2020

XYZ OVERSEAS

Trading with a Difference

Loan Proposal

EXECUTIVE SUMMARY

India has a lion share in production of fresh fruits and vegetables in the world. XYZ Overseas is a leading export company in India that trades fresh fruits and vegetables to key markets of the world. The markets include UAE, UK, Bangladesh, Nepal, Netherlands, Malaysia, Sri Lanka, Qatar, and Oman.

The company is featured by supreme product quality, diversity, competitiveness, innovative packaging, customized packages and reliable services.

Since 1980, the international trade of fruits and vegetables has undergone a sweeping expansion, and the total number of commodities have also increased during the last two decades. Accordingly, there has been an overall rise in the demand for fresh fruits and vegetables.

Great production capacity allows India some valuable export opportunities. Lately, the fruits and vegetable exports have progressed remarkably due to equivalent developments in supply chain infrastructure, enhanced productivity, improved research, cutting edge harvest technologies, and promising government policies.

India is endowed with a remarkably heterogeneous area featured by a huge variety of agro-climatic zones, enabling the production of fresh fruits and vegetables. Also, the production of horticulture crops has doubled in the previous two decades India is a leading exporter of fruits that supplies to key international markets.

There is a great demand for fruit in the international market, and people are more health-conscious and prefer to eat healthy food variety. The Indian fruit production sector is indisputably a potential sector that has an incredible scope for unrivaled growth soon.

BACKGROUND

India's diverse climate is suited for growing a great variety of fresh fruits and vegetables, and the country is ranked as the second-largest producer of fruits and vegetables in the world after China. According to National Horticulture Database, India was able to produce approximately 160 million metric tons of vegetables and 90 million metric tons of fruits in 2015-16. And, cultivated area for fruits and vegetables calculates to almost 16 million hectares.

Also, India is known to be the largest ginger and okra producer of the world, and the second-largest producer of potatoes, onions, cauliflower, brinjal, and cabbages. And the statistics about fruit production state that India has the largest share of banana production (25.7%), papayas (43.6%), and mangoes (40.4%) in the world.

India's great production unlocks valuable export opportunities, and it has been reported that the country traded fresh fruits and vegetables worth 1469 USD million in 2018-19. Of the total

trade, the fruits were worth 692 USD million and vegetables calculated to be 777 USD in the previous year.

Moreover, grapes, pomegranates, mangoes, bananas, and oranges account for the largest share of the total exports. Whereas, onions, potatoes, tomatoes, mixed vegetables, and green chili accounted for a major share of vegetable export baskets.

India majorly exports its fruits and vegetables to UAE, UK, Bangladesh, Nepal, Netherlands, Malaysia, Sri Lanka, Qatar, and Oman.

STRATEGIC FOCUS AND PLAN

Vision

To be the leading, renowned and reliable exporters in India.

Mission

To trade premium quality and comprehensive range of fresh produce across the globe while ensuring competitive prices and ultimate customer satisfaction for our valued clients.

Goals

Financial

1. Achieve break-even in the first year of establishment
2. Achieve a minimum of 25% profit in the second year of establishment and focus overcapitalizing on profits
3. Expand business by adding in more export items

Non-Financial

1. Retain strong relationships with international customers
2. Become the prime exporter of all fruits and vegetables grown in India
3. Maintain quality and reliability
4. Establish a distinguished and respected brand identity in the international market

COMPANY INTRODUCTION

XYZ Overseas is a leading export company in India that was established in the year XXXX. The company mainly trades fresh fruits and vegetables to key markets of the world. Our extensive distribution network spread across Middle-Eastern and European nations which include UAE, UK, Bangladesh, Nepal, Netherlands, Malaysia, Sri Lanka, Qatar, and Oman.

Customer satisfaction is our priority, and we export only premium quality products that exactly comply with international standards. Our qualified quality analysts have established stringent quality control measures that ascertain a reliable brand image in the global market.

Our main exports comprise of grapes, pomegranates, mangoes, bananas, coconut, onions, potatoes, tomatoes, mixed vegetables, and green chili. All the items are procured from certified vendors, closely analyzed for quality assurance, packed, labeled and carefully shipped to the destination. Our products are available in standard as well as customized packages.

Our ability to competently cater to bulk orders within specified time frames has helped us develop strong business relationships with our valuable client base in the international market.

OUR STRENGTHS

Quality Assurance

XYZ Overseas is officially certified by DGFT, Chamber of Commerce, FIEO Export Promotion Council, TUV, D&B, and APEDA. Besides, the company is also an ISO 9001:2008 certified organization whose prime focus is over product quality. Our highly qualified experts precisely monitor the entire process and capably regulate product quality. Our reliable and huge vendor base enables us to cater to bulk orders.

