

# PROJECT REPORT

Of

## ORGANIC WASTE COMPOST

### PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding **Organic Waste Compost Unit**.

The objective of the pre-feasibility report is primarily to facilitate potential entrepreneurs in project identification for investment and in order to serve his objective; the document covers various aspects of the project concept development, start-up, marketing, finance and management.

[We can modify the project capacity and project cost as per your requirement. We can also prepare project report on any subject as per your requirement.]



**Lucknow Office:** Sidhivinayak Building ,  
27/1/B, Gokhley Marg, Lucknow-226001

**Delhi Office :** Multi Disciplinary Training  
Centre, Gandhi Darshan Rajghat,  
New Delhi 110002

**Email :** [info@udyami.org.in](mailto:info@udyami.org.in)  
**Contact :** +91 7526000333, 444, 555

## ORGANIC WASTE COMPOST



### Introduction

**Organic Waste Composting** is a way to treat solid waste so that microorganisms break down the organic material, helping along the natural process of decay until it can be safely handled, stored and applied to the environment.

Organic Composting is a method for treating solid waste in which organic material is broken down by microorganisms in the presence of oxygen to a point where it can be safely stored, handled and applied to the environment. Organic waste Composting is an essential part of reducing household wastes. It can be done inexpensively by every household and produces a product - finished compost or humus - that can benefit the environment as a natural fertilizer for gardening and farming.

Organic waste Composting is nature's way of recycling. Composting biodegrades organic waste i.e. food waste, manure, leaves, grass trimmings, paper, wood, feathers, crop residue etc., and turns it into a valuable organic fertilizer.

Organic Waste Composting is relatively simple to manage and can be carried out on a wide range of scales in almost any indoor or outdoor environment and in almost any geographic location. It has the potential to manage most of the organic material in the waste stream including restaurant waste, leaves and yard wastes, farm waste, animal manure, animal carcasses, paper products, sewage sludge, wood etc. and can be easily incorporated into any waste management plan.

## **Why Organic Composting is Important**

As per Swatch Bharat Abhiyan, if a person is doing business on a large scale & generates 15KG or more waste per day, then under this Government scheme it is necessary for them to setup a machine for Organic Waste Compost for composting of waste generated from the daily activities.

## **Organic Waste Composting Benefits**

Throughout the country, landfills are filling up, garbage incineration is becoming increasingly unpopular, and our alternatives for waste disposal are becoming increasingly limited. So, where do we go from here? The logical alternative is Composting.

Organic Composting provides a means for reducing the amount of waste that would otherwise be disposed of in our landfills. By diverting solid wastes from our landfill sites we help to conserve landfill space and reduce the production of leach ate and methane gas. In addition, an effective composting program can produce high quality soil amendments with a variety of potential uses.

## **Types of waste included in compost**

1. Organic food waste
2. Horticulture waste
3. Agriculture waste

## **Description of Organic Waste Compost Machine**

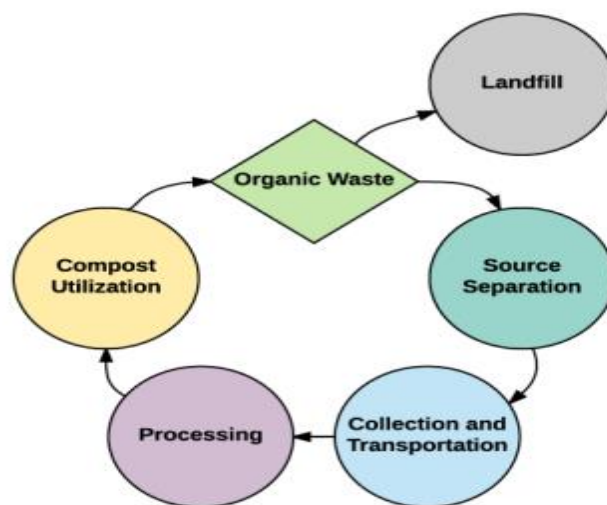
Bio Mechanical Compost Machine is required for organic waste compost process.

## **Technical specification of the machinery**

- Inbuilt Shredder
- S.S Composting Tank
- Oil Tank
- Heater
- Water tank
- Two single phase exhaust

## Organic Waste Compost Manufacturing Process

- First of all, collect the organic waste.
- After that separate the waste according to the specification.
- Put the waste into the bio mechanical compost machine.
- Mix 10% to 15% leaf or grass in the organic waste.
- Start the machine for processing of organic waste compost.
- After 1 day collect the manure.
- Transportation of goods.



