



## 4. PROJECT PROFILE FOR ESTABLISHING BANANA CHIPS MANUFACTURE UNIT

Category : Food

Total Cost of Project : Rs. 2,16,000/-

BEP : 37%

### I. INTRODUCTION OF BUSINESS IDEA :

Modern style of living and with the increase in living standards people are after snack foods particularly deep fried produces. Banana chips are such an item, often used by many as a snack item.

### II. PRODUCT AND ITS APPLICATIONS :

Banana chips are used as a snack item. It is sold through bakeries, sweet stalls, hotels etc.

### III MARKET POTENTIAL :

Snack food like banana chips has got very good market potential since people are fond of ready made snack foods. Banana chips are different in taste as compared to the potato chips which are widely used. There are limited manufacturers existing for banana chips. The product can be sold through different outlets. Good scope is anticipated for this unit in the district.

### IV. CAPACITY-REVENUE & SALES :

The installed capacity proposed for the unit is 10 tons

Sl. No.	Product	Qty.	Rate per kg	Amount in Rs.
01.	Banana chips	10 tons	100	10,00,000
Total				10,00,000

### V. MANUFACTURING PROCESS & QUALITY :

Banana chips are made by using banana, edible oil, salt, pepper, chilly powder etc. The ripe banana is sliced and dried. It is then fried in edible oil. After some time, it is mixed with salt and chilly powder as per the requirement. Later it is packed as per the market needs.



**VI. COST OF PROJECT AND MEANS OF FINANCE, INCLUDING WORKING CAPITAL REQUIREMENTS :**

**A. Cost of Project :**

Sl. No.	Particulars	Amount (Rs).
1	Equipments	87,000
2	Other fixed assets	10,000
3	Preliminary and preoperative expenses	10,000
4	Deposits	50,000
5	Working Capital Requirements	59,000
	<b>Total</b>	<b>2,16,000</b>

**B. Means of Finance:**

Sl. No.	Particulars	Amount (Rs).
1	Loan @ 75%	1,62,000
2	Equity	54,000
	<b>Total</b>	<b>2,16,000</b>

**C. Working capital requirement**

Sl. No.	Particulars	Basis	Period	Amount
1	Raw-materials	$\frac{3,05,000}{12} \times 0.5$	½ m	13,000
2	Bills receivable	$\frac{10,00,000}{12} \times \frac{1}{2}$	¼ m	42,000
3	Working expenses		1m	4,000
	<b>Total</b>			<b>59,000</b>

**VII. MAIN INPUTS REQUIREMENT :**

**A. Machinery :**

Sl. No.	Particulars	Qty.	Total Cost
1.	Slicing m/c,	1	15,000
2	Frying Pan,	2	20,000
3	Gas stove,	1	15,000
4	Sealing m/c	1	2,000
5	Vessels, drying pan etc		20,000
6.	Installation electrification etc		15,000
	<b>Total</b>		<b>87,000</b>



**B. Raw-materials ( per annum):**

Sl. No.	Particulars	Qty	Rate (Rs.)	Annual charges ( Rs)
1	Banana	12 tons	14,000	1,68,000
2	Edible oil	1 ton	60,000	60,000
3	Salt	0.5 ton	4,000	2,000
4	Chilly powder	0.5 ton	1,00,000	50,000
5	Packing materials			25,000
	<b>Total</b>			<b>3,05,000</b>

**C. Utilities :**

Sl. No.	Particulars	Monthly Charges. (Rs.)	Annual charges ( Rs)
1	Electricity, Water and Fuel	5,000	60,000

**D. Man-power requirement :**

Sl. No.	Workers	No.	Monthly Salary (Rs.)	Annual Salary (Rs.)
01	Skilled workers	1	9,000	1,08,000
02	Helper	2	5,000	1,20,000
	<b>Total</b>			<b>2,08,000</b>

**E. MAIN INFRASTRUCTURE REQUIREMENT :**

Building	500 sft built up area Rented
Power	Commercial power connection is required.
Water	1 kl Water per day is required

**VIII. PROFITABILITY PROJECTION (Annual) :**

Particulars	Basis	Amount (Rs).
<b>Sales Revenue (Projected)</b>	Ref : IV	<b>10,00,000</b>
Raw Materials	Ref : VII B	3,05,000
Man power expenses	Ref : VII D	2,08,000
Utilities	Ref : VII C	60,000
Interest	@ 12%	19,000
Depreciation	@ 20% SLM	17,000
Overheads	Rent, maintenance etc	1,20,000
<b>Total Expenses</b>		<b>7,29,000</b>
<b>Profit</b>		<b>2,71,000</b>



**IX. FINANCIAL INDICATOR :**

Break Even Point $\frac{FC}{SR-VC} \times 100$	$\frac{1,56,000}{4,27,000} \times 100$	<b>37 %</b>
Payback period $\frac{COP}{\text{Profit} + \text{Depn.}}$	$\frac{2,16,000}{2,89,000}$	<b>Less than 1 year</b>

**ADDRESSES :**

**X. SUPPLIERS OF EQUIPMENTS :**

Star Associated Industries,  
C-44, Rani Chennamma nagar Industrial Area  
Belgaum-590008  
Ph-0831-2440349

**XI. SPECIAL NOTE :**

Training in CFTRI, Mysore is advisable.