Our professional trade processes include thorough auditing procedures and inspections before the final dispatching of the shipment. Our specialized warehouses are well-equipped and spacious and sustain supreme hygienic standards. Moreover, our accomplished packaging units ascertain the longest shelf life of our export items.

Product Quality

XYZ Overseas symbolizes premium quality, best dimensional accuracy, innovative designs, quality printing, and finest product labeling and packaging.

Competitiveness

XYZ Overseas offers supreme quality products in most competitive rates to global customers. We aspire to deliver the best product variety in best price and have the entire range of fresh fruits and vegetables covered.

Packaging

XYZ Overseas uses high-quality packaging material to ascertain product safety in transit and delivery procedures.

Timely Delivery

XYZ Overseas adopts state-of-the-art methods and procedures to ensure timely deliveries to its valued clients.

Reliable Vendor Base

XYZ Overseas have framed a strict criterion to choose its vendors. We never compromise over quality, order capacity, customer satisfaction, and timely delivery.

Flexibility

XYZ Overseas follows an ethical business approach and easy payment modes.

Bespoke Services

XYZ Overseas adopt a customer-centered approach to prioritize its clients' requirements and offer bespoke services.

Client Satisfaction

XYZ Overseas professionals understand their clients' needs and demands and offer matchless services to ensure client satisfaction.

Long Shelf Life

XYZ Overseas meticulously selects premium quality fresh produce of fruits and vegetables from its suppliers, pack them professionally and responsibly ship them to the destinations. Our products have a long shelf life ensuring that our products are a good value for money.

Sourced Directly from the Cultivators

XYZ Overseas fresh fruits and vegetables variety are sourced directly from the cultivator, hence ascertaining minimum possible boundaries between harvest and selling.

Brief Transit

XYZ Overseas ensures highly efficient logistics to ascertain that the fruits and vegetables arrive fresh and plump at its destination. We regulate temperature all through the transit period, which not only ensure long shelf life but also preserves taste and quality of the items.

EXPORT PRODUCTS

VEGETABLES

Fresh Onions

India is the second-largest producer of the onion in the world. Indian onion variety is distinguished for pithiness and available throughout the year. Indian Onion has a great demand in the world and reports suggest that the country has exported fresh onions worth 497 million USD during 2018-19. Fresh onions are majorly exported to Nepal, Sri Lanka, Malaysia and Bangladesh.

Potato

India is known for exporing premium quality yellow potatoes in a variety of sizes. Potato known for its rich carbohydrate content is a main item of daily intake of the people across the globe. Indian potatoes are organically grown in spacious farms without the use of any harmful chemicals, and packed safely in jute bags to maintain its nutritional value, freshness and taste.

Fresh Ginger

Indian fresh ginger is famous for its great aroma, strong flavor and zesty taste. It is an essential addition of many Asian and western dishes, and is also very useful for health and digestion. Commercial variety of fresh ginger in India is grown in the great production areas of the country. The main months of ginger cultivation are February and March. After harvest, the ginger variety is packed in tinker proof packaging and safely exported to various parts of the world.

Tamarind

Tamarind is known for its strong sour taste, and is available in a variety of forms. The commercial range of Tamarind are distinguished based on their percentage of seed content which includes 95% seedless, 90% seedless and 60-65% seedless variety.

Turmeric Finger

The Indian Turmeric is available in the purest form as it is grown in natural and biological method. The produce is known for its great healing and antiseptic characteristics, and widely used in medicines, food processing and dyeing purposes. A popular variety of turmeric include Erode Turmeric Bulbs which are sourced from reliable Indian farmers and exported to UK, Russia, France, USA, Canada, Japan and other European nations. The crop is carefully monitored throughout to ensure supreme quality and taste. Some of the most popular Indian Turmeric Finger varieties include Aleppo Finger, Erode Finger, Rajapuri Turmeric, Nizamabad Turmeric, and Cuddapah Turmeric. Indian Turmeric variety is mainly cultivated in Tamil Nadu, Maharashta, and Andhra Pradesh.

Fresh Mixed Vegetables

India is the largest producer of a variety of fresh vegetables which are an enriched source of nourishment. These are majorly cultivated in Bengal region, Gujrat, Bihar and outskirts. India is known to be a leading exporter of an assortment of fresh vegetables and is recorded for exporting a produce of worth 279 million USD in the previous year. All these exports are traded mainly in Oman, UAE, UK, Nepal and Qatar nations.

