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We would like to express our sincere thanks to Dr. Govinda Raj Pokharel, and Er.Shambhu Yadav, (HOD) of the department of Industrial Engineering, IOE, Thapathali Campus, for their assistance during the entire work. We also want to convey our special thanks to all our teachers of the Department of Industrial Engineering, IOE, Thapathali campus.

Finally, a vote of thanks again to everybody for helping us and endowing us with the moral support which continually obliged us for the successful completion of this business plan work.

INTRODUCTION:**The Business:**

Bayanus Wine Pvt. Ltd. is an industry that will produce refreshing, new test and new flavor wine products. Mainly, this company will produce the wine of an orange. That means, the main raw-material is an orange. The required raw-materials are easily available in the locality and others materials such as yeast. In the initial stages, this company can produce wine from an orange, but it will look for further products by various different types of raw-materials and market expansion in the long run.

Basically, this organization aims to properly utilize the immense resources found in Nepal for the benefits of the society and the whole nation. This company will be situated in “Gorakha district “, and will cover up of plant area of 3500 sq.feet. Or it is nearly about of one and half ropanis.

Management Team:

Name	Address	Qualification
Kiran Godar	Pokhara	B.E. Industrial
Milan Dahal	Kathmandu	B.E. Industrial
Milan Karki	Lamjung	B.E. Industrial
Sudip Sharma	Kathmandu	B.E. Industrial
Sunil Koirala	Makwanpur	B.E. Industrial
Sunil Yadav	Rupandehi	B.E. Industrial

The management teams or members are basically young, qualified, energetic, and aspiring. They are merged from different locality, environmental aspect and cultural backgrounds and there is no any doubt to adapting any types of environment. Hence, this will help to create an efficient and competitive management team.

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Finally these members have a common interest so this group has found the such type of Wine production venture an excellent decision.

EXECUTIVE SUMMARY:

Vision:

The main vision of the aspiring entrepreneurs is to build an “innovation driven, market oriented, customer focused, and highly competitive, efficient and profitable “organization in its own sector. The main motto is to produce refreshing, hygienic product with new test and flavors of high quality at affordable prices through effective utilization of various locally available resources. Basically, this company seeks to impart all round benefits to the society and the nation by utilizing the agro-based raw-materials within the country, processing them within the country, generating various employments opportunities and delivering the products that are beneficial to the customer/consumers’ state.

Strategic Goals:

- To properly utilize the local resources.
- To encourage professional wine production and raising the living standards.
- To generate the employment opportunities for the society and then whole nation.
- To provide the platform to establish a strong entrepreneurship culture.
- To encourage and to avoid the gap between the agro and firms.

Form of Organization:

This company is a private and partnership venture and which is conceived together by six members as partners. This organization is truly fallow and guided by the laws of land, labour and mutual understanding and also consent of the partners. And this company can bound under the rules and regulations concluded by the Ministry of Industry and also registered under the “Company Act 2003” and “Partnership Act 2020”. All the participated members have equal rights and they contributed equal investments. And each member can entitled to share in profit gained or losses incurred.

Apart from the management team, this company have total 300 working days in a year.

About the raw-material (Orange):

A brief introduction of orange:



Fig: oranges

Oranges are available throughout the year and grow on evergreen trees which are about 30 feet high and 20 feet wide. The flowers of the orange are white and blossom in spring, however the fruits appear only by fall or winter.

They are round or oval in shape and vary from orange to red/pink orange. The Orange is a kind of berry, which consists of sections that can be easily separated.

Seeds which are also called pips may or may not be present in the sections. The fruit is covered externally by a leathery skin covering called the peel, which is embedded with several oil glands.

The orange is eaten differently by people across the globe. Western people prefer the juice, wine and fresh fruit of the orange while people from Nepal eat the orange, leaving the peel on,

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however whatever way it is eaten, it will still remain one of the most refreshing fruits in existence.

The fruit has a thick bitter rind that is usually discarded, but can be processed into animal feed by removing water from it, by using pressure and heat. It is also used in certain recipes as flavoring or a garnish and in some places; people place oranges as seasoning on the table.

Oranges grown in warm and tropical climatic conditions, are fleshy, juicy and succulent in nature, and are not only known for their luscious taste but also for their nutritional values. The flavours of the orange vary from sweet to sour or bitter.

There are more than 600 varieties of oranges, which are classified into three classes; the sweet, bitter/sour and the loose skinned types.

The largest producer of oranges in the world is Brazil, with Florida in the US being the second largest producer.

Nutritional value of orange:

Nutritional value per 100g(3.5 oz)	
Energy	192kj
Carbohydrates	11.54g
Sugars	9.14
Dietary fibre	2.4g
Fat	.21g
Protien	.70g
Thaimine(Vit. B1)	.100 mg
Riboflavin(Vit.B2)`	.040mg
Patothenic acid(B5)	.250 mg
Vitamin B5	.051 mg
Vitamin C	45 mg
Calcium	43 mg
Calcium	43mg
Iron	.09 mg
Magnesium	10 mg
Phosphorous	12 mg
Potassium	169 mg

Oranges can be used in a wide range:

All parts of the orange are used, and nothing is wasted.

- The orange juice is squeezed from the orange by using a squeezer and the juice is drunk freshly squeezed.
- This orange juice can be further fermented and orange wine can be produced.
- Orange oil is used as an essential oil and is made by pressing the peel. It can then be used in perfumes and aromatherapy. The oil can also be used as flavoring in food and drink.
- Orange tea is made from fallen blossoms which are dried and used to make tea.
- Marmalade is made from sour or bitter oranges. When making this conserve, all parts of the orange are used and the pith and seeds are separated and placed in a muslin bag and are then boiled to extract their pectin. Pectin helps in settling the marmalade.
- Orange peel is used by gardeners as natural slug repellents. However dried peel is also in sweet recipes.

