

UP MSME 1-Connect

PROJECT REPORT

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PROJECT:

TOMATO PUREE PLANT

PROJECT REPORT

Of

TOMATO PUREE PLANT

PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding Tomato Puree Plant.

The objective of the pre-feasibility report is primarily to facilitate potential entrepreneurs in project identification for investment and in order to serve his objective; the document covers various aspects of the project concept development, start-up, marketing, finance and management.

[We can modify the project capacity and project cost as per your requirement. We can also prepare project report on any subject as per your requirement.]

PROJECT AT A GLANCE

1	Name of the Entrepreneur	xxxxxxxxxx	
2	Constitution (legal Status)	xxxxxxxxxx	
3	Father / Spouse Name	xxxxxxxxxx	
4	Unit Address	xxxxxxxxxxxxxxxxxxxxxxxxxx	
		District:	xxxxxx
		Pin:	xxxxxx
		Mobile	xxxxxx
			State: xxxxxxxxx
5	Product and By Product	: TOMATO PUREE	
6	Name of the project / business activity proposed :	TOMATO PUREE UNIT	
7	Cost of Project	: Rs.36.56 Lakhs	
8	Means of Finance		
	Term Loan	Rs.27.9 Lakhs	
	Own Capital	Rs.3.66 Lakhs	
	Working Capital	Rs.5 Lakhs	
9	Debt Service Coverage Ratio	:	2.07
10	Pay Back Period	:	5 Years
11	Project Implementation Period	:	5-6 Months
12	Break Even Point	:	45%
13	Employment	:	12 Persons
14	Power Requirement	:	40.00 HP
15	Major Raw materials	:	Tomato, Salt, Sugar, Flavours
16	Estimated Annual Sales Turnover (Max Capacity)	:	125.21 Lakhs
17	Detailed Cost of Project & Means of Finance		

COST OF PROJECT

(Rs. In Lakhs)

Particulars	Amount
Land	Own/Rented
Plant & Machinery	30.00
Furniture & Fixtures	1.00
Working Capital	5.56
Total	36.56

MEANS OF FINANCE

Particulars	Amount
Own Contribution	3.66
Working Capital(Finance)	5.00
Term Loan	27.90
Total	36.56

TOMATO PUREE PLANT

Introduction: Tomato puree is a thick liquid made by cooking and straining tomatoes. The difference between tomato paste, tomato puree, and tomato sauce is consistency; tomato puree has a thicker consistency and a deeper flavour than sauce. The definitions of tomato puree vary from country to country. In the U.S., tomato puree is a processed food product, usually consisting of only tomatoes, but can also be found in the seasoned form. It differs from tomato sauce or tomato paste in consistency and content; tomato puree generally lacks the additives common to a complete tomato sauce and does not have the thickness of paste. To prepare tomato puree, ripe tomatoes are washed and the sepals and stem are removed. Some processors remove the skin of the tomato as well. The fruit flesh is then mashed or mechanically chopped to the desired consistency.



Uses & Market Potential: Tomato puree can be used in soups, stews, sauces, or any other dish where the tomato flavour is desired, but not the texture. The most basic use of Tomato Purée is to make sauces and dips. It is used to make Italian Sauces like Pizza sauce and also Basic Tomato Cream sauce for pasta. Hot and Sweet sauce is a perfect dip to be served with French

fries and other wraps and is simply made by combining tomato puree with sugar, salt and vinegar.

The India tomato processing market is currently experiencing strong growth. India is the world's second largest tomato producer after China and currently accounts for 11% of the total global tomato production. The majority of the tomatoes produced in the country are consumed fresh with the remaining being processed into products such as tomato paste, tomato juice, tomato sauce, tomato Puree, etc. Driven by rising disposable incomes and westernization of food consumption patterns, the fast food industry has been witnessing strong growth in the country.

Ingredients: The main ingredients of tomato puree are tomatoes, salt, sugar, chemicals enough to submerge the tomatoes or flavours. The types of sweetener used are usually granulated cane sugar or beet sugar. Other sweeteners include dextrose or liquid sugar in the form of corn or glucose syrup.

