the detailed energy use and technology audits conducted in various textile industries in Solapur Textile cluster, it is suggested to replace the present conventional

thermic fluid heater with energy efficient hot water generators of suitable capacity of 1,00,000kCal/hr.

The technology identified for implementation is available locally in Pune, which is 200 km from Solapur. Though, the local service providers are available, they don't have technical capability of fabricating the energy efficient equipment.

The technology/ equipments will be procured from Pune based equipment suppliers. The proposed equipment is manufactured by well known vendor who are involved in making energy efficiency equipments.

The technology identified is available in the state of Maharashtra and implemented successfully in few units in cluster. The investment required for implementation of the identified measures has good financial returns and the proposed measure is technically and financially viable.

2.2.2 Service/Equipment providers

Table 2.2 Details of service/equipment providers

Name of company	Ross boilers
Name of contact person	Firoz
Address of company	33, Al Ameen Society, Gultekdi, Pune - 411037, Maharashtra India

Technology/service provider selected for implementation of the proposed energy efficiency project is having about 20years of experience in producing and supplying energy efficient boilers, hot water generators, waste heat recovery systems etc. This technology/service provider is having in house R&D team to develop the new products, which are energy efficient & eco friendly. Recommended technology supplier has the desired technical and financial capability to inspire trust in cluster on products/ services developed/ offered by them.

Technical specifications of RHBW 100 Wood fired Hot Water Generator

Design specifications of proposed Energy Efficient hot water generator are presented in Table 2.3 below

Table 2.3 Technical specifications of existing and proposed technology

Details	*Units*	*Existing technology*	*Proposed technology*
Name of equipment	NA	Thermic Fluid Heater	Hot Water Generator
Model	NA	-	RHBW-100-HWG
Capacity	kCal/hr	3,00,000	1,00,000

Details	Units	Existing technology	Proposed technology
Hot water flow rate	litre/hr	10,000	20,000
Fuel used	NA	Wood	Wood
Fuel consumption	kg/hr	80.5	41
Thermal efficiency	%age	16	70±2
Firing control	NA	Manual	Manual
Combustion Draft	NA	3hp	Natural
Water pump motor	hp	-	3.0
Oil circulating pump	hp	7.5	-
Total connected load	hp	10.5	3.0
Dry weight(approx)	kg	-	800
Electricity consumption	kWh	18,400	10,000

Scope of supply under the model of RHBW 100 hot water generator is furnished in table below

- Pressure parts fabricated out of the high temperature resistance carbon steel tubes & plates.
- Water walled wood firing furnace with fire door, ash door & firing grate.
- Mineral wool insulation with mild steel cladding.
- Centrifugal water pumps motor assembly (monobloc).
- Pre-wired control panel with contractors, fuse & temperature controller.
- Water level indicator.

2.2.3 Terms and conditions in sales of energy efficient HWG

The terms and conditions of sale of hot water generator of the Ross Boilers is furnished below

Table 2.4 Terms & conditions in sale for energy efficient HWG

Price	Quoted process is each unpacked, ex works.
Insurance	1% of ex-works price
Taxes	Excise:8.24% (or) As applicable at the time of delivery
Payment	Advance 50% along with firm order. Balance 50% against Performa invoice prior to dispatch
Delivery	4-6 weeks from the date of order with advance
Inspection	Inspection of equipment prior dispatch, at your own cost
Commissioning	₹2500/- per day plus to & fro charges at actual Lodging & boarding of our service engineer to be arranged by the customer
Inspection	At our works prior to dispatch

2.2.4 Process down time during Implementation

For implementation of the project activity, it is proposed to take about 3 to 4 days. Normally, the dyeing process is carried out for 8 hours in a day. To augment the process down time during implementation, the dyeing process can be carried out in 2 shifts in a day for 2 or 3 days and hence no processing down time

2.3 Suitable unit for implementation of proposed technology

The hot water generators are available in different capacities like 1,00,000kCal/hr, 1,50,000kCal/hr. For this DPR, the capacity of 1,00,000kCal/hr is selected based on assessment carried out in sample units. About 400 kg of dyeing and about 600 kg of soaping can be done in 8 hours of operation. The capacity had been justified based on the following assumptions in Table 2.5 below:

Table 2.5 Batch time for dyeing and soaping

S.No	*Process*	*Time required (hours)[1]*
1	Dyeing with hot water	1hr 45minutes
2	Soaping	45minutes

[1] *Includes loading and unloading*

3 ECONOMIC BENEFITS OF PROPOSED EUIPMENT

3.1 Technical and monetary benefits

Energy & Monetary savings due to implementation of energy efficient hot water generator in place of existing thermic fluid heater in typical textile unit are presented below. Analysis was carried out on thermic fluid heater, average wood consumption from various energy use and technology audit studies in textile units in Solapur textile cluster; it comes out to be 140tonnes/annum. Wood consumption of proposed energy efficient hot water generator is 66tonnes/annum and hence wood savings is estimated as 74tonnes/annum. No electricity savings are considered, as the proposed hot water generator system also requires a pump for hot water circulation from tank to HWG and hank dyeing machines to the hot water tank.