### Machinery & Equipment's required:

Name	Cost
Total Value of Machinery	345000
GST @18%	62100
<b>Total</b>	<b>4,07,100</b>

❖ Cost of the machine is exclusive of other transportation cost.

### Land & Building required:

Land required 200 Square Feet (approx.)

Approximate rent for the same is 4000 - 5000

### **Labour Requirement:**

1 Manpower is required for the organic waste compost unit.

Include:

1 operator

### **Raw Material Requirement of Socks**

Organic waste is required as raw material for composting.

*Average raw material cost per KG: Rs. 1-2*

### **Organic Waste Compost License & registration**

#### **For Proprietor:**

- Obtain the GST registration.
- Fire/ Pollution Registration as required.
- Choice of a Brand Name of the product and secure the name with Trademark if required.

### **Implementation Schedule**

S.N.	Activity	Time Required (in Months)
1	Acquisition Of premises	1
2	Construction (if Applicable)	1- 2 Months
3	Procurement & installation of Plant & Machinery	1
4	Arrangement of Finance	1
5	Requirement of required Manpower	1
	Total time Required (some activities shall run concurrently)	1-2 Months

## **PROJECT AT A GLANCE**

- 1** Name of the Entrepreneur **xx**
- 2** Constitution (legal Status) : xx
- 3** Father's/Spouce's Name **Xx**
- 4** Unit Address :
- Taluk/Block: **xx**
- District : **xx**
- Pin:
- E-Mail : **xx**
- Mobile **xx**
- 5** Product and By Product : SOCK
- 6** Name of the project / business activity proposed :
- 7** Cost of Project : **Rs.** 407,100.00
- 8 Means of Finance**
- Term Loan **Rs.** 366,390.90  
25% of 4.07 Lacs
- KVIC Margin Money **Rs.** (1.0175 Lacs)
- Own Capital **Rs.** 40,710.10 Lacs
- 9** Debt Service Coverage Ratio :
- 10** Pay Back Period : 4 years 9 Months
- 11** Project Implementation Period : 6 months
- 12** Employment :
- 13** Power Requirement : 15 KW for Full Day
- 14** Major Raw materials :
- 15** Estimated Annual Sales Turnover : 1.72 Lacs (at 50% capacity)

**16** Detailed Cost of Project & Means of Finance

### **COST OF PROJECT**

(Rs. In Lacs)

<b>Particulars</b>	<b>Amount</b>
Land	
Building & Civil Work	-
Plant & Machinery	407,100.00
Furniture & Fixtures	

**MEANS OF FINANCE**

Pre-operative Expenses	
Contingencies	
Working Capital Requirement	-
<b>Total</b>	407,100.00

<b>Particulars</b>	<b>Amount</b>
Own Contribution	40,710.10
Bank Finance	366,390.90
working capital from bank	-
<b>Total</b>	407,101.00
KVIC Margin	(25% of 4.07 Lacs)
Monery	Rs. 1,01,750

**FINANCIAL ASSISTANCE REQUIRED**

Term Loan of Rs. 3,66,390

**COST OF PROJECT**

<b>PARTICULARS</b>	<b>AMOUNT</b>	<b>AMOUNT</b>	<b>AMOUNT</b>
		10%	90%
<b>Building (owned)</b>			
<b>Plant &amp; Machinery</b>	407,100	40,710	366,390
<b>Total</b>	<b>407,100.00</b>	<b>40,710.10</b>	<b>366,390.90</b>

**MEANS OF FINANCE**

<b>PARTICULARS</b>	<b>AMOUNT</b>
Own Contribution	40,710.10
Bank Loan	366,390.90
<b>Total</b>	<b>407,100.00</b>



**COMPUTATION OF PRODUCTION OF MANURE****Items to be Manufactured**

Manure from organic waste compost

machine capacity	60KG per day
machine capacity per annum	21600 KG

**Production of Manure**

<b>Production</b>	<b>Capacity</b>	<b>Manure</b>
1st year	80%	17,280
2nd year	85%	18,360
3rd year	90%	19,440
4th year	95%	20,520
5th year	100%	21,600

**Raw Material Cost (organic waste)**

<b>Year</b>	<b>Capacity Utilisation</b>	<b>Rate</b>	<b>Amount</b>
1st year	80%	2.00	34,560.00
2nd year	85%	2.10	38,556.00
3rd year	90%	2.20	42,768.00
4th year	95%	2.30	47,196.00
5th year	100%	2.40	51,840.00

**COMPUTATION OF SALE**

<b>Particulars</b>	<b>1st year</b>	<b>2nd year</b>	<b>3rd year</b>	<b>4th year</b>	<b>5th year</b>
Production	17,280	18,360	19,440	20,520	21,600
<b>Net Sale</b>	<b>17,280</b>	<b>18,360</b>	<b>19,440</b>	<b>20,520</b>	<b>21,600</b>
sale price per KG	10.00	10.50	11.00	11.50	12.00
<b>Sales (in Lacs)</b>	<b>172,800</b>	<b>192,780</b>	<b>213,840</b>	<b>235,980</b>	<b>259,200</b>

**Utility Charges at 100% capacity (per month)**

<b>Particulars</b>	<b>value</b>	<b>Description</b>
Power connection required	12	KW
Consumption per month	30	units
Rate per Unit	7	Rs.
power Bill per month	210	Rs.

