

# UP MSME 1-Connect

## PROJECT REPORT

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**PROJECT:**

Banana Cultivation

# PROJECT REPORT

Of

## BANANA CULTIVATION

### PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding **Banana Cultivation**.

The objective of the pre-feasibility report is primarily to facilitate potential entrepreneurs in project identification for investment and in order to serve his objective; the document covers various aspects of the project concept development, start-up, marketing, finance and management.

[We can modify the project capacity and project cost as per your requirement. We can also prepare project report on any subject as per your requirement.]

## **BRIEF ABOUT CULTIVATION OF BANANA**



### **Intro**

Banana (*Musa sp.*) is the second most important fruit crop in India next to mango. Its year round availability, affordability, varietal range, taste, nutritive and medicinal value makes it the favourite fruit among all classes of people. It has also good export potential. Banana evolved in the humid tropical regions of S.E.Asia with India as one of its centres of origin. Modern edible varieties have evolved from the two species – *Musa acuminata* and *Musa balbisiana* and their natural hybrids, originally found in the rain forests of S.E.Asia. During the seventh century AD its cultivation spread to Egypt and Africa. At present banana is being cultivated throughout the warm tropical regions of the world between 30° N and 30° S of the equator.

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 disorders.

Processed products, such as chips, banana puree, jam, jelly, juice, wine and halwa 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.

PROJECTED BALANCE SHEET

<b>PARTICULARS</b>		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
	<i>Const. Period</i>					
<b>LIABILITIES</b>						
Share Capital	5.36	5.36	5.36	5.36	5.36	5.36
Net Profit	-	4.42	8.22	12.62	18.35	25.81
Term Loan	6.00	5.40	4.20	-	-	-
Capital Subsidy	-	4.50	4.50	4.50	4.50	4.50
Expenses Payable	-	0.48	0.53	0.58	0.64	0.70
<b>TOTAL</b>	<b>11.36</b>	<b>20.16</b>	<b>22.81</b>	<b>23.06</b>	<b>28.85</b>	<b>36.37</b>
<b>ASSETS</b>						
<b>FIXED ASSETS/PLANT</b>	9.07	9.07	9.07	9.07	9.07	9.07
<b>Less Depreciation</b>	-	1.13	2.12	2.98	3.73	4.38
	9.07	7.94	6.95	6.09	5.34	4.69
Plant Capital Cost	2.29	1.14	2.52	1.26	2.77	1.38
Capital Subsidy		4.50	4.50	-	-	-
<b>CURRENT ASSETS</b>	-	-	-	-	-	-
Advances & Receivables	-	2.40	2.64	2.90	3.19	3.51
Cash & Bank Balance	-	4.18	6.20	12.80	17.55	26.79
<b>TOTAL</b>	<b>11.36</b>	<b>20.16</b>	<b>22.81</b>	<b>23.06</b>	<b>28.85</b>	<b>36.37</b>
	-	-	-	-	-	-

**PROJECTED PROFITABILITY STATEMENT**

<b><u>PARTICULARS</u></b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>
<b><u>INCOME</u></b>						
Sales	26.39	29.03	31.88	35.18	38.70	42.66
<b>TOTAL</b>	<b>26.39</b>	<b>29.03</b>	<b>31.88</b>	<b>35.18</b>	<b>38.70</b>	<b>42.66</b>
<b><u>EXPENDITURE</u></b>						
Fertilizer & Pesticides etc	3.96	4.35	4.78	5.28	5.81	6.40
Power & Fuel Expenss	0.98	1.03	1.09	1.14	1.20	1.26
Water & Irrigation Exp.	1.32	1.45	1.59	1.76	1.94	2.13
Salary & Wages	10.16	10.67	11.21	11.77	12.35	12.97
Insurance of Crop	0.10	0.10	0.10	0.10	0.10	0.10
Repair & Maintainance	-	0.30	0.32	0.33	0.35	0.36
Admin. & Selling Exp.	2.64	2.90	3.19	3.52	3.87	4.27
Intt. On Term Loan	0.52	0.78	0.70	0.55	-	-
Depreciation	1.13	0.99	0.86	0.75	0.65	0.57
Plant Cost W/off	1.14	1.14	1.26	1.26	1.38	1.38
<b>Cost of Project (B)</b>	<b>21.96</b>	<b>23.73</b>	<b>25.09</b>	<b>26.45</b>	<b>27.65</b>	<b>29.45</b>
<b>GROSS PROFIT [A-B]</b>	<b>4.42</b>	<b>5.30</b>	<b>6.79</b>	<b>8.74</b>	<b>11.05</b>	<b>13.21</b>
<b>NET PROFIT BEFORE TAX</b>	4.42	5.30	6.79	8.74	11.05	13.21
LESS : TAXES	-	-	-			
<b>NET PROFIT AFTER TAX</b>	4.42	5.30	6.79	8.74	11.05	13.21

## CASH FUND FLOW STATEMENT

<b>PARTICULARS</b>	<b>Const.</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b><u>SOURCES OF FUND</u></b>						
Share Capital	5.36	-	-	-	-	-
Fund From operators	-	4.42	5.30	6.79	8.74	11.05
Capital Subsidy	-	4.50	-	-	-	-
Incr. in Term Loan from Bank	6.00	-	-	-	-	-
Depreciation	-	1.13	0.99	0.86	0.75	0.65
Plant Cost W/off	-	1.14	1.14	1.26	1.26	1.38
Incr. in Expenses Payable	-	0.48	0.05	0.05	0.06	0.06
<b>TOTAL</b>	<b>11.36</b>	<b>11.68</b>	<b>7.48</b>	<b>8.96</b>	<b>10.80</b>	<b>13.16</b>
<b><u>APPLICATION OF FUND</u></b>						
Incr. in Fixed Assets/Plant	9.07	-	-	-	-	-
Incr in Investment (Subsidy)	-	4.50	-	(4.50)	-	-
Incr. in Plantation Cost	2.29	-	2.52	-	2.77	-
Incr. in Advances & Rece.	-	2.40	0.24	0.26	0.29	0.32
Rep. Loan of Bank Loan	-	0.60	1.20	4.20	-	-
Drawings	-	-	1.50	2.40	3.00	3.60
<b>TOTAL</b>	<b>11.36</b>	<b>7.50</b>	<b>5.46</b>	<b>2.36</b>	<b>6.06</b>	<b>3.92</b>
Opening Balance	-	-	4.18	6.20	12.80	17.55
Surplus	-	4.18	2.02	6.60	4.74	9.24
Closing Balance	-	4.18	6.20	12.80	17.55	26.79

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