Annual monetary savings after implementation of energy efficient hot water generator in place of thermic fluid heater is ₹1.85 lakh per annum. Energy & cost benefit analysis of energy efficient hot water generator in place of existing thermic fluid heater is presented in table below

Table 3.1 Energy and cost benefit of Hot water generator

Parameter	*Unit*	*Value*
Present wood consumption of existing thermic fluid heater	Tonnes/annum	140
Operational hours	hours/day	8
Operational days per annum	Days/annum	240
Wood consumption of Energy efficient hot water generator	Tonnes/annum	66
Reduction of wood consumption in replacement of thermic fluid heater with energy efficient hot water generator	Tonnes/annum	74
Cost of wood	₹/kg	2.50
Cost savings after implementation	₹ lakh	1.85
Cost of implementation	₹lakh	3.56
Simple payback period	months	23

From the above table it is evident that project to replace the existing thermic fluid heater with energy efficient hot water generator is financially viable and technically feasible. Detailed cash flow evaluation and financial parameters in replacing the existing thermic fluid heater with energy efficient hot water generator are discussed in detail in the next chapter.

3.2 Social benefits

3.2.1 Improvement in working environment

The energy measures identified will utilize state-of-the-art technologies to ensure energy efficiency and conservation of non renewable wood. The replacement of thermic fluid heater with hot water generators will reduce the fuel consumption and will improve the work condition and environment. As the project activity will have less radiation losses and unburnt carbon in ash.

3.2.2 Improvement in skill set of workers

The technology selected for the implementation is new and energy efficient. The training provided by equipment suppliers will improve the technical skills of manpower for better operation and maintenance; hence the technology implemented will create awareness among the workforce and will improve their skill set.

3.2.3 Impact on wages/emoluments

The awareness about the technologies and training imparted during implementation of the project will lead to direct and indirect increase in the wages of the employees, as it improves the technical skills of the workforce during operation and maintenance of equipments. Further, the remuneration will improve in the market or in other companies of the work force.

3.3 Environmental benefits

3.3.1 Reduction in effluent generation

The effluent generation due to implementation of the project activity is insignificant.

3.3.2 Reduction in GHG emission such as CO_2, NOx, etc

The major GHG emission reduction source is CO_2 and the technology will reduce non renewable wood consumption due to better efficiency than the existing equipment. The total emission reductions are estimated as 104tonnes of CO_2 (taking CO_2 emission factor as 1.4tCO_2 per tonne of wood consumption) per annum due to implementation of the project activity. Therefore, units of the cluster may become eligible for carbon credit under Clean Development Mechanism.

3.3.3 Reduction in other emissions like SOx

As the technology reduces the wood consumption and doesn't contain sulphur and hence there is no impact on SOx emissions.

3.3.4 Reduction of deforestation

Most of units in the cluster are using the non renewable wood for hot water generation; therefore, by adopting the proposed energy efficient wood fired hot water generator in place of thermic fluid heater will reduce consumption of non renewable wood. Wood consumption is low in proposed energy efficiency hot water generator compared to thermic fluid heater, which is expected to reduce the deforestation.

4 INSTALLATION OF PROPOSED EQUIPMENT

4.1 Cost of equipment implementation

4.1.1 Cost of equipment

The total cost of plant and machinery is estimated at ₹2.00lakh, which includes hot water generator, pumps, chimney, and electrical works and distribution system.

4.1.2 Other costs

The total cost of implementation of the hot water generator is estimated at ₹3.56lakh. The above cost includes cost of equipment/machinery, cost of fabrication (and/or) commissioning charges and the details are furnished below

Table 4.1 Details of Project Cost

S. No	Details	Cost (₹ in lakh)
1	Equipment and machinery	2.00
2	Erection & Commissioning	0.30
3	Interest during implementation	0.06
4	Other charges(Contingency)	1.20
5	Total	3.56

4.2 Arrangement of funds

4.2.1 Entrepreneur's contribution

The total cost of the proposed technology is estimated at ₹3.56lakh. The entrepreneur's contribution is 25% of total project cost, which is ₹0.89lakh.

4.2.2 Loan amount

The term loan is 75% of the total project, which is ₹ 2.67 lakh.

As the overall energy efficiency in the project is more than 15% therefore it qualifies for subsidy of 25% of the project cost as per the NMCP scheme of Ministry of MSME, GoI. 25% of the project cost in this case works out to ₹0.67 lakh. As the subsidy is normally available after implementation of the project the same has not been taken in the project cost and means of finance. On receipt of subsidy from Ministry of MSME, GoI through the nodal

agency the amount of subsidy is generally set off [reduced] from the loan outstanding by the lender bank. Availability of this subsidy will make the project economically more attractive

4.2.3 Terms & conditions of loan

The interest rate is considered at 10.00% which is SIDBI'S Lending rate for energy efficiency projects. The loan tenure is assumed 5 years and the moratorium period is 6months.

4.3 Financial indicators

4.3.1 Cash flow analysis

Considering the above discussed assumptions, initial own funds (Equity) required is ₹0.89lakh.

4.3.2 Simple payback period

The total project cost of the proposed technology is ₹3.56 lakh and monetary savings due to reduction in wood consumption is ₹ 1.85 lakh and the simple payback period works out to be 1.92years (23 months).

4.3.3 Net Present Value (NPV)

The Net present value of the investment at 10.00% works out to be ₹ 3.45 lakh.

4.3.4 Internal rate of return (IRR)

The after tax Internal Rate of Return of the project works out to be 53.60% thus the project is financially viable.

4.3.5 Return on investment (ROI)

The average return on investment of the project activity works out at 32.35% for an investment of ₹ 3.56 lakh.

Table 4.2 Financial indicator of project

S. No	Particulars	Unit	Value
1	Simple Pay Back period	months	23
2	IRR	%age	53.60%
3	NPV	lakh	3.45
4	ROI	%age	32.35%
5	DSCR	ratio	2.27

4.4 Sensitivity analysis

A sensitivity analysis has been carried out to ascertain how the project financials would behave in different situations like there is an increase in fuel savings or decrease in fuel savings. For the purpose of sensitive analysis, two scenarios are considered are.