<b>PROJECTED PROFITABILITY STATEMENT</b>					
	-	-	-		
<b>PARTICULARS</b>	<b>1st year</b>	<b>2nd year</b>	<b>3rd year</b>	<b>4th year</b>	<b>5th year</b>
Capacity Utilisation %	<b>80%</b>	<b>85%</b>	<b>90%</b>	<b>95%</b>	<b>100%</b>
<b><u>SALES</u></b>					
<b>Gross Sale</b>					
Socks	172,800	192,780	213,840	235,980	259,200
<b>Total</b>	<b>172,800</b>	<b>192,780</b>	<b>213,840</b>	<b>235,980</b>	<b>259,200</b>
<b><u>COST OF SALES</u></b>					
Raw Mateiral Consumed	34,560	38,556	42,768	47,196	51,840
Elecricity Expenses	2,520	2,772	3,049	3,354	3,690
Depriciation	61,065	51,905	44,119	37,502	31,876
Repair & maintenace	1,210	1,349	1,497	1,652	1,814
Consumables	1,728	1,928	2,138	2,360	2,592
Repair & maintenace	1,728	10,025	11,120	12,271	13,478
<b>Cost of Production</b>	<b>102,811</b>	<b>106,535</b>	<b>104,692</b>	<b>104,334</b>	<b>105,291</b>
<b>GROSS PROFIT</b>	<b>69,989</b>	<b>86,245</b>	<b>109,148</b>	<b>131,646</b>	<b>153,909</b>
Interest on Term Loan	32,961	30,889	24,889	18,889	2,717
Selling & adm Exp	1,037	1,157	1,283	1,416	1,555
<b>TOTAL</b>	<b>33,998</b>	<b>32,046</b>	<b>26,172</b>	<b>20,305</b>	<b>4,272</b>
<b>NET PROFIT</b>	<b>35,992</b>	<b>54,199</b>	<b>82,976</b>	<b>111,341</b>	<b>149,637</b>
Taxation					
<b>PROFIT (After Tax)</b>	<b>35,992</b>	<b>54,199</b>	<b>82,976</b>	<b>111,341</b>	<b>149,637</b>

**PROJECTED BALANCE SHEET**

<b>PARTICULARS</b>	<b>1st year</b>	<b>2nd year</b>	<b>3rd year</b>	<b>4th year</b>	<b>5th year</b>
<b><u>Liabilities</u></b>					
Capital					
opening balance		66,702	90,901	133,877	195,218
<i>Add:- Own Capital</i>	40,710				
Add:- Retained Profit	35,992	54,199	82,976	111,341	149,637
Less:- Drawings	10,000	30,000	40,000	50,000	100,000
Closing Blance	66,702	90,901	133,877	195,218	244,855
Subsidy Reserve	101,750	101,750	101,750	-	-
Term Loan	336,391	276,391	216,391	54,641	-
Sundry Creditors	480	536	594	656	720
<b>TOTAL :</b>	<b>505,323</b>	<b>469,577</b>	<b>452,612</b>	<b>250,514</b>	<b>245,575</b>
<b><u>Assets</u></b>					
<b>Fixed Assets ( Gross)</b>	407,100	407,100	407,100	407,100	407,100
Gross Dep.	61,065	112,970	157,090	194,591	226,468
<b>Net Fixed Assets</b>	<b>346,035</b>	<b>294,130</b>	<b>250,010</b>	<b>212,509</b>	<b>180,632</b>
FD of Subsidy	101,750	101,750	101,750		
<b>Current Assets</b>					
Sundry Debtors	2,400	2,678	2,970	3,278	3,600
Cash and Bank	55,138	71,020	97,882	136,478	163,093
<b>TOTAL :</b>	<b>505,323</b>	<b>469,577</b>	<b>452,612</b>	<b>352,264</b>	<b>347,325</b>