Average raw material cost per Kg: Rs. 22-25

Machinery & equipments: Machinery for Tomato Puree includes the following:

1. Pulping processing line
 - a. Fruit washing machine
 - b. Sorting/ inspection conveyor
 - c. Screw feeder
 - d. Fruit Mill Crusher
 - e. Hopper tyre pump
 - f. Twin pulper
 - g. Pulprizer
 - h. Steam Jacketted Kettle
 - i. Transfer pump

- j. filling tank
- 2. Canning Line
 - a. Double seamer
 - b. Seam checking Gauge
 - c. Hands can tester
 - d. Canning retort
- 3. Can Reforming unit
 - a. Rotary flat can body reformer
 - b. Hand flanger
 - c. Double seamer
 - d. Round can body beader
 - e. Steam boiler

Tomato puree machines is mainly used to produce final tomato puree from the raw material. With the help of these machines the work of washing, pulping, mixing, homogenizing, boiling, filling, canning & sealing completes in a very short span. This set up of all machines will cost Rs. 30 Lac (Approx).

Manufacturing Process: Step by step process is mentioned below:

- Procurement of tomatoes.
- Firstly, washing of tomatoes and then sort the good quality tomatoes.
- After that put the chopped tomato into the twin pulper, which separate seeds, skins, and stems from the pulp.
- Cooking & add ingredients: Then the pulp is pumped into cooking tanks or kettles and heated to boiling. Foaming may occur if fresh tomato pulp is used, but can be corrected with anti-foaming compounds or compressed air. Precise amounts of salt, spices, and flavourings are added to the tomato pulp. Most spices are added early in the cooking process.
- Finishing: Once the cooking is complete, the puree mixture passes through a finishing machine. Finishers remove excess fibre and particles through screens, creating a smoother consistency.

- Cooling
- Canning process of tomato puree.
- Labelling & Packaging

Tomato puree and paste are formed by concentrating tomato pulp by removing the water. The moisture can be removed by careful heating or by pressing the pulp through a filter or drip bag.

Area: The industrial setup requires space for Inventory, workshop or manufacturing area, space for power supply utilities and auxiliary like Generator setup. Also some of the area of building is required for office staff facilities, documentation, office furniture, etc. Thus, the approximate total area required for complete industrial setup is 2000 to 2500Sqft.

Power Requirement: The power consumption required to run all the machinery could be approximated as 40 Hp

Manpower Requirement: There are requirement of skilled machine operators to run the machine set. Experience quality engineers are required for desired quality control. Some helpers are also required to transfer the material from one work station to other. Office staffs are required to maintain the documentation. The approximate manpower required is 12 including 1 Supervisor, 3 Plant operator, 2 unskilled worker, 2 Helper and 1 Security guard. 3 Skilled worker including Accountant, Manager and Sales person.

Bank Term Loan: Rate of Interest is assumed to be at 11%

Depreciation: Depreciation has been calculated as per the Provisions of Income Tax Act, 1961

Approvals & Registration Requirement:

Basic registration required in this project:

- GST Registration
- Udyog Aadhar Registration (Optional)
- Choice of a Brand Name of the product and secure the name with Trademark if require.
- FSSAI License
- NOC from State Pollution Control Board

FINANCIALS

<u>PROJECTED CASH FLOW STATEMENT</u>					
PARTICULARS	I	II	III	IV	V
<u>SOURCES OF FUND</u>					
Own Contribution	3.66	-			
Reserve & Surplus	7.76	10.83	12.89	15.16	17.08
Depriciation & Exp. W/off	4.60	3.92	3.33	2.84	2.41
Increase In Cash Credit	5.00				
Increase In Term Loan	27.90	-	-	-	-
Increase in Creditors	1.46	0.18	0.18	0.19	0.20
TOTAL :	50.37	14.92	16.41	18.19	19.70
<u>APPLICATION OF FUND</u>					
Increase in Fixed Assets	31.00	-	-	-	-
Increase in Stock	2.94	0.32	0.33	0.35	0.36
Increase in Debtors	4.18	0.59	0.48	0.49	0.51
Repayment of Term Loan	3.10	6.20	6.20	6.20	6.20
Taxation	1.16	1.62	1.93	3.79	5.12
Drawings	5.00	6.00	6.50	7.00	7.50
TOTAL :	47.39	14.74	15.44	17.83	19.69
Opening Cash & Bank Balance	-	2.98	3.17	4.14	4.50
Add : Surplus	2.98	0.19	0.97	0.36	0.00
Closing Cash & Bank Balance	2.98	3.17	4.14	4.50	4.50