- Increase in fuel savings by 5%
- Decrease in fuel savings by 5%

In each scenario, other inputs are assumed as constant. The financial indicators in each of the above situation are indicated along with standard indicators.

Table 4.3 Sensitivity analysis in different scenario

Particulars	*DSCR*	*IRR*
Normal	2.27	53.60%
5% increase in fuel savings	2.30	54.14%
5% decrease in fuel savings	2.09	48.16%

As could be seen from the above table, though the project is highly sensitive to fuel savings, DSCR works out to be 2.27times in worst scenario, which indicates the strength of the project.

4.5 Procurement and Implementation schedule

The project is expected to be completed in 10weeks from the date of financial closure. The detailed schedule of project implementation is furnished in Annexure 6.

Annexure 1 Efficiency of the Thermic Fluid Heater (Indirect Method)

Case-1 (Rajashree Industries)

Details	*Unit*	*Value*
No. of batches - dyeing	NA	1
No. of batches - soaping	NA	4
Water requirement per batch	liters	1100
Duration of the trial	hours	8
Hours of operation	hours	8
Wood consumption	kg/day	600
Calorific value of wood	kCal/kg	3200
Average water temperature (initial)	°C	27
Average water temperature (final)	°C	55
Oil inlet temperature of TFH	°C	130
Oil outlet temperature of TFH	°C	152
Average temperature difference	°C	22
Oxygen content in flue gas	%age	13
Excess air	% age	162.5
Heat input	kCal	19,20,000
Average flue gas temperature (T_f)	°C	360
Ambient temperature(T_a)	°C	30
Heat required for hot water generation	kCal/day	1,65,000
Heat required for maintaining the	kCal/day	1,50,000
Total heat required	kCal/day	3,15,000
Heat to be supplied at 60% efficiency	kCal/day	5,25,000
Heat transfer efficiency 80%	kCal/day	6,56,000
% loading of the hot water generator (80%)	kCal/day	8,20,000

Summary of heat losses of thermic fluid heater

Details	*kCal*	*% of fuel input*
Heat in waste flue gasses	737664	38.24
Losses due to un burnt carbon	44928	2.34
Radiation losses	115,200	6
Heat in the oil	172,800	9

Details	kCal	% of fuel input
Heat loss due to moisture in wood	44,160	2.3
Unaccounted losses	96,000	5
Total	1210752	63.06
Efficiency of TFH		36.94%

Case-2 A-TEX INDIA

Details	Unit	Value
No. of batches - dyeing		3
No. of batches - soaping		7
Water requirement per batch	Litre	1100
Duration of the trial	hours	8
Hours of operation	hours	8
Wood consumption	kg/day	1000
Calorific value of wood	kCal/kg	3200
Average water temperature (initial)	°C	27
Average water temperature (final)	°C	55
Oil inlet temperature of TFH	°C	130
Oil outlet temperature of TFH	°C	152
Average temperature difference	°C	22
Oxygen content in flue gas	%age	11.5
Excess air	%age	121
Heat input	kCal	32,00,000
Average flue gas temperature (T_f)	°C	360
Ambient temperature(Ta)	°C	30