**PROJECTED CASH FLOW STATEMENT**

<b>PARTICULARS</b>	<b>1st year</b>	<b>2nd year</b>	<b>3rd year</b>	<b>4th year</b>	<b>5th year</b>
<b><u>SOURCES OF FUND</u></b>					
Own Margin	40,710				
Net Profit	35,992	54,199	82,976	111,341	149,637
Depriciation & Exp. W/off	61,065	51,905	44,119	37,502	31,876
Increase in Cash Credit	-	-	-	-	-
Increase In Term Loan	366,391	-	-	-	-
Increase in Creditors	480	56	59	61	65
increase in subsidy	101,750				
<b>TOTAL :</b>	<b>606,388</b>	<b>106,160</b>	<b>127,154</b>	<b>148,904</b>	<b>181,578</b>
<b><u>APPLICATION OF FUND</u></b>					
Increase in Fixed Assets	407,100				
Increase in Debtors	2,400	278	293	308	323
Repayment of Term Loan	30,000	60,000	60,000	161,750	54,641
Increase in FD	101,750	-	-	101,750	
Drawings	10,000	30,000	40,000	50,000	100,000
Taxation	-	-	-	-	-
<b>TOTAL :</b>	<b>551,250</b>	<b>90,278</b>	<b>100,293</b>	<b>110,308</b>	<b>154,963</b>
Opening Cash & Bank Balance	-	55,138	71,020	97,882	136,478
Add : Surplus	55,138	15,882	26,862	38,596	26,614
Closing Cash & Bank Balance	<b>55,138</b>	<b>71,020</b>	<b>97,882</b>	<b>136,478</b>	<b>163,093</b>

**COMPUTATION OF DEPRECIATION**

<b>Description</b>	<b>Plant &amp; Machinery</b>	<b>TOTAL</b>
Rate of Depreciation	<b>15.00%</b>	
<b>Opening Balance</b>	-	-
Addition	407,100.00	407,100.00
Total	407,100.00	407,100.00
Less : Depreciation	61,065.00	61,065.00
<b>WDV at end of Year</b>	<b>346,035.00</b>	<b>346,035.00</b>
Additions During The Year	-	-
Total	346,035.00	346,035.00
Less : Depreciation	51,905.25	51,905.25
<b>WDV at end of Year</b>	<b>294,129.75</b>	<b>294,129.75</b>
Additions During The Year	-	-
Total	294,129.75	294,129.75
Less : Depreciation	44,119.46	44,119.46
<b>WDV at end of Year</b>	<b>250,010.29</b>	<b>250,010.29</b>
Additions During The Year	-	-
Total	250,010.29	250,010.29
Less : Depreciation	37,501.54	37,501.54
<b>WDV at end of Year</b>	<b>212,508.74</b>	<b>212,508.74</b>
Additions During The Year	-	-
Total	212,508.74	212,508.74
Less : Depreciation	31,876.31	31,876.31
<b>WDV at end of Year</b>	<b>180,632.43</b>	<b>180,632.43</b>
s	-	-
Total	180,632.43	180,632.43

Less : Depreciation	27,094.86	27,094.86
<b>WDV at end of Year</b>	<b>153,537.57</b>	<b>153,537.57</b>
Less : Depreciation	23,030.64	23,030.64
<b>WDV at end of Year</b>	<b>130,506.93</b>	<b>130,506.93</b>
Less : Depreciation	19,576.04	19,576.04
<b>WDV at end of Year</b>	<b>110,930.89</b>	<b>110,930.89</b>

### CALCULATION OF D.S.C.R

<b>PARTICULARS</b>	<b>1st year</b>	<b>2nd year</b>	<b>3rd year</b>	<b>4th year</b>	<b>5th year</b>
CASH ACCRUALS	97,057	106,104	127,096	148,842	181,513
Interest on Term Loan	32,961	30,889	24,889	18,889	2,717
Total	130,018	136,994	151,985	167,731	184,230
<b><u>REPAYMENT</u></b>					
Instalment of Term Loan	30,000	60,000	60,000	161,750	54,641
Interest on Term Loan	32,961	30,889	24,889	18,889	2,717
Total	62,961	90,889	84,889	180,639	57,358
<b>DEBT SERVICE COVERAGE RATIO</b>	<b>2.07</b>	<b>1.51</b>	<b>1.79</b>	<b>0.93</b>	<b>3.21</b>
<b>AVERAGE D.S.C.R.</b>	<b>1.90</b>				