FRUITS

Mango

Indian Mangoes are available in many kinds and are known for their superb flavor, aroma, and taste. To maintain high-quality standards, the country has developed high-tech packhouses in key production zones. The fruit is processed through hot water treatment, and vapor heat treatment. Out of the great agricultural area in India, Mangoes are mainly grown in Bihar, Gujarat, Uttar Pradesh and other linked areas. India is also a chief exporter of a great variety of fresh mangoes and is known for trading a produce of worth 60 million USD in recent years. Mangoes are mainly imported by UAE, USA, UK, Oman and Qatar.

Pomegranate

Fresh pomegranate is one the main fruits grown in the Maharashtra region of India. Its commercial varieties that are exported to key international markets include Ganesh, Bhagwa, and Arkata. The most demanded variety of pomegranate in the world is Bhagwa due to its soft seed, deep red color and scrumptious taste.

Grapes

Indian Grapes are available in a great variety and are distinguished by colors, seeded, unseeded, large or small berry size. India is renowned for exporting more than 20 commercial varieties of grapes to various parts of the globe that include Russia, Germany, Bangladesh, UK and Netherlands. Currently, Thomas Seedless Indian Grape is the prevailing variety and cover almost 55% of the total agricultural area allocated for production. Also, Maharashtra is the biggest Indian Grapes producing region in the country and accounts for more than 81% of the total production. Grape is a major fruit of India and covers almost 2% of the total agricultural land in the country that is allocated for farming. Moreover, the country is a leading exporter of a vast commercial variety of premium grapes and has been recorded for exporting more than 334 million USD worth grapes in the preceding year.

Cavendish Banana

Cavendish Bananas are mainly grown in South region of India, and the best variety is found around the hills of Western Tamil Nadu. The ideal climatic conditions, state-of-the-art drip irrigation method and hygiene standards make this one of the most demanded Indian fruits of the world.

Indian Coconut

India is also one of the top producers of coconut, and is known for supplying fresh and semi-husked coconuts in the key international markets. The light brown and semi-husked variety measures almost 12-14 inches and is highly rich in coconut water. This export variety of coconut is grown in various parts of Southern India and is accessible all year round.

(Rs in lakh crore)

Year	Total Export	Agricultural Export	% to Total
2009-10	8.46	0.85	10.00
2010-11	11.37	1.11	9.75
2011-12	14.66	1.80	12.28
2012-13	16.34	2.24	13.71
2013-14	19.05	2.60	13.63
2014-15	18.96	2.36	12.47
2015-16	17.15	2.10	12.26
CAGR	**12.16 %**	**16.48 %**	

Source: DGCIS, Kolkatta

India's Total Export and Share of Agri

INDIA EXPORT OF AGRO FOOD PRODUCTS Product Group Report								
	2017-18			2018-19				
Country	Qty	Rs. Lacs	US$ Thousand	Qty	Rs. Lacs	US$ Thousand	%age growth on previous year	%age share in 2018-19
U Arab Emts	1,195.83	4,080.59	6,332.81	1,493.62	4,849.31	6,979.18	18.84	27.83
Bangladesh Pr	7,756.40	1,605.43	2,488.23	12,256.56	3,257.94	4,713.83	102.93	18.69
Maldives	782.17	2,192.20	3,401.41	910.95	2,717.88	3,885.57	23.98	15.60
Nepal	1,863.94	2,016.76	3,127.66	566.07	1,510.05	2,149.96	-25.12	8.66
Sri Lanka Dsr	163.73	273.20	422.74	663.30	1,455.76	2,094.14	432.86	8.35
Malaysia	371.52	1,186.99	1,843.78	464.50	1,187.82	1,709.61	0.07	6.82
U S A	308.68	768.07	1,191.60	269.04	869.35	1,245.96	13.19	4.99
U K	272.83	624.21	970.50	147.60	447.62	645.92	-28.29	2.57
Australia	28.29	151.20	234.52	41.20	227.30	325.22	50.33	1.30
Canada	107.71	189.12	293.23	97.16	181.89	258.94	-3.82	1.04
South Africa	31.59	118.05	182.97	34.10	175.69	252.42	48.83	1.01
Kenya	29.44	66.32	102.94	41.44	82.03	118.28	23.69	0.47
Saudi Arab	33.39	60.57	93.97	36.18	59.88	84.80	-1.14	0.34
Mauritius	11.99	29.65	45.87	18.05	52.72	75.05	77.81	0.30
Kuwait	53.28	26.95	41.95	150.71	36.45	51.56	35.25	0.21
New Zealand	4.47	18.22	28.23	8.29	31.26	45.20	71.57	0.18
Congo D. Rep.	1.70	9.15	14.15	14.72	26.99	38.07	194.97	0.15
Lebanon	40.22	18.68	28.99	46.45	26.91	38.76	44.06	0.15
Trinidad	5.30	14.17	22.00	8.44	24.38	34.38	72.05	0.14
Singapore	11.41	24.09	37.30	9.89	19.83	28.24	-17.68	0.11