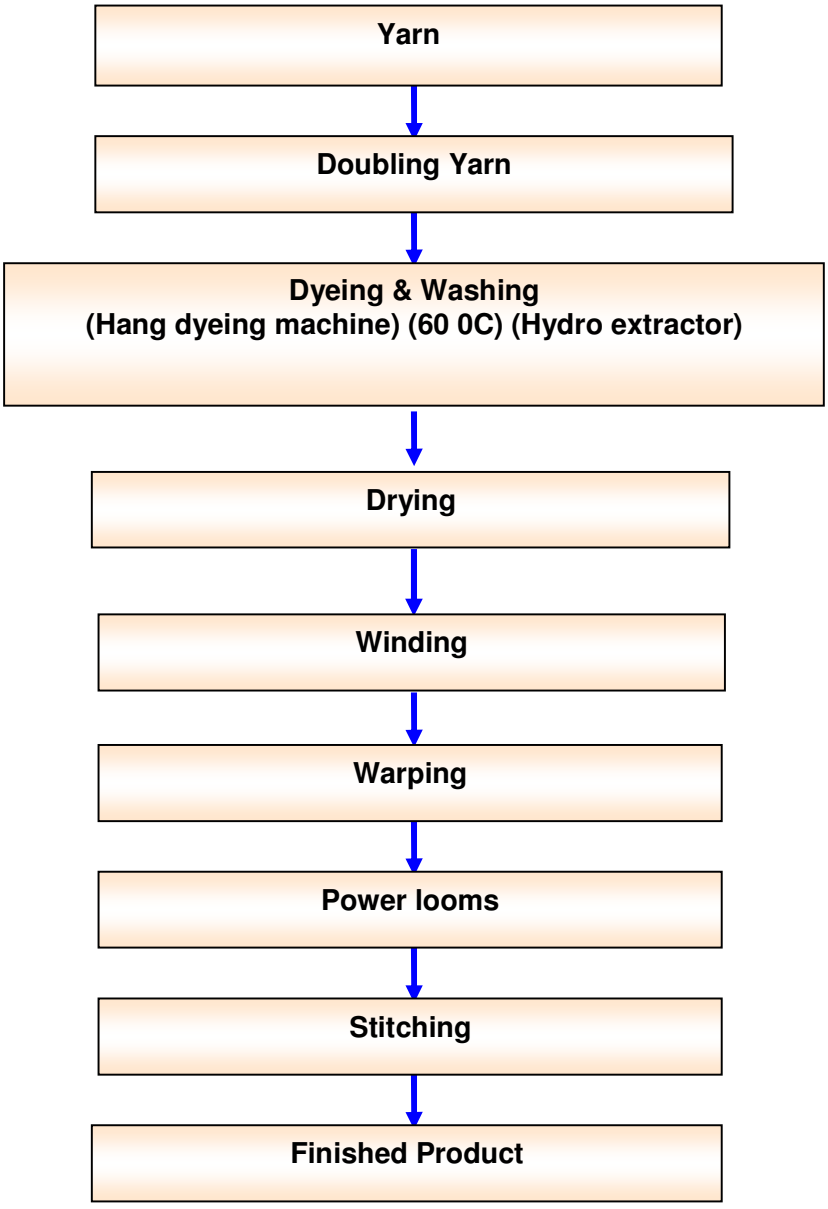
Summary of Various Losses

Details	kCal	%age
Heat in waste flue gasses	1048000	32.75
Losses due to unburnt carbon	36800	10.92
Radiation losses	160000	4.75
Heat in the oil	21400	6.36
Heat loss due to moisture in wood	73600	2.3
Unaccounted losses	152000	5
Total	1987540	62.11
Efficiency of TFH		37.89

Case-3 Gaddam Textiles

Parameter	Unit	Details
Fuel used		Briquettes
Quantity of steam generated	kg/day	400
Enthalpy of steam	kCal/day	665
Heat output	kCal/day	2,54,000
Quantity of Briquettes consumption	kg/day	265
Calorific value of Briquettes	kCal/kg	4,200
Heat input	kCal/day	11,13,000
Efficiency	%age	22.8

Annexure 2 Process Flow Diagram



Annexure 3 Technology Assessment Report (Hot Water Generator)

Hot water is generated by different routes viz. by boilers, thermic fluid heaters, hot water generators, solar hot waters, chulhas and electrical heaters. The hot water is used in dyeing process, soaping, and maska. All the above technologies for hot water generation are well established and proven technologies. Majority of the industries employ the above technologies.

The dyeing process is different for light and dark colors. For light colors, the hot water at 55-60℃ is taken in the vessels and dyeing is carried out for a batch and water temperature is maintained constant throughout the dyeing process.

In Solapur, the cluster units require hot water for use in the dyeing process and the temperature required is about 80 to 90℃. In majority of the units, the dyeing is carried out for all colours at 55-60℃, except black colour. All other operations like soaping and maska is also carried out at 55-60℃.

In the cluster, the units of higher production capacity installed boilers and thermic fluid heaters required for the dyeing process.

The detailed energy audits carried out at various units reveal that the efficiency of the system is low for the following:

- Majority of the equipments installed are of single or two pass system.
- No waste heat recovery system
- Low loading of the system leading to reduction in efficiency

The efficiencies are found to be in the range of 30% to 40% only, whereas the rated efficiency of the new hot water generator is 70% and 60% efficiency under normal operating condition.

Proposed Technology for hot water generation

Considering various aspects for the proposed wood fired hot water generator for generation of hot water required in the dyeing process, the heat generated at 55 to 60℃ can be used directly for the process and also can be used for maintaining the temperature of water constant through the pipes. The hot water generator is wood fired. The hot water generator will have rated efficiency of 70% and doesn't fall under IBR act. However, the efficiency of 60% is guaranteed under various situations.

Basis for Selection of Equipment

For a hot water generator, various factors influence the selection and sizing of the plant. Hence, for economical hot water generation, the following were considered

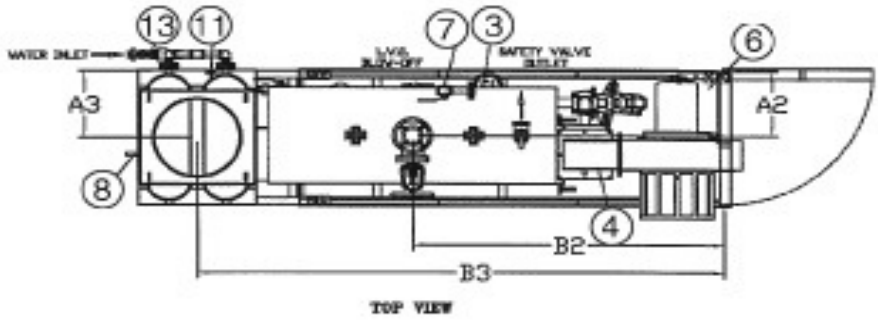
- Quantity of hot water required
- Temperature of hot water
- Time required for heating
- Quantity of water required for re-heating and circulation
- Cost economics

For a typical unit of the cluster, about 5500-6600 liters of hot water for 5-6 batches is required in a day of 8hours and about 1100litre per hour or batch. As the quantity of water is required at a single time in considerable quantities, the capacity of 1,00,000kCal/hr is envisaged for quick heating and maintaining the constant temperature during entire dyeing and soaping process.

Annexure 4 Electrical & civil work Drawings for proposed equipment

Major civil works is not required for the technology hence no drawings are furnished

