

## 1. INTRODUCTION

The "Ayurvedic Bath Soap" micro-scale business in the heart of Uttarakhand, India, is a testament to the region's rich natural heritage and the ancient wisdom of Ayurveda. Uttarakhand, known for its pristine landscapes and abundant medicinal herbs, provides the perfect backdrop for crafting artisanal Ayurvedic bath soaps. Our venture is driven by a deep commitment to harnessing the healing properties of nature while promoting eco-conscious practices. We take pride in offering handcrafted bath soaps that are not just cleansing agents but also therapeutic experiences, bringing the timeless wisdom of Ayurveda to the daily self-care rituals of individuals.

## 2. PRODUCT & ITS APPLICATION

Our signature "Ayurvedic Bath Soap" is a labor of love that combines the purity of Uttarakhand's herbal treasures with the ancient wisdom of Ayurveda. These soaps are handcrafted using a blend of natural ingredients, including locally sourced herbs and botanicals known for their therapeutic properties. Each soap variant is meticulously formulated to cater to specific skin needs, such as rejuvenation, deep cleansing, or soothing sensitive skin. Beyond cleansing, our Ayurvedic bath soaps offer a holistic sensory experience. They nourish the skin, promote relaxation, and leave individuals feeling refreshed and revitalized. Moreover, these soaps are free from harsh chemicals and synthetic fragrances, aligning perfectly with the principles of natural wellness.

## 3. DESIRED QUALIFICATION FOR PROMOTER

The ideal promoter of the "Ayurvedic Bath Soap" micro-scale business in Uttarakhand should possess a deep passion for Ayurveda and natural wellness. This passion should extend to a profound understanding of Ayurvedic principles, herbal knowledge, and craftsmanship in soap-making. These qualifications and attributes are essential to create high-quality, holistic Ayurvedic bath soaps that align with the values of natural well-being.

## **4. INDUSTRY OUTLOOK AND TRENDS**

The Ayurvedic bath soap industry is witnessing a resurgence, driven by increasing consumer awareness of the benefits of natural and herbal products. This resurgence aligns with a global shift toward eco-conscious and chemical-free personal care choices. Uttarakhand, with its rich biodiversity and heritage of herbal remedies, is poised to play a significant role in this industry.

Trends in the industry include a growing preference for locally sourced and sustainably harvested herbs and botanicals. Consumers are seeking transparency in product sourcing and manufacturing practices, emphasizing ethical and eco-friendly processes. Ayurvedic bath soaps are not just seen as cleansing agents but as wellness products, offering therapeutic benefits such as skin nourishment and aromatherapy.

Moreover, the rise of e-commerce and online marketplaces has expanded the reach of such products, enabling micro-scale businesses to connect with a broader customer base. Collaborations with local wellness centers, spas, and boutique stores can further enhance market presence.

## **5. MARKET POTENTIAL AND MARKETING ISSUES, IF ANY**

The market potential for Ayurvedic bath soaps in Uttarakhand is promising. The region's natural abundance of herbs and botanicals positions it as an ideal source for high-quality raw materials. Additionally, Uttarakhand's thriving wellness tourism industry presents an opportunity to cater to wellness-conscious travelers seeking authentic Ayurvedic products.

However, marketing challenges may include competition from established brands and the need to build brand recognition. Effective marketing strategies should highlight the uniqueness of the Ayurvedic bath soaps, emphasizing their natural ingredients, therapeutic benefits, and eco-friendly ethos. Addressing these challenges will require creative branding, online presence, and collaboration with local wellness centers and hotels to tap into the tourism market.

The global Ayurvedic Products market is projected to grow from USD 5172.7 million in 2023 to USD 10180 million by 2029, at a Compound Annual Growth Rate (CAGR) of 12.0(Percent) during the forecast period. Ayurveda is an ancient system of life and also the oldest surviving medical system in the world.

India's Ayurvedic bath soap market features several key brands known for their herbal formulations. Chandrika and Indulekha focus on the therapeutic benefits of Ayurvedic ingredients, while Medimix's 18 Herbs Soap offers a broad range of herbal benefits. Himalaya and Margo emphasize clear skin and antibacterial properties with herbal components. Ayush and Dabur Vatika incorporate traditional Ayurvedic elements for overall skin health. Biotique and Khadi Natural prioritize nourishment and natural ingredients, respectively. Pears Naturale rounds out the selection with its hydrating coconut water soap, catering to the demand for natural skincare solutions in line with Ayurvedic principles.

