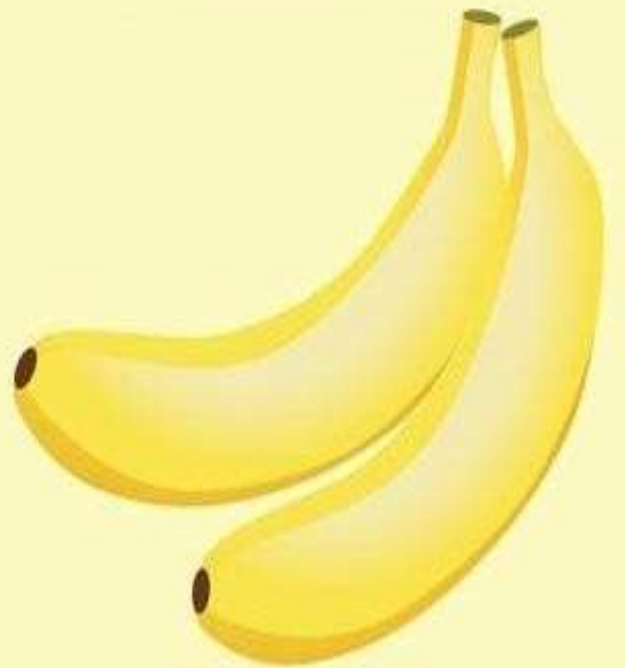


A PROJECT REPORT
ON
BANANA PLANTATION



Introduction

Banana is a very popular fruit due to its low price and high nutritive value. It is consumed in fresh or cooked form both as ripe and raw fruit.

Banana is a rich source of carbohydrate and is rich in vitamins particularly vitamin B. It is also a good source of potassium, phosphorus, calcium and magnesium. The fruit is easy to digest, free from fat and cholesterol. Banana powder is used as the first baby food. It helps in reducing risk of heart diseases when used regularly and is recommended for patients suffering from high blood pressure, arthritis, ulcer, gastroenteritis and kidney disorder

Processed products, such as chips, banana puree, jam, jelly, juice, and wine can be made from the fruit. The tender stem, which bears the inflorescence is extracted by removing the leaf sheaths of the harvested pseudostem and used as vegetable. Plantains or cooking bananas are rich in starch and have a chemical composition similar to that of potato.

Banana fibre is used to make items like bags, pots and wall hangers. Rope and good quality paper can be prepared from banana waste. Banana leaves are used as healthy and hygienic eating plates

Banana cultivation is a very profitable agriculture business in India. Tissue culture banana cultivation is the new trend to lower the risk and get higher banana production.

Banana is one of the most important major fruit crops grown in India. In respect of area it ranks second and first in production only after mango in this country. India leads the world in banana production with an annual output of about 16.820 mt. In India Karnataka leads in total area and production with 2514729 T from 71088 ha. The banana culture in India is as old as Indian civilization. It seems that it is one of the earliest fruit crops grown by mankind at the dawn of civilization. In India, bananas are so predominant and popular among people that poor and rich alike like the fruit. Considering the nutritive value and fruit value of bananas, it is the

cheapest among all other fruits in the country.

Considering the year round availability of fruits, unlike the seasonal availability of other tree fruits, it has become an inevitable necessity in any household in India, for all functions. The bananas were grown in Southern Asia even before the prehistoric periods and the world's largest diversity in banana population is found in this area. Hence, it is generally agreed that all the edible bananas and plantains are indigenous to the warm, moist regions of tropical Asia comprising the regions of India, Burma, Thailand and Indo China.

Banana is also grown, in many other countries of the world namely Bangladesh, the Caribbean Islands, the Canary Islands, Florida, Egypt, Israel, Ghana, Congo, South Africa, Fiji, Hawaii, Taiwan, Indonesia, the Philippines, South China, Queensland and Sri Lanka.

Bananas and plantains are major staple food crops for millions of people in tropical developing countries.

India is the largest producer of bananas in the world, with 29.7 million tonne (MT) from an area of 0.88 million hectare, with a productivity of 37MT/ha.