Front view and top view of hot water generator



Annexure 5 Detailed financial analysis of Hot Water Generator

Assumptions

Name of the Technology	**Hot water generator**		
Rated Capacity	**100000kcal/hr**		
Detail	**Unit**	**Value**	
Installed Capacity	Kcal/Hr	100000	Feasibility Study
No of working days	Days	240	Feasibility Study
No of Shifts per day	Shifts	1	Feasibility Study
Capacity Utilization Factor	%		Feasibility Study
Proposed Investment			
Plant & Machinery	₹ (in lakh)	2.00	Feasibility Study
Erection & Commissioning (15%)	% on Plant & Equip	0.30	Feasibility Study
Investment without IDC	₹ (in lakh)	2.30	Feasibility Study
Interest During Implementation	₹ (in lakh)	0.06	Feasibility Study
Other charges(Contingency)	₹ (in lakh)	1.20	Feasibility Study
Total Investment	₹ (in lakh)	3.56	Feasibility Study
Financing pattern			
Own Funds (Internal Accruals)	₹ (in lakh)	0.89	Feasibility Study
Loan Funds (Term Loan)	₹ (in lakh)	2.67	Feasibility Study
Loan Tenure	Years	5	Assumed
Moratorium Period	Months	6	Assumed
Repayment Period [excluding moratorium]	Months	60	Assumed
Interest Rate	%	10	SIDBI's rate of interest for energy efficiency project
Estimation of Costs			
O & M Costs	% Plant & Equip	4.00	Feasibility Study
Annual Escalation	%	5.00	Feasibility Study
Estimation of Revenue			
Wood savings	Tonnes/year	74	-
Cost	₹/Tonne	2500	-
St. line Depn.	%	5.28	Indian Companies Act

Estimation of Interest on Term Loan ***(₹ in lakh)***

Years	***Opening Balance***	***Repayment***	***Closing Balance***	***Interest***
1	2.67	0.24	2.43	0.24
2	2.43	0.50	1.93	0.22
3	1.93	0.52	1.41	0.17
4	1.41	0.53	0.88	0.12
5	0.88	0.56	0.32	0.06
6	0.32	0.32	0.00	0.01
		2.67		

WDV Depreciation:

Particulars / years	1	2	3	4	5	6
Plant and Machinery						
Cost	3.56	3.02	2.57	2.18	1.86	1.58
Depreciation	0.53	0.45	0.39	0.33	0.28	0.24
WDV	3.02	2.57	2.18	1.86	1.58	1.34

Projected Profitability

Particulars / Years	1	2	3	4	5	6
Revenue through Savings						
Fuel savings	1.85	1.85	1.85	1.85	1.85	1.85
Total Revenue (A)	1.85	1.85	1.85	1.85	1.85	1.85
Expenses						
O & M Expenses	0.09	0.10	0.10	0.11	0.11	0.12
Total Expenses (B)	0.09	0.10	0.10	0.11	0.11	0.12
PBDIT (A)-(B)	1.76	1.75	1.75	1.74	1.74	1.73
Interest	0.24	0.22	0.17	0.12	0.06	0.01
PBDT	1.52	1.53	1.58	1.62	1.67	1.72
Depreciation	0.12	0.12	0.12	0.12	0.12	0.12
PBT	1.39	1.41	1.45	1.50	1.55	1.60
Income tax	0.33	0.37	0.40	0.44	0.47	0.50
Profit after tax (PAT)	1.06	1.04	1.05	1.06	1.07	1.09

Computation of Tax ***(₹ in lakh)***

Particulars / Years	1	2	3	4	5	6
Profit before tax	1.39	1.41	1.45	1.50	1.55	1.60
Add: Book depreciation	0.12	0.12	0.12	0.12	0.12	0.12
Less: WDV depreciation	0.53	0.45	0.39	0.33	0.28	0.24
Taxable profit	0.98	1.08	1.19	1.29	1.39	1.48
Income Tax	0.33	0.37	0.40	0.44	0.47	0.50

Projected Balance Sheet ***(₹ in lakh)***

Particulars / Years	1	2	3	4	5	6
Liabilities						
Share Capital (D)	0.89	0.89	0.89	0.89	0.89	0.89
Reserves & Surplus (E)	1.06	2.10	3.14	4.20	5.27	6.37
Term Loans (F)	2.43	1.93	1.41	0.88	0.32	0.00
Total Liabilities D)+(E)+(F)	**4.37**	**4.91**	**5.44**	**5.97**	**6.48**	**7.25**

Assets

Gross Fixed Assets	3.56	3.56	3.56	3.56	3.56	3.56
Less: Accm. Depreciation	0.12	0.25	0.37	0.50	0.62	0.75
Net Fixed Assets	3.43	3.31	3.18	3.06	2.94	2.81
Cash & Bank Balance	0.94	1.61	2.26	2.91	3.55	4.44
Total Assets	**4.37**	**4.91**	**5.44**	**5.97**	**6.48**	**7.25**
Net Worth	1.95	2.99	4.03	5.09	6.16	7.26
Debt Equity Ratio	1.25	0.65	0.35	0.17	0.05	0.00

Projected Cash Flow: (₹ in lakh)

Particulars / Years	0	1	2	3	4	5	6
Sources							
Share Capital	0.89	-	-	-	-	-	
Term Loan	2.67						
Profit After tax		1.06	1.04	1.05	1.06	1.07	1.09
Depreciation		0.12	0.12	0.12	0.12	0.12	0.12
Total Sources	3.56	1.18	1.16	1.17	1.18	1.20	1.22
Application							
Capital Expenditure	3.56						
Repayment of Loan	-	0.24	0.50	0.52	0.53	0.56	0.32
Total Application	3.56	0.24	0.50	0.52	0.53	0.56	0.32
Net Surplus	-	0.94	0.66	0.65	0.65	0.64	0.90
Add: Opening Balance	-	-	0.94	1.61	2.26	2.91	3.55
Closing Balance	-	0.94	1.61	2.26	2.91	3.55	4.44

Internal Rate of Return (₹ in lakh)

Particulars / months	0	1	2	3	4	5	6
Profit after Tax		1.06	1.04	1.05	1.06	1.07	1.09
Depreciation		0.12	0.12	0.12	0.12	0.12	0.12
Interest on Term Loan		0.24	0.22	0.17	0.12	0.06	0.01
Salvage/Realizable value							
Cash outflow	(2.36)	-	-	-	-	-	-
Net Cash flow	(2.36)	1.42	1.39	1.34	1.30	1.26	1.23
IRR	**53.60%**						