The sweetness and acidity of the oranges can vary according to the country and the time of year they are grown, however whatever part of the world they are grown in, the orange will remain the most refreshing fruit of all!

Cultivation of oranges in Nepal:

The area under cultivation and the total level of production has been gradually increasing. Marginal, as well as fertile, fields covered by other crops like maize and millet are being converted into citrus orchards in the mid-hill areas. Due to its simple production technology and the practice of inter-cropping with staple crops like maize, cash crop and fresh vegetables, it has great significance in the cropping system and farm economics of the small farmers in the mid-hills. It is being grown in all the mid-hill districts but the quality of fruit from Gorkha, Tanahu and Dhankuta districts is considered best. The Ministry of Agriculture is implementing programmes to commercialize orange production in 42 districts of mid-hills and high hills, which have been identified as commercially viable areas for orange farming. The total land area under orange cultivation is estimated at 16,783.9 ha, which constituted about 60% of the total citrus fruit area in 2005/06. Nepal 68 Agro Enterprise Centre (AEC) - technical wing of the Federation of Nepalese Chambers of Commerce (FNCCI) focused on agro business development and promotion in Nepal.

About 97,480 Mt. of fresh oranges have been produced in the year 2004/05. Likewise, the share of orange production to total citrus fruit production is about 60% (Table 64).

Production of Citrus Fruits and Orange in Nepal

Table 64. Production of Citrus Fruits and Orange in Nepal

Year	Oranges			Citrus		
	Area (ha)	Productive area (ha)	Production (Mt.)	Area (ha)	Productive area (ha)	Production (Mt.)
1993/94	7,640	4,511	46,517	13,543	7,899	76,470
1994/95	8,175	4,807	49,905	14,630	8,487	83,375
1995/96	8,671	5,182	54,088	15,243	8,977	88,646
1996/97	9,080	5,418	57,350	15,923	9,330	92,994
1997/98	9,864	5,863	62,094	17,026	10,034	100,352
1998/99	10,509	6,258	66,655	18,007	10,595	107,258
1999/00	11,103	6,588	70,824	19,018	11,277	115,067
2000/01	12,276	6,946	74,796	20,673	11,891	121,665
2001/02	13,515	7,369	80,644	22,423	12,615	130,928
2002/03	14,399	7,777	85,696	23,663	13,312	139,110
2003/04	15,205	8,146	91,094	24,799	13,931	148,010
2004/05	15,987	8,627	97,480	25,909	14,606	156,956
2005/06	16,784	--	--	27,022	--	--

Source: Statistical Information on Nepalese Agriculture, HMG/MOAC, Agri Business Promotion and Statistics Division.

The yields remain very low. The national average productivity of orange is only 11.18 Mt/ha., reaching up to 17 Mt./ha in districts like Dadeldhura and Tanahu. The Mid-hill region is the production area of orange in Nepal. The Citrus Development Section under Fruit and Development Directorate of Department of Agriculture has identified 42 districts of the mid-hills as the commercially most viable districts for orange cultivation. However, 29 of them (Dhankuta, Bhojpur, Sankhuwasabha, Illam, Terathum, Ramechhap, Sindhuli, Kavre, Makwanpur, Nuwakot, Dhading, Gorkha, Tanahu, Lamjung, Kaski, Syangjya, Parbat, Baglung, Palpa, Gulmi, Surkhet, Dailekh, Pyuthan, Jajarkot, Kalikot, Dadeldhura, Baitadi, Bhajang, and Achham) have more potential due to their specific ecological advantages for orange cultivation. The vast majority of the crop is traded in fresh form. More than 97% of the production is traded as fresh and less than 3% in processed form. It is processed as juice, wine, squash and marmalades.

Business Overview:

S.N.	Particulars	Amount
1	Total Fixed Assets	Rs. 21786089
2	Total working capital in the first year	Rs. 714570.72
3	Design capacity of plant	100 bottles/day
4	Variety of products	Single
5	Total annual production	30000 bottles/year
6	Selling price/ bottle	Rs. 450
7	Net profit in the first year	Rs. 5555351.659
8	Total capital	Rs. 22108429.99
9	Return on investment (R.O.I)	24.34%
10	Breakeven in sales volume (no. of bottles)	1567
11	Payback period	4 years 36 days

Business Description:

Bayanus wine industry Pvt ltd. Is a proposed company that will produce world class orange wine with its possible expansion by producing wines of different other kinds in the future. It will utilize the oranges that are found within the country (Gorkha district) and produce its wine (table wine) that will be readily available in the Nepalese market and possibly in the international market in a reasonable and competitive price.

Why orange wine?

- These wines have a very good taste and flavor and are liked by many people around the world.
- Orange fruit is very cheap and is readily available in the Nepalese market.
- It has a high nutritional value.
- It can easily be fermented.

Our case study has revealed different facts on orange wine within the nation:

- Until this date, there are no industries producing orange wine.
- Nepal consumes some 14,000 bottles of imported wines a year, and this amount is growing rapidly as habits and social mores change.
- The required oranges are readily and sufficiently available with the country.
- These oranges have not been utilized properly due to which the farmers are not benefited much.
- These fruits are exported the neighboring countries at a very low price.
- Though there are a few wine producing industries in the countries, they are not of a large scale.
- The wine production in the country is not able to fulfill the demand within the country.
- The market share of wine is mostly occupied by the foreign products.
- Nepalese people are bound to pay high prices for the foreign wine.

Careful consideration of the above mentioned facts reveal a large opportunity for a highly successful orange wine industry in the country. A well organized and segment of market of market would utilize these herbs in an economic managed company in this manner, satisfy the growing demand of wine of the customers and help to cut down the imports and increase the

exports and eventually enhance the national economy. Thus, it seems a viable business that has so many bright aspects.

