

TAPIOCA CHIPS

Introduction

Tapioca is brought to India by the Portuguese explorers from South America. Tapioca provides the staple food of rural people and tribes as it is cultivated worldwide. It is a rich source of energy as it contains full of carbohydrates. The plant grows well in any type of soil and there is no need of much fertilisers. Both raw and dried form of tapioca can be used for preparing different dishes. Chips prepared out of tapioca using pure coconut oil is very delicious and people of all age groups love it a lot. These chips can either be spicy or non-spicy and can be stored for one month without using any chemical preservatives.

Market potential

Kerala is famous for traditional dishes especially chips using coconut oil. Kerala chips has a huge market throughout the World. There is a wide spread cultivation of cassava plant throughout the eastern part of Ernakulam and the neighbouring districts, the raw material availability can be assured very well. As the taste and crispiness of tapioca chips attracts both urban and rural people of all age groups, and also the sales in bakeries increases day today, the market for the tapioca chips and finger chips can easily be ensured very well.

Basis and presumptions

1. The production is based on a single shift basis of 8 hours per day and 25 working days in a month.
2. Time period for achieving full capacity utilisation is 3 years.
3. Labour will be engaged on monthly basis keeping in view the present rate prevailing in the market.
4. Rate of interest for fixed and working capital @ 15% per annum.
5. Margin money 25%.
6. Land and building, rented. Built up area 500sq feet.

Implementation schedule

It takes only 3 months to complete all the formalities before starting the commercial production.

TECHNICAL ASPECTS

Process of manufacture

After peeling of all the tapioca tubes, it is put into the washing vessel for cleaning. Place them on a table in order to drain. The drained tubes get sliced using the slicer. The slices then put to the boiled oil for frying the slices. The fried chips then put to the vessel and sprinkle salt and chilly powder. After cooling, the chips are packed in different quantities for dispatching.

Production capacity

1. Fried chips per annum : 1000 kg
2. Value : Rs. 18,00,000/-

Pollution control

The project produces mostly biodegradable wastes.

Financial aspects

A) FIXED CAPITAL

1. Land And Building

Land and building are rented @ 5000/- pm. Built up area is 500 square feet.

Machinery and equipments

Si no	Item	NUMBER	RATE	AMOUNT
1	Washing dish	1	10000	10,000
2	Slicer	1	75000	75,000
3	Frying pan	2	5000	10,000
4	Utensils	6		15,000
5	Weighing machine	1	2000	2,000
6	Packing machine	2	1000	2,000

7	Others including furniture			12,000
8	Electrification			3,000
TOTAL				1,29,000

B) WORKING CAPITAL (PER MONTH)

1. Staff and labour

Sl no	Designation	NO.	RATE	AMOUNT
1	Manager	1	9000	9,000
2	Skilled worker	1	8000	8,000
3	Helper	1	6000	6,000
4	Driver cum sales man	1	8000	8,000
5	Perquisites (@ 15%)			4,650
			TOTAL	35,650

2. Raw material including packing material

Si no	Item	UNIT	RATE	AMOUNT
1	Tapioca	1200	16.5	20,000
2	Oil	300	160	48,000
3	Chilly powder	10	160	1,600
4	Salt	25	15	375
5	Poly bag	50	75	3,750
6	Paper strip	10000		500
7	Carton	25	15	375
8	Cooking gas	2	1650	3,300
			TOTAL	77,900

3. Utilities

Sl no	Item	Amount
1	Electricity	2,000
2	Water	1,000
	Total	3,000

4. Other contingent expenses

Sl no	Item	Amount
1	Rent	5,000
2	Stationery	500
3	Repair & maintenance	500
4	Transportation	8,000
5	Telephone @ others	1,000
6	Insurance	1,000
7	Miscellaneous Expenses	1,000
	Total	17,000

5. Total working capital Per Month

1	Raw Material	77,900
2	Staff & Labour	35,650
3	Utilities	3,000
4	Other Contigencies	17,000
	Total	1,33,550

C) Total Project Cost

1	Fixed Capital	1,29,000
2	Working Capital For 1 Month	1,33,550
	Total	2,62,550

FINANCIAL ANALYSIS

1. COST OF PRODUCTION

1	Total Recurring Cost	16,02,600
2	Depreciation On Machinery	7,900
3	Depreciation On Tools @ 10%	3,900
4	Depreciation On Furniture @ 10%	1,200
5	Interest On Total Capital Invstt.	39,400
Total		16,55,000

2. TURNOVER (PER YEAR)

Sl no	Item	No of packets	Rate	Amount
1	Chips packet of 100gm	36000	15	5,40,000
2	Chips packet of 200gm	42000	30	12,60,000
Total				18,00,000

3. NET PROFIT (BEFORE TAXATION)(PER YEAR)

Turn over	18,00,000
Cost of production (-)	16,55,000
Profit	1,45,000

4. Net profit ratio

$$\text{Net profit} * 100 / \text{turnover per year} = 145000 * 100 / 1800000$$

$$= 8.06\%$$

Rate of Return on Total Investment

$$\text{Net Profit} * 100 / \text{Total Investment} = 145000 * 100 / 262550$$

$$= 55.23\%$$

6. Breakeven point

Fixed cost

Sl no	Description	Amount
1	Rent for one year	60,000

2	Total depreciation	13,000
3	Interest on total investment	39,400
4	40% of salary & wages	1,71,120
5	40% of utilities and other contingent expenses	96,000
	Total	3,79,520

B.E.P

Fixed Cost *100 / Fixed Cost + Net

Profit = $379520 * 100 / 524520$
= 72.36%

Address of machinery and equipment suppliers

1. Best Engineering Technologies, Hyderabad.
2. Kanivilas steel house, Muvattupuzha
3. Simple Matrics, Muvattupuzha

Raw material suppliers

Available locally.

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