PROJECT REPORT

Of

FLOWERS RECYCLED TO COMPOST

PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding Flowers recycled to compost Manufacturing 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.]

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PROJECT AT GLANCE

1	**Name of Proprietor/Director**	XXXXXXXX	
2	**Firm Name**	XXXXXXXX	
3	**Registered Address**	XXXXXXXX	
4	**Nature of Activity**	XXXXXXXX	
5	**Category of Applicant**	XXXXXXXX	
6	**Location of Unit**	XXXXXXXX	
7	**Cost of Project**	17.55	Rs. In Lakhs
8	**Means of Finance**		
i)	**Own Contribution**	1.75	Rs. In Lakhs
ii)	**Term Loan**	11.67	Rs. In Lakhs
iii)	**Working Capital**	4.12	Rs. In Lakhs
9	**Debt Service Coverage Ratio**	3.95	
10	**Break Even Point**	40%	
11	**Power Requiremnet**	15	KW
12	**Employment**	16	Persons
13	**Major Raw Materials**	Floral waste,sawdust,composting culture and packaging material	

14 Details of Cost of Project & Means of Finance

Cost of Project **Amount in Lacs**

Particulars	**Amount**
Land and building	Owned/Leased
Plant & Machinery	12.47
Furniture & Fixture	-
Other Misc Assets	0.50
Working Capital Requirement	4.58
Total	**17.55**

Means of Finance

Particulars	**Amount**
Own Contribution	1.75
Term Loan	11.67
Working capital Loan	4.12
Total	**17.55**

1. INTRODUCTION

Worshiping is a way of life in India, and people offer various offerings to the gods, including flowers, leaves, fruits, coconuts, clothing, and other objects, the majority of which are floral offerings. As a result, flower waste makes up a significant portion of temple waste. Flowers, like any waste, end up in the trash or are thrown into water bodies or left on open spaces as waste, creating various environmental issues. Rose, jasmine, marigold, chrysanthemum, hyacinth, hibiscus, and other flowers are commonly offered in temples. This floral waste can be used in different ways to create useful items, saving the world from contamination caused by inappropriate flower waste disposal.

Effect on environment

The environment is described as the sum of all the conditions and circumstances, as well as the living and non-living things, that affect the life of an organism. In order to maintain natural balance and equilibrium, humans and ecosystems are inextricably intertwined. Emission levels have risen dramatically as a result of population and productivity, resulting in environmental degradation. The exploitation of natural resources, industrialization, urbanization, and other factors are the key causes of environmental degradation. Pollution of all kinds, including air, water, and soil, as well as solid waste and its disposal, wreak havoc on the atmosphere and human health.

Value addition of Holy wastes

In addition to being used for certain art and craft techniques, this flower waste may be used to make compost. Most flowers and their plant parts are good compost ingredients.

Significance of product

Compost is an organic soil enrichment that combines greens — such as newly cut flowers, other fresh yard waste and kitchen scraps rich in nitrogen — and browns that are high in carbon, including dried flowers. Composting is good for several reasons: It saves water by helping the soil hold moisture and reduce water runoff. It benefits the environment by recycling organic resources while conserving landfill space. Enriches soil, helping retain moisture and suppress plant diseases and pests. Reduces the need for chemical fertilizers. Encourages the production of beneficial bacteria and fungi that break down organic matter to create humus, a rich nutrient-filled material.

2 PRODUCT DESCRIPTION

2.1 PRODUCT USES

The basic use of compost-like products is conditioning and fertilising soil by the addition of humus, nutrients and beneficial soil bacteria. This helps improving the physical and chemical properties and contributes to enhance the capacity of the soil to store air and water.

2.2 MANUFACTURING PROCESS

Making Compost from Flower Waste have the following steps:

- The flower waste is collected from the sources like temples, ghats, etc.
- The flowers are sorted to separate them from the other waste such as thread and plastics.
- Then flower petals are taken to the dryer unit where the moisture content is removed.
- Dry flowers then undergo to grinding process into a shredding machine to make a finepowder which reduces the volume of waste. It will enhance its decomposition.
- Grounded Powder is then taken to ribbon blender for mixing with composting culture andsawdust. The sawdust helps to generate heat and reduce moisture from the flowers which is good for the entire biological process whereas composting culture (Mesophilic bacteria)is responsible for carrying out the decomposition of flower waste. Since the bacteria are mesophilic, it can exist at a moderate temperature of 20-45 degrees Celsius.
- The mixed material is then taken to the flower composting machine where the compost isbeing prepared. It takes waste as its input and provides manure as its output.
- The biological process in that takes 20 to 25 days after which the compost is ready.
- The final product is packed in appropriate packages and is shipped to customer.