COST OF PROJECT

PARTICULARS	EXISTING	PROPOSED	AMOUNT
1. Fixed Assets	0.00	950,000.00	950,000.00
2. Current Assets	0.00	0.00	0.00
3. Working Capital Requirement	0.00	850,000.00	850,000.00
Total	0.00	1,800,000.00	1,800,000.00

MEANS OF FINANCE

PARTICULARS	EXISTING	PROPOSED	AMOUNT
1. Own Capital	0.00	360,000.00	360,000.00
2. Current Liabilities	0.00	0.00	0.00
3. Term Loan	0.00	1,440,000.00	1,440,000.00
Total	0.00	1,800,000.00	1,800,000.00

Fixed Assets Includes

PARTICULARS	No.	Rate	AMOUNT
1. Tractor Sonalika	1	400000	400000.00
2. Sprayer Tank/Machine			50000.00
3. Laptop	1		30000.00
4. Drip Irrigation System			200000.00
5. Agri Farm Machine Rotavator/ Harrow/ Tilar	1		170000.00
6. Trolley	1		100000.00
Total			950000.00

COST PRICE OF ITEMS ANNUALLY

NAME OF ITEM	QTY.	RATE	AMOUNT
1. Plants			350000
2. Chemical Fertilizer & Pesticides			400000
3. Labour Charge			100000
Total			850000

SALES REALIZATION ANNUALLY

NAME OF ITEM	AMOUNT
Gross Receipts	4700000
Total	4700000

PROJECTED PROFITABILITY STATEMENT

(Figures in Lakh")						
ITEM (A)	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year
SALES	47.00	51.70	56.87	62.56	68.81	75.69
Total	47.00	51.70	56.87	62.56	68.81	75.69
B. EXPENDITURE						
Cost of Items	22.50	24.19	25.40	26.67	28.00	29.40
Staff Salary & Labour Exp.	9.24	9.24	10.16	11.18	12.30	13.53
Other Expenses	7.26	7.26	7.99	8.78	9.66	10.63
Interest on Term Loan	0.45	1.55	1.17	0.80	0.42	0.07
Depreciation	0.43	0.27	0.19	0.15	0.13	0.11
Total	39.87	42.50	44.91	47.58	50.51	53.74
Profit (A-B)	7.13	9.20	11.96	14.98	18.30	21.96
Income Tax	2.14	2.76	3.59	4.49	5.49	6.59
Profit after Tax	4.99	6.44	8.37	10.48	12.81	15.37

PROJECTED BALANCE SHEET

(Figures in Lakh")

<u>PARTICULARS</u>	<u>1st Year</u>	<u>2nd Year</u>	<u>3rd Year</u>	<u>4th Year</u>	<u>5th Year</u>	<u>6th Year</u>
<u>LIABILITIES</u>						
Capital	18.00	24.59	28.03	34.40	40.88	51.69
Add : Addition	3.60	0.00	0.00	0.00	0.00	0.00
Add : Profit after tax	4.99	6.44	8.37	10.48	12.81	15.37
	26.59	31.03	36.40	44.88	53.69	67.06
Less : Drawing	2.00	3.00	2.00	4.00	2.00	3.50
	24.59	28.03	34.40	40.88	51.69	63.56
<u>LOAN LIABILITIES</u>						
Term Loan	14.40	14.40	14.40	14.40	14.40	14.40
Creditor	20.00	20.00	23.00	24.50	23.50	27.00
	58.99	62.43	71.80	79.78	89.59	104.96
<u>ASSETS</u>						
Fixed Assets (Less Depreciation)	1.58	1.31	1.11	0.96	0.83	0.00
<u>CURRENT ASSETS</u>						
Stocks	8.50	8.93	9.37	9.84	10.33	10.85
Debtors	22.00	23.00	27.00	29.00	30.50	35.00
Cash & Bank Balance	26.92	29.20	34.32	39.98	47.93	59.12
	58.99	62.43	71.80	79.78	89.59	104.96

DEPRECIATION SCHEDULE

COMPUTATION OF DEPRECIATION ON W.D.V. METHOD.

(Figures in Lakh")

YEARS	FURNITURE	EQUIPMENTS	LAPTOP	TOTAL
	10%	15%	60%	
1st Year	0.65	1.00	0.35	2.00
Less : Dep	0.07	0.15	0.21	0.43
2nd Year	0.59	0.85	0.14	1.58
Less : Dep	0.06	0.13	0.08	0.27
3rd Year	0.53	0.72	0.06	1.31
Less : Dep	0.05	0.11	0.03	0.19
4th Year	0.47	0.61	0.02	1.11
Less : Dep	0.05	0.09	0.01	0.15
5th Year	0.43	0.52	0.01	0.96
Less : Dep	0.04	0.08	0.01	0.13
6th Year	0.38	0.44	0.00	0.83
Less : Dep	0.04	0.07	0.00	0.11