Seychelles	0.30	1.46	2.26	2.09	15.30	22.30	947.95	0.09
Yemen Republc	6.29	12.44	19.24	3.62	13.46	19.31	8.20	0.08
Pakistan Ir	0.00	0.00	0.00	5.33	13.31	18.94	100.00	0.08
Netherland	4.95	28.44	44.09	2.76	13.30	19.20	-53.23	0.08
Mozambique	2.24	8.45	13.07	12.45	12.00	17.04	42.01	0.07
Bhutan	3.24	15.63	24.42	2.00	10.57	15.01	-32.37	0.06
Nigeria	20.47	5.76	8.88	20.24	10.48	14.94	81.94	0.06
Congo P Rep	3.37	14.25	22.14	2.28	10.15	14.63	-28.77	0.06
France	10.60	36.90	57.42	4.83	8.54	12.36	-76.86	0.05
Germany	0.91	3.60	5.59	1.69	8.52	12.04	136.67	0.05
Fiji Is	4.84	10.40	16.17	3.74	7.96	11.40	-23.46	0.05
Afghanistan Tis	12.22	31.19	48.41	5.07	7.48	11.27	-76.02	0.04
Reunion	0.75	2.83	4.39	2.43	7.34	10.47	159.36	0.04
Switzerland	0.67	2.63	4.08	4.61	7.13	10.05	171.10	0.04
Sierra Leone	0.00	0.00	0.00	1.70	6.32	9.36	100.00	0.04
Philippines	1.06	7.27	11.21	2.27	3.83	5.58	-47.32	0.02
Angola	0.00	0.00	0.00	0.90	2.98	4.18	100.00	0.02
Uganda	5.50	11.47	17.80	0.53	2.83	3.94	-75.33	0.02
Hong Kong	0.49	3.30	5.17	0.49	2.57	3.63	-22.12	0.01
China P Rp	0.09	0.23	0.36	0.57	2.49	3.46	982.61	0.01
Denmark	0.20	0.34	0.54	0.80	2.13	2.96	526.47	0.01
Senegal	0.00	0.00	0.00	0.47	2.04	2.82	100.00	0.01
Zambia	0.07	0.24	0.38	0.42	1.78	2.54	641.67	0.01
Oman	0.10	0.38	0.59	0.24	1.57	2.18	313.16	0.01
Tanzania Rep	6.94	12.36	19.40	0.33	1.42	2.06	-88.51	0.01
Brunei	0.34	1.28	1.97	0.60	1.38	1.99	7.81	0.01
Jordan	0.00	0.00	0.00	0.31	1.31	1.85	100.00	0.01
Belgium	0.25	0.37	0.58	0.36	1.15	1.69	210.81	0.01
Italy	0.00	0.00	0.00	0.51	1.12	1.67	100.00	0.01
Qatar	0.17	0.81	1.26	0.20	1.02	1.43	25.93	0.01
Japan	0.49	0.74	1.16	0.82	0.93	1.31	25.68	0.01
Guyana	0.00	0.00	0.00	0.19	0.76	1.10	100.00	0.00
Cayman Is	0.14	0.58	0.90	0.09	0.66	0.93	13.79	0.00
Cameroon	0.00	0.00	0.00	0.18	0.51	0.74	100.00	0.00
Togo	0.02	0.14	0.22	0.14	0.50	0.70	257.14	0.00
Bahrain	7.52	4.34	6.69	0.11	0.35	0.50	-91.94	0.00
Thailand	0.00	0.00	0.00	0.48	0.29	0.41	100.00	0.00

Malawi	0.29	0.81	1.26	0.06	0.24	0.33	-70.37	0.00
Spain	0.20	0.55	0.85	0.05	0.14	0.20	-74.55	0.00
Sweden	0.07	0.11	0.16	0.04	0.14	0.20	27.27	0.00
Gambia	0.00	0.00	0.00	0.03	0.13	0.18	100.00	0.00
Netherland	0.03	0.14	0.22	0.02	0.09	0.13	-35.71	0.00
Rwanda	0.00	0.00	0.00	0.09	0.09	0.14	100.00	0.00
Suriname	0.00	0.00	0.00	0.03	0.09	0.13	100.00	0.00
Cote D Ivoire	0.00	0.00	0.00	0.01	0.04	0.06	100.00	0.00
Ghana	0.01	0.06	0.09	0.04	0.04	0.06	-33.33	0.00
New Caledonia	0.00	0.00	0.00	0.00	0.01	0.01	100.00	0.00
Austria	8.24	10.74	16.68	0.00	0.00	0.00	-100.00	0.00
Gabon	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Guinea	0.01	0.01	0.02	0.00	0.00	0.00	-100.00	0.00
Indonesia	8.82	47.16	72.88	0.00	0.00	0.00	-100.00	0.00
Madagascar	0.13	1.17	1.82	0.00	0.00	0.00	-100.00	0.00
Norway	0.01	0.01	0.01	0.00	0.00	0.00	-100.00	0.00
Poland	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Portugal	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Unspecified	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Vietnam Soc Rep	0.02	0.09	0.13	0.00	0.00	0.00	-100.00	0.00
Zimbabwe	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	**13,185.95**	**13,752.30**	**21,337.36**	**17,364.49**	**17,427.55**	**25,042.52**	**26.72**	**100.00**

