

BETEL VINE BEVERAGES



INTRODUCTION:

Apple cider and fruit wines are alcoholic beverages made by fermentation. These are the most popular beverages, associated with happiness, celebrations and festivities. Normal alcohol content of apple cider is between 0.5 to 8.0% and that of fruit wines between 8 to 20%. These have been named after the fruits from which these are prepared, for example, apple cider from apples, perry from pears and orange wine from orange. In India, Tadi prepared from Nira (juice from palm tree), sake from rice, country liquors from molasses, wine from Mahua flower are popular alcoholic beverages. It is estimated that consumable product's Global market for alcoholic beverages are estimated at 25 billion liters.

OBJECTIVE:

- Utilization of cull fruits and forest food ingredients in making the fruit wines as value added product pertaining to the high value products.
- To make new entrepreneur in the region based on the available raw materials

RAW MATERIAL AVAILABILITY:

Raw materials for alcoholic beverages are fruit juices of apple, grapes, banana, orange, pears, dried Mahua flowers, Neera, sugar etc.

SUITABLE LOCATION:

Betel Vine Beverages can be manufactured at any location.

MARKET OPPORTUNITIES:

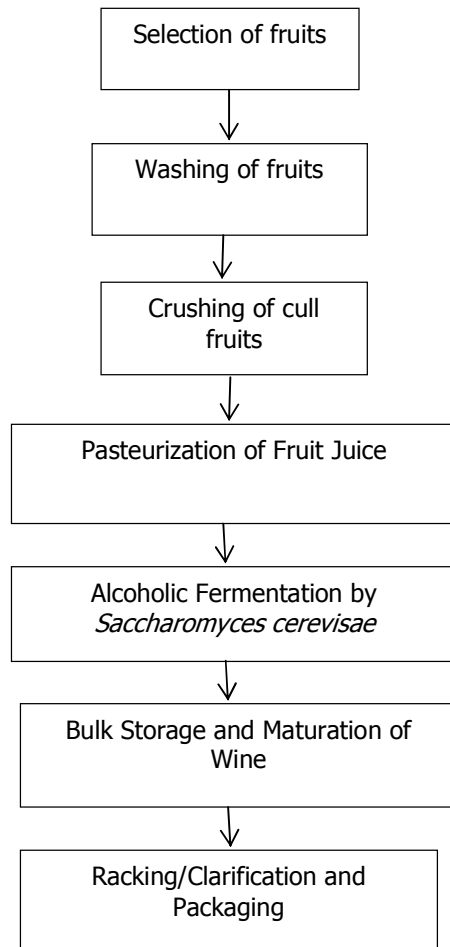
The Indian alcoholic beverage Industry is growing at 25-30% per annum and currently stands at 4.6million liters in volume terms and Rs 450 crore in value terms. The alcoholic beverages market is expected to grow to 8.3 million litres by 2010. There is growing consumer interest in alcoholic beverages with a number of wine pubs opening in metropolitan cities.

West India accounts for over 41 per cent of total volume sales of alcoholic beverages in India, followed by North India, which accounts for 29 per cent of volume sales.

Wine grape production takes place in the state of Maharashtra in the higher elevations around Nashik, Sangli and Pune and the state of Karnataka in the Nandi Hills near Bangalore. Maharashtra accounts for about two thirds of domestic alcoholic beverages production.

MANUFACTURING PROCESS:

Flow sheet for manufacturing process of fruit alcoholic beverages:



Description of process:

Step 1: Selection of fruits

In the first step cull fruits are selected.

Step 2: Washing of fruits

Cull fruits are washed in water to remove the extraneous material.

Step 3: Crushing of cull fruits

After washing cull fruits are crushed in a crusher to obtain a pulp.

Step 4: Pasteurization of Juice

In further step extracted juice is pasteurized and transferred in a fermenter.

Step 5: Fermentation Process

In this step pasteurized fruit juices are inoculated with 10% inoculums made from *Saccharomyces cerevisae* for fermentation process. It is then incubated at 27-30 °C for 6-12 hours.

Step 6: Bulk Storage and Maturation of Wine

After fermentation alcoholic beverages are stored in maturity storage tank of Oak woods.

Step 7: Racking/Clarification and Packaging

After maturation it is clarified and then packed in bottles.

CAPACITY OF THE PROJECT:

- The total capacity of the unit is 84 MT per year.

