

SUGAR GLOBULES (HOMOEOPATHIC MEDICINE) UNIT

1. INTRODUCTION

The project proposes to manufacture Sugar Globules which is an adjunctant for taking Homeopathic medicines.

Homeopathy is a medical science developed by Dr. Samuel Hahnemann (1755-1843), a German physician. It is based on the principle that “like cures like”. In simple words, it means that any substance, which can produce symptoms in a healthy person, can cure similar symptoms in a person who is sick.

This idea is referred to as the “Law of Similars”, and was understood by Aristotle and Hippocrates and mentioned in ancient Hindu manuscripts. It was Hahnemann, however, who turned it into a science of healing.



Therefore, demand of homeopathic medicines is increasing day by day, looking to the demand of Homeopathic drugs, demand of sugar globules is also increasing because Homeopathic medicines can only be taken with sugar globules of water due to sweet in nature & easy solubility in mouth sugar globules are mainly being used by homeopathic doctors.

- Homeopathic medicine can be classified on the basis of type of treatment
 - Auto-isopathy
 - Classical homeopathy
 - Clinical homeopathy
 - Complex homeopathy
 - Homotoxicology
 - Isopathy
 - Pluralistic homeopathy
- On the basis of origin
 - Plant kingdom
 - Animal kingdom
 - Mineral kingdom
- Types of homeopathic medicines
 - Classical medicines
 - Constitutional medicines
- Polychrests

The sugar globules have good absorption power than other globules and easily absorbs by the homeopathic drug without any change in composition & property.

3. DESIRED QUALIFICATION FOR PROMOTER

The promoter should be having formal qualifications in the field of homeopathy / pharmacy (B.Pharm. or M. Pharm). A degree in Science would also be ok. Further he /

she should have experience of working in a unit manufacturing such homeopathic formulations.

4. INDUSTRY OUTLOOK/TREND

Geographically, the global homeopathic products market is divided into four regions: North America, Europe, Asia-Pacific and Rest of the World (RoW). In terms of geography, North America followed by Europe is the largest market for homeopathic products due to increasing interest of people in homeopathic and herbal medicines, rising number of disorders and diseases and favorable regulatory framework.

In countries such as the Brazil, the U.K., India, Mexico and Cuba homeopathy is incorporated into the health system and covered by public health insurance.

However, the Asia Pacific market is also growing at a considerable rate due to development of healthcare industry, increasing awareness of people in homeopathy and herbal medicines and increasing prevalence of chronic diseases.

5. MARKET POTENTIAL AND MARKETING ISSUES, IF ANY

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According to a study by Associated Chambers of Commerce and Industry of India (ASSOCHAM) 2011, the size of the domestic homeopathy market was around 523 million US Dollars in 2010 and was expected to exceed 160 million US Dollars in the next three years.

The global homeopathic products market is witnessing strong growth due effective and efficient treatments available in homeopathy for various diseases. Homeopathy is proved to be effective in many cases of chronic and acute diseases. Even though there is lack of clear understanding of working of homeopathic medicines, but there is clear evidence that the medicines are active and can be curative.

In India, homeopathic medicine has fully incorporated with both traditional ayurvedic and western medicine. African homeopathic medicine market is also growing at a fast rate due to its affordability and effective system of medicine that fits with many traditional African spiritual beliefs. According to WHO, homeopathy is the second largest system of medicine with a growth rate of 20-25% every year. The growing popularity of homeopathy and its legal acceptance has been seen in 66 countries.

The organised homoeopathy market in India, which is estimated to be around Rs 2,758 crore, is expected to more than double by 2017. The growth in the sector is largely due to a rapid increase in adoption of the system of medicine and the perceived effectiveness and efficacy of homoeopathic medicines.

"The Indian Homoeopathy market is growing much faster than the global market, which is pegged around Rs 26,000 crore," Mukesh Batra, Chairman, Dr Batra's Positive Health Clinic said.

Globally, over 600 million people use homoeopathy as a system of medicine to treat ailments. Of this, about 100 million are Indians and by 2017, the numbers are expected to climb to 160 million, he said. Also, during that period, in value terms the market is expected to rise to Rs 5,783 crore. The sector also accounts for about 20 per cent of the total healthcare market in India, Dr Batra said.

"There is a rapid increase in the number of trained homoeopaths passing out of colleges today. About 20,000 of them pass out per annum. Meanwhile, organised homoeopathy players have played a role in taking the system of medicine, developed in Germany over 250 years ago, beyond the Indian shores," he said.

Today, Dr Batra's is in the process of setting up branches in the UK and is planning more branches in West Asia. The company has been operating a multi-specialty veterinary hospital in south Delhi.

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Assocham Study

By 2010, domestic homeopathy market is expected to be more than double and touch the Rs26 billion sizes as it would continue to grow @ between 25-30% against 13-15% of pharmaceuticals industry since users of homeopathy are multiplying not only within the country but through out the world.