MARKET OPPORTUNITY

Since the year 1980, the international trade of fruits and vegetables has experienced a drastic expansion, and the total number of commodities and product varieties have also increased during the last two decades. Accordingly, there has been an overall surge in the demand for fresh fruits and vegetables.

Although India is one of the largest producers of fresh fruits and vegetables across the globe, still its export competitiveness is not high. The recent marketing initiatives have provided good support to the Indian producers by reducing their post-harvest losses caused mainly due to low-quality infrastructure facilities.

India's export competitiveness in the international market is chiefly challenged by supply chain constraints, yield gaps, and prevailing logistic costs. And due to these factors, produce worth 655.8 million USD gets wasted each year.

Currently, the Indian Government is trying to establish 30 cold chain routes and private sectors are also working to bridge this gap.

Growth in Export of Agricultural Products from India

As per the current market research, the global food market is likely to earn a profit of $3.03 trillion by 2020, thus marking a compound annual growth rate of 4.5% from the year 2015-2020.

India is bestowed with huge areas of fertile lands, proper irrigation facilities, and state-of-the-art technology in the agriculture field. Hence, India is a leading producer of agricultural products. Also, the export potential of fresh fruits and vegetables in India is high mainly due to the diverse climate and ability to produce agricultural products.

India is acknowledged for producing 11% and 15% of the world's total production of fresh vegetables and fruits. According to the National Horticulture Database, India produced almost 86 million metric tons of fresh fruits and 164 million metric tons of fresh vegetables during the year 2014-15.

India's state Gujrat contributes approximately 7% for fresh vegetable production and 9% for fresh vegetable production. The country is the world's largest producer of mangoes, banana, papaya, and guava. Apart from this, India is also the leading producer of ginger, okra, potato, onion, cauliflower, brinjal, cabbage, and many other vegetables.

The great production capacity offers India some valuable export opportunities. Lately, the fruits and vegetable exports have progressed remarkably due to the parallel developments in supply chain infrastructure, enhanced productivity, improved research, cutting edge harvest technologies, and promising government policies.

The table below illustrates the category-wise export of fresh fruits and vegetables from India.

Year	Fruits		Vegetables		Fruits/ Veg. Seeds	Total
	Fresh	Processed	Fresh	Processed		
Quantity (thousand tons)						
2006-07	353	330	1656	264	8	2612
2007-08	366	351	1361	253	10	2341
2008-09	470	368	2178	340	9	3365
2009-10	475	410	2088	299	9	3280
2010-11	418	370	1682	258	12	2739
2011-12	448	425	2044	323	15	3256
2012-13	498	417	2435	307	17	3674
2013-14	481	462	2436	275	18	3672
2014-15	427	471	2074	315	12	3299
2015-16	504	450	1901	269	11	3135
CGR%	**2.79***	**3.74****	**3.28**	**0.57**	**5.90***	**3.03**
Value (Rs crore)						
2006-07	899	1168	1599	721	122	4508
2007-08	919	1223	1529	681	142	4494
2008-09	1163	1638	2514	993	120	6429
2009-10	1475	1685	3059	1043	145	7407
2010-11	1271	1816	2701	889	185	6861
2011-12	1799	2198	3033	1272	288	8591
2012-13	2504	2342	3483	1495	348	10171
2013-14	3298	3040	5463	1698	411	13909
2014-15	2771	3411	4703	2050	427	13362
2015-16	3525	3697	4867	1913	494	14495
CGR%	**16.47****	**13.22****	**13.50****	**12.50****	**17.89****	**14.04****
% to total (2015-16)	**24.32**	**25.50**	**33.58**	**13.20**	**3.40**	**100.00**

** Significant at 5% level* *** Significant at 1% level*

Category-Wise Exports

Moreover, the observations reveal that the export of fresh fruits showed a significant annual growth rate of 2.79% in the previous decade. Likewise, the value of fresh fruits also surged by 16.4% per annum. According to these trends, it is concluded that there is a good scope for the export of fresh fruits from India.