## **6. RAW MATERIAL REQUIREMENTS**

The production of Ayurvedic bath soaps relies on a variety of natural raw materials, many of which can be found abundantly in Uttarakhand's pristine environment. Key raw materials include medicinal herbs such as neem, tulsi, and aloe vera, known for their therapeutic properties. Uttarakhand's diverse flora offers an array of botanicals, including rose, lavender, and sandalwood, which can be incorporated for their aromatic qualities.

In addition to herbs and botanicals, other essential raw materials include base oils, such as coconut oil or olive oil, lye (sodium hydroxide), essential oils for fragrance, and natural colorants like turmeric or henna. Sustainability and ethical sourcing of these raw materials are crucial to align with eco-conscious consumer preferences and ensure a consistent supply of high-quality ingredients.

- Raj Enterprise: 201- Siddhi Industrial Infrastructure Park, Nr. MGVCL Office, Waghodia - 301760 Dist. Vadodara, Gujarat( INDIA). <https://www.rajayurveda.in/contact-us/>
- VedaOils: A-91, Block A, Wazirpur Industrial Area, New Delhi – 110052. <https://us.vedaoils.com/pages/contact-us>

- Arya Vaidya Sala Kottakkal: Vaidyaratnam P. S. Varier's Arya Vaidya Sala, Head office; Kottakkal (P.O.), Malappuram (Dist.), Kerala – 676 503, INDIA.  
<https://www.aryavaidyasala.com/raw-materials.php>

## 7. MANUFACTURING PROCESS

The manufacturing process of Ayurvedic bath soaps involves several critical steps. It begins with the careful selection and preparation of herbs and botanicals. These are either sustainably harvested or sourced from local suppliers, ensuring freshness and quality. The herbs are then dried, powdered, and infused into base oils, creating herbal extracts rich in therapeutic properties.

The next step is saponification, where the base oils are combined with lye to create soap. This process requires precise measurements and controlled temperatures. Once the soap reaches the desired consistency, it is poured into molds, where it cures for several weeks. During curing, the soap hardens, ensuring a long-lasting product.

After curing, the soap is cut into bars and may be stamped or embossed with branding. Packaging plays a crucial role in preserving the soap's quality and eco-friendly ethos. Minimalist, biodegradable, or recyclable packaging materials are often preferred to align with sustainability principles.

This meticulous manufacturing process ensures that each Ayurvedic bath soap is a work of art, delivering not only cleansing but also therapeutic and aromatic experiences to users.

The Bureau of Indian Standards (BIS) is the national standards body of India. In June 2023, the BIS announced 31 Indian standards for Ayush products and herbs, including 30 herbs and one product, the stainless steel neti pot. The BIS also established a separate Ayush Department to standardize Ayush products, including herbs, materials, and food items.

The BIS has also introduced three proposals on Ayush systems in the ISO TC 215 "Health informatics":

- ISO/DTR 4421: Introduction to Ayurveda informatics
- ISO/AWI TS 6204: Categorical structures for decoction-making process in Ayurveda

- NWIP on Ayurveda phenotype (Prakriti) assessment

## 8. MANPOWER REQUIREMENT

Sr. No	Particulars	No. of Person	Months	Monthly Wages Amount/Person (Rs in Lakhs)	Monthly Wages - Total (Rs in Lakhs)	Annual Expenses (Rs in Lakhs)
1	Skilled	2	12	0.18	0.36	4.32
2	Semi-skilled	2	12	0.14	0.28	3.36
3	Unskilled	3	12	0.11	0.32	3.78
	<b>Total</b>					<b>11.46</b>

## 9. IMPLEMENTATION SCHEDULE

Sr. No.	Activity	Time Required (in months)
1	Acquisition of premises	3
2	Construction (if applicable)	1.5
3	Procurement & installation of Plant & Machinery	2.5
4	Arrangement of Finance	2
5	Recruitment of required manpower	1
	<b>Total time required (some activities shall run concurrently)</b>	<b>8</b>

## 10. COST OF PROJECT

Sr. No.	Particulars	Amount (Rs in Lakhs)
1	Pre-operative Expenses	0.90
2	Land and Building	8.50
3	Machinery	4.97
4	Equipment and Furniture	1.05
5	Working Capital	3.50
	<b>Total Project Cost</b>	<b>18.92</b>

## 11. MEANS OF FINANCE

Bank-term loans are assumed @ 75 % of fixed assets.

