

MEDICINAL AND AROMATIC PLANTS

1. Introduction

Traditionally, herbs were collected from wild but at present, they are being cultivated for commercial use in Ayurvedic formulations. These plants can be grown in less fertile soils and barren lands.

1. Market potential

Herbal and ayurvedic products have been commanding wide acceptance due to no side effects and complete cure is possible for several diseases. Some of the medicinal and aromatic plants which are in demand are Sarpagandha, Ashwagandha, Pudina (Mint), Lemon grass, white musali etc. Ashwagandha is used in preparation of medicine of joint pain, asthma and Arthritis. It is also used to cure general weakness. Sarpagandha is used in controlling blood pressure and intestinal problem. Chiraita is useful in blood purification. Lemon grass and Pudina (Mint) have both medicinal and aromatic properties.

2. Technical details

(a) Capacity

The capacity of the project has been assumed as 2500 kg. of Ashwagandha roots per year.

(a) Description of the plant and climatic conditions

Ashwagandha grows up to a height of 1.5 m; the flower is 1 cm long and the fruit 6 cm in diameter. Ashwagandha is cultivated in sandy soil as also in clayey and less fertile soil. It is cultivated in the rainy season.

(b) Process of cultivation

Ashwagandha can be cultivated either by planting saplings or sowing seeds. Saplings can be prepared in nurseries and planted. Sapling grown from seeds can also be planted.

Normally the field is prepared in the month of May. Composite manure and Cow dung is spread in the soil. Saplings are planted during early monsoon. The plants need regular watering of roots after monsoon once they are transplanted.

4. Details of plant & machinery

S. No.	Items	Quantity	Value (Rs.)
1.	Agriculture implements like crow bars, spades, bucket etc.	Lump sum	25,000.00
2.	Water supply arrangement	Lump sum	30,000.00
	TOTAL		55,000.00

5. Power for irrigation

S. No.	Items	Total cost (in Rs.)
1.	Power (5 HP x 0.75 x 8 hrs x 150 days x Rs.3.50/unit)	15,750.00

6. Manpower

S. No.	Category	Nos.	Salary (Rs.)	Total annual salary (in Rs.)
1.	Unskilled (Additional part time)	01	1500	18,000.00
2.	Unskilled (Casual) based on requirement	04	Rs.75/day for 50 days in a year	15,000.00
	TOTAL			33,000.00

7. Raw material requirement (Per annum)

S. No.	Items	Quantity	Rate (Rs.)	Annual value (Rs.)
1.	Seeds	100 kg.	125 per kg.	12,500.00
2.	Fertilizer & other consumables		LS	10,000.00
3.	Pesticides		LS	1,500.00
	TOTAL			24,000.00

8. Working capital (at full capacity utilization)

S. No.	Items	Period	Amount (in Rs.)
1.	Raw material	2 month	4,000.00
2.	Utilities	One month	1,500.00
3.	Manpower	1 month	2,750.00
4.	Rent & misc. expenses	-	1,750.00
	TOTAL		10,000.00

9. Project cost

S. No.	Items	Total cost (in Rs.)
1.	Land	own/on lease
2.	Plant & machinery	55,000.00
3.	Misc. fixed assets	2,500.00
4.	Preliminary and pre operative expenses	2,500.00
5.	Working capital	10,000.00
	TOTAL	70,000.00

10. Means of finance

S. No.	Items	Total cost (in Rs.)	%age
1.	Promoters contribution	2,000.00	2.86
2.	NSTFDC term loan	60,000.00	85.71
3.	SCA – term loan/subsidy	8,000.00	11.43
	TOTAL	70,000.00	100.00

Note: The State Channelising Agencies shall arrange to provide subsidy to beneficiary(ies) as per norms of their Corporation. Further, SCAs may also make efforts to avail incentive/subsidy from other centrally sponsored schemes.

11. Project economics (annual)

S. No.	Items	Amount (in Rs.)
A.	Sales realization 2000 kg @ Rs.80 per kg. average	1,60,000.00
B.	Cost of production	
(i)	Raw material	24,000.00
(ii)	Salary and wages	33,000.00
(iii)	Power	15,750.00
(iv)	Repairs and maintenance	3,000.00
(v)	Lease rent	5,000.00
(vi)	Interest	4,080.00
(vii)	Sustenance allowance for the beneficiary	24,000.00
(viii)	Misc. expenses	2,000.00
	TOTAL	1,10,830.00
	SAY	1,11,000.00
C.	Cash profit (A-C)	49,000.00
D.	Depreciation/amortization of expenses	6,000.00
E.	Net Profit	43,000.00

12. Viability indicators

S. No.	Particulars	Amount
1.	Repayment per annum (period - 5 years)	13,600.00
2.	Debt service coverage ratio	3.00
3.	Return on investment (ROI)	61%

- Notes:** (i) Changes in yield arising out of climatic and soil conditions, and cultivation methods may have impact on the profitability of unit
(ii) Income shall go up further by Rs.5000/- in case of self-owned land units.

13. Interest, moratoriums and repayment period for beneficiaries

- (a) Interest : 6% p.a. on term loan.
- (b) Moratorium period : 9 months from date of release of funds by SCA.
- (c) Repayment period : 5 years excluding moratorium period.

14. General remarks

- ❑ The cost of plant & machinery has been taken on the basis of items manufactured by standard/reputed suppliers having required service network. The suppliers should be preferably based in local areas or nearby States.
- ❑ The cost of project may vary in different States & Regions.
- ❑ It is assumed that the products/services have good demand, and the beneficiaries have experience in the relevant fields.