Furthermore, the export of fresh vegetables also showed a significant growth rate by value but not by quantity. The export value of fresh vegetables surged by 13.5% per annum mainly due to the rise in price trends of the commodity.

Hence, favorable government policies can certainly help improve exports in the approaching future.

Fig 3.2 Category-wise export of fruits and vegetables from India (by value)

India is endowed with a remarkably heterogeneous area featured by a huge variety of agro-climatic zones, enabling the production of fresh fruits and vegetables. As per the statistics, the total production area of horticultural crops surged from 16.6 million hectares to 24.2 million hectares in the past decade. And, crops value-enhanced from 145.8 million tons to 277 million tons in the past 14 years' time.

Also, the production of horticulture crops has doubled in the previous two decades which demonstrates great potential in income and foreign exchange earnings.

The chief fruits grown in India include Mangoes that grabs 35.4% of the total production area allocated to fruits, Citrus that possess 15.6% of the area, and Banana with 13.4% share. Apart from this, Apple, Guava, Pomegranate, Grapes, Jackfruit, Pineapple, Papaya, Sapota, Anola, and others. When considering the production, the country ranks first in the production of Banana with a 33.7% share and is followed by Mango with a 21.3% share and Citrus with a 13.46% share.

Additionally, India is also a leading exporter of fruits that supplies the commodity to main international markets. The huge production base in India offers incredible opportunities for export. During the year 2015-16, India exported fruits and vegetables worth 1103 million USD. The major commodities exported included mangoes, walnuts, grapes, banana, and pomegranates.

There is a great demand for fruit in the international market, which accounts for one of the potential foreign exchange-earners. The total fruit export value calculated to 949 million USD during 2015-16.

The graph below shows leading fruits producing and growing states in India in the year 2013-14.

Fig 4.1 Leading fruits producing states in India (2013-14)

Fig 4.2 Leading fruits growing states in India (2013-14)

SWOT ANALYSIS

	Strengths	**Weaknesses**
Internal Factors	1. Premium Quality 2. Handpicked Variety	1. Limited Variety 2. Strict Trade Policies

	3. International Standard Packaging 4. Standard and Customized Packages	
	Opportunities	**Threats**
External Factors	1. Great potential for fresh fruits and vegetable production in India 2. Great Demand for Indian Fruits and Vegetables	1. A large Number of Competitors in the International Market 2. Supply Chain Challenges

CONSUMER ANALYSIS

Fresh fruits and vegetables being high in nutritional value and beneficial for health have great local and international demand. In the international market, fruits and vegetables are imported from various parts of the world but the taste and quality of Indian produce are highly valued. Some Indian fruits and vegetables have an unparalleled taste, variety, and quality. According to recent researches regarding disease and human health has transformed people's perceptions and eating habits. Now, people are more health-conscious and prefer to eat healthy food variety.

INDUSTRY ANALYSIS

The Indian fruit production sector is indisputably a potential sector that has an incredible scope for unrivaled growth soon. India's government has undertaken many reforms and policy decisions to support the agriculture sector.

A progressing trend has been observed in developed and developing countries for fruit consumption as people are now more health-conscious and prefer packed fruits as the main portion of their diet. Statistics show that mango, orange, grapes, apple, and pomegranate are the key export fruits of India.

India exports almost 240,000 metric tons of fresh fruit in the international market. There is some risk involved in exporting fresh fruits due to the rigorous quality standards. However, some fruits have a phenomenal demand in the international market such as grapes, guava, lemon, pineapple, papaya, and pomegranate. Overall analysis shows that the exports of fresh fruits from India have shown a significant upward trend as the country has great fruit production.

This is mainly due to the element that the disposable income of the Indian middle-income group has notably increased in recent times which has resulted in an improved Standard of Living (SOL). A better SOL implies that people are more mindful of their health and choose healthy food options such as fruits and vegetables. Hence, the fresh fruits and vegetable segment is observed to grow at a very high frequency.

Considering this, India should avail of this opportunity and strive to flourish in this sector. If this happens, India will have improved earnings which will bring down the post-harvest loss to acceptable levels. Also, this development will certainly generate valuable employment opportunities and other economic benefits for the country.

Table I : Average % contribution of exports of major fresh fruits

Fruit	Average % contribution (Qty)	Average % contribution (value)
Mango	26.24	27.29
Orange	16.56	8.95
Grape	14.55	29.70
Apple	7.99	5.08
Pomegranate	4.65	5.85
Papaya	2.78	2.18
Lemon	2.72	1.85
Watermelon	2.16	0.83
Guava	1.05	1.06
Pineapple	0.62	0.48
Other fruits	20.68	16.73
Total	100.00	100.00

Source: Export Import Data Bank from the official website of DGFT (2008)

TARGET MARKET AND POSITIONING

Countries across the globe encourage imports of fresh fruits and vegetable goods from high producing agricultural nations.

