

"KVIC- REGP-(Gramodyog Rojgar Yojana)"

Project Profile on Banana Chips (Big Unit)

Introduction :

Chips are the most popular variety of snacks and they are consumed round the year by people of all age groups from all income segments. Potato chips are more popular than banana chips but banana chips have a special category of consumers and they are preferred by many. Competition is not as fierce as in case of potato chips. There are some national as well as regional established brands for potato chips but they are not in a banana chips as the market is small. This provides an ample opportunity to a new entrant as the market is not dominated by some brands and with good quality and competitive pricing, it is possible to capture adequate market share. **Manufacturing Process:** It is very well established and standardised. Damaged or ripe bananas are taken out during inspection and only good quality unripe bananas are washed in water. Then they are peeled and trimmed before slicing or cutting them in the required size. Then they are washed in boiled water and dried. Dried pieces are deep fried and then either salt or spices or both are applied on them. After cooling, they are packed. The process and weight loss in the range of 15% to 20%.

1 **Name of the Product :** **Banana Chips big unit**

2 **Project Cost :**

a Capital Expenditure

Land : **Own**

Workshed in sq.ft Rs. **250,000.00**

Equipment : Rs. **500,000.00**

Banana Peeling Machine-3, Fruit Washing Tanks-4, Slicer-4, Gas Furnace with Burners (Bhatti)-2, Frying Pans-4, SS Utensils-10, Weighing scales, plastic bags sealing machines, etc.-

Total Capital Expenditure Rs. **750,000.00**

b Working Capital Rs. **500,000.00**

TOTAL PROJECT COST : Rs. **1,250,000.00**

3 **Estimated Annual Production Capacity:**

(Rs. in 000)

Sr.No.	Particulars	Tones	Rate/tonne	Total Value
1	Banana Chips	50.00		3003.00
TOTAL		50.00	0.00	3003.00

4 **Raw Material** : Rs. **1,500,000.00**

5 **Labels and Packing Material** : Rs. **45,000.00**

6 **Wages (7-Skilled & 7-Unskilled)** : Rs. **1,008,000.00**

7 **Salaries manager-1** Rs. **120,000.00**

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8	Administrative Expenses	:	Rs.	50,000.00
9	Overheads	:	Rs.	75,000.00
10	Miscellaneous Expenses	:	Rs.	35,000.00
11	Depreciation	:	Rs.	62,500.00
12	Insurance	:	Rs.	7,500.00
13	Interest (As per the PLR)			
	a. C.E.Loan	:	Rs.	97,500.00
	b. W.C.Loan	:	Rs.	65,000.00
	Total Interest		Rs.	162,500.00
14	Working Capital Requirement	:		
	Fixed Cost		Rs.	310,000.00
	Variable Cost		Rs.	2,693,000.00
	Requirement of WC per Cycle		Rs.	500,500.00

15 Cost Analysis

Sr.No.	Particulars	Capacity Utilization(Rs in '000)			
		100%	60%	70%	80%
1	Fixed Cost	310.00	186.00	217.00	248.00
2	Variable Cost	2693.00	1615.80	1885.10	2154.40
3	Cost of Production	3003.00	1801.80	2102.10	2133.10
4	Projected Sales	3500.00	2100.00	2450.00	2800.00
5	Gross Surplus	497.00	298.20	347.90	397.60
6	Expected Net Surplus	435.00	236.00	285.00	335.00

- 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.