<u>PROJECTED BALANCE SHEET</u>					
PARTICULARS	I	II	III	IV	V
<u>SOURCES OF FUND</u>					
Capital Account					
Opening Balance	-	5.25	8.45	12.91	17.28
Add: Additions	3.66	-	-	-	-
Add: Net Profit	6.59	9.21	10.96	11.37	11.96
Less: Drawings	5.00	6.00	6.50	7.00	7.50
Closing Balance	5.25	8.45	12.91	17.28	21.74
CC Limit	5.00	5.00	5.00	5.00	5.00
Term Loan	24.80	18.60	12.40	6.20	-
Sundry Creditors	1.46	1.64	1.82	2.02	2.22
TOTAL :	36.51	33.69	32.14	30.50	28.96
<u>APPLICATION OF FUND</u>					
Fixed Assets (Gross)	31.00	31.00	31.00	31.00	31.00
Gross Dep.	4.60	8.52	11.85	14.68	17.10
Net Fixed Assets	26.40	22.49	19.15	16.32	13.90
Current Assets					
Sundry Debtors	4.18	4.78	5.25	5.75	6.26
Stock in Hand	2.94	3.26	3.59	3.94	4.29
Cash and Bank	2.98	3.17	4.14	4.50	4.50
TOTAL :	36.51	33.69	32.14	30.50	28.96

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PROJECTED PROFITABILITY STATEMENT					
PARTICULARS	I	II	III	IV	V
A) SALES					
Gross Sale	83.69	95.53	105.07	114.96	125.21
Total (A)	83.69	95.53	105.07	114.96	125.21
B) COST OF SALES					
Raw Material Consumed	29.25	32.76	36.45	40.32	44.37
Electricity Expenses	3.84	4.14	4.43	4.73	5.02
Repair & Maintenance	8.37	8.69	9.46	9.77	9.89
Labour & Wages	18.27	20.10	22.11	24.32	26.75
Depreciation	4.60	3.92	3.33	2.84	2.41
Cost of Production	64.33	69.60	75.78	81.97	88.45
Add: Opening Stock/WIP	-	2.45	2.71	2.98	3.26
Less: Closing Stock/WIP	2.45	2.71	2.98	3.26	3.55
Cost of Sales (B)	61.88	69.34	75.51	81.69	88.16
C) GROSS PROFIT (A-B)	21.82	26.19	29.56	33.27	37.06
	26.07%	27.42%	28.13%	28.94%	29.59%
D) Bank Interest (Term Loan)	3.03	2.47	1.79	1.11	0.43
ii) Interest On Working Capital	0.55	0.55	0.55	0.55	0.55
E) Salary to Staff	6.30	7.56	9.07	10.70	12.74
F) Selling & Adm Expenses Exp.	4.18	4.78	5.25	5.75	6.26
TOTAL (D+E)	14.06	15.36	16.67	18.11	19.98
H) NET PROFIT	7.76	10.83	12.89	15.16	17.08
	9.3%	11.3%	12.3%	13.2%	13.6%
I) Taxation	1.16	1.62	1.93	3.79	5.12
J) PROFIT (After Tax)	6.59	9.21	10.96	11.37	11.96

COMPUTATION OF MAKING OF TOMATO PURE			
Item to be Manufactured Tomato Pu			
Manufacturing Capacity per day		600	Kg
No. of Working Hour		8	
No of Working Days per month		25	
No. of Working Day per annum		300	
Total Production per Annum		1,80,000	Kg
Total Production per Annum		1,80,000	Can of 1 Kg
Year		Capacity	TOMATO PUREE
		Utilisation	
I		65%	1,17,000.00
II		70%	1,26,000.00
III		75%	1,35,000.00
IV		80%	1,44,000.00
V		85%	1,53,000.00

