

AYURVEDIC OILS

1. INTRODUCTION

The "Ayurvedic Oils" project embodies a holistic vision deeply rooted in Uttarakhand's natural wealth and spiritual resonance. Uttarakhand, known as "Dev Bhoomi" or the Land of the Gods, is renowned for its pristine landscapes and ancient traditions. This project, situated amidst the Himalayan foothills, seeks to draw inspiration from this sacred land to produce Ayurvedic oils that transcend mere products—they are vessels of wellness, connecting individuals to centuries-old Ayurvedic wisdom. Our commitment extends beyond commerce; it is a pledge to uphold Ayurveda's sacred principles, nurturing the health of individuals and preserving the ecological harmony of Uttarakhand. The project envisions a harmonious coexistence with nature, where herbal riches are sustainably sourced and transformed into potent wellness elixirs.

2. PRODUCT & ITS APPLICATION

The portfolio of Ayurvedic oils crafted by this project is a testament to Ayurveda's holistic approach to well-being. These oils encompass a wide range of formulations, each meticulously designed to cater to specific health needs. For example, formulations targeting stress relief may blend herbs like Ashwagandha and Brahmi, promoting relaxation and mental clarity. Additionally, we offer skincare oils enriched with botanicals such as Neem and Turmeric to enhance skin health. Ayurvedic hair oils are tailored to nourish the scalp and strengthen hair, often featuring ingredients like Bhringraj and Amla. These oils are versatile, finding applications in traditional Ayurvedic therapies, daily self-care routines, and modern wellness practices. Their potential extends to improving sleep quality, soothing joint discomfort, and enhancing overall vitality.

3. DESIRED QUALIFICATION FOR PROMOTER

The promoter of the "Ayurvedic Oils" project should embody a profound understanding of Ayurvedic principles, rooted in the ancient texts and traditions. A robust knowledge of herbal formulations, Ayurvedic diagnostics, and the intricacies of dosha balancing is

indispensable. Practical experience in Ayurvedic medicine and holistic wellness therapies further enriches the promoter's qualifications. To establish ethical sourcing practices, the promoter should foster relationships with local farmers and herbalists, promoting organic and sustainable cultivation methods. Moreover, business acumen and marketing expertise are essential to bring Ayurvedic oils to a global audience. The promoter's commitment to quality, purity, and ethical manufacturing practices is vital to maintaining Ayurveda's sanctity and ensuring the project's success.

4. INDUSTRY OUTLOOK AND TRENDS

The resurgence of Ayurvedic oils mirrors a global shift toward natural, holistic wellness solutions. Ayurvedic principles, with their emphasis on balance and individualized care, are resonating with wellness seekers worldwide. Uttarakhand, rich in Ayurvedic herbs, stands at the forefront of this movement. Ayurvedic oils are being integrated into mainstream beauty and wellness products, enhancing their appeal. Moreover, digital platforms are bridging geographical divides, allowing Ayurvedic oils to reach a global market. Ayurveda's rejuvenation as a lifestyle choice presents a unique opportunity for the "Ayurvedic Oils" project. The project is poised to not only cater to the wellness needs of individuals but also contribute to the revitalization of Ayurveda on a global scale.

5. MARKET POTENTIAL AND MARKETING ISSUES, IF ANY

The market potential for Ayurvedic oils is immense, driven by a growing demand for natural wellness products. Uttarakhand's pristine environment enhances the appeal of these oils, positioning them as truly authentic and pure. However, marketing challenges may include the need to educate consumers about Ayurvedic principles and the authenticity of the oils. To gain trust, consistent quality and transparency in sourcing are essential. Competition exists, but our commitment to purity and sustainability sets us apart. Strategic partnerships for distribution, both locally and internationally, are crucial. By emphasizing the oils' traditional roots, therapeutic benefits, and ethical practices in our marketing strategies, we aim to overcome these challenges and establish a lasting presence in the market.

India ayurvedic products market is highly fragmented with the presence of several small and large players competing in terms of price and quality. Some of the major players in the market are:

- Dabur India Ltd
- Patanjali Ayurved Limited
- The Himalaya Drug Company
- Vicco Laboratories
- Charak Pharma Pvt. Ltd
- Hamdard Laboratories
- Forest Essentials
- Emami Ltd
- Shree Baidyanath Ayurved Bhawan Pvt. Ltd
- Kerala Ayurveda Ltd
- Amrutanjan Healthcare Limite

Estimated Market Value (INR) in 2022	INR 626 billion
Forecasted Market Value (INR) by 2028	INR 1824 billion
Compound Annual Growth Rate	19.5%

6. RAW MATERIAL REQUIREMENTS

The production of Ayurvedic oils relies on the abundant botanical treasures of Uttarakhand. These include herbs like Amla, Shatavari, and Tulsi, each carefully selected for its therapeutic properties. Uttarakhand's diverse agro-ecological zones ensure a wide variety of medicinal flora. Ethical sourcing practices involve collaborating with local farmers who practice organic and sustainable farming methods. This not only maintains the ecological balance but also supports the livelihoods of local communities. The project's commitment to purity and authenticity is reflected in the stringent standards applied to raw material selection. Uttarakhand's environment, nurtured with respect and care, provides the foundation for crafting Ayurvedic oils that are genuine, potent, and deeply resonant with Ayurveda's wisdom.

