

# TOMATO SAUCE

## INDRODUCTION

Tomato is one of the most popular vegetables used for human consumption. 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 and many other ingredients and preservatives are added to it 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 for 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	28,50,000

**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
<b>Total Fixed Capital</b>		<b>2,00,000</b>

**Requirement of Power = 10 HP**

**MAN POWER REQUIRED**

Sl.No	Designation	Nos.	Salary In Rs
1	Manager	1	15,000
2	Sales Person	2	24,000
3	Skilled workers	1	10,000
4	Semi Skilled Workers	1	8,000
<b>Total</b>			<b>57,000</b>

**UTILITIES AND OTHER EXPENSES**

Power Charges	6,500
Water charges	1,000
Rent	10,000
Telephone charges	500
Miscellaneous expenses	500
<b>Total</b>	<b>18,500</b>

**WORKING CAPITAL**

Particulars	No. of month	Amount
Tomato	3	1,35,000
Other ingredient	3	1,12,500
Packing Raw Material	3	75,000
Salaries	3	1,71,000
Utilities	3	55,500
Rent, Telephone and other miscellaneous expenses	3	33,000
<b>Total Working Capital</b>		<b>5,82,000</b>

**TOTAL PROJECT COST**

1	Fixed Capital	2,00,000
2	Working Capital	5,82,000
<b>Total Project Cost</b>		<b>7,82,000</b>

**MEANS OF FINANCE**

1	Own Capital	1,95,500
2	Term Loan	1,50,000
3	Working Capital Loan	4,36,500

**COST OF PRODUCTION PER MONTH**

Total recurring cost	23,28,000
Depreciation on machinery @10%	18,000
Depreciation on furniture @20%	4,000
Interest on term loan + Working capital loan @15%	87,975
<b>Total Cost of Production</b>	<b>24,37,975</b>

**TURN OVER PER YEAR**

Item Name	Quantity(kg)	Rate/kg	Value
Tomato sauce	30,000	95	28,50,000

**NET PROFIT (BEFORE TAXATION) PER YEAR**

Net Profit (before taxation) Per year	4,12,025
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**NET PROFIT RATIO**

$$= (\text{Net profit per year} * 100) / \text{Turnover per year}$$

$$= (412025 * 100) / 28,50,000$$

$$= 14.45\%$$

**RATE OF RETURN ON TOTAL INVESTMENT**

$$= (\text{Net profit per year} * 100) / \text{Total investment}$$

$$= (412025 * 100) / 782,000 = 52.68\%$$

**BREAK EVEN POINT****Fixed Cost**

Rent for one year	1,20,000
Total depreciation	22,000
Interest on total investment	87,975
40% of salaries	2,73,600
40% of utilities	91,800
<b>Total</b>	<b>5,95,375</b>

$$\begin{aligned}
 \text{BEP} &= (\text{Fixed Cost} \times 100) / (\text{Fixed Cost} + \text{Net Profit}) \\
 &= (595375 \times 100) / (595375 + 412025) \\
 &= 59.10\%
 \end{aligned}$$

**Addresses of Machinery and Equipment Supplies**

1. M/s Ganesh Engineering works Coimbatore, Tamil Nadu.
2. M/s Precision Weighing Technology Pvt Ltd , Coimbatore, Tamil Nadu
3. M/s Patel Industries Bangalore , Karnataka.

**Raw Material Suppliers**

1. Palayam Vegetable Market Kozhikode, Kerala
2. M/s Polytech plastic industries , Coimbatore, Tamil Nadu.