NPV	**3.45**

Break Even Point

(₹ in lakh)

Particulars / Years	1	2	3	4	5	6
Variable Expenses						
Oper. & Maintenance Exp (75%)	0.07	0.07	0.08	0.08	0.09	0.09
Sub Total *(G)*	**0.07**	**0.07**	**0.08**	**0.08**	**0.09**	**0.09**
Fixed Expenses						
Oper.& Maintenance Exp (25%)	0.02	0.02	0.03	0.03	0.03	0.03
Interest on Term Loan	0.24	0.22	0.17	0.12	0.06	0.01
Depreciation *(H)*	0.12	0.12	0.12	0.12	0.12	0.12
Sub Total (I)	0.39	0.37	0.32	0.27	0.22	0.16
Sales (J)	1.85	1.85	1.85	1.85	1.85	1.85
Contribution (K)	1.78	1.78	1.77	1.77	1.76	1.76
Break Even Point (L= G/I)	21.81%	20.85%	18.12%	15.28%	12.31%	9.31%
Cash Break Even {(I)-(H)}	14.82%	13.84%	11.10%	8.24%	5.25%	2.23%
Break Even Sales (J)*(L)	0.40	0.39	0.34	0.28	0.23	0.17

Return on Investment

(₹ in lakh)

Particulars / Years	1	2	3	4	5	6	Total
Net Profit Before Taxes	1.39	1.41	1.45	1.50	1.55	1.60	8.89
Net Worth	1.95	2.99	4.03	5.09	6.16	7.26	27.48
							32.35%

Debt Service Coverage Ratio

(₹ in lakh)

Particulars / Years	1	2	3	4	5	6	Total
CASH INFLOW							
Profit after Tax	1.06	1.04	1.05	1.06	1.07	1.09	6.37
Depreciation	0.12	0.12	0.12	0.12	0.12	0.12	0.75
Interest on Term Loan	0.24	0.22	0.17	0.12	0.06	0.01	0.82
Total (M)	1.42	1.39	1.34	1.30	1.26	1.23	7.94

DEBT

Interest on Term Loan	0.24	0.22	0.17	0.12	0.06	0.01	0.82
Repayment of Term Loan	0.24	0.50	0.52	0.53	0.56	0.32	2.67
Total (N)	0.48	0.72	0.69	0.65	0.62	0.33	3.49
Average DSCR (M/N)	2.27						

Annexure 6 Details of procurement and implementation plan

Project Implementation Schedule

S. No.	Activities	Weeks							
		1	2	3	4	5	6	7	8
1	Finalization of orders								
2	Fabrication								
3	Laying of water distribution lines								
4	Commissioning and insulation								
5	Trail runs								

Process Down time

S. No.	Activities	Days							
		1	2	3	4	5	6	7	8
1	Laying of water distribution lines								
2	Commissioning and insulation								
3	Trail runs								

Annexure 7 Details of equipment and service providers

Name of company	***Thermax Ltd.***
Name of contact person	Dhanraj Mahal
Address of company	2nd Floor, Chatrapati Shivaji Maharaj Marg, Nr. Gateway of India, Mumbai
Contact no & Fax no	Ph:022 - 6754 2222 Fax:022 - 22040859
Contact email ids	vadher@ad1.vsnl.net.in
Company website	www.aerothermsystem.com

Name of company	***Ross Boilers***
Address of company	33, Al Ameen Society, Gultekdi, Pune - 411037, Maharashtra
Contact no & Fax no	Phone:91-20-24269393/24272293/24274717 Fax:91-20-24272293/24269562

Name of company	***Energy Machine***
Name of contact person	Mr. Sharad Amin
Address of company	444, G.I.D.C., Phase IV Vithal Udhyog nagar Anand, Gujarat-388 121
Contact no & Fax no	+(91)-(2692)-232662/ 236210/ 2323309 +(91)-(2692)-233472/ 236478
Contact email -id	hem444@gmail.com, bapuamin@gmail.com

Annexure 8 Quotations of proposed equipment

Quotation :

Unit Model : **RHBW 100**

ROSS WOOD FIRED HOT WATER GENERATOR

Technical Specifications :

Heat Output :	1,00,000 Kcals/hr
Max. Temperature :	95 deg C
Hot Water Flow Rate :	20,000 lts/hr.
Fuel :	WOOD
Fuel Consumption : (E = 70 %, N.C.V. = 3500 Kcals/kg)	41 Kgs/hr#
Thermal Efficiency (NCV) :	70± 2%
Firing Control :	Manual
Combustion Draft	Natural
Water Pump Motor:	3 HP
Total Connected Load :	3 HP
Electric Supply :	3 PH, 415 V, 50 HZ, AC, 4 Wire system.
Overall Dimensions (approx.) :	
Width :	900 mm
Depth :	700 mm
Height :	2500 mm
Dry Weight (approx.) :	800 kgs.

Fuel consumption is based on N.C.V. (net calorific value) of fuel at 3,500 Kcals/kg. & Hot Water Generator efficiency of 70 %.
The efficiency is guaranteed subject to clean internal & external heat transfer surfaces.

* Specifications are subject to reasonable change without prior notice.

BATTERY LIMITS : As specified in the P & I diagram.