Sr. No	Particulars	Percentage Share	Amount (Rs in Lakhs)
1	Promoter's Contribution	25%	4.73
2	Bank Finance	75%	14.19
	<b>Total</b>		<b>18.92</b>

## 12. LIST OF MACHINERY REQUIRED

### A. Machinery

Sr. No	Particulars	Unit	Unit Cost (Rs in Lakhs)	Total Amount (Rs in Lakhs)
1	Soap Mixing Machine	1	1.100	1.10
2	Soap Cutting Machine	1	0.600	0.60
3	Soap Stamping Machine	1	0.250	0.25
4	Weighing Scales	1	0.150	0.15
5	Stainless Steel Pans	7	0.040	0.28
6	Wooden Soap Molds	15	0.012	0.18
7	Packaging Machines	2	0.200	0.40
8	Workshop Tools	Set	0.400	0.40
9	Laboratory Equipment	Set	0.450	0.45
	<b>Total Amount in Rs.</b>			<b>3.81</b>
	Tax, Transportation, Insurance, etc. in Rs.			0.77
	Electrification Expenses (Wiring) in Rs.			0.39
	<b>Grand Total Amount in Rs.</b>			<b>4.97</b>

1. Kishori Kirpa Enterprises:

147/a, Aanand Industries State,

Near Hanuman Park, Mohan Nagar,

Ghaziabad - 201007, Uttar Pradesh, India.

<https://www.kishorikirpa.com/soap-making-machine.html>

2. Trishna Traders:

No. 10, Jankiram Apartments,  
Lokmanya T Road, Mulund West Mumbai - 400081,  
Maharashtra, India

3. Rameshwar Steel Fab

31, Shyona Estate,  
Near Pancratna Estate, Ramol Cross Road,  
G.I.D.C., Vatva, Ahmedabad - 382445,  
Gujarat, India

<https://www.rameshwarsteelfab.com/enquiry.html>

**B. Furniture & Equipment**

Sr. No.	Particulars	Unit	Unit Cost (Rs in Lakhs)	Total Amount (Rs in Lakhs)
1	Office Furniture and Shelves	Set	0.65	0.65
2	Computers and printers	1	0.40	0.40
	<b>Total Amount in Rs</b>			<b>1.05</b>

**13. SALES REALIZATION CALCULATION**

Sr. No	Product	Quantity (in units)	Sales in Percentage	Total Sales (Rs in Lakhs)
1	Ayurvedic Bath Soaps - various	105000	100%	36.75
		<b>Total</b>	100%	36.75

**14. PROFITABILITY CALCULATIONS**

Sr. No	Particulars - Amount (Rs.)	Year-I (Rs in Lakhs)
A.	Sales Realization	
	Sales (Assuming 15% growth per year)	36.75
	Other Income (Assuming constant)	
	Total Sales Realization	36.75

B.	Cost of Production	
	i) Raw Materials	19.61
	ii) Utilities (Assuming constant)	0.45
	iii) Manpower (Salaries/wages)	8.04
	iv) Administrative Expenses (Assuming constant)	0.40
	v) Selling & Distribution Expenses (Assuming constant)	0.36
	viii) Interest (Assuming constant)	1.90
	Total Cost of Production	30.76
	No of Units Produced	1,02,507
	Cost of Goods Sold	0.0003
	Gross Profit/Loss (A – B)	6.25
	Less: Depreciation	1.52
C.	PBIT (Profit Before Interest and Tax)	4.74
D.	Income-tax (Assuming 28% tax rate)	1.33
E.	Net Profit/Loss (C - D)	3.41
F.	Repayment	1.9
	Retained Surplus (E - F)	1.52

## 15. BREAKEVEN ANALYSIS

Fixed cost	Year-I (Rs in Lakhs)
Depreciation	1.52
Interest	1.9
Manpower	2.41
<b>Total Fixed cost</b>	<b>5.83</b>
<b>Variable cost</b>	
Raw materials	19.61
Utilities	0.45
ManPower	5.63
Administrative expenses	0.4
Selling & distribution expenses	0.36