XYZ Overseas should try to understand consumer behavior and follow global consumer preferences in the international export market. Also, the company should focus on premium quality and reliable supply chain logistics. Moreover, the company should try to be competitive and maintain good relationships with its suppliers. Export of fresh fruits and

vegetables involves B2B for which good quality, packaging, and competitive rates are the key points to excel.

There has been an emerging trend of fresh fruits and vegetables as people are becoming more mindful of their weight and health conditions. So, there is a great demand for fruits and vegetables in the market. And XYZ Overseas should position their products in their B2B customer base with some appealing characteristics such as handpicked variety, premium quality, best taste, and competitive price.

The target market consists of young to old age people who love to consume fresh and tasty fruits and vegetables in their daily diet.

MARKET STRATEGY

XYZ Overseas should adopt appropriate marketing strategies that are effective for trading corporates. The company should use drip email marketing, social media, and online marketing strategies. The brand name should be short and easily comprehendible by the people globally.

The company should highlight its USPs and competitiveness through various marketing campaigns.

Pricing Strategy

XYZ Overseas uses a competitive pricing strategy when determining its commodity prices as there are many competitors in the market. To set a price it is essential to consider the foreign market, export product, market demand and supply, and non-market costs (tariffs and customs fees).

FINANCIAL PROJECTIONS

XYZ OVERSEAS

PROFIT AND LOSS STATEMENT

	2019 (INR)	**2018 (INR)**
INCOME		
Sales		
Other Incomes		
TOTAL INCOME		
EXPENSES		
Packaging		
Procurement Cost		

Selling expenses		
Administrative Expenses		
Loading and Unloading		
Utility Expenses		
Salaries and Wages		
Transportation		
Rent		
ECCG Cover Cost		
Documentation Cost		
Banking Fees		
Transportation cost		
Terminal Handling Charges		
Bill of Lading Cost		
Advertising and Marketing		
Personal Expenses		
Miscellaneous		
Total Expenses		
Operating Profit		
EDITDA		
(Depreciation)		
EBIT		
(Interest)		
EBT		
(Taxes)		
Profit/Loss of the Year		

XYZ OVERSEAS

YEARLY BALANCE SHEET

	2019 (INR)	**2018 (INR)**
Liabilities		
Total Share Capitals		
Equity Share Capital		
Reserves and Surplus		
Net Worth		
Secured Loans		
Unsecured Loans		
TOTAL LIABILITIES		

ASSETS		
Gross Block		
(Less Accumulated Depreciation)		
Net Slab		
Capital Work in Progress		
Investments		
Inventories		
Miscellaneous Debtors		
Cash and Bank		
Loans and Advances		
Total Current Assets		
Current Liabilities		
Provisions		
Total Current Liabilities		
NET CURRENT ASSETS		
Miscellaneous Expenses		
TOTAL ASSETS		

CURRENT FY 2018 – 2019

Profitability Ratios:

Earning Margin

$$\frac{Net\ Profit}{Sales}$$

$$\frac{xxxx}{xxxxx} * 100$$ = xx**%**

This depicts that the company has generated xx% profit of its total sales.

Return on Investment

$$\frac{Profit\ before\ tax\ and\ interest}{Total\ Capital\ Employed} *100$$

$$\frac{xxx}{xxx} *100$$ = **xxx**

The ROI is almost xxx%, which means the company is highly profitable in relation to the capital it has employed.

Liquidity Ratios:

Current Ratio

$$\frac{Current\ Assets}{Current\ Liability}$$

$$\frac{xxx}{xxx} = \mathbf{xxx}$$

The current ratio depicts that company's position is strong, and it can very easily pay off its liabilities.

Quick Ratio

$$\frac{Quick\ Assets}{Current\ Liability}$$

$$\frac{xxx}{xxx} = \mathbf{xxx}$$

This ratio shows that the company's liquidity position is strong and possess the ability to instantly pay off its debts.

Stability Ratios

Fixed Asset Turnover Ratio

$$\frac{Net\ Sales}{Fixed\ Asset}$$

$$\frac{xxx}{xxx} = \mathbf{xxx}$$

XYZ Overseas has a high fixed asset turnover ratio which shows that the company is effectively using its fixed assets to generate sales.

Net Working Capital Turnover Ratio

$$\frac{Net\ Sales}{Net\ Working\ Capital}$$

$$\frac{xxx}{xxx} = \mathbf{xx}$$

This ratio shows that the working capital of XYZ Overseas has been effectively utilized in generating sales.

