

[Red Box]

Khadi and Village Industries Commission Mumbai

PROJECT PROFILE ON PRODUCTION OF VERMICOMPOST

Introduction :

Organic solid waste management by employing earthworms has multifarious role to play in a developing country like India. Firstly it makes way for utilization of available organic wastes to produce the rich source of organic manure of high quality, which is superior to other types of organic manures in its physico-chemical and biological properties. Secondly, the manure is produced in a shorter duration of time of six weeks and is fully matured, homogenous matter. Thirdly, the programme provides job opportunities for the unskilled labour force. Finally, it is the best way of guarding the environment. Vermi-compost (compost produced by the activity of selected species of earthworms) has been adjudged as the best source of organic amendments to soil. Using vermicompost can fulfill the requirements for organically grown products.

1 Name of the Product : **Vermicompost**

Project Cost :

a Capital Expenditure

Land : **Own**

Workshed in sq.ft **3000** Rs. **600,000.00**

Equipment : Rs. **105,000.00**

Shovel for mixing, Sieving Machine, Cutter & Blender, Sewing Machine, Breeder Box (Earthworms)

Total Capital Expenditure Rs. **705,000.00**

b Working Capital Rs. **230,000.00**

TOTAL PROJECT COST : Rs. **935,000.00**

3 Estimated Annual Production Capacity: (Rs. in 000)

Sr.No.	Particulars	Capacity in mt.	Rate	Total Value
1	vermi compost	500.00	2.77	1389.70
TOTAL		500.00	2.77	1389.70

4 Raw Material : Rs. **360,000.00**

5 Labels and Packing Material : Rs. **75,000.00**

6 Wages (4-Skilled & 8- Unskilled) : Rs. **576,000.00**

7 Salaries 1 Manager Rs. **120,000.00**

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8	Administrative Expenses	:	Rs.	45,000.00
9	Overheads	:	Rs.	60,000.00
10	Miscellaneous Expenses	:	Rs.	25,000.00
11	Depreciation	:	Rs.	40,500.00
12	Insurance	:	Rs.	7,050.00
13	Interest (As per the PLR)			
	a. C.E.Loan	:	Rs.	91,650.00
	b. W.C.Loan	:	Rs.	29,900.00
	Total Interest		Rs.	121,550.00
14	Working Capital Requirement	:		
	Fixed Cost		Rs.	288,700.00
	Variable Cost		Rs.	1,100,900.00
	Requirement of WC per Cycle		Rs.	231,600.00

15 Cost Analysis

Sr.No.	Particulars	Capacity Utilization(Rs in '000)			
		100%	60%	70%	80%
1	Fixed Cost	288.70	173.22	202.09	230.96
2	Variable Cost	1101.00	660.60	770.70	880.80
3	Cost of Production	1389.70	833.82	972.79	1001.66
4	Projected Sales	1750.00	1050.00	1225.00	1400.00
5	Gross Surplus	360.30	216.18	252.21	288.24
6	Expected Net Surplus	320.00	176.00	212.00	248.00

- Note :
1. All figures mentioned above are only indicative.
 2. If the investment on Building is replaced by Rental then
 - a. Total Cost of Project will be reduced.
 - b. Profitability will be increased.
 - c. Interest on C.E.will be reduced.