

TOMATO SAUCE MANUFACTURING UNIT



Also available in other interesting flav
Sweet & Spicy, Chataakhar, No Onion No Garlic



INDRODUCTION

Tomato is one of most popular vegetables which is plentiful in Odisha during the cropping season. Apart from their use in food preparations, tomato products like sauces, ketchups etc are used as table enricher especially along with fast food items like pizzas, burger, puffs etc. This is made from tomato juice in which many other ingredients and preservatives are added to enhance its shelf life and taste. These products are consumed by people of all age groups and demand is going up.

MARKET POTENTIAL

Tomatoes are available during the season at cheaper rates and prices start shooting up during off-season. But main reason for these products becoming popular is their extensive use as enrichers along with bread and other such preparations, in making some fast food items like pizza, burger etc. and as additives with many food preparations. Hence, these products are witnessing increase in demand year after year. They have already become popular in urban and semi-urban areas and are now making in-roads in rural markets as well. Thus, there is a good scope for these products especially in semi-urban and rural areas.

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. Land and building has been acquired monthly Rent of Rs 10000.
3. Rate of interest for fixed and working capital @ 15 % per annum.

IMPLEMENTATION SCHEDULE

It will take one year to complete all the formalities before starting the commercial production.

TECHNICAL ASPECTS

PROCESS OF MANUFACTURE

Ripe and matured tomatoes are washed and graded. The graded tomatoes are then boiled in steam kettles. The boiled tomatoes are then pulped and the juice is filtered out from seeds, fiber and solid waste. Spices and condiments like ginger, garlic, clove, pepper, salt, sugar, vinegar etc are added. Allowed preservatives are added to the sauce pulp. The sauce is quickly cooled and allowed to solidify into a thick pulpy sauce. The sauce is then packed in sterilized bottles and pouches, sealed and stored for sale. The recovery of juice varies depending on the quality and variety of tomato.

POLLUTION CONTROL

This industry does not create any kind of pollution and as such there is no need to take any preventive measures for pollution control

PRODUCTION CAPACITY

Srl No.	Product	Per Annum(Kg)	Value(Rs)
1	TOMATO SAUCE	30000	28,50000

FINANCIAL ASPECTS

MACHINERY AND EQUIPMENTS

Sl.No	Items	Amount in Rs.
1	Pulper	60000
2	Stirrers	20000
3	Steam Jacketed Kettles	40000
4	Precision Weighing Scale	10000
5	Containers & vessels	20,000
6	Furnitures	20000
7	Desktop computer	30000
Total Fixed Capital		₹ 200,000

Requirement of Power = 10HP

MAN POWER REQUIRED

Sl.No	Profession	Nos.	Salary In Rs.
1	Manager	1	15000
2	Sales Person	2	24000
3	Skilled workers	1	10000
4	Semi Skilled Workers	1	8000
Total			₹ 57,000

UTILITIES AND OTHER EXPENSES

Power Charges	6500
Water charges	1000
Rent	10000
Telephone charges	500
Miscellaneous expenses	500
Total	₹ 18,500

WORKING CAPITAL

Particulars	No. of month	Amount
Tomato	3	135000
Other ingredient	3	112500
Packing Raw Material	3	75000
Salaries	3	171000
Utilities	3	55500
Rent , Telephone and other Miscellaneous expenses	3	33000
Total Working Capital		₹ 5,82000

TOTAL PROJECT COST

1	Fixed Capital	200,000
2	Working Capital	582,000
Total Project Cost		₹ 7,82000

MEANS OF FINANCE

1	Own Capital	1,95500
2	Term Loan	1,50000
3	Working Capital Loan	4,36500

COST OF PRODUCTION PER YEAR

Total recurring cost	2328000
Depreciation on machinery @10%	18000
Depreciation on furniture @20%	4000
Interest on term loan + Working capital loan @15%	87975
Total Cost of Production	₹ 24,37975

TURN OVER PER YEAR

Item Name	Quantity(kg)	Rate/kg(Rs)	Value(Rs)
Tomato sauce	30,000	95	28,50000

NET PROFIT (BEFORE TAXATION) PER YEAR

Net Profit (before taxation) Per year	Rs. 4,12,025/-
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NET PROFIT RATIO

$$\begin{aligned} &= (\text{Net profit per year} * 100) / \text{Turnover per year} \\ &= (412025 * 100) / 28,50000 \\ &= 14.45\% \end{aligned}$$

RATE OF RETURN ON TOTAL INVESTMENT

$$\begin{aligned} &= (\text{Net profit per year} * 100) / \text{Total investment} \\ &= (412025 * 100) / 782,000 \\ &= 52.68\% \end{aligned}$$

BREAK EVEN POINT

Fixed Cost

Rent for one year	120000
Total depreciation	22000
Interest on total investment	87975
40% of salaries	273600
40% of utilities	91800
Total	595375

$$\text{BEP} = (\text{Fixed Cost} * 100) / (\text{Fixed Cost} + \text{Net Profit})$$

$$= (595375 * 100) / (595375 + 412025)$$

$$= 59.10\%$$