Raw Material Consumed	Capacity	Rate per Kg	Amount (Rs.)
	Utilisation		
I	65%	25.00	29.25
II	70%	26.00	32.76
III	75%	27.00	36.45
IV	80%	28.00	40.32
V	85%	29.00	44.37

<u>COMPUTATION OF SALE</u>					
Particulars	I	II	III	IV	V
Op Stock	-	3,900.00	4,200.00	4,500.00	4,800.00
Production	1,17,000.00	1,26,000.00	1,35,000.00	1,44,000.00	1,53,000.00
	1,17,000.00	1,29,900.00	1,39,200.00	1,48,500.00	1,57,800.00
Less : Closing Stock(10 Days)	3,900.00	4,200.00	4,500.00	4,800.00	5,100.00
Net Sale	1,13,100.00	1,25,700.00	1,34,700.00	1,43,700.00	1,52,700.00
Sale Price per can	74.00	76.00	78.00	80.00	82.00
Sale (in Lacs)	83.69	95.53	105.07	114.96	125.21

<u>COMPUTATION OF CLOSING STOCK & WORKING CAPITAL</u>					
PARTICULARS	I	II	III	IV	V
<u>Finished Goods</u>					
(10 Days requirement)	2.45	2.71	2.98	3.26	3.55
<u>Raw Material</u>					
(10 Days requirement)	0.49	0.55	0.61	0.67	0.74
Closing Stock	2.94	3.26	3.59	3.94	4.29

<u>COMPUTATION OF WORKING CAPITAL REQUIREMENT</u>			
Particulars	Amount	Margin(10%)	Net Amount
Stock in Hand	2.94		
Less:			
Sundry Creditors	1.46		
Paid Stock	1.48	0.15	1.33
Sundry Debtors	4.18	0.42	3.77
Working Capital Requirement			5.10
Margin			0.57
MPBF			5.10
Working Capital Demand			5.00

<u>BREAK UP OF LABOUR</u>				
Particulars	Wages Per Month	No of Employees	Total Salary	
Supervisor	25,000.00	1	25,000.00	
Plant Operator	20,000.00	3	60,000.00	
Unskilled Worker	14,000.00	2	28,000.00	
Helper	12,000.00	2	24,000.00	
Security Guard	8,000.00	1	8,000.00	
			1,45,000.00	
Add: 5% Fringe Benefit			7,250.00	
Total Labour Cost Per Month			1,52,250.00	
Total Labour Cost for the year (In Rs. Lakhs)		9	18.27	

<u>BREAK UP OF SALARY</u>				
Particulars	Salary Per Month	No of Employees	Total Salary	
Manager	22,000.00	1	22,000.00	
Accountant cum store keeper	16,000.00	1	16,000.00	
Sales	12,000.00	1	12,000.00	
Total Salary Per Month			50,000.00	
Add: 5% Fringe Benefit			2,500.00	
Total Salary for the month			52,500.00	
Total Salary for the year (In Rs. Lakhs)		3	6.30	

<u>COMPUTATION OF DEPRECIATION</u>				
Description	Land	Plant & Machinery	Furniture	TOTAL
Rate of Depreciation		15.00%	10.00%	
Opening Balance	Leased	-	-	-
Addition	-	30.00	1.00	31.00
	-	30.00	1.00	31.00
		-	-	
TOTAL		30.00	1.00	31.00
Less : Depreciation	-	4.50	0.10	4.60
WDV at end of Ist year	-	25.50	0.90	26.40
Additions During The Year	-	-	-	-
	-	25.50	0.90	26.40
Less : Depreciation	-	3.83	0.09	3.92
WDV at end of IIInd Year	-	21.68	0.81	22.49
Additions During The Year	-	-	-	-
	-	21.68	0.81	22.49
Less : Depreciation	-	3.25	0.08	3.33
WDV at end of IIIrd year	-	18.42	0.73	19.15
Additions During The Year	-	-	-	-
	-	18.42	0.73	19.15
Less : Depreciation	-	2.76	0.07	2.84
WDV at end of IV year	-	15.66	0.66	16.32
Additions During The Year	-	-	-	-
	-	15.66	0.66	16.32
Less : Depreciation	-	2.35	0.07	2.41
WDV at end of Vth year	-	13.31	0.59	13.90