FINANCIAL FORECASTS

YEAR 1 - 2019-2020

This graph shows that anticipated quarterly sales for FY 2019 – 2020 will be consistent.

This graph shows that anticipated quarterly expenses for FY 2019 – 2020 will be steady.

This graph shows that the company's quarterly profit for FY 2019-2020 will be higher than the average.

FINANCIAL ANALYSIS – YEAR 1

Profitability Ratios:

Earning Margin

$$\frac{Net\ Income}{Sales}$$

$$\frac{xxxx}{\text{xxxx}} * 100$$ = **xx%**

This depicts that the company will generate xx% profit of its total sales.

Return on Investment

$$\frac{Profit\ before\ tax\ and\ interest}{Total\ Capital\ Employed}$$

$$\frac{xxxx}{xxxx} * 100$$ = **xx%**

The ROI is xx%, which means the company will be profitable in relation to the capital it will employ.

Liquidity Ratios:

Current Ratio

$$\frac{Current\ Assets}{Current\ Liability}$$

$$\frac{xxx}{xxx} = \mathbf{xxxx}$$

The current ratio depicts that the company's position will be strong, and it will be able to easily pay off its liabilities.

Quick Ratio

$$\frac{Quick\ Assets}{Current\ Liability}$$

$$\frac{xxx}{xxx} = \mathbf{xxxx}$$

This ratio shows that the company's liquidity position will be strong, and will be able to instantly pay off its debts.

Stability Ratios

Fixed Asset Turnover Ratio

$$\frac{Net\ Sales}{Fixed\ Asset}$$

$$\frac{xxx}{xxx} = \mathbf{xxxx}$$

XYZ Overseas has a high fixed asset turnover ratio which shows that the company will be able to effectively use its fixed assets to generate sales.

Net Working Capital Turnover Ratio

$$\frac{Net\ Sales}{Net\ Working\ Capital}$$

$$\frac{xxxx}{xxxx} = \mathbf{xxx}$$

This ratio shows that the working capital of the company will be effectively utilized in generating sales.

YEAR 2 - 2020-2021

This graph shows that anticipated quarterly sales for FY 2020 – 2021 will be consistent.

This graph shows that anticipated quarterly expenses for FY 2020 – 2021 will be steady.

This graph shows that the company's quarterly profit for the FY 2020 – 2021 will be higher than average.

<u>Profitability Ratios:</u>

Earning Margin

$$\frac{Net\ Income}{Sales}$$

$$\frac{xxxx}{xxxx} * 100$$ = **xx%**

This depicts that the company will be able to generate an xx% profit of its total sales.

Return on Investment

$$\frac{Profit\ before\ tax\ and\ interest}{Total\ Capital\ Employed}$$

$$\frac{xxxx}{xxxx} * 100$$ = **xx%**

The ROI is xx%, which means the company will be profitable in relation to the capital it has employed.

<u>Liquidity Ratios:</u>

Current Ratio

$$\frac{Current\ Assets}{Current\ Liability}$$

$$\frac{xxx}{xxx} = \mathbf{xxxx}$$

The current ratio depicts that the company's position will be strong, and it will be able to easily pay off its liabilities.

Quick Ratio

$$\frac{Quick\ Assets}{Current\ Liability}$$

$$\frac{xxxxx}{xxx} = \mathbf{xxxx}$$

This ratio shows that the company's liquidity position will be strong, and will have the ability to instantly pay off its debts.

<u>Stability Ratios</u>

Fixed Asset Turnover Ratio

$$\frac{Net\ Sales}{Fixed\ Asset}$$

$$\frac{xxxxx}{xxx} = \mathbf{xx}$$

XYZ Overseas has a high fixed asset turnover ratio which shows that the company will be able to effectively use its fixed assets to generate sales.

Net Working Capital Turnover Ratio

$$\frac{Net\ Sales}{Net\ Working\ Capital}$$

$$\frac{xxxx}{xxx} = \mathbf{xxxx}$$

This ratio shows that the working capital of the company will be effectively utilized in generating sales.

4 YEARS SALES PROJECTION

This graph shows that the company's anticipated sales will increase by 58.9 times, which is a drastic growth.

4 YEARS GROSS PROFIT PROJECTION

This graph shows that the company's anticipated gross profit will increase by 76 times.

4 YEARS NET PROFIT PROJECTION

This graph shows that the company's anticipated net profit will increase by 76.9 times.

LOAN PROPOSAL

XYZ Overseas, a start-up export venture has all the necessary expertise to well-establish in the market is seeking loan of xxxxxx from ABC bank. Considering the ever-increasing global demand of fresh fruits and vegetables, and the quality and professionalism of the company; the setup is destined to reach break-even and earn notable profits.