Introduction:

Wine is a non-alcoholic beverage that is popular with the upper and middle class. It is served at ceremonies and social gatherings, such as weddings, outings, naming ceremonies, house warming, parties, and night clubs. In recent times, table wine has gained wide acceptance owing to its low alcoholic content. It is also a known fact that some brands have medicinal properties, thus owing to changing lifestyles, drinking habits, and health reasons, wine is now generally taken in preference to beer and other spirits.

As such, it is now widely consumed by many households, served in hotels, restaurants, and aircraft, among others. From the market survey carried out, there is an excellent local market.

Registration of the company:

This company is a partnership form of organization consisting of six members as partners. All the rules and regulations according to the general partnership organization are strictly followed. The company will be registered under the act of Medium Scale Industry and is dedicated to fulfil all the rules, regulation and norms of the governing laws and rules. The documents required for the registration process are as follows.

- An application in the format as per the 'ANUSUCHI 1' along with a 5 rupees stamp attached to it.
- Two copies of 'PRABANDHA PATRA' (Article of Association) in the format as per 'ANUSUCHI 2'.
- Two copies of 'NIYAMAWALI' (Article of Memorandum) in the format as per 'ANUSUCHI 3'.
- Attested copies of the citizenship certificates of the founder shareholders.
- In case of a private company, a copy of the mutual agreement (if any).
- If the founder company is a Nepali registered company, a copy of the company registration certificate, and a copy of the decision of the managing committee regarding details of the investment to be made upon the aspiring company, as well as the name and a copy of the citizenship certificate of the person representing the founding company.

INDUSTRY ANALYSIS:

Market Study:

The market segmentation resulted from a study carried out is given below:

Kathmandu valley:	25%
Pokhara:	15%
Narayangadh	5%
Itahari	5%
Nepalgunj	3%
Export	47%

Competitive Analysis:

The major competitors are Makalu Wine Industry, dadagare wine industry and sakura wine industry.

Though the company is being established lately it enjoys comparatively more advantages than those already existing in the market. Some of major advantages are as follows:

- This is the first orange wine company in Nepal. The wine industries existing in Nepal are grapes wine and apple wine.
- Most of the wine used in Nepal is imported heavily from foreign countries. So we enjoy the benefit of cost since it is manufactured inside the country.
- The existing company till today uses manual production system whereas the one we have adapted is completely automatic as a result of which production efficiency and better quality can be easily assured.
- The demand is increasing day by day so till the company remains in a state to produce good quality and efficient cost products the company seems to enjoy profit.

Future Analysis and Trend

The study showed the following demand and supply of orange wine in Nepal and South Asia

Parameters	Litres/year
Demand	50000
Supply	22500

STEPS FOR REMAINING IN THE MARKET:

Only the establishment of the company will not lead us to the success though there may be enough opportunities for us to grow very fast. For this we have our own type of vision and mission to make the company superior.

a) Pricing:

The first main thing we are considering is the price of the product. Mainly in the context of Nepal most of the wines products are Imported from outside we have bigger advantage being locally produced.

b) Distribution:

Distribution is the next key thing of our success. If we could make the distribution in Nepal and abroad according as shown by the market segmentation data, then we can be hopeful. Hence we have selected following distributors in 7 cities of Nepal.

Products	Price of orange wine per bottle
Orange wine	NRs. 450

Kathmandu Valley Traders, Ktm valley

Machhapuchre Wine Centres, Pokhara

Choudhary Wine Traders, Narayangadh

Koshi Traders, Itahari

Banke wine Traders, Nepalgunj

Gupta wine traders, New Delhi

Khanna wine traders, Dhaka

Thimpu wine traders, Bhutan

These are the main distributions centres. From these distributors many of the retailers will buy our product and will reach to the consumers.

C) Promotion:

We know that nobody is going to buy our products until there is its promotion. For this we will be promoting our products through campaigns, media, hoarding boards, etc.

Orange wine and its production process:

It's not a wine that is very widely made but experts believe that it is a shame as it can make an excellent product. Oranges are easy to find and often do not cost a lot.

Orange juice can be converted into various kinds of wine styles.

Orange Varieties:

Usually, two varieties of oranges in wine making are used, namely the Valencia and the Navel. Navel orange juice, except from fruit harvested very late in the season, becomes bitter on standing a few hours; hence the wine is inclined to be slightly to moderately bitter. However, the bitterness is not very objectionable. The Valencia gives juice free of bitterness and Valencia orange wine is no more bitter than grape wine can be.

Maturity:

The oranges should be thoroughly ripe; but should not have attained over-ripeness, since when over-ripe, the juice and wine can potentially acquire a stale flavor.

Extracting the Juice:



Fig: fruit crusher

The fruit should be sound and carefully sorted to remove all moldy oranges. The oranges should be very thoroughly washed.

The juice can be easily extracted manually for home winemaking by standard home pressing equipment.

On a commercial scale, they can be coarsely crushed and pressed in apple juice equipment but care must be taken to not do a high pressure press as the juice may be apt to ferment poorly because of the antiseptic effect of the essential oil of the rind which could be squeezed out in the pressing. The juice so prepared may also contain an excess of gums and pectin from the peel and be of poorer flavor than that obtained by reaming. Ideally, using a centrifuge to remove any essential oils is ideal. The outer yellow rind can be grated from the fruit by special machine or by hand in small quantities and the essential oil recovered from the gratings.

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The fruit may then be extracted by a revolving drum extractor, or by means of a continuous screw press in commercial wineries.

Fermentation of Orange Juice:

Orange juice is an excellent medium for growth of yeast and for fermentation. It ferments very rapidly and, if the sugar content is sufficient, develops high alcohol content.

They are then fermented by heating the juicy part. In the process of heating the yeast that is present helps converting the sugar into alcohol and carbon dioxide. Sometimes this solution requires fermentation for the second time due to malic acid present. When the malic acid breaks down into lactic acid and carbon dioxide, it adds a new buttery flavor to the wine

De-acidification:

If the juice is more sour than desired, some of the acidity can be neutralized in the cold by adding a calculated amount of pure potassium carbonate, or by heating to 150° to 160° F. with a calculated amount of calcium carbonate, stirring and filtering hot. Calcium citrate is insoluble in the hot juice.

