PROJECT PROFILE ON HERBAL COLLECTION CENTER

1. INTRODUCTION

Herbs are available in huge quantities in the forest and it's near by areas. These herbs are required in the manufacturing of different food products and Ayurvedic medicines. In this profile concern proposes to collect different herbs, process it in the factory premises, and then sell to the consumers. The herbs powder like Harra, Awala, Baheda, and Moosali are the products, which are easily sellable in the market. Human Beings also consume some of the Herbal product like Anwla as Mooraba and Pickles. Demands of these products are very huge.

2. MARKET DEMAND

Different forest produces different herbs but in general Anwla is available in almost all forests. It is estimated that ayurvedic drugs manufacturers needs these herbs in huge quantities i.e. around 3.5-4.0 lakh tones in the country. The major customers beside drugs are cosmetic manufacturers.

Exports of different herbs like Behda, Harra and Anwla is also tremendous and many international cosmetics producers purchasers collect basic herbs from India, therefore the demand of product exists and likely to increase with the increase of ayurvedic drugs and cosmetics.

PRODUCTION TARGETS

Basis of estimation: 300 Working Days in a Year
Single Shift basis
8 hours per shift

	Different Herbs
Quantity (Kg)	30000
Value (Rs)	750000

3. MANUFACTURING PROCESS

The manufacturing process of herbs collection center is very simple and starts from collection of particular herbs, segregation of herbs according to the quality than if required drying or grinding is done as per the requirement of customer and the particular herb.

Finished/ Semi finished herbs are packed in desire packaging i.e. in polythene or cartoon box.

4. QUALITY CONTROL STANDARDS

Quality of the product must be as per customers demand and product may not contain any impurity or unwanted elements in it.

5. LAND & BUILDING

1.	Covered area	Sq. Ft.	500
2.	Uncovered area	Sq. Ft.	10000
3.	Total area	Sq. Ft.	15000
4.	Whether constructed or Rented		Rented
5.	If constructed, constructed value	Rs	N.A.
6.	If Rented, Rental value (per month)	Rs	2000

6. MACHINERY AND EQUIPMENT

S.N.	Description	Qty.	Value (Rs.)
1.	Pulverizer \ Grinder with accessories	1	75000
2.	Diesel Engine	1	
3.	Utencils	1	
4.	Weighing Balance	1	

5.	Packaging Tools	1	
6.	Furniture	1	
7.	Sales Tax, Freight & Insurance etc.		8000
	Total		83000

7. RAW MATERIAL (PER MONTH)

S.N.	Particulars	Quantity (Kg)	Value (Rs)
1.	Different Raw Herbs	2700	27000
2.	Packaging Material		1000
		Total	28000

8. STAFF & LABOUR (PER MONTH)

S.N.	Particulars	Qty	Rate	Value (Rs)
A	Administrative and Supervisory			
(i)	Manager			
(ii)	Peon/ Chowkidar			
B	Technical (Skilled-Unskilled)			
(i)	Skilled Worker	1	3000	3000
(ii)	Unskilled Worker	2	2000	4000
	Sub-Total			7000
	Plus perquisites @ 30% of salaries			2100
	TOTAL			9100

9. OTHER EXPENSES (PER MONTH)

1.	Rent of Land & Building	2000
2.	Electricity Charges	1000
3.	Fuel Exp.	0
4.	Advertisement & Travelling	500
5.	Transport	3000
6.	Consumable & stores etc.	500
7.	Potage expenses/ telephones	500
8.	Stationery	500
9.	Repairs & Maintenance’s	0
	Total	8000

10. WORKING CAPITAL (FOR ONE MONTH)

SL.NO.	DESCRIPTION	AMOUNT(RS)
1	Raw material	28000
2	Salaries & Wages	9100
3	Other Expenses	8000
	Total	45100

11. TOTAL CAPITAL INVESTMENT

Building & Other Civil Works	-
Machinery & Equipment	83000
Working capital for one month	45100
Total	128100

12. COST OF PRODUCTION (PER ANNUM)

Total recurring cost per year	541200
Depreciation on machinery & equipment	8000
Interest on total investment @ 10%	12000
Total	561200

13. SALES PROCEEDS (PER ANNUM)

S.N.	Item	Qty (Kg)	Value (Rs.)
1.	Different Herbs	30000	750000
	Total		750000

14. PROFITABILITY (BEFORE INCOME TAX)

1.	Annual Gross Profit	208800
2.	% of Profit on Sales	27.84%
3.	Break Even Analysis	
3.1	Annual Fixed Cost	205200
3.2	Annual Sales	750000
3.3	Annual Variable Cost	336000
3.4	Break Even Point	49.57%

Break-Even Analysis

(% of Total Production envisaged)

$$\frac{\text{Annual fixed cost } \times 100}{\text{Annual sales} - \text{Annual variable costs}} = \%$$

15. Manufactures/ Suppliers of Machinery

1	Huma Traders Near Shajanabad Thana, Bhopal
2	Small traders of plant & equipments in the district.

16. Suppliers of Raw Materials

From Local forest depot / local traders of the area.

17. IMPLEMENTATION PERIOD

Proposed Project can commence production with in 6-8 weeks after sanction and first disbursement of term loan.

18. ASSUMPTION FOR GENERATING PROJECT PROFITABILITY

1	Number of Working Days in a year	300 Days
2	Number of Shifts in a day	1 One
3	Hours in a Shift	8 hours
4	Plant Capacity	Consider on Average production capacities of plant.
5	Raw material Estimates	Based upon product Mix
6	Raw Material Availability	Forest districts of MP
7	Depreciation	Straight Line Method
8	Manpower	According to project Requirement
9	Rent estimate	On the basis of current market prize of the area.
10	Potential Area of Marketing the products	Households & related industries of the area.

11	If project is funded, term loan would be	60-80% of Total investment
12	Moratorium Period	6- 12 months
13	Repayment Period	5-7 years
14	Project may be established under	PMEGP (GOI) / Tribal Self Employment Scheme (NSTFDC) or Rani Durgawati Scheme of MP