<b>Total Variable cost</b>	26.45
<b>Contribution margin</b>	<b>29.15</b>
Break-Even Point in Value	45.72

## 16. STATUTORY/GOVERNMENT APPROVALS

Establishing and operating the "Ayurvedic Oils" project in Uttarakhand, India, entails obtaining several statutory and government approvals. These approvals are essential to ensure compliance with legal and regulatory requirements:

- **Business Registration:** Register the business entity under the appropriate legal structure, such as a sole proprietorship, partnership, private limited company, or limited liability partnership (LLP). Compliance with the Companies Act or relevant state laws is necessary.
- **Factory License:** Obtain a factory license or permit from the local authorities or state government. This license is essential for the legal operation of the manufacturing facility, ensuring adherence to safety, environmental, and labor standards.
- **Ayurvedic Drug License:** Given the nature of the project, it is imperative to obtain an Ayurvedic drug manufacturing license from the Ayush Department of Uttarakhand. This license certifies that the production of Ayurvedic oils aligns with Ayurvedic pharmacopeia and quality standards.
- **Goods and Services Tax (GST) Registration:** Register for GST, a consumption-based tax applicable to the sale of goods and services. Complying with GST regulations is mandatory for businesses in India.
- **Customs and Import Duties:** Comply with customs regulations and pay any applicable import duties for the import of raw materials or machinery.

## 17. BACKWARD AND FORWARD INTEGRATIONS

### A. Backward Integration

- Raw Material Sourcing involves initiatives for sustainable cultivation of medicinal herbs, ensuring a steady, ethical supply while supporting Uttarakhand's biodiversity.

Additionally, the establishment of a herb repository and propagation center aims to preserve rare medicinal herbs, minimizing external dependencies.

- Component Production sees the business setting up in-house facilities for processing these herbs, including drying and powdering, to maintain complete control over ingredient quality. It also contemplates the production of base oils like cold-pressed coconut or olive oil, guaranteeing the purity of essential soap components.
- Quality Control is reinforced by the plan to establish an in-house laboratory equipped with the latest technology and expert staff to perform thorough quality assessments at all production stages. This effort is complemented by ongoing research and product formulation enhancements, ensuring high-quality outputs.

## **B. Forward Integration**

The business's forward integration strategy encompasses enhancing distribution and sales through the creation of exclusive retail outlets and an online platform, aimed at offering a direct and seamless shopping experience to consumers. Collaborative efforts with wellness centers, boutique stores, and spa resorts are designed to broaden the reach of Ayurvedic bath soaps, tapping into local markets and the burgeoning wellness tourism industry. Furthermore, the business is exploring diversification avenues, including the expansion into a range of Ayurvedic wellness products and the organization of herbal education and wellness retreats. This not only leverages the business's established expertise and reputation but also aligns with its mission to promote a holistic well-being and Ayurvedic lifestyle, ensuring sustained growth and market presence.

Backward and forward integrations enhance the "Ayurvedic Bath Soap" micro-scale business's control over its supply chain, quality, and market presence, ensuring a holistic and sustainable approach to Ayurvedic wellness products. These strategic initiatives align with the business's commitment to authenticity, quality, and ecological sustainability in Uttarakhand, India.

## 18. TRAINING CENTERS AND COURSES

- **Quality Control and Manufacturing Best Practices:** Our production team benefits from specialized courses in quality control and manufacturing best practices. These courses focus on upholding stringent quality standards, adhering to Ayurvedic pharmacopeia, and implementing the most effective manufacturing techniques to ensure product integrity.
- **Herbal Knowledge and Sustainable Sourcing:** Employees involved in herb sourcing undergo training courses that cover herbal knowledge and sustainable sourcing practices. These courses empower them with the skills needed to identify native medicinal herbs, understand ethical harvesting, and ensure responsible herb sourcing, enhancing our commitment to using high-quality, ethically sourced herbs.
- **Sustainability and Eco-conscious Practices:** Given our dedication to sustainability, our team members have access to courses that educate them about eco-conscious practices. These courses cover topics such as ethical sourcing, responsible packaging choices, and waste reduction strategies. Our employees are trained to embrace sustainability principles in every aspect of our operations.

Swayam portal (link: <https://swayam.gov.in/> ) can also be accessed for enhanced learning on business commerce, accounting, production, marketing, and areas of entrepreneurship.

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