PRODUCTION TARGETS (PER ANNUM):

- The scheme is worked out per shift (8 Hour) basis and 300 working days per annum.
- Assume there'll be 70% production in first year.
- Quantity: 58.80 MT per year or 4.90 MT per month.

PROJECT COMPONENT AND COST:

Major components of the projects and their costs are described in the table hereunder:

Financial Aspects:-**APPLICATION OF FUNDS**

Particular	Amount
Land	400 sq. meter
Building	covered area on rent
Plant & Machinery	3,168,000.00
Office Equipment & Furniture	100,000.00
Working Capital	1,284,021.16
Pre-Operative Expenses	25,000.00
Total	4,577,021.16

SOURCE OF FUND

Particular	Amount
Own Capital	1,457,065.29
Loan from Banks	2,451,000.00
Loan for Working Capital	668,955.87
Total	4,577,021.16

FIXED ASSETS

(1) Land And Building:		Value (Rs.)		
Land & Building 400 sq. meter covered area on rent		300,000 per annum		
(2) Machinery And Equipment:				
S. N.	Description (Name of machine with specification)	Qty.	Rate	Value (Rs.)
Production Unit				
i	Continuous Plate /Tube Pasteuriser Unit	1	350,000	350,000.00
ii	Fermenters with inoculation tank	1	200,000	200,000.00
iii	Maturity Tanks Oak woods	5	150,000	750,000.00
iv	Bottle Washing Machine (Semiautomatic)	1	100,000	100,000.00
v	Liquid filling machine	1	500,000	500,000.00
vi	Bar coding machines and Batch Printers	1	250,000	250,000.00
vii	Packing table and shrink wrap machine	1	200,000	200,000.00
viii	Boiler	1	250,000	250,000.00
ix	Effluent treatment Plant	1	200,000	200,000.00
x	Miscellaneous Equipments / items	0	-	80,000.00
Total Cost of Machinery & Equipments				2,880,000.00

Electrification & Installation Charges @ 10%		288,000.00
Total Cost of Production Unit		3,168,000.00
Furniture & Fixtures	-	100,000.00
	-	-
3 Pre-Operative Expenses:	0	25,000.00
Total Fixed Capital (2+3)	-	3,193,000.00

<u>RAW MATERIAL REQUIREMENT & STOCK</u>		
Particulars	Mode	Year' 1
Capacity Utilisation		70%
Daily Production at 100% capacity	280.00	
No of Working days per annum	300	
Annual Production	Litre	58,800.00
Wastage	%	2.00
Net Production	Litre	57,624.00
Gross Consumption		
Fruit Juice	Litre	23,049.60
Sugar	Kg	8,643.60
Other Ingredients	-	-
Packing Bottles	No.	58,800.00
Rate		
Fruit Juice	Rs	20.00
Sugar	Rs	35.00
Other Ingredients	-	-
Packing Bottles	Rs	40.00
Annual Consumption		
Fruit Juice	Rs	460,992.00
Sugar	Rs	302,526.00
Other Ingredients	Rs	60,000.00
Packing Bottles	Rs	2,352,000.00
Total		3,175,518.00
Stock of Raw Material	30 days	261,001.48
Stock of WIP	02 days	2,525.98
Purchase Cost of Raw Material	Rs	3,439,045.46

WORKING CAPITAL REQUIREMENT

Particulars	Days	Year' 1
Raw Material	30	261,001.48
Work in Process	2	2,525.98
Finished Goods	10	146,680.82
Receivables	30	960,400.00
Advance/Security		200,000.00
Total		1,570,608.28
Less: Creditors	30	286,587.12
Net Current Assets		1,284,021.16
Paid Stock		123,621.16
75% of Paid Stock		92,715.87
60% of Book Debts		576,240.00
Bank Limits		668,955.87
Margin for Working Capital		615,065.29

SELLING & ADMINISTRATION EXPENSES

STAFF AND LABOUR EXPENSES

Particular	Year I
i Postage	25,000.00
ii Commission on sales	70,000.00
iii Office Expenses	50,000.00
iv Tour & Travel	70,000.00
v Printing & Stationary	40,000.00
vi Advertisement	200,000.00
vii Telephone	60,000.00
viii Repair & Maintenance	90,000.00
ix Conveyance	60,000.00
x Sales expenses	70,000.00
xi Insurance	70,000.00
xii Misc. Expenses	40,000.00
Total	845000.00