For making a dry table wine, the oranges should be thoroughly ripe and of not too high acid content. Cane sugar is added to the juice to bring it to 21° to 22° Brix.

To the screened sweetened juice, freed of coarse pulp, should be added 100 to 125 p.p.m. of SO₂.

A starter of pure wine yeast of desirable strain, growing in orange juice should be added at a rate of about 20g per 100L of juice. When this juice is actively fermenting, it may be used to inoculate other juice and thus used in place of a starter grown in sterile juice.



Fig: Fermentation tank

Fermentation may be conducted in open vats or in covered tanks. Since fermentation of orange juice is very rapid, much heat will be evolved and it may be necessary to cool the fermenting juice as described for grape wine fermentation, in order that the temperature does not rise to the sticking point, 95° to 105° F.

When fermentation is complete, the wine is transferred to completely filled tanks or casks and bunged loosely, to prevent acetic bacterial and growth of film yeasts. Film yeasts (*saccaromyces bayanus*) can grow profusely on orange wine exposed to the air, if the alcohol does not exceed 15 to 16 per cent.

When the wine has settled several weeks, it is racked and should be given a dose of 150 to 200 ppm. of S₀₂, to prevent oxidation and other potential problems. It should then be clarified with Bentonite, at a rate of at least 100g/100L but determined accurately with Bentonite test trials. A very heavy dose of Bentonite is usually needed 2 or 3 times that used for grape wines. Heating the wine to 120° F to 140° F improves clarification. Post fermentation peptic enzyme is also useful in clearing the wine, 2 to 4 weeks being needed.

Aging:

The clear wine should then be aged in completely filled oak casks for several months, adding S₀₂ occasionally, if necessary, to maintain a free S₀₂ content of about 50 p.p.m.

During aging, adding a small amount of the dehydrated outer rind of orange peel may flavor it; that is, the outer yellow layer is peeled from some of the fruit and sun dried or dehydrated bone dry. About 2 to 3 grams of this peel is added per liter of wine, or about 2 to 3 lb. per 100 gal. On

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standing in the wine for several weeks, it imparts a pleasing orange flavor. If desired, however, it may be omitted.

When the wine is considered sufficiently aged, it is filtered brilliantly clear in a polishing filter; SO₂ content is increased to about 50-60 p.p.m. with total to 250 p.p.m and the wine bottled.

It is rather tart in taste. Sweetening to about 4g/L with sugar may be useful.

After the wine has been fully prepared it is then bottled by the help of a filling machine.