3. PROJECT COMPONENTS

3.1 Land & Building

The land required for this manufacturing unit will be approx. around 1500 square feet. Land Purchase and Building Civil Work Cost have not been considered as part of the cost of project.

It is expected that the premises will be on rental and approximate rentals assumed of the same will be Rs.25,000 per month.

- Workshop Area- This area includes the setup and foundation space for all equipment's, work floor area, etc. Total workshop area is approx.900 Sqft.
- Inventory Area- This area includes the storage space for all the raw materials and finished goods. Total inventory area is approx. 300 Sqft.
- Office Area – This space includes staff working region, their accommodation space. Total workshop area is approx. 200 Sqft. This may be considered above the ground floor.
- Parking Space, Electric Mounting Space, and Others. This could be approx. 100 Sqft.

Land and building requirement may vary depending on the size of project.

3.2 Plant & Machinery

- **Dehydrator machine:** Dehydrator machine is used for dry or dehydrated floral petals before grinding. This appliance uses a flow of hot air to minimize the average amount of water contained in floral petals.

- **Shredding Machine:** Shredding machine is used for shredding and converting the floral petals into fine particles before placing them into a mixer.

- **Ribbon Blender:** Ribbon Blender is a light-duty blender mainly used for easy-to-mix powder components that are pre-processed like dried granules, pre-sieved powders, etc.

- **Flower Waste Composting Machine:** An organic waste composting machine is an independent unit that facilitates the composting process and provides better composts. It takes waste as its input and provides manure as its output.

Packaging Machine: These machines can be used to pack the final product in appropriaterequired sizes.

Machine	Quantity	Price
Dehydrator Machine	1	1,00,000
Shredding Machine	1	3,51,000
Ribbon Blender	1	76,000
Organic Waste Compost Machine	1	4,50,000
Packaging Machine	1	2,70,000
TOTAL		**12,47,000**

Note: Total Machinery cost shall be Rs 12.47 lakh including GST and Transportation Cost.

4 LICENSE & APPROVALS

Basic registration required in this project:

- MSME Udyam registration
- GST registration
- NOC for fire safety board
- Trade License
- Factory License
- Import/Export License
- Choice of a Brand Name of the product and secure the name with Trademark if required.

Projected Profitability

PROJECTED PROFITABILITY STATEMENT					(in Lacs)
PARTICULARS	**1st year**	**2nd year**	**3rd year**	**4th year**	**5th year**
Capacity Utilisation %	**55%**	**60%**	**65%**	**70%**	**75%**
SALES					
Gross Sale					
Flower recycled to Compost	76.19	90.60	104.30	118.95	134.54
Total	**76.19**	**90.60**	**104.30**	**118.95**	**134.54**
COST OF SALES					
Raw Material Consumed	39.60	46.08	53.04	60.48	68.40
Electricity Expenses	2.88	3.02	3.18	3.33	3.50
Depreciation	1.95	1.65	1.41	1.19	1.02
Wages & labour	13.44	15.46	17.31	19.91	22.89
Repair & maintenance	1.14	1.81	2.61	2.97	3.36
Packaging	2.29	2.72	3.13	3.57	4.04
Cost of Production	61.29	70.74	80.67	91.46	103.21
Add: Opening Stock	-	1.43	1.65	1.88	2.13
Less: Closing Stock	1.43	1.65	1.88	2.13	2.41
Cost of Sales	59.86	70.52	80.44	91.21	102.94
GROSS PROFIT	**16.33**	**20.08**	**23.86**	**27.74**	**31.60**
	21.43%	**22.16%**	**22.88%**	**23.32%**	**23.49%**
Salary to Staff	4.44	5.11	5.72	6.58	7.23
Interest on Term Loan	1.15	1.01	0.73	0.44	0.15
Interest on working Capital	0.45	0.45	0.45	0.45	0.45
Rent	3.00	3.15	3.31	3.47	3.65
Selling & Administrative Exp.	1.90	2.27	2.61	2.97	3.36
TOTAL	**10.95**	**11.99**	**12.81**	**13.92**	**14.85**
NET PROFIT	5.38	8.09	11.05	13.82	16.75
	7.06%	**8.93%**	**10.60%**	**11.62%**	**12.45%**
Taxation	0.08	0.64	1.33	1.51	2.42
PROFIT (After Tax)	5.30	7.45	9.72	12.32	14.33

