

Ayurvedic Churna Making - Business Plan

1. INTRODUCTION

The demand for natural, organic, and herbal products is rapidly growing as consumers become more health-conscious and seek alternative medicine to traditional pharmaceutical products. Ayurvedic churna, which refers to powdered herbal medicines, is a key component of traditional Ayurvedic medicine used to treat various health conditions. Given the popularity of Ayurveda and the growing awareness of its benefits, there is a significant opportunity to enter the market by setting up a business focused on manufacturing Ayurvedic churna. Uttarakhand, known for its medicinal plant biodiversity, is an ideal location for such a venture. The government's emphasis on promoting herbal and wellness industries further supports the viability of this business.

2. MARKET IN INDIA AND UTTARAKHAND

The Ayurvedic products market is growing at a rapid pace, driven by increased awareness of the health benefits of Ayurveda. Ayurvedic churna is widely used for various health purposes, including digestive health, immunity boosting, detoxification, and more. In Uttarakhand, with its vast availability of medicinal herbs and plants, there is a strong potential for sourcing high-quality raw materials for Ayurvedic churna production. The state's strategic location, proximity to herbal farms, and the rising trend of natural wellness products provide a strong foundation for this business.

3. DESIRED QUALIFICATION FOR PROMOTER

To run an Ayurvedic churna making business successfully, the promoter should possess:

- Knowledge of Ayurvedic principles and herbal medicine.
- Expertise in herbal formulation and churna production.
- A background in pharmacy, medicine, or related fields (optional but beneficial).
- Business management skills for handling operations, marketing, and finances.
- Understanding of quality control processes for herbal products.

4. BUSINESS OUTLOOK AND TRENDS

The Ayurveda market in India is expanding due to increasing demand for natural remedies.

Key trends driving this growth include:

- The rise in consumer preference for natural and chemical-free products.
- Growing popularity of Ayurvedic wellness practices.
- Increased awareness of the importance of immunity and digestive health, particularly post-pandemic.
- Government support for herbal and wellness industries, including subsidies and grants.

5. MARKET POTENTIAL AND MARKETING ISSUES

- **Market Potential:** The Ayurvedic products market is expected to grow at a CAGR of 16.2% over the next decade, with Ayurvedic churna being one of the key segments.
- **Marketing Issues:**
 - **Raw Material Sourcing:** The availability of high-quality herbs can be variable and may require effective sourcing and supply chain management.
 - **Regulatory Challenges:** Obtaining approvals and licenses from authorities such as AYUSH (Ministry of Ayurveda, Yoga, and Naturopathy, Unani, Siddha, and Homoeopathy) is essential.
 - **Customer Education:** Educating consumers about the benefits of Ayurvedic churna may take time, as many are unfamiliar with its uses compared to conventional medicine.

6. BUSINESS INPUTS

- **Raw Materials:** Medicinal herbs and plants, organic spices, powders (e.g., turmeric, ginger, ashwagandha), and packaging materials.
- **Machinery and Equipment:** Drying machines, grinding mills, mixing machines, packaging machines.
- **Manpower:** Skilled labor for processing, packaging, and quality control.
- **Technology:** Formulation software for developing churna recipes, ERP software for inventory and sales management.

7. MANUFACTURING PROCESS

The manufacturing process of Ayurvedic churna involves the following stages:

- Raw Material Sourcing:** Gathering fresh herbs, plants, and spices from certified suppliers or local farms in Uttarakhand.
- Cleaning and Drying:** Washing and drying herbs to remove moisture and preserve their active ingredients.
- Grinding:** Grinding the dried herbs and spices into fine powders using grinding mills.
- Formulation:** Combining different herbs in specific proportions to create the churna, according to Ayurvedic formulations.
- Quality Control:** Ensuring that the churna meets industry standards for purity, potency, and safety.
- Packaging:** Packaging the final product in airtight containers, labeled with usage instructions, batch details, and expiration dates.
- Distribution:** Distribution to retail outlets, wellness centers, and direct-to-consumer sales via online platforms.

8. MANPOWER REQUIREMENT

Sr. No	Particulars	No.	No. of Months per Year	Wages/Salaries per Month (Rs. in Lakhs)	Annual Expense (Rs. in Lakhs)
1	Self-Employed	1	12	0.50	6.00
2	Skilled Labor	4	12	0.15	7.20
3	Helper	2	12	0.10	2.40
Total		7			15.60

9. IMPLEMENTATION SCHEDULE

Sr. No	Activity	Time Required (in months)
1	Acquisition of premises	1
2	Construction (if applicable)	1
3	Procurement & installation of machinery	2
4	Arrangement of finance	1.5
5	Recruitment of required manpower	1
Total		3.5

10. COST OF PROJECT

Sr. No	Particulars	Annual Expenses (Rs. in Lakhs)
1	Land	0.00
2	Building (Rented)	1.00
3	Plant & Machinery	3.50
4	Equipment and Furniture	1.20
5	Miscellaneous Fixed Assets	0.10
6	Preoperative & Preliminary Expenses	0.05
7	Working Capital	1.00
Total		6.85

11. MEANS OF FINANCE

Sr. No	Particulars	Annual Expenses (Rs. in Lakhs)
1	Promoter's Contribution	2.74
2	Bank Finance	4.11
Total		6.85

12. LIST OF MACHINERY REQUIRED

Sr. No	Particulars	Unit	Price per Unit (Rs. in Lakhs)	Total Amount (Rs. in Lakhs)
1	Grinding Mills	-	1.00	1.00
2	Drying Machines	-	0.80	1.60
3	Mixing Machines	-	0.50	0.50
4	Packaging Machines	-	0.70	1.20
Total		-		4.30

13. SALES REALISATION

Sr. No	Product	Sales Realisation (Rs. in Lakhs)
1	Ayurvedic Churna Packs	12.00

14. PROFITABILITY CALCULATIONS

Sr. No	Particulars	Annual Expenses (Rs. in Lakhs)
i)	Sales Realisation	12.00
ii)	Cost of Production	7.00
iii)	Gross Profit	5.00
iv)	Depreciation	0.40
v)	PBIT	4.60
vi)	Income Tax	0.80
vii)	Net Profit	3.80

Repayment		1.00
Retained Surplus		2.80

15. BREAKEVEN ANALYSIS

Particulars	Rs. in Lakhs
Fixed Cost	2.50
Variable Cost	4.35
Contribution Margin	35%
Break-even Point	7.14
Variable Cost per Unit	1,800
Revenue per Unit	3,000
Margin per Unit	1,200
Number of Sales to Break-even	350 units
Annual Capacity	1000 units

16. STATUTORY/GOVERNMENT APPROVALS

- AYUSH Certification
- FSSAI License for Herbal Products
- GST Registration
- Trade License

17. TRAINING CENTERS AND COURSES

1. **National Institute of Ayurveda** – Ayurveda and Herbal Product Manufacturing Course
2. **Indian Institute of Herbal Medicine** – Churna and Ayurvedic Formulation Training
3. **Ayurvedic Drug Manufacturers Association of India (ADMA)** – Herbal and Ayurvedic Manufacturing Course

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

Entrepreneurship program that helps to run businesses successfully are also available from Institutes like the Entrepreneurship Development Institute of India (EDII) and its affiliates all over India.

Disclaimer

Only few machine manufacturers are mentioned in the profile, although many machine manufacturers are available in the market. The addresses given for machinery manufacturers have been taken from reliable sources, to the best of knowledge and contacts. However, no responsibility is admitted, in case any inadvertent error or incorrectness is noticed therein. Further the same have been given by way of information only and do not carry any recommendation.