

# **PROJECT PROFILE**

ON

**GINGER TIDBITS**

Month & Year  
Aug 2010

**PREPARED BY  
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## GINGER TIDBITS

### **1. Introduction**

Ginger tidbits are a product consumed along with betel-nuts or fennel as a tastemaker. It is a good digestive. It also finds place as a tastemaker in deep-fried snacks, sweets and savories. It is also an ideal carry-pack during travel and picnics.

The product consists of tiny cubes of ginger soaked in concentrated sugar syrup, dried and packed.

### **2. Market**

The product finds placement in all “A” class and “B” class outlets, self service, departmental stores and supermarkets.

### **3. Packaging**

The product is packed in metallized poly-ester - poly pouches. Each pouch contains 10 grams of the product.

### **4. Production capacity**

- The plant operates to one shift of eight hours duration.
- The time period required for achieving full capacity utilization is one year.
- The estimated production per day is 100 kilograms.
- The estimated production per annum is 30,000 kilograms.

### **5. Sales revenue**

- Rs. 1.50 per pouch of 10 grams or Rs. 150 per kilogram. MRP per pouch is Rs.2.00
- Total sales revenue per annum - Rs. 45.00 lakhs.

### **6. Production process outline.**

Pieces of ginger are first washed in water to remove adhering dirt. The skin is scraped with the help of peelers. It is then cubed into small pieces of around 2 millimeter cubes. The cubes are soaked in water.

A sugar syrup of 75 to 80 degrees brix is prepared in the sugar kettle. The ginger cubes are soaked in the sugar syrup for about 10 to 12 hours. The excess sugar is drained and the cubes dried in a tray drier and packed.



**7. Quality specifications**

- The manufacturer must obtain a FPO license.
- In order to give a reasonable shelf life to the product, the following standards may be maintained:
  - Moisture - 6% to 8%
  - Mold and fungus growth - absent

**8. Pollution control measures**

Not necessary as there are no pollutants or effluents

**9. Energy conservation measures**

Common measures will do.

**10. Land and construction cost for the proposed unit**

The proposed unit is to be taken up on lease. The total leased area is 1200 square feet vide details given below:

SI	Description	Sq. feet
1	Processing area	500
2	Raw material store	100
3	Finished goods store	100
4	Boiler area	100
5	Quality control area	100
6	Spares stores	100
7	Office space	100
8	Toilet space	100
<b>9</b>	<b>Total</b>	<b>1200</b>

Lease rent – Rs. 6.00 per square foot

Total rent per month – Rs. 7200

Lease advance – Rs. 50000

### 11. Costing of machinery and equipment

SI	Description	Rs. lakhs
1	Baby boiler and accessories	1.800
2	Stainless steel soaking tanks	0.100
3	Stainless steel working tools	0.050
4	Sugar syrup preparation kettle – stainless steel	0.350
5	Form fill and seal packing machine	1.200
6	Tray drier with 24 stainless steel trays	1.600
7	Weighing scales – 3 nos	0.240
<b>8</b>	<b>Total</b>	<b>5.340</b>
9	Laboratory equipment	0.300
<b>10</b>	<b>Grand total machinery and equipment</b>	<b>5.640</b>

### 12. Project cost

SI	Description	Rs. lakhs
1	Land	On lease
2	Civil works	On lease
3	Plant machinery	5.340
4	Laboratory equipment	0.300
5	Transport vehicle (1 Tata Ace)	3.760
6	Pollution control equipment	0.000
7	Energy conservation equipment	0.000
8	Cost of power connection	0.100
9	Cost of electrification	0.250
10	Erection and commissioning	0.530
11	Cost of machinery spares	0.100
12	Cost of office equipment	1.000
13	Deposits if any	0.240
14	Company formation expenses	0.100
15	Gestation period expenses	0.500
16	Sales tax registration expenses	0.100
17	Initial advertisement and publicity	5.000
18	Contingencies	0.150
19	Working capital margin money	1.204
<b>20</b>	<b>Total</b>	<b>18.674</b>

