

## HERBAL AND AYURVEDIC MEDICINES

### 1. INTRODUCTION

Manufacturing of Herbal and Ayurvedic products is simple and also good market demand for these products. According to the WHO as much as 80% of the world's population relies on traditional medicine. With increased concerns about rising health care costs, some governments are encouraging the use of indigenous forms of medicines rather than expensive drugs. This has been a strong driver for the resuscitation of herbal and ayurvedic medicine in the country. Traditional treatment with ayurveda and other herbal medicines etc. is well established and widely acknowledged to be safe and effective.

### 2. MARKET

The indigenous system of medicine, viz., Ayurveda, Siddha, Unani and Homeopathy are dependent on medicinal plants. Traditional medicines and complementary/Alternative medicine (TM/CAM) particularly in the last decades, have come to be widely and increasingly used in both developing and developed countries. Herbal supplements are quickly becoming a growing trend in the US and other parts of the world. The herbal medicine market in the countries of the EU was about 6.6 million dollars with Germany accounting for 3 billion dollars. In this profile, manufacturing of churan or powdered medicine has been given.

### 3. MANUFACTURING PROCESS

The ingredients are well cleaned and ground. The powdered ingredients are then mixed in a fixed proportion. Later, it is packed and marketed in the market.

In this particular profile, manufacture of churan or powdered medicine has been given.

### 4. PRODUCTION CAPACITY PER ANNUM

Capacity 24000 Churan Bottles  
Selling Price Rs. 20 Per bottle

### 5. PROJECT COST/CAPITAL INVESTMENT

S.No	Description	Amount Rs.
1	preliminary & Preoperative Expns	1000
2	Fixed Capital	66000
3	Working Capital for 1 month(s)	35700
	<b>Total Project Cost</b>	<b>102700</b>

## 6. MEANS OF FINANCE

S.No	Description	%age	Amount Rs.
1	Promoter Contribution	15%	15405
2	Subsidy /Soft loan	20%	20540
3	Term Loan	65%	66755
	Total		102700

## 7. FINANCIAL ASPECTS

## A. FIXED CAPITAL

i. Land and Buildings Rented 1500 per month

## ii. Machinery and Equipment

S.No	Description	Qty.	Rate	Amount Rs.
1	Pulverizer 10 size	1	25000	25000
2	Mixing machine	1	12500	12500
3	Stainless steel container	1	2500	2500
4	Other equipment	1	10000	10000
5	PackingMachine	2	3000	6000
6	Bottleseiling machine	1	10000	10000
	Total			66000

## B. WORKING CAPITAL

## i. Salaries &amp; Wages (per month)

S.No	Description	Nos.	Sal/mon.	Amount Rs.
1	Supervisor/Entrepreneur	1	2500	2500
2	Skilled workers	2	2000	4000
3	Workers	2	1500	3000
	Total			9500

## ii. Raw Material (per month)

S.No	Description	Unit	Qty.	Rate	Amount Rs.
1	Dalchini, sendha, sugar, shrubs etc		2000	8	16000
2	Botteling		3000	2	6000
	Total				22000

## iii. Utilities (per month)

S.No	Description	Unit	Amount Rs.
1	Power	LS	500
2	Water	LS	100
	Total		600

## iv. Other Expenses (per month)

S.No	Description	Amount Rs.
1	Postage & Stationery Expenses	100
2	Transportation Expenses	500
3	Advertisement Expenses	500
4	Consumable Stores	500
5	Miscellaneous Expenses	1000
	Total	2600

## v. Total Working Capital (per month)

S.No	Description	Amount Rs.
1	Rent	1000
2	Salaries and Wages	9500
3	Raw Material	22000
4	Utilities	600
5	Other Expenses	2600
	Total	35700

## 8. COST OF PRODUCTION (PER ANNUM)

S.No	Description	Amount Rs.
1	Total Working Capital	428400
2	Depreciation	9900
3	Interest	8011
	Total	446311

## 9. TURNOVER (PER YEAR)

S.No	Description	Unit	Qty.	Rate Rs.	Amount Rs.
1	Churan Bottles per		24000	20	480000
	Total				480000

## 10. FIXED COST (PER YEAR)

S.No	Description	Amount Rs.
1	Depreciation	9900
2	Interest	8011
3	Rent	18000
4	Salaries & Wages @ 40%	45600
5	Other Expenses incl. Utilities @ 40%	15360
	Total	96871

## 11. PROFIT ANALYSIS &amp; RATIOS

1	Net Profit	Rs.	33689
2	Percentage of Profit on Sales		7%
3	Percentage of Return on Investment		33%
4	Break Even Point		74%