BANANA CHIPS

INTRODUCTION

Banana is one of the most important fruits in India. The main banana growing states are: Tamil Nadu, Maharashtra, Kerala and Andhra Pradesh. Banana contains about 20% sugar and reasonable amount of Vitamins A, B and C. This is considered to be a rich source of energy producing food. It is consumed in several forms and preparations and amongst which Banana chips is considered to be the most important item.

MARKET POTENTIAL

The popularity of snack foods is growing fast day-by-day and banana chips have emerged as a potential snack food.Chips prepared out of banana using pure coconut oil is very delicious and people of all age groups love it a lot. A number of organised as well as unorganised groups are already there catering to the needs of tea stalls, restaurants, railway stations, tourist places etc. Still there is a huge demand to be met for these products in interior and remote places in different parts of the country.

BASIS AND PRESUMPTIONS

(1) The scheme is based on single shift per day for 300 working days in a year at 75% working efficiency

(2) Five year period is required for achieving full capacity utilisation.

(3) Labour wages are as per the rates prevailing in the area.

(4) Interest on Capital Investment @ 14% p.a.

(5) Margin money 25%

(6) Land and building rented, 100 sq.ft @ 5000 p.m

IMPLEMENTATION SCHEDULE

A period of 6 months would be required for the start of commercial production from the date of approval of scheme.

Process of Manufacture

Firm bananas are washed, peeled and sliced. The bananas thus prepared are then dipped in brine water to avoid oxidation. Turmeric powder is also used to improve colour and taste. The banana chips are fried in coconut oil and cooled down to the room temperature. These are then packed in polythene bags of suitable sizes to prevent spoilage.

Production capacity

1. Fried chips per annum : 15000kg
2. Value : Rs. 30,00,000/-

Pollution Control

The unit will not create any pollution problems. However, entrepreneur should obtain NOC from concerned State Pollution Control Board.

Energy Conservation

Suitable measures should be adopted to use appropriate amount of Fuel and Electricity.

1. Fixed Capital

a) Land and building 100 Sq.feet on rent @ 5000 p.m

b) Machinery and Equipment

SL.NO	NAME OF THE MACHINERY	NO	RATE	PRICE
1	Power operated slicing machine with arrangements to adjust the thickness of slices with motor.	1	65000	65,000
2	Hydro extractor to extract excess of moisture with motor	1	10000	10,000
3	Utensils	4	2500	10,000
4	Deep fat fryer	2	5000	10,000

5	Polythene bag sealing machine	1	2000	2,000
6	Erection and Electrification			10,000
7	Furniture and fixtures			10,000
Total				**1,17,000**

2. Working Capital

(a) Raw material (per month)

SL.NO	PARTICULARS	QTY	RATE	TOTAL
1	Banana	2500	40	1,00,000
2	Coconut oil	250 L	160	40,000
3	Salt and turmeric powder	LS	1000	1,000
4	Poly bag and paper strip	LS	10000	5,000
5	Cartons	25	20	500
6	Cooking gas	2 no.s	1700	3,400
Total				**1,49,900**

(b) Staff and Labour

SL.NO	DESIGNATION	NO.	RATE	AMOUNT
1	Manager	1	12000	12,000
2	Skilled worker	1	9000	9,000
3	Driver cum salesman	1	9000	9,000
4	Helper	1	6000	6,000
5	PERK @15%			5,400
	Total			**41,400**

(c) Utilities

Sl.No.	Item	Amount
1	Electricity	2,000
2	Water	1,000
Total		3,000

(d) Other Contingent Expenses

Sl. No	Item	Amount
1	Rent	5,000
2	Transport	7,500
3	Stationery	500
4	Repair and maintenance	1,000
5	Insurance	1,000
6	Telephone and other	1,000
7	Miscellaneous expenses	1,000
Total		**17,000**

Total working capital (per month)

1.	Raw material	1,49,900
2.	Staff and labour	41,400
3.	Utilities	3,000
4.	Other contingent expenses	17,000
Total working capital/month		**211300**

Working capital (for 3 months) : 211300*3= Rs. 633900

Total capital investment

1	Fixed capital	1,17,000
2	Working capital for 3 months	6,33,900
Total		**7,50,900**

FINANCIAL ANALYSIS

1	Total recurring cost	25,35,600
2	Depreciation on machinery, tools and furniture	20,000
3	Interest on capital investment	1,05,126
Total		**26,60,726**

TURNOVER (PER YEAR)

Fried banana chips 15000 kg/year @ 200/kg = Rs. 3000000

NET PROFIT (BEFORE TAXATION)

1	TURNOVER	30,00,000
2	COST OF PRODUCTION	26,60,726
Total		**3,39,274**

NET PROFIT RATIO

NET PROFIT *100/TURN OVER PER YEAR = 339274 x 100/3000000

= 11.3%

RATE OF RETURN ON TOTAL INVESTMENT

NET PROFIT x 100/TOTAL INVESTMENT = 339274*100/750900 = 45.18%

BREAK EVEN POINT

Sl.No	Description	Amount
1	Rent for one year	60,000
2	Total depreciation	20,000
3	Interest on total investment	1,05,126
4	40% of salaray and wages	1,98,720
5	40% of utilities and other contingency expenses	96,000
Total		**4,79,846**

BEP= FIXED COST x 100/(FIXED COST+NET PROFIT) =479846*100/819120

=58.58%

Address of machinery and equipment suppliers

1.Best Engineering Technologies, Hyderabad

2. Rehan Engineering, Mumbai, Maharashtra

Raw material suppliers

Locally available.