**13. Working capital requirements per month**

**a. Salaries and wages**

SI	Description	No of persons	Total salary / month (Rs. lakhs)
1	Production Manager (female)	1	0.120
2	Unskilled labour (female)	4	0.160
3	Accounts and administration	1	0.100
4	Driver	1	0.070
<b>5</b>	<b>Total</b>	<b>7</b>	<b>0.450</b>

SI	Description	Qty (kgs)	Rate / kg (Rs)	Value (Rs. lakhs)
1	Ginger	2000	40.00	0.800
2	Sugar	1250	24.00	0.300
3	Total raw material	<b>3250</b>		<b>1.100</b>

SI	Description	Qty	Rate / unit (Rs)	Value (Rs. lakhs)
1	Primary packaging material – metallized polyester – poly film	25 kgs	250	0.063
2	Cartons and straps	350 nos	40	0.140
3	Total			<b>0.203</b>

**Total raw + packaging material = Rs. 1.303 lakhs**

**d. Utilities per month**

SI	Description	Rs. lakhs
1	Power 2000 kwh @ Rs. 5.50 per unit	0.110
2	Water	0.050
3	Boiler fuel	0.060
4	<b>Total utilities</b>	<b>0.220</b>

**e. Contingent expenses per month**

<b>SI</b>	<b>Description</b>	<b>Rs. lakhs</b>
1	Rent for processing shed	0.072
2	Postage and stationery	0.010
3	Telephones, fax etc.	0.050
4	Consumable stores	0.020
5	Repairs and maintenance	0.055
6	Local transports, loading and unloading	0.100
7	Advertisement and publicity @ 10% of sales	0.400
8	Insurance	0.010
9	Sales expenses @ 1% of sales	0.040
10	Miscellaneous expenses @ 1% of sales	0.040
11	Trade incentives @ 2% of sales	0.080
12	Taxes @ 4%	0.160
<b>13</b>	<b>Total contingent expenses</b>	<b>1.037</b>

**f. Total working capital requirement per month**

<b>SI</b>	<b>Description</b>	<b>Rs. lakhs</b>
1	Salaries and wages	0.450
2	Raw material and packaging material	1.303
3	Utilities	0.220
4	Contingent expenses	1.037
<b>5</b>	<b>Total</b>	<b>3.010</b>

**14. Means of finance**

<b>SI</b>	<b>Description</b>	<b>Rs. lakhs</b>
1	Total Project Cost	18.674
2	Equity	6.162
3	Debt	12.512
4	Working capital margin money	1.204

**15. Financial analysis**

SI	Description	Rs. lakhs
1	Total recurring cost per year	36.120
2	Depreciation on land and building	0.000
3	Depreciation on machinery and vehicle	0.940
4	Depreciation on furnaces	0.000
5	Depreciation on moulds and fixtures	0.020
6	Depreciation on office equipment	0.100
7	Interest on long term loan @ 13.5%	1.689
8	Interest on short term borrowings@ 13.5%	0.244
<b>9</b>	<b>Total cost of production</b>	<b>39.113</b>

**16. Turnover per year**

SI	Item	Qty	Rate/unit (Rs)	Total Rs. lakhs
1	Ginger Tidbits	30000 kgs	150	45.00

**17. Viability analysis**

SI	Description	Value
1	Net profit before income tax (Rs. lakhs)	5.887
2	Net profit ratio	13.1%
3	Internal rate of return	27.9%
4	Break even percentage	40%
5	Debt service coverage ratio	1.986

**List of machinery suppliers for Ginger Tidbits**

1. Geeta Food Engineering, Plot No. C - 7 / 1, TTC Industrial Area, Pawana MIDC, Thane - Belapur Road, Behind Savita Chemicals, Navi Mumbai 400705. Maharashtra.; Tel: 022 - 56101973; Fax: 022 - 55906450
2. Agaram Industries, 126, Nelson Road, Aminjikarai, Chennai, 600029, ; Tel: 044-23741413; Fax: 044-23741529
3. Royal Scientific Industries, T.S.74A, SIDCO Industrial Estate, Ekkatuthangal, Chennai. 600097., Tel: 044-22254749
4. Navinchandra and Co., 308, Thambu Chetty Street, Chennai. 600001; Tel: 044-25228675