The Ministry of Ayurveda, Yoga & Naturopathy, Unani, Siddha and Homoeopathy (AYUSH) provides support to exporters of Ayurvedic products. The Pharmaceuticals Export Promotion Council (PHARMEXCIL) also promotes the export of herbal products.

Here are some suppliers of herbs:

1. Royal Nature Land Private Limited
Ground Floor, Shed No 62,
Lonavala Industrial Co Op Estate Ltd,
Nangargaon, Lonavala, Pune, Maharashtra, 410401
2. Isha Agro Developers Pvt Ltd
Plot No. 36a/55ab, Lonavala Indl Co Op Estate Ltd,
Nangargaoun Maval, Lonavala,
Pune, Maharashtra, 410401
3. Herbal Creations
Village Nayagaon, Chandansingh Block Kotabagh,
Tehsil Kaladhungi, Distt Nainital,
Uttarakhand-263139, India

7. MANUFACTURING PROCESS

The meticulous manufacturing process of Ayurvedic oils begins with the careful selection of herbs, ensuring they are sourced sustainably and ethically. These herbs undergo a process of drying and crushing, preserving their therapeutic potency. Extraction methods, such as cold-pressing or steam distillation, are employed to obtain their essence. The oils are then blended with carrier oils, meticulously following Ayurvedic formulations to ensure their efficacy. Throughout the manufacturing process, stringent quality control measures are in place, ensuring that the oils maintain their purity and authenticity. Every step of production, from Uttarakhand's serene landscapes to the finished product, reflects our commitment to preserving the wisdom of Ayurveda and delivering potent wellness elixirs to individuals seeking holistic health and harmony.

The BIS standardizes in the field of Ayush systems, including Ayurveda, Yoga, Naturopathy, Unani, Siddha, Sowa rigpa, and Homoeopathy. This includes both traditional and modern aspects of products and services of these systems.

The BIS recently published 31 Indian standards related to Ayush herbs and products. One of these standards is IS 7123:2019, which specifies hair oils.

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	0.20	0.40	4.80
2	Semi-skilled	1	12	0.15	0.15	1.80
3	Unskilled	2	12	0.25	0.50	6.00
Total						12.60

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
Total time required (some activities shall run concurrently)		8

10. COST OF PROJECT

Sr. No.	Particulars	Amount (Rs in Lakhs)
1	Pre-operative and Preliminary Exp.	0.50
2	Land and Building Exp.	4.00
3	Machinery Exp.	13.80
4	Equipment and Furniture Exp.	0.55
5	Working Capital	2.00
Total Project Cost in Rs.		20.85

Assumed capacity is to produce 150 bottles a day with net weight of 100 ml.

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%	5.21
2	Bank Finance	75%	15.64
Total			20.85

12. LIST OF MACHINERY REQUIRED

A. Machinery

Sr. No.	Particulars	Unit	Unit Cost (Rs in Lakhs)	Amount (Rs in Lakhs)
1	Oil Extraction Machine	1	2.00	2.00
2	Mixing and Blending Tank	1	1.50	1.50
3	Filtration Equipment	1	1.00	1.00
4	Boiler for Steam Generation	1	2.50	2.50
5	Bottle Filling and Capping Machine	1	2.00	2.00
6	Labelling Machine	1	1.50	1.50
7	Quality Control Lab Equipment	1	1.00	1.00
	Total Amount			11.50
	Tax, Transportation, Insurance, etc.			2.30
	Electrification Expenses (Wiring)			1.15
	Grand Total			14.95

When choosing an oil extraction machine, you can consider things like: Quality and durability, Pressing capacity, Ease of use and maintenance, and Safety features.

1. Jas Enterprise: Offers a variety of oil extraction machines, including the SH-400 Oil Extraction Machine and the SH-400 Mini Oil Ghani.

Address: B-326, 3rd Floor,

Sumel Business Park 7,
 Opposite Soni Ni Chawal BRTS Bus Stand,
 Rakhial, Ahmedabad 380023,
 Gujarat, India.

2. Ss Engineering Works: A manufacturer of hi-tech oil conservation equipment in India.

Address: Kottaram Rd,
 East Nadakkave, Nadakkave,
 Kozhikode, Kerala 673006.