Fig: filling machine

Production process

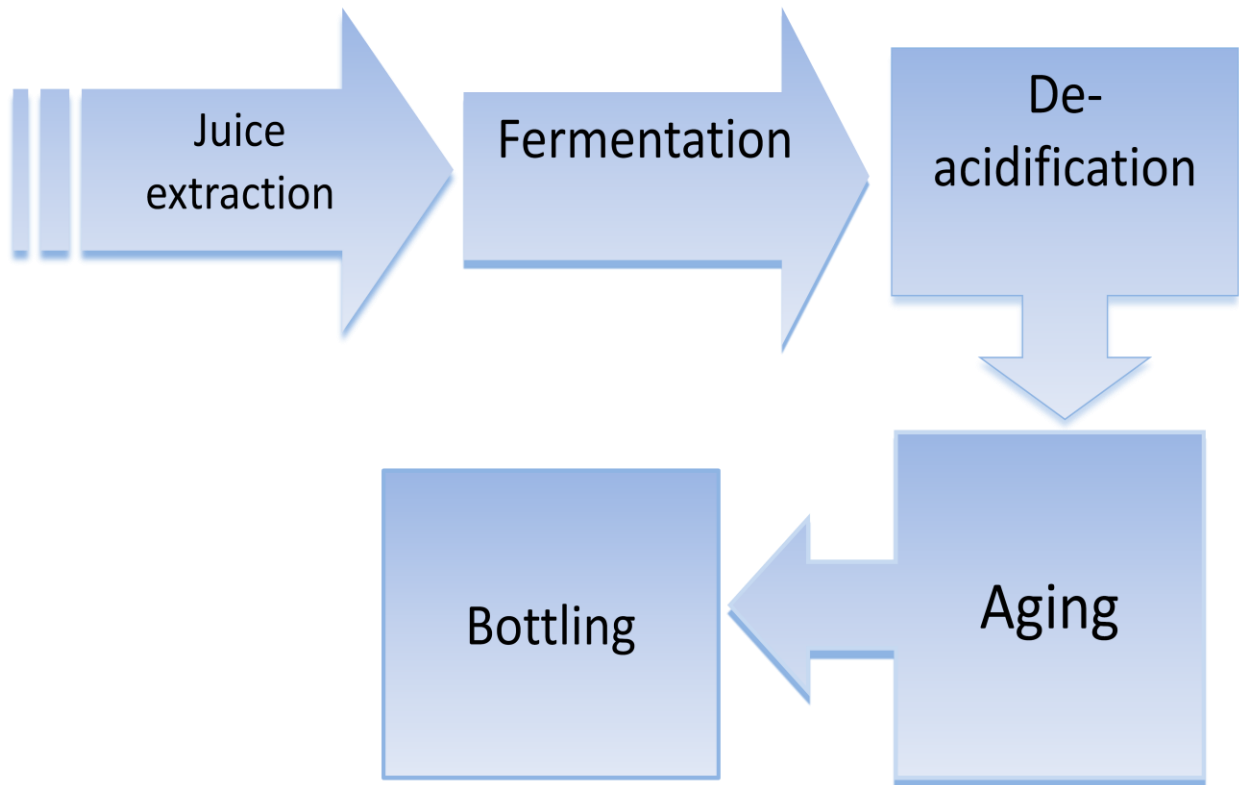
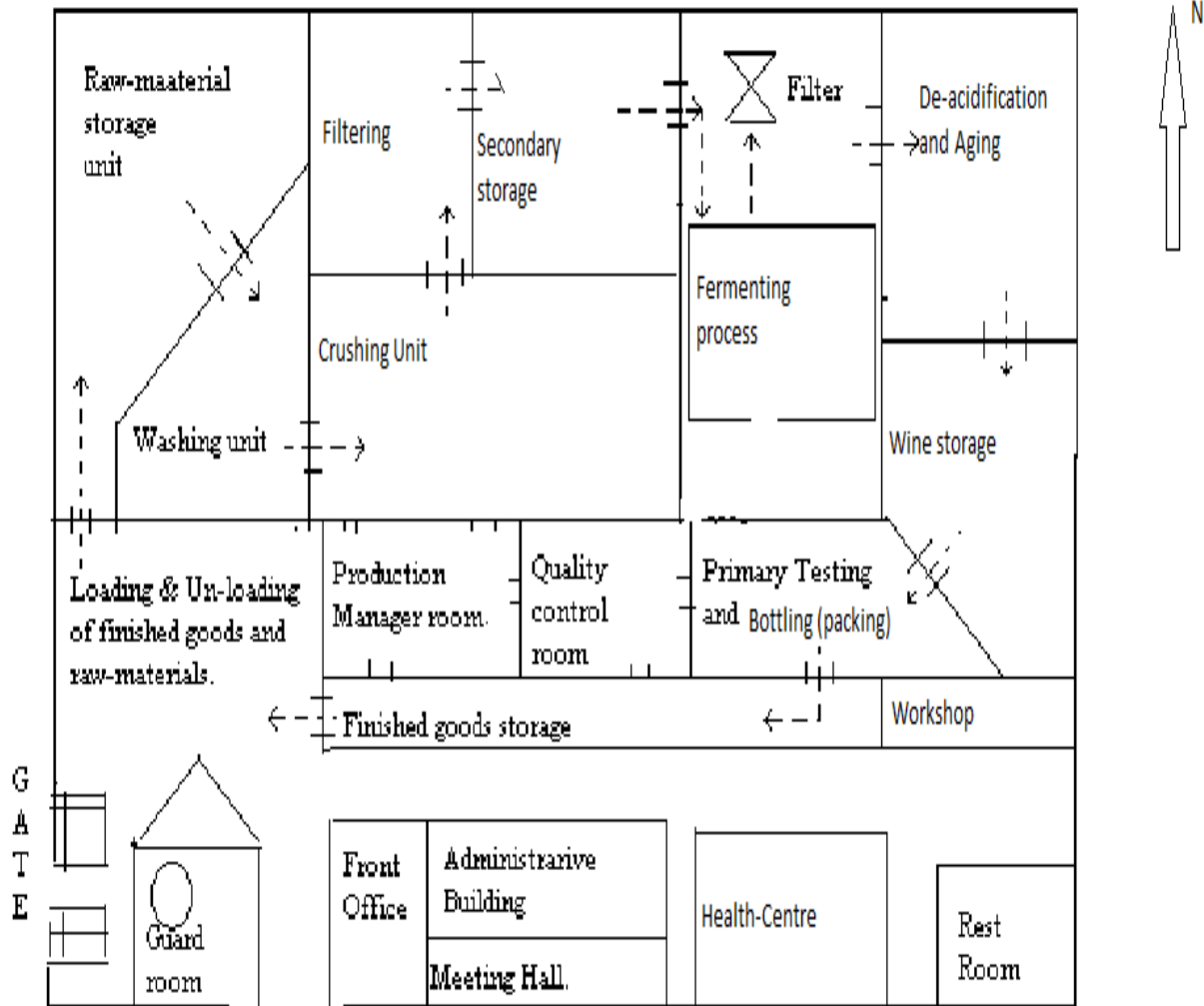


Fig: schematic diagram of wine processing

Plant Layout:



Maintenance:

Maintenance is an investment that provides more production time by keeping the equipments and machineries in proper conditions. Along with the increase in the complexity, sophistication and automation of the equipments and the system used in the industry, it becomes very essential to include an effective maintenance procedure. This ensures the proper operation and functioning of all the equipments as well as an appreciable reduction in the business risk.

Various methods of maintenance can be used in order to keep the equipments in proper working condition and to reduce breakdowns. Among all the methods, the company will be using a mixture of preventive and routine maintenance to ensure better operation and minimum breakdown.

Preventive maintenance:

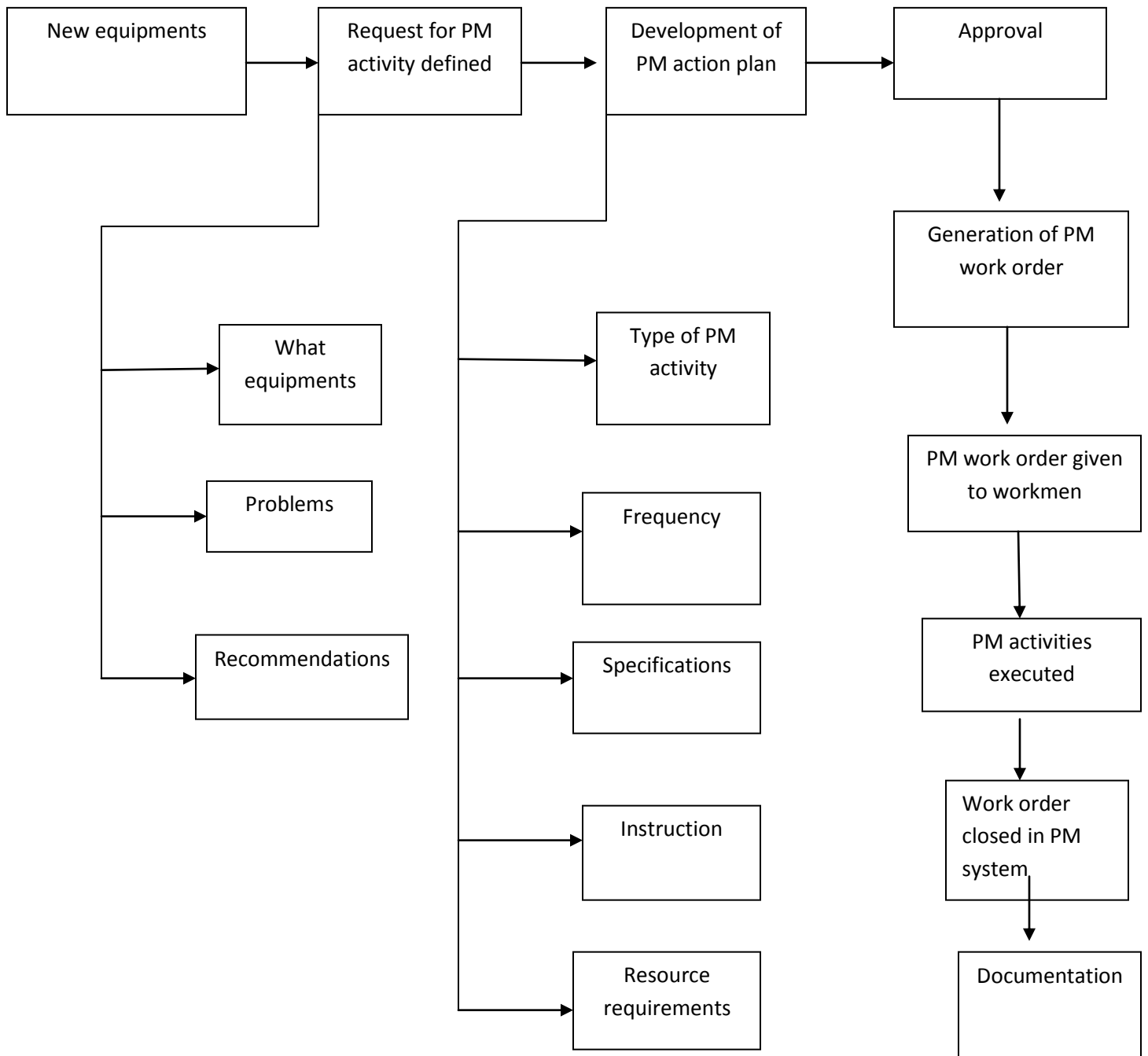
Because the equipments that are going to be used are all automatic, breakdown of one may lead to huge loss to the company hence it would be both economical in terms of cost and efficient in terms of quality to adopt this maintenance procedure.

Routine maintenance:

It is the simplest and the most essential form of maintenance system which is considered about avoiding, reducing and eliminating the consequences of the failure. As the name implies it means carrying out minor maintenance operations at regular intervals. Here jobs like cleaning, lubrication, inspection, minor pressure adjustments, flow control, inspection of bearings etc are performed.

The industry is supposed to operate almost throughout the year; hence periodic maintenance will be required throughout the year.

Preventive maintenance process flow chart:



MARKETING PLAN

Major customers:

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Our major customers will be middle class people and high level class people. As we know that there are many people living below the poverty line so our product will not be accessible to them.

Similarly we focus on the tourist since many of the tourist visit our country. Focusing on the tourist will allow us to increase our cost of orange wine. For this we will make contract with the Travel Agency to sell our wine.

Areas where the product will be sold:

The location of our company is near to the huge market areas like Pokhara, Narayangadh and Kathmandu Valley. Obviously we will look forward for the above market areas for our sales.

Similarly we will give our attention to the areas like Itahari and Nepalgunj. In Itahari our focus will be mostly on Dharan. This is because Dharan is the place of ex British Army and is generally believed that high class people live there.

We will focus mainly marketing on the 3 star and 5 star hotels. Similarly we focuss on the departmental stores.

We will give priority to the Travel Agency and also try to make contract with them for selling our wine.

This will allow our wine to reach to the tourist from where we will gain more profit since we will fix more selling price for the Travel Agency of our wine.

We also look for the exporting the wine to the neighbouring countries like India and China.

Major players already in the market:

There are no orange wine industry in Nepal so we enjoy huge benefit of being first orange wine company in Nepal. However the wine industries existing in Nepal are as follows.

Our strategy:

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We will be maximizing our reputation through different strategies such as lower pricing for the high quality wine ,advertising in different electronic and other medias ,campaignings etc. Our strategy is to capture the shortage in the market and take a large segmented market.

SCHEDULE OF IMPLEMENTATION:

S.NO	Activity	Commencing Date	Completion Date
1	Company registration	Jan 1 st 2011	Feb 1 st 2011
2	Procurement of Machines and Equipments	March 1 st 2011	April 1 st 2011
3	Installation of plant and machineries	April 2 nd 2011	May 2 nd 2011
4	Trial production	May 15 th 2011	May 30 th 2011
5	Commercial production	August 15 th 2011

RAW MATERIALS:

- **Demand**

The demand of raw materials for our factory for a year is shown below

SN	Raw materials	Quantity per year
1	Oranges	30000kg
2	Yeast	300kg
3	Potassium carbonate	87kg

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4	Cane sugar	87kg
6	Bentonite	22.05kg
7	Pectic enzyme	882kg