S. No.	Description	No.	Salary	Total Salaries-Year I
(a) Administrative & Supervisory				
i	Production Manager	1	15,000.00	180000.00
ii	Accountant	1	10,000.00	120,000.00
iii	Salesman	2	8,000.00	192,000.00
iv	Peon/watchman	1	5,000.00	60,000.00
Total Salaries				552,000.00
(b) Technical Skilled & Unskilled				
i	Skilled Worker	1	10,000.00	120,000.00
ii	Semi Skilled Worker	2	8,000.00	192,000.00
iii	Helper	2	5000	120,000.00
Total Wages				432,000.00
Grand Total				984,000.00

**MANUFACTURING AND PROFIT & LOSS
ACCOUNT**

Particulars	Year' 1
Sales Value of Betel Wine Beverages @ Rs. 200/Litre	11,524,800.00
Cost of Production:	
Raw Material Consumed:	
Opening Stock	-
Add: Purchases	3,439,045.46
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Less: Closing Stock	261,001.48
Raw Material Consumption	3,178,043.98
Add: Op Stock of WIP	-
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	3,178,043.98
Less: Cl Stock of WIP	2,525.98
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	3,175,518.00
Power & Fuel	800,000.00
Manufacturing Wages	432,000.00
Bonus & Incentives	30,240.00
Rent	300,000.00
Raw material storage & ins. Cost	21,600.00
Carriage inward	30,951.41
Depreciation	490,200.00
Total Cost of Production	5,280,509.41
Add: Op. Stock of Finish. Goods	-
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	5,280,509.41
Less: Cls. Stock of F. Goods	146,680.82
Cost of Sales	5,133,828.59
Gross Profit	6,390,971.41
	0.55
Selling & Admin Cost:	
Expenses	845,000.00
Salary	552,000.00
Financial Expenses:	
Interest on Term Loan	333,948.75
Interest on W. Capital	83,619.48
Pre. Expenses	5,000.00
Profit Before Taxation	4,571,403.17
Taxation	1,371,420.95
Net Profit After Taxation	3,199,982.22
Cash withdrawal	1,279,992.89
Transfer to Reserves	1,919,989.33
Cumulative Reserves	1,919,989.33
% of PBT on Sales	39.67

BALANCE SHEET

Particulars	Year' 1
Liabilities:	
Capital	1,457,065.29
Reserve & Surplus	1,919,989.33
Secured Loan:	
Term Loan	1,960,800.00
Unsecured loan:	
Current Liabilities:	
Bank Borrowings	668,955.87
Sundry Creditors	286,587.12
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	6,293,397.61
Assets:	
Fixed Assets:	
Gross Block:	3,268,000.00
Less: Depreciation	490,200.00
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	2,777,800.00
Current Assets:	
Inventories	410,208.28
Receivables	960,400.00
Advance/Security	200,000.00
Cash & Bank	1,924,989.33
Balance	
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	20,000.00
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	6,293,397.61
Difference	0.00

RATIO ANALYSIS

Particulars	Year' 1
Net Profit ratio NP*100/Total sales	22.77
Rate of Return NP*100/Total Investment	69.91

BREAK EVEN ANALYSIS

Fixed Cost	
Rent	300000.00
Interest on Borrowing	333948.75
40% of Salaries	220800.00
40% of Utilities	320000.00
25% of Admin Exp	211250.00
Depreciation	490200.00
Total	1876198.75
Break Even Point	$\frac{\text{Fixed Cost} * 100}{\text{Fixed Cost} + \text{Profit}}$
	36.96

ADDRESS OF MACHINERY & EQUIPMENT SUPPLIERS:

- M/s Bajaj Processpack Maschinen Pvt. Ltd., 7/27, Jai Lakshmi Industrial Estate, Sahibabad Industrial Area, Sahibabad, Dist. Ghaziabad (U.P.) - 201301.
- M/s Kanchan Metals Pvt Ltd., 19G, Everest House, 46C, Jawaharlal Nehru Road, Kolkata (West Bengal) - 700 071.
- M/s Hindustan Insustries, Flat No. 6, Building No. - P - 11/12, Gandharvanagri, Pune-Nashik Highway, Moshi, Pune - 412105, Maharashtra, India
- M/s Andel Equipment Pvt. Ltd., 298 Industrial Area, Phase-9, Sas Nagar, Chandigarh - 160062, India.
- M/s KSJ Foods & Services Pvt. Ltd., 7/87, Vishnu Prasad, Mahanti Road, Vile Parle (E), Mumbai – 400057.