PROJECTED FUND FLOW STATEMENT

(Figures in Lakh")

<u>PARTICULARS</u>	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year
<u>SOURCE OF FUND</u>						
Own Contribution	3.60	0.00	0.00	0.00	0.00	0.00
Net Profit	4.99	6.44	8.37	10.48	12.81	15.37
Term Loan	14.40	0.00	0.00	0.00	0.00	0.00
Depreciation	0.43	0.27	0.19	0.15	0.13	0.11
Creditor	20.00	0.00	3.00	1.50	-1.00	3.50
	43.42	6.71	11.56	12.14	11.94	18.98
<u>APPLICATION OF FUNDS</u>						
Increase in fixed assets	2.00	0.00	0.00	0.00	0.00	0.00
Increase in Stocks	8.50	0.43	0.45	0.47	0.49	0.52
Drawings	2.00	3.00	2.00	4.00	2.00	3.50
Debtors	22.00	1.00	4.00	2.00	1.50	4.50
	34.50	4.43	6.45	6.47	3.99	8.52
Opening Balance	0.00	26.92	29.20	34.32	39.98	47.93
Cash Surplus/ Deficit	8.92	2.28	5.12	5.67	7.95	10.46
	8.92	29.20	34.32	39.98	47.93	58.39
Closing Balance	26.92	29.20	34.32	39.98	47.93	59.12

PROJECTED DEBT SERVICE COVERAGE RATIO STATEMENT

(Figures in Lakh")

<u>PARTICULARS</u>	<u>1st Year</u>	<u>2nd Year</u>	<u>3rd Year</u>	<u>4th Year</u>	<u>5th Year</u>	<u>6th Year</u>
<u>SOURCES OF FUND</u>						
Net Profit	4.99	6.44	8.37	10.48	12.81	15.37
Depreciation	0.43	0.27	0.19	0.15	0.13	0.11
Interest on T/Loan	0.45	1.55	1.17	0.80	0.42	0.07
<u>TOTAL</u>	5.86	8.25	9.74	11.43	13.36	15.55
<u>DEBTS TO SERVICE</u>						
Repayment of T/Loan	0.75	3.00	3.00	3.00	3.00	2.25
Interest on T/Loan	0.45	1.55	1.17	0.80	0.42	0.07
<u>TOTAL</u>	1.20	4.55	4.17	3.80	3.42	2.32
DSCR	4.90	1.82	2.33	3.01	3.90	6.70
Average DSCR	2.35					

PROJECTED INTEREST CALCULATION & REPAYMENT SCHEDULE

INTEREST ON TERM LOAN

(Rs. In 'Lakh')

<u>YEARS</u>	<u>QTRS.</u>	<u>OPENING</u>	<u>REPAYMENT</u>		<u>BALANCE</u>	<u>QUARTER INTEREST</u>	<u>YEARLY INT. @ 12.5%</u>
1st Year	1st	0.00	0.00		0.00	0.00	
	2nd	0.00	0.00		0.00	0.00	
	3rd	0.00	0.00		0.00	0.00	
	4th	15.00	0.75	0.75	14.25	0.45	0.45
2nd Year	1st	14.25	0.75		13.50	0.42	
	2nd	13.50	0.75		12.75	0.40	
	3rd	12.75	0.75		12.00	0.38	
	4th	12.00	0.75	3.00	11.25	0.35	1.55
3rd Year	1st	11.25	0.75		10.50	0.33	
	2nd	10.50	0.75		9.75	0.30	
	3rd	9.75	0.75		9.00	0.28	
	4th	9.00	0.75	3.00	8.25	0.26	1.17
4th Year	1st	8.25	0.75		7.50	0.23	
	2nd	7.50	0.75		6.75	0.21	
	3rd	6.75	0.75		6.00	0.19	
	4th	6.00	0.75	3.00	5.25	0.16	0.80
5th Year	1st	5.25	0.75		4.50	0.14	
	2nd	4.50	0.75		3.75	0.12	
	3rd	3.75	0.75		3.00	0.09	
	4th	3.00	0.75	3.00	2.25	0.07	0.42
6th Year	1st	2.25	0.75		1.50	0.05	
	2nd	1.50	0.75		0.75	0.02	
	3rd	0.75	0.75	2.25	0.00	0.00	0.07