Price Annexture :

Price :	**162,000.00** (Ex-Works Unpacked)
Packing & Forwarding :	At actuals
Insurance :	1 % of Ex-works price
Taxes :	Excise : 8.24% Or As applicable at the time of delivery Sales tax : 12.50% VAT OR 2% CST against Form C.
Payment Terms :	Advance 50% along with firm order. Balance 50% against performa invoice prior to despatch.
Delivery Period :	4-6 weeks from the date of order with advance.
Commissioning :	Rs 2500/- per day plus to & fro charges at actuals. Lodging & boarding of our service engineer to be arranged by the customer.
Inspection :	At our works prior to despatch.
Validity :	The quotation is valid for 60 days.
Jurisdiction :	Subject to Pune Juridiction

Quotation: 2 Equipment manufacture-Energy Machine

Model No: HWG 100

Technical Specification

Details	*Unit*	*Value*
Heat out put	kCal/hr	100000
Max temperature	°C	95
Fuel Consumption (Approx.) Wood[2]	kg/hr	37
Max. Head	m	25
Thermal Efficiency	%	75% ± 2
Firing control	Manual	
Temperature control	Automatic	
Total connected load	kW	5
Chimney Outlet	mm	200
Hot Water Circulation Rate	litre/hr	6000
Electricity supply:	3 hp, 410V, 50HZ,AC	

[2] Fuel Consumption is based on NCV of fuel

Standard application form for financial assistance to existing units
(upto and including Rs. 50 lakh)

I Applicant details

1	Name of Unit	
2	Address for correspondence	
3	Constitution	
4	SSI Registration. No.	
5	Date of Incorporation	
6	Date of Commencement of Operations	
7	Activity / Industry	

	Registered Office	Factory / Service Establishment (existing)	Factory / Service Establishment (proposed)
Full Address			
Contact Person(s)			
Tel No.			
Fax No.			
E mail address			

II Promoters/Directors

Bio-data of all the promoters/directors of the unit (Preferably make separate sheet for each promoter/director)

Promoter/Director	
Name	
Full Address(incl Tel no./ mobile no)	
Age	
Passport No.	
Father's / husband's name	
Qualification	
Experience	
Functional responsibility in the unit	
Relationship with Chief Promoter	
Shareholding in the unit	
Net worth	

Pl. furnish details of any other shareholder having more than 5% in the unit.

III. Products Manufactured

Sl. No.	Product	Installed capacity p.a.	Present capacity utilisation	End use of product	Export orientation
					Yes/ No

IV. Existing Facilities with Banks /FIs incl. SIDBI

a	Name of the Bank(s) / FI, Branch,	
b	Dealing person and contact tel. no.(s)..	
c	Dealing since (each Bank / FI)	

Facilities enjoyed :

Nature of facility (bankwise)	Amount (Rs. lakh)		Rate of interest	Nature of Security and value
	Sanctioned	Outstanding as on ___		
Fund based				
-Term Loan				
-Working capital				
Non Fund Based				

Are there any defaults ? Yes/No

V. Financial Position of applicant unit/ associate concern

(Rs. lakh)

	Net-worth			Sales			Net profit		
	Y1	Y2	Y3	Y1	Y2	Y3	Y1	Y2	Y3
Applicant unit									
Associate concern I									
Associate concern II									

Details of Associate concerns to be given as per **Annexure I**.

VI. Project Details

6.1. Purpose for which assistance now required :

	Purpose	
1	Indicate whether Expansion /diversification / modernisation and details	Technology Upgradation for Energy Efficiency
2	If new products envisaged give details	N/A
3	Details of expected incremental qualitative / quantitative benefits	Saving in the fuel bill to the extent of 20-25% leading to commensurate improvement in the bottom line of the applicant unit.
4	Expected month/year of implementation	10 months
5	No. of employees existing and additional	

Cost of Project (Rs. Lakh)

Sr. No.	Details	Total Amount
1	Civil Works	0.20
2	Plant & Machinery (incl. installation) * -Indigenous -Imported	2.00
3	Erection & commisioning charge	0.30
4	Preliminary & pre-operative expenses	0.06
5	Contingency provision, if any (basis)(includes insulation, electrical work etc.)	1.00
	TOTAL	3.56
** Details of Plant and machinery/ Misc. fixed assets at* ***Annexure II and III***		

Indicate details of expenditure already incurred, if any and how the expenditure was financed ?

6.3. **Means of Finance**

(Rs. Lakh)

Sr. No.	Details	Total
1	Additional share capital / Internal accruals	0.89
2	Interest free Unsecured Loans	
3	Term Loan proposed from SIDBI / Banks	2.67
	Total	3.56

6.4 Whether additional Working Capital required for the unit. If yes, amount and arrangements proposed may be indicated:

6.5 **Technology**

S. No.	Item	
1	Any Technical collaboration? If yes, details	
2	Details of main technical professionals employed	
3	Any quality certification obtained ? If yes enclose certificate.	

6.6 **Raw material / Labour/ Utilities**

1	Raw material (Details, arrangement, sources and distance)	
2	Power	Connected Load Utilised load Requirement of power for Additional machines Back-up arrangement (DG)
3	Other critical inputs if any	

6.7 **Marketing & Selling Arrangements**

Items	Applicants remarks
Main Markets (Locations)	
Main buyers, Indicate clearly if the unit is relying on a single buyer	
Indicate competitors	
Whether product has multiple applications	
Distribution channels (e.g. direct sales, retail network, distribution network)	
Marketing team details, if any.	
Orders on hand (enclose copies)	

6.8 **Projected profitability** : Statement to be enclosed as per **Annexure IV**.

6.9 **Others**

Items	
Please indicate the various licenses / consents for the project / unit already obtained from the respective authorities	
Please indicate licenses / consents for the project / unit that are yet to be obtained.	
Category as per pollution control dept. If polluting, pollution control measures taken	
Whether the project is entitled for any govt. subsidy, tax exemptions. Details thereof	
Repayment period (in months) sought including repayment holiday requested, if any,	
Details of Collateral security offered and value (basis).	
List of guarantors for the proposed loan	

Enclose documents as indicated in the check list at Annexure V.