According to a report brought out by Assocham, the current homeopathy market in India is estimated to be around Rs12.5 billion and its size in the global market has gone up to Rs135 billion. France, contributes the largest to the world Homeopathy market at an estimated Rs45 billion.

Nearly 5000 patients were randomly surveyed in metros like Delhi, Mumbai, Kolkata, Chennai, Bangalore and other satellite towns like Chandigarh, Hyderabad, and Lucknow. The study found a huge gap between homeopathy and healthcare industry. This gap they felt would continue to persist due to lack of hospitals and institutions. There are very few institutions for hospitalization and distribution of products in homeopathy continues to be very poor. A major reason is that these are not easily available as compared to allopathic medicines.

Key Findings

- * Over 55% said they had faith in homeopathy; they also admitted that it took longer to identify ailments through homeopathy, but the treatment was relatively safe and physiologically more satisfactory, with no side effects
- * Being easily available and effective for treating chronic ailments it is accessible online to over one crore patients across the country
- * Online homeopathy connectivity worldwide is spread over 95 countries and interestingly majority of them are economies of scale in which allopathy until recently has been more prevalent
- * In 2006-07, patients diagnosing ailments with homeopathy in India numbered approximately 4-5 crore; this is likely to exceed about 10 crore in next 2-3 years
- * 80% of them felt that homeopathy is increasingly becoming an alternate to allopathic medicines because of their fake content and patients including doctors losing confidence
- * There are over four lakh registered homeopaths in the country currently, with approximately 13,000 more being added every year
- * Another reason for homeopathy's popularity has been the growing disillusionment with conventional allopathic medicine, which has, for many years, been the first line of treatment for most patients. Many feel its more personalized treatment, with greater one-on-one interaction between the patient and the physician
- * In India, there are 2860 hospitals, with a total of 45,720 beds, providing traditional Indian systems of medicine and homeopathy and 22,100 dispensaries of traditional medicine. The number of registered traditional medicine practitioners and homeopaths comprise 587,536 that are both institutionally and non-institutionally qualified
- * Homeopathy is found to be effective in treating chronic ailments (hair & skin problems, respiratory problems, arthritis and other miscellaneous treatments like thyroid, bed-wetting, diabetes, and obesity)

6. RAW MATERIAL REQUIREMENTS

In manufacturing of sugar globules basic raw material is sugar & which is easily available in each & every part of country

The project would also require packaging materials and consumables. These include empty hard gelatin capsules, boxes, bottles, caps, etc.

All of the above are easily available in India.

7. MANUFACTURING PROCESS

Manufacturing process of sugar globules may be shown as following:-

1. Grinding of sugar.
2. Formation of Globules
3. Drying
4. Coating

1. Grinding:

Sugar is grinded by grinder to fine mesh & further filter through sieve to remove unwanted material if any.

2. Formation of Globules:

Powdered sugar mixed with water & paste is formed. This paste is rubbed on the surface of sieve to prepare granules of sugar.

3. Drying:

These granules are dried in tray drier to remove/eliminate moisture of the product.

4. Coating:

Dried sugar globules transferred in to coating machine having arrangement of spray drier for coating with sugar solution to desired size.

Color of the product should be translucent or opaque in nature.

Regulations

The department of Ayush under the health ministry has introduced a voluntary quality certification scheme to ensure efficacy of herbal products based on the Indian systems of medicines including ayurveda, unani, siddha as well as medicines belonging to homeopathy, reports said.

The Department of Ayush (Ayurveda, Unani, Siddha and homeopathy) will be issuing quality standard certificates for herbal and homeopathic medicines for domestic use and export purposes.

Ayush has two types of certification schemes for manufacturing units engaged in production of ayurveda, unani, siddha and homeopathic medicines.

The Ayush Standard Mark will be issued as certification for manufacturers who meet the domestic regulatory requirements. These companies can sell their products within the country.

While the Ayush Premium Mark is meant for the units that export their products and are in compliance with manufacturing practices international regulatory agencies such as those set by WHO, European Commission, USA and other countries.

Each manufacturing unit would obtain a certification from an approved CB which is accredited to appropriate international standards by the National Accreditation Board for Certification Bodies (NABCB) and will be under regular surveillance of the certification body.

Ayush has roped in the Quality Council of India (QCI) as policy setting body for the purpose. Third party organisations will act as as certification bodies (CB) to carry out evaluation and issue certificate to the manufacturing units of Ayurveda, Unani, Siddha and homeopathy (Ayush) products.

QCI together with department of Ayush worked out the modalities of the certification scheme.

Hyderabad-based Foodcert India (P) Ltd and Mumbai-based Bureau Veritas Certification (India) Pvt Ltd have been chosen as the approved certification bodies under the scheme.