Projected Balance Sheet

PROJECTED BALANCE SHEET					**(in Lacs)**
PARTICULARS	**1st year**	**2nd year**	**3rd year**	**4th year**	**5th year**
Liabilities					
Capital					
Opening balance		2.06	3.41	6.23	9.45
Add:- Own Capital	1.75				
Add:- Retained Profit	5.30	7.45	9.72	12.32	14.33
Less:- Drawings	5.00	6.10	6.90	9.10	10.80
Closing Balance	**2.06**	**3.41**	**6.23**	**9.45**	**12.98**
Term Loan	10.38	7.78	5.19	2.59	-
Working Capital Limit	4.12	4.12	4.12	4.12	4.12
Sundry Creditors	0.92	1.08	1.24	1.41	1.60
Provisions & Other Liability	0.20	0.24	0.29	0.35	0.41
TOTAL :	**17.68**	**16.63**	**17.07**	**17.92**	**19.12**
Assets					
Fixed Assets (Gross)	12.97	12.97	12.97	12.97	12.97
Gross Dep.	1.95	3.60	5.00	6.20	7.22
Net Fixed Assets	**11.02**	**9.37**	**7.97**	**6.77**	**5.75**
Current Assets					
Sundry Debtors	3.81	4.53	5.22	5.95	6.73
Stock in Hand	1.69	1.96	2.24	2.54	2.86
Cash and Bank	0.65	0.17	0.95	1.87	2.87
Loans & Advances /Other Current Assets	0.50	0.60	0.70	0.80	0.90
TOTAL :	**17.68**	**16.63**	**17.07**	**17.92**	**19.12**

Projected Cash Flow Statement

PROJECTED CASH FLOW STATEMENT					**(in Lacs)**
PARTICULARS	**1st year**	**2nd year**	**3rd year**	**4th year**	**5th year**
SOURCES OF FUND					
Own Margin	1.75				
Net Profit	5.38	8.09	11.05	13.82	16.75
Depreciation & Exp. W/off	1.95	1.65	1.41	1.19	1.02
Increase in Cash Credit	4.12	-	-	-	-
Increase In Term Loan	11.67	-	-	-	-
Increase in Creditors	0.92	0.15	0.16	0.17	0.18
Increase in Provisions & Oth labilities	0.20	0.04	0.05	0.06	0.07
	-				
TOTAL :	**26.00**	**9.94**	**12.67**	**15.25**	**18.02**
APPLICATION OF FUND					
Increase in Fixed Assets	12.97				
Increase in Stock	1.69	0.26	0.28	0.30	0.33
Increase in Debtors	3.81	0.72	0.69	0.73	0.78
Repayment of Term Loan	1.30	2.59	2.59	2.59	2.59
Loans & Advances /Other Current Assets	0.50	0.10	0.10	0.10	0.10
Drawings	5.00	6.10	6.90	9.10	10.80
Taxation	0.08	0.64	1.33	1.51	2.42
TOTAL :	**25.35**	**10.42**	**11.89**	**14.33**	**17.02**
Opening Cash & Bank Balance	-	0.65	0.17	0.95	1.87
Add : Surplus	0.65	-0.48	0.78	0.92	1.00
Closing Cash & Bank Balance	**0.65**	**0.17**	**0.95**	**1.87**	**2.87**

DSCR

CALCULATION OF D.S.C.R					
PARTICULARS	**1st year**	**2nd year**	**3rd year**	**4th year**	**5th year**
CASH ACCRUALS	7.25	9.10	11.13	13.51	15.35
Interest on Term Loan	1.15	1.01	0.73	0.44	0.15
Total	8.40	10.11	11.85	13.95	15.50
REPAYMENT					
Instalment of Term Loan	1.30	2.59	2.59	2.59	2.59
Interest on Term Loan	1.15	1.01	0.73	0.44	0.15
Total	2.44	3.60	3.32	3.03	2.75
DEBT SERVICE COVERAGE RATIO	**3.43**	**2.81**	**3.57**	**4.60**	**5.64**
AVERAGE D.S.C.R.					**3.95**