6.10 **Strengths / Weaknesses of the borrower** (such as market standing, product/ service differentiation, technical expertise, infrastructure facilities etc.)

Strengths	

Weaknesses	

DECLARATION

I/We certify that all information furnished by me/ us above and in the appendix/ annexures/ statements and other papers enclosed is true; I/we have no borrowing arrangements for the unit with any bank / FI except as indicated in the application; that there are no overdues / statutory dues/government enquiry/proceedings/prosecution against the unit/associate concerns/ promoters/directors except as indicated in the application; that no legal action has been/ is being taken against the unit/associate concerns/promoters/directors; that I/ we shall furnish all other information that may be required by SIDBI in connection with my/our application and I/ We have no objection to your furnishing the information submitted by me/ us to any agency as you may deem fit in connection with consideration of the assistance. We have no objection to SIDBI/ its representatives making suitable enquiries while considering the application.

Place : **Signature**

Date **Name & Designation**

Annexure I

Details of Associate Concerns

Name , Address & products manufactured	Existing since	Name & Address of existing Banker (s)	Facilities Enjoyed	Share holding of the main promoter(s) of applicant unit

Annexure II

Particulars of machinery proposed for the project

Name of machinery, (model / specification)	Name of manufacturer, contact person, e-mail address telephone no.	Lead time for delivery of machinery	Invoice price (for indigenous machinery) / CIF price (for imported) (Rs. lakh)	Purpose /use of machine	Basis of selection of supplier	Remarks reg. after sale service etc.
Wood Fired Hot Water Generator	Ross Boilers Address : 33, Al Ameen Society, Gultekdi, Pune - 411037, Maharashtra, India Phone : 91-20-4269393/ 24272293/24274717 Fax : 91-20-24272293/ 24269562	5 Weeks	1.62	Water Heating	Crediability of the Technolgy Provider	

- Furnish competitive quotations, catalogues / invoice for each machinery proposed to be acquired
- In case of second hand /fabricated machinery, indicate the need / reasons for acquiring such machinery. Also enclose Chartered Engineer's certificate regarding residual value and life in respect of second hand machinery.

Annexure III

Details of Misc. Assets / equipment Proposed

S.No.	Name of item	Supplier	Cost (Rs. lakh)	Purpose/ use of MFA	Remarks

Annexure IV

Profitability projections for the Unit/ Company as a whole*

S.No.	Item	Actuals for previous year	Y1	Y2	Y3	Y4	Y5	Y6	TOTAL
1	Total Income		1.85	1.85	1.85	1.85	1.85	1.85	11.10
2	Raw materials								
	Power and fuel								
	Wages and salaries								
	Selling expenses								
	Other expenses		0.09	0.10	0.10	0.11	0.11	0.12	0.63
	Total Cost		0.09	0.10	0.10	0.11	0.11	0.12	0.63
3	Profit before depreciation, Interest and taxes (PBDIT) (2 - 1)		1.76	1.75	1.75	1.74	1.74	1.73	10.47
4	Interest on Term Loan		0.24	0.22	0.17	0.12	0.06	0.01	0.82
5	Interest on Working Capital								
6	Interest on unsecured loans								
7	Depreciation		0.12	0.12	0.12	0.12	0.12	0.12	0.72
8	Profit before Tax (3 - 4 - 5 - 6 - 7)		1.39	1.41	1.45	1.50	1.55	1.60	8.90
9	Tax		0.33	0.37	0.40	0.44	0.48	0.51	2.53
10	Profit after Tax (8 - 9)		1.06	1.04	1.05	1.06	1.07	1.09	6.37
11	Dividends/ Withdrawals								
12	Cash Accruals (10 - 11 + 7)		1.18	1.16	1.17	1.18	1.19	1.21	7.09
13	Repayments of all term liabilities (Principal)		0.24	0.50	0.52	0.53	0.56	0.32	2.67
14	Debt Service Coverage Ratio ((10+7+4)/(13+4))		2.96	1.92	1.94	2.01	2.02	3.72	-----
15	Average DSCR (Total of 10+7+4 for projected period/(Total of 13+4 for projected period)		2.27						

* Please give projections for the entire tenure of SIDBI / Bank loan.

Annexure V

CHECK LIST of documents to be submitted along with the application

S. No.	Documents	Y/N	Reasons for Non-submission
1	SSI Regn. / CA certificate certifying SSI status		
2	Certified copies of Memorandum & Articles of association / Partnership Deed		
3	Audited financial results for the last three years of Applicant unit		
4	Copies of lease deed / sale deed on which the unit is situated		
5	Copies of sanction letters from commercial banks / FIs which have sanctioned assistance to the unit		
6	NOC from pollution control board/consent letter, if applicable		
7	IT Returns/Assessment orders/Sales tax returns of the Applicant Unit/ promoters/directors for 2 years		
8	List of existing plant and machinery		
9	Competitive quotations for machines and Misc. fixed assets proposed to be acquired under the scheme		
10	Duly signed latest net worth statements of promoters/directors & guarantors in SIDBI format; In case of guarantors please furnish, Name, Age, Father's/Husband's name, residential address. Details of similar guarantee, if any, given to other institutions		
11	2 sets of photographs along with signatures of all promoters/directors/guarantors duly certified by a Bank or Gazetted Officer.		
12	Audited financial results for last three years for each associate concerns. If applicable.		
13	Copy of title deed of collateral security and valuation report		

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