B. Furniture & Equipment

Sr. No.	Particulars	Unit	Unit Cost (Rs in Lakhs)	Amount (Rs in Lakhs)
1	Office Furniture and Shelves	Set	0.65	0.65
2	Computers and printers	2	0.40	0.80
	Total Amount in Rs			1.45

13. SALES REALIZATION CALCULATION

Sr. No	Product	Quantity (in units)	Sales in Percentage	Total Sales (Rs in Lakhs)
1	Ayurvedic Oils – Various	45000	100%	63.00
	Total		100%	63.00

14. PROFITABILITY CALCULATIONS

Sr. No	Particulars - Amount (Rs.)	Year-I (Rs in Lakhs)
A.	Sales Realization	
	Sales (Assuming 15% growth per year)	63.00
	Other Income (Assuming constant)	
	Total Sales Realization	63.00
B.	Cost of Production	
	i) Raw Materials	34.10

	ii) Utilities (Assuming constant)	0.48
	iii) Manpower (Salaries/wages)	14.40
	iv) Administrative Expenses (Assuming constant)	0.56
	v) Selling & Distribution Expenses (Assuming constant)	0.42
	viii) Interest (Assuming constant)	2.97
	Total Cost of Production	52.93
	No of Units Produced	44,104
	Cost of Goods Sold	0.0012
	Gross Profit/Loss (A – B)	9.08
	Less: Depreciation	2.38
C.	PBIT (Profit Before Interest and Tax)	6.71
D.	Income-tax (Assuming 28% tax rate)	1.88
E.	Net Profit/Loss (C - D)	4.83
F.	Repayment	2.97
	Retained Surplus (E - F)	1.87

15. BREAKEVEN ANALYSIS

Fixed cost	Year-I (Rs in Lakhs)
Depreciation	2.38
Interest	2.97
Manpower	4.32
Total Fixed cost	9.67
Variable cost	
Raw materials	34.1
Utilities	0.48
Man Power	10.08
Administrative expenses	0.56
Selling & distribution expenses	0.42
Total Variable cost	45.64
Contribution margin	20%

Break-Even Point in Value	48.35
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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.
- **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.
- **Local Permits:** Depending on the specific location and local regulations, additional permits may be required, including zoning permits, signage permits, and health department permits.
- **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:** In terms of raw material sourcing, the approach focuses on partnering with local farmers to adopt sustainable and ethical harvesting practices for medicinal herbs. This effort is complemented by supporting or initiating organic

farming ventures to secure a steady supply of high-quality herbs. Additionally, there's a commitment to the conservation and propagation of rare and indigenous medicinal herbs, highlighting an emphasis on biodiversity preservation.

- **Component Production:** For component production, the strategy includes establishing in-house facilities dedicated to the meticulous processing and preparation of herbs, ensuring control over the quality and authenticity of raw materials. This extends to considering backward integration into the production of base carrier oils, like cold-pressed sesame or coconut oil, to uphold standards of quality and purity.
- **Quality Control:** On the quality control front, the plan involves developing in-house laboratories equipped with advanced equipment and staffed by skilled personnel for rigorous quality assessments at every production stage. Further investment in research and development aims to continually refine formulations and product quality, aligning with both Ayurvedic pharmacopeia and industry best practices, ensuring that the end products are of the highest standard.

B. Forward Integration

- **Distribution and Sales:** For distribution and sales, the strategy involves setting up exclusive retail outlets and an online platform for direct consumer access, alongside partnerships with wellness centers and specialty stores to widen market reach, including exploring international markets through potential overseas distribution centers.
- **Add-on Services:** Add-on services will include customer support and education to improve product usage and customer satisfaction, as well as repair and refill services to promote sustainability and extend product life.
- **Diversification:** The diversification plan includes expanding into related Ayurvedic products like supplements and skincare and offering herbal education and wellness retreats to promote holistic well-being and an Ayurvedic lifestyle.

18. TRAINING CENTERS AND COURSES

The "Ayurvedic Oils" project places great importance on the continuous development and expertise of its workforce. To ensure that employees possess the necessary skills and knowledge, a range of training courses will be provided:

- **Ayurvedic Principles and Herbal Medicine:** All employees, regardless of their roles, will undergo training in Ayurvedic principles and herbal medicine. This foundational course will introduce them to the core concepts of Ayurveda, the properties of medicinal herbs used in Ayurvedic oils, and the fundamentals of Ayurvedic wellness.
- **Manufacturing and Quality Control:** Manufacturing personnel and quality control specialists will receive specialized training in adherence to stringent manufacturing standards and quality control procedures. This includes knowledge of Ayurvedic pharmacopeia, hygiene practices, and maintaining the purity and efficacy of Ayurvedic oil production.

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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