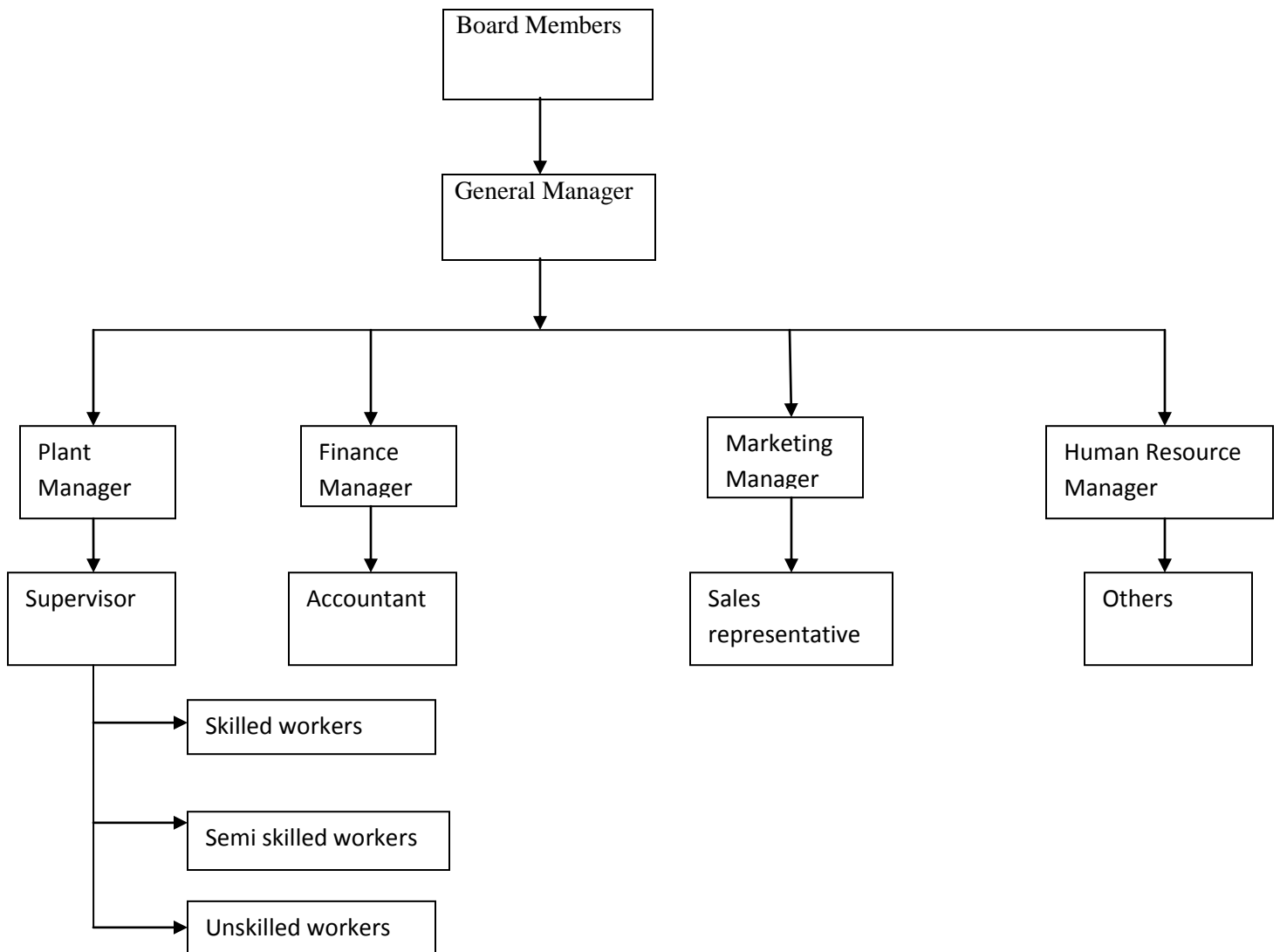
Suppliers:

Many suppliers wanted us to supply the raw materials. From them we have selected the following suppliers for the supply of our raw materials after the complete analysis.

S.NO	Raw materials	Suppliers
1	Orange	Local people
2	Yeast	Local market
3	Potassium carbonate	Patna Chemical Suppliers
4	Cane sugar	Local market
5	Bentonite	Patna Chemical Suppliers
6	Pectic enzyme	Patna Chemical Suppliers

ORGANIZATIONAL PLAN:

The organizational chart



LOCATION OF COMPANY:

The location of our industry as already mentioned in the introduction i.e Palungtar of Gorakha district. We had done a lot of homework about fixing the location and finally concluded Palungtar in Gorakha .

Locational Advantages:

- Our market segment is near to the Kathmandu valley, Pokhara, Narayangadh.
- Limited problems of power since it are situated near to the Middle Marsyangadi Hydropower.
- The needed water supply is easily obtained.
- The cost of land is affordable (32 lakhs for 1 ropani)

Financial plan

Pre operating cost

S.No	Description	Total cost
1	Market Survey	40000
2	IEE	40000
3	Installation	100000
4	Licensing	6500
5	Company registration	60000
6	Training	25000
7	Miscellaneous	50000
	Total	321500

Raw material cost:

SN	Raw materials	Unit	Rate	Quantity	Total cost
1	oranges	Kg	20	100	2000
2	Yeast	Kg	4200	1	4200
3	Potassium carbonate	Kg	60	.29	17.64
4	Cane sugar	Kg	75	.29	21.75
6	Bentonite	Kg	100	.0735	7.35
7	Pectic enzyme	Kg	800	2.94	2352.94
	Total				8599.68

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SN	Post	No.	Gross salary/month/person	Income Tax/month	P.F/month	Net Salary/month/person
Administration Overhead						
1	Board members	6	44444.444	25%	10%	30000*6
2	General manager	1	37037.03	25%	10%	25000
3	Plant manager	1	29629.62	25%	10%	20000
4	Finance manager	1	29629.62	25%	10%	20000
5	Marketing manager	1	29629.62	25%	10%	20000
6	H R manager	1	29629.62	25%	10%	20000
7	Accountant	1	17777.777	15%	10%	12000
8	receptionist	1	11851.85	15%	10%	8000
	total		435851.77			305000