**REPAYMENT SCHEDULE OF TERM LOAN**

Interest 10.00%

<b>Year</b>	<b>Particulars</b>	<b>Amount</b>	<b>Addition</b>	<b>Total</b>	<b>Interest</b>	<b>Repayment</b>	<b>Closing Balance</b>
<b>1st</b>	Opening Balance						
	1st month	-	366,391	366,391	-	-	366,391
	2nd month	366,391	-	366,391	3,053	-	366,391
	3rd month	366,391	-	366,391	3,053	-	366,391
	4th month	366,391	-	366,391	3,053		366,391
	5th month	366,391	-	366,391	3,053		366,391
	6th month	366,391	-	366,391	3,053		366,391
	7th month	366,391	-	366,391	3,053	5,000	361,391
	8th month	361,391	-	361,391	3,012	5,000	356,391
	9th month	356,391	-	356,391	2,970	5,000	351,391
	10th month	351,391	-	351,391	2,928	5,000	346,391
	11th month	346,391	-	346,391	2,887	5,000	341,391
	12th month	341,391	-	341,391	2,845	5,000	336,391
					32,961	30,000	
<b>2nd</b>	Opening Balance						
	1st month	336,391	-	336,391	2,803	5,000	331,391
	2nd month	331,391	-	331,391	2,762	5,000	326,391
	3rd month	326,391	-	326,391	2,720	5,000	321,391
	4th month	321,391	-	321,391	2,678	5,000	316,391
	5th month	316,391	-	316,391	2,637	5,000	311,391
	6th month	311,391	-	311,391	2,595	5,000	306,391
	7th month	306,391	-	306,391	2,553	5,000	301,391
	8th month	301,391	-	301,391	2,512	5,000	296,391
	9th month	296,391	-	296,391	2,470	5,000	291,391
	10th month	291,391	-	291,391	2,428	5,000	286,391
	11th month	286,391	-	286,391	2,387	5,000	281,391
	12th month		-			5,000	



		281,391		281,391	2,345		276,391
					<b>30,889</b>	<b>60,000</b>	
<b>3rd</b>	Opening Balance						
	1st month	276,391	-	276,391	2,303	5,000	271,391
	2nd month	271,391	-	271,391	2,262	5,000	266,391
	3rd month	266,391	-	266,391	2,220	5,000	261,391
	4th month	261,391	-	261,391	2,178	5,000	256,391
	5th month	256,391	-	256,391	2,137	5,000	251,391
	6th month	251,391	-	251,391	2,095	5,000	246,391
	7th month	246,391	-	246,391	2,053	5,000	241,391
	8th month	241,391	-	241,391	2,012	5,000	236,391
	9th month	236,391	-	236,391	1,970	5,000	231,391
	10th month	231,391	-	231,391	1,928	5,000	226,391
	11th month	226,391	-	226,391	1,887	5,000	221,391
	12th month	221,391	-	221,391	1,845	5,000	216,391
					<b>24,889</b>	<b>60,000</b>	
<b>4th</b>	Opening Balance						
	1st month	216,391	-	216,391	1,803	5,000	211,391
	2nd month	211,391	-	211,391	1,762	5,000	206,391
	3rd month	206,391	-	206,391	1,720	5,000	201,391
	4th month	201,391	-	201,391	1,678	5,000	196,391
	5th month	196,391	-	196,391	1,637	5,000	191,391
	6th month	191,391	-	191,391	1,595	5,000	186,391
	7th month	186,391	-	186,391	1,553	5,000	181,391
	8th month	181,391	-	181,391	1,512	5,000	176,391
	9th month	176,391	-	176,391	1,470	5,000	171,391
	10th month	171,391	-	171,391	1,428	5,000	166,391
	11th month	166,391	-	166,391	1,387	5,000	161,391
	12th month (subsidy adjusted)	161,391	-	161,391	1,345	106,750	54,641
					<b>18,889</b>	<b>161,750</b>	

**5th** Opening Balance

1st month	54,641	-	54,641	455	5,000	49,641
2nd month	49,641	-	49,641	414	5,000	44,641
3rd month	44,641	-	44,641	372	5,000	39,641
4th month	39,641	-	39,641	330	5,000	34,641
5th month	34,641	-	34,641	289	5,000	29,641
6th month	29,641	-	29,641	247	5,000	24,641
7th month	24,641	-	24,641	205	5,000	19,641
8th month	19,641	-	19,641	164	5,000	14,641
9th month	14,641	-	14,641	122	5,000	9,641
10th month	9,641	-	9,641	80	5,000	4,641
11th month	4,641	-	4,641	39	4,641	-

**2,717      54,641**

DOOR TO DOOR                      59 MONTHS  
MORATORIUM PERIOD                6 MONTHS  
REPAYMENT PERIOD                53 MONTHS

**Supplier Details:**

<b>SMS Hydrotech</b>	<b>Address:</b> E-34, E-14, Sanjay Colony, Sector 23, Faridabad, Haryana, 121006
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