CBs will conduct evaluation of the desiring units and certify the products in consultation with the QCI. CBs will also continue stringent monitoring of the AYUSH manufacturing units further.

Currently, the Ayush products are regulated under the Drugs and Cosmetics Act, 1940 by the Drugs Controller General of India through the State Governments.

The Department of Ayush and QCI formally signed the agreement to design the scheme around two years ago. QCI will host the secretariat and the scheme will be overseen by a Multi stakeholder Steering Committee (MSC) chaired by the secretary of Ayush.

A Technical Committee and a Certification Committee constituted by QCI will support MSC.

8. MANPOWER REQUIREMENTS

Sr. No.	Designation	Number	Approx. Salary (Rs. Per month)
1	Chemist	1	15000/-
2	Production supervisor	2	20000/-
3	Office staff & marketing executive	3	36000/-
4	Skilled workers	3	21000/-
5	Unskilled workers	3	15000/-
	Subtotal		1,07000/-
	Perks @ 15 %		16000/-
	Total		1,23,000/-

9. IMPLEMENTATION SCHEDULE

Sr. No	Activity	Time
1	Preparation of Project report	One month
2	E M Registration & approval from FDCA	One month
3	Financial/Loan from Banker or Financial Institutions	Two months
4	Power connection/Building construction Six months	One month
5	Machinery procurement & Trial run.	Two months
6	Recruitment of Staff & Labour	One month
7	Actual commercial production	One month

10. COST OF PROJECT

The total cost of project is estimated as below:

Sr. No	Component	Particulars	Cost (Rs. Lacs)
1	Land	500 sq. mts	5.00
2	Building	250 sq mts	10.00
3	Plant & Machinery including QC		15.00
4	Other Assets		0.50
5	P & P Expenses		0.50
6	Contingencies		2.50
7	WC Margin		6.00
		Total	39.50

11. MEANS OF FINANCE

- Term Loan : Rs.24. 00 lacs
- Promoter own contribution : Rs.15.50 lacs

12. WORKING CAPITAL CALCULATION

Sr. No	Particulars	Duration	Total Estimated cost (Rs. Lacs)
1	Raw materials/ Packing materials	1 month	10.00
2	Working expenses	1 month	3.00
3	Finished goods	15 days	2.00
4	Receivable	30 days	3.00
5		Total	18.00
6		WC Margin	6.00

13. LIST OF MACHINERY REQUIRED AND THEIR MANUFACTURERS

Sr. no.	Machine	Number	Approx. Cost in Lacs.
1	Grinder with motor of 5 HP for grinding of sugar	2	2,50,000
2	Tray drier capacity of 26 trays, electrically heated, complete with fan, heating coil, digital temperature controller & indicator having arrangement of circulating air.	2	4,00,000
3	Sieves of different Mesh size	5	60,000
4	Tableting Machine with Motors & Punches	1	90,000
5	Coating pan made of SS with arrangement of Heater and air blower	1	1,50,000
6	Degrader having arrangement of 13 Nos. sieves of various meshes & 3 HP motor capacity 100 kg. per hour	1	2,50,000
7	Physical weighing balance	1	20,000
8	Lab equipment, glass ware plastic ware & other equipment like sealing machine etc		1,00,000
	Sub total		13,2000
	Erecting, commissioned. @ 12%		1,98000
	Total		15,18,000 Say 15.00 lacs

Indicative sources:

- Pharmatech International, Belghata, Kolkatta
- Scientific Apparatus Company, Indore, MP.
- Pharmatech Engineers, Indore
- Ambica Machineries, Vatva, Ahmedabad
- ARV Engineering, Thane

Note: All machinery to be of GMP standards

14. Profitability calculations (Indicative only)

- **Annual production capacity Recommended**

2800 Qtls

- Total Sales turnover: 130.00 lacs
- Cost of production & other expenses: 115.00 lacs
- Profit : Rs. 15.00 lacs

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Capacity utilisation (%)	60	75	80	80	80
Production (Qtls)	1680	2100	2240	2240	2240
Sales	78.00	97.50	104.00	104.00	104.00
Expenses	69.00	86.00	92.00	92.00	92.00
Gross profit	9.00	11.00	12.00	12.00	12.00
Profit to Sales (%)	11.50	13.00	15.00	15.00	15.00

Key Assumptions and The basis of profitability calculation:

As mentioned above, The Unit will have capacity of 2800 Qtls pa. The capacity build up is taken considering the sales related from OEM/ Retail network that is built up by the entrepreneur based on his prior experience in the industry.

This project has to have group of **Sugar Globules**. The sales prices of these products vary. Accordingly an average sales price of Rs. 21.50 lakhs/- per Qtl has been assumed. The cost of production, inclusive of major cost heads such as raw materials, labour & power has been considered based on prevailing industry standards and assