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RESEARCH PAPER

Financial feasibility of investment in sapota orchards in Thane district of Maharashtra

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ABSTRACT

The financial feasibility analysis of capital investment in sapota orchard in Thane district of Maharashtra revealed profitability of enterprise. The per hectare capital investment for establishing sapota orchard for period of first five years was Rs. 93609. The annual per hectare cost of production (Cost C) for sapota worked out to Rs. 120138. The analysis of investment in sapota orchard showed that, the investment made in sapota plantation is economically viable with Benefit cost ratio (BCR) greater than unity(1.87), Net present value (NPV) was positive (Rs. 495835) and Internal rate of return (IIR) was higher than prevailing rate of interest (12 %). The pay back period also desirable considering the total economic life of sapota orchard (50 years).

KEY WORDS: Cost, Return, Financial feasibility, NPV, BCR, PBP, IRR

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