REPAYMENT SCHEDULE OF TERM LOAN						11.0%	
Year	Particulars	Amount	Addition	Total	Interest	Repayment	Cl Balance
I	Opening Balance						
	Ist Quarter	-	27.90	27.90	0.77	-	27.90
	Iind Quarter	27.90	-	27.90	0.77	-	27.90
	IIIrd Quarter	27.90	-	27.90	0.77	1.55	26.35
	Ivth Quarter	26.35	-	26.35	0.72	1.55	24.80
					3.03	3.10	
II	Opening Balance						
	Ist Quarter	24.80	-	24.80	0.68	1.55	23.25
	Iind Quarter	23.25	-	23.25	0.64	1.55	21.70
	IIIrd Quarter	21.70	-	21.70	0.60	1.55	20.15
	Ivth Quarter	20.15		20.15	0.55	1.55	18.60
					2.47	6.20	
III	Opening Balance						
	Ist Quarter	18.60	-	18.60	0.51	1.55	17.05
	Iind Quarter	17.05	-	17.05	0.47	1.55	15.50
	IIIrd Quarter	15.50	-	15.50	0.43	1.55	13.95
	Ivth Quarter	13.95		13.95	0.38	1.55	12.40
					1.79	6.20	
IV	Opening Balance						
	Ist Quarter	12.40	-	12.40	0.34	1.55	10.85
	Iind Quarter	10.85	-	10.85	0.30	1.55	9.30
	IIIrd Quarter	9.30	-	9.30	0.26	1.55	7.75
	Ivth Quarter	7.75		7.75	0.21	1.55	6.20
					1.11	6.20	
V	Opening Balance						
	Ist Quarter	6.20	-	6.20	0.17	1.55	4.65
	Iind Quarter	4.65	-	4.65	0.13	1.55	3.10
	IIIrd Quarter	3.10	-	3.10	0.09	1.55	1.55
	Ivth Quarter	1.55		1.55	0.04	1.55	- 0.00
					0.43	6.20	

Door to Door Period 60 Months
Moratorium Period 6 Months
Repayment Period 54 Months

<u>CALCULATION OF D.S.C.R</u>					
PARTICULARS	I	II	III	IV	V
<u>CASH ACCRUALS</u>	11.19	13.12	14.29	14.20	14.37
Interest on Term Loan	3.03	2.47	1.79	1.11	0.43
Total	14.22	15.59	16.08	15.31	14.80
<u>REPAYMENT</u>					
Repayment of Term Loan	3.10	6.20	6.20	6.20	6.20
Interest on Term Loan	3.03	2.47	1.79	1.11	0.43
Total	6.13	8.67	7.99	7.31	6.63
DEBT SERVICE COVERAGE RATIO	2.32	1.80	2.01	2.10	2.23
AVERAGE D.S.C.R.			2.07		

<u>COMPUTATION OF ELECTRICITY</u>				
<u>(A) POWER CONNECTION</u>				
Total Working Hour per day		Hours	8	
Electric Load Required		HP	40	
Load Factor			0.7460	
Electricity Charges		per unit	7.50	
Total Working Days			300	
Electricity Charges				5,37,120.00
Add : Minimum Charges (@ 10%)				
<u>(B) DG set</u>				
No. of Working Days			300	days
No of Working Hours			0.3	Hour per day
Total no of Hour			90	
Diesel Consumption per Hour			8	
Total Consumption of Diesel			720	
Cost of Diesel			65.00	Rs. /Ltr
Total cost of Diesel			0.47	
Add : Lube Cost @15%			0.07	
Total			0.54	
Total cost of Power & Fuel at 100%				
				5.91
Year		Capacity		Amount
				(in Lacs)
I		65%		3.84
II		70%		4.14
III		75%		4.43
IV		80%		4.73
V		85%		5.02

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