Repayment schedule

REPAYMENT SCHEDULE OF TERM LOAN							
					Interest		11.00%
Year	**Particulars**	**Amount**	**Addition**	**Total**	**Interest**	**Repayment**	**Closing Balance**
1st	Opening Balance						
	1st month	-	11.67	11.67	-	-	11.67
	2nd month	11.67	-	11.67	0.11	-	11.67
	3rd month	11.67	-	11.67	0.11	-	11.67
	4th month	11.67	-	11.67	0.11		11.67
	5th month	11.67	-	11.67	0.11		11.67
	6th month	11.67	-	11.67	0.11		11.67
	7th month	11.67	-	11.67	0.11	0.22	11.46
	8th month	11.46	-	11.46	0.11	0.22	11.24
	9th month	11.24	-	11.24	0.10	0.22	11.02
	10th month	11.02	-	11.02	0.10	0.22	10.81
	11th month	10.81	-	10.81	0.10	0.22	10.59
	12th month	10.59	-	10.59	0.10	0.22	10.38
					1.15	**1.30**	
2nd	Opening Balance						
	1st month	10.38	-	10.38	0.10	0.22	10.16
	2nd month	10.16	-	10.16	0.09	0.22	9.94
	3rd month	9.94	-	9.94	0.09	0.22	9.73
	4th month	9.73	-	9.73	0.09	0.22	9.51
	5th month	9.51	-	9.51	0.09	0.22	9.30

	6th month	9.30	-	9.30	0.09	0.22	9.08
	7th month	9.08	-	9.08	0.08	0.22	8.86
	8th month	8.86	-	8.86	0.08	0.22	8.65
	9th month	8.65	-	8.65	0.08	0.22	8.43
	10th month	8.43	-	8.43	0.08	0.22	8.21
	11th month	8.21	-	8.21	0.08	0.22	8.00
	12th month	8.00	-	8.00	0.07	0.22	7.78
					1.01	**2.59**	
3rd	Opening Balance						
	1st month	7.78	-	7.78	0.07	0.22	7.57
	2nd month	7.57	-	7.57	0.07	0.22	7.35
	3rd month	7.35	-	7.35	0.07	0.22	7.13
	4th month	7.13	-	7.13	0.07	0.22	6.92
	5th month	6.92	-	6.92	0.06	0.22	6.70
	6th month	6.70	-	6.70	0.06	0.22	6.49
	7th month	6.49	-	6.49	0.06	0.22	6.27
	8th month	6.27	-	6.27	0.06	0.22	6.05
	9th month	6.05	-	6.05	0.06	0.22	5.84
	10th month	5.84	-	5.84	0.05	0.22	5.62
	11th month	5.62	-	5.62	0.05	0.22	5.40
	12th month	5.40	-	5.40	0.05	0.22	5.19
					0.73	**2.59**	
4th	Opening Balance						
	1st month	5.19	-	5.19	0.05	0.22	4.97
	2nd month	4.97	-	4.97	0.05	0.22	4.76

	3rd month	4.76	-	4.76	0.04	0.22	4.54
	4th month	4.54	-	4.54	0.04	0.22	4.32
	5th month	4.32	-	4.32	0.04	0.22	4.11
	6th month	4.11	-	4.11	0.04	0.22	3.89
	7th month	3.89	-	3.89	0.04	0.22	3.67
	8th month	3.67	-	3.67	0.03	0.22	3.46
	9th month	3.46	-	3.46	0.03	0.22	3.24
	10th month	3.24	-	3.24	0.03	0.22	3.03
	11th month	3.03	-	3.03	0.03	0.22	2.81
	12th month	2.81	-	2.81	0.03	0.22	2.59
					0.44	**2.59**	
5th	Opening Balance						
	1st month	2.59	-	2.59	0.02	0.22	2.38
	2nd month	2.38	-	2.38	0.02	0.22	2.16
	3rd month	2.16	-	2.16	0.02	0.22	1.95
	4th month	1.95	-	1.95	0.02	0.22	1.73
	5th month	1.73	-	1.73	0.02	0.22	1.51
	6th month	1.51	-	1.51	0.01	0.22	1.30
	7th month	1.30	-	1.30	0.01	0.22	1.08
	8th month	1.08	-	1.08	0.01	0.22	0.86
	9th month	0.86	-	0.86	0.01	0.22	0.65
	10th month	0.65	-	0.65	0.01	0.22	0.43
	11th month	0.43	-	0.43	0.00	0.22	0.22
	12th month	0.22	-	0.22	0.00	0.22	-
					0.15	**2.59**	
	DOOR TO DOOR	60	MONTHS				
	MORATORIUM PERIOD	6	MONTHS				
	REPAYMENT PERIOD	54	MONTHS				

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