Manufacturing overhead

1	Store keeper	1	10457.51	15%	10%	8000
2	Security guard	2	13071.89	15%	10%	10000*2
3	Peon	2	5555.55	0%	10%	5000*2
4	Helper	3	6666.67	0%	10%	6000*3
	Total	8	67712.4			56000

Distribution overhead

1	Sales representative	7	9803.92	15%	10%	7500*7
2	Drivers	2	9803.92	15%	10%	7500*2
3	Helpers	5	6666.67	0%	10%	5000*5
	Total	14	12568.63			92500

Direct labours costs						
1	Supervisor	1	19259.25	25%	10%	13000
2	Machine operator	1	16000	15%	10%	12000
3	Assembly operator	1	13333.33	15%	10%	10000

Indirect labor cost						
1	Foreman	2	9150.32	15%	10%	7000*2
2	Material handlers	5	6535.94	0%	10%	5000*5
	Total	7	50980.34			39000

➤ Hence the total gross salary is 315705.72

Fixed assets

SN	Assets	Unit	Quantity	Rate		Total cost
1	Land	ropani	5	500,000		500,000
2	Building			20000000		20,,00000
				Rate after tax	VAT	
3	Crushing m/c	set	1	145,000	13%	163,850
4	Juice extractor	Set	3	17424	13%	59,067
5	Covered tanks	set	3	30000	13%	101,700
6	Stainer	Set	3	1080	13%	4,212
7	Filling m/c	Set	1	150,000	13%	169,500
8	Weighing scale	Set	3	2000	13%	6,780
9	Racks	Set	3(each consisting 500 bottles)	30000	13%	101,700
10	Knife	Set	100	50	13%	56,500
11	Hydrometer	set	10	300	13%	3390
12	Plastic container	set	20	300	13%	6780
13	Furniture	set	1	300000	13%	339000
14	Mini truck	set	1	120000	13%	135600
15	computer	set	6	20000	13%	135600
16	Telephone	set	6	500	13%	3390
17	Fax machine	set	1	14000	13%	15820
18	Printer	set	6	5000	13%	33900
19	miscellaneous			300000	13%	390000
	Total					21786089

Miscellaneous includes		
SN	Particulars	Cost
1	Set of pumps, pipelines & valves	200000
2	Lab testing sets	40000
3	Material handling equipment	40000
4	Others	20000
	Total	30000(excluding VAT)

Overheads

SN	Descriptions	Cost/month	Cost/year
1	Electricity	15000	180000
2	Water	17000	20400
3	Maintenance(5% of total equipment cost)	25255	303065
4	Transportation	20000	240000
5	Diesel	20000	240000
6	Telephone	5000	60000
7	Advertisement	30000	360000
8	Insurance(only on yearly basis)		
A	Worker		50000
B	Equipment		40000
C	Buildings		45000
D	Raw materials		35000
9	Distributors commission (2%)	200000	2400000
10	Vehicle tax	2000	24000
11	Miscellaneous expenses	1000	12000
12	Trade mark renewal		500
	Total		3988365

Packaging cost

	Cost/unit	Production/day	Total cost
Labeling	2	100	200
Bottling	25	100	2500
Cartoon	15	9	135

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Total			2835
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Operating cost

S.N	Inventory	cost
1	Raw material	85.99
2	Work in progress	505
3	Finished inventory	250
	Total	840.99

Production cost

Per unit production cost	Per unit cost including VAT	Profit %	Price(including VAT & Profit)
337.26	381.1	18	450

Working capital and total capital

SN	Description	Amount
1	Fixed cost	21786089
2	Pre operating cost	321500
3	Operating cost	840.99
	Total	22108429.99
4	Salaries	315705.72
5	Overheads	3988365
	Total	714570.72

Profit Loss Statement:

Particulars	Amount
Revenue from sales	13500000
Less:	
Price of raw materials	8599.68
Salaries	315705.72
Gross profit	13175694.6
Less	
Overheads	3988365
EBIT	9187329.6
Interest	1780194.055

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EBT	7407135.545
Less	
Tax(30%)	1851783.886
Net profit	5555351.659

Return On Investment and payback period:

ROI=Net profit/Total capital*100%

Therefore ROI=24.34%

Payback period=100/24.34=4.10 years i.e. 4 years 36 days

Breakeven Analysis:

S.N.	Particulars	Amount
1	Market survey	Rs. 40,000
2	Licensing	Rs. 6500
3	Training	Rs. 25,000
4	Miscellaneous	Rs. 50,000
5	Gross salary	Rs. 315705.72
6	Overhead	Rs.1687965
	Total	Rs. 2125170.72

We know,

Selling price per unit = Rs. 450

Variable cost per unit (production per unit cost) = Rs. 337.26

Therefore, Breakeven sales = fixed cost/ (selling price per unit-variable cost per unit)

= 2125170.72/(450-337.26)

= 18806.82 per year

= 1567.23 per month

Funding

We will have our fund for the company in two ways.

- Bank- 60%
- Self- fund -40%

Descriptions	Amount	Percentage
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Bank	13693800.43	60%
Self-fund	9129200.284	40%
Total	22823000.71	100%

SWOT ANALYSIS

Strength:

- Team of expert professionals of related field.
- Company contacts will allow us to secure contracts for both supply of feedstock and sales of finished goods.
- Easily available of raw materials.
- Nearness to market areas like Kathmandu valley, Pokhara , Narayangadh.
- Reliable and proven technology.
- Strict conformation to environmental standards.
- Popularity of natural wine among people.
- Increasing health consciousness of people.

Weakness:

- Relatively inexperienced team.
- Irregular supply of raw materials may occur due to climate change.

Opportunity:

- Single orange wine company in Nepal.
- Rising market demand due to increase in use of wine .
- New taste of orange wine.

Threats:

- Political instability may cause pose risks in expansion and business.
- Shortage of regular power supply.
- Unavailability of raw materials due to strike, natural disasters.
- Sudden interruption in the machines.
- Change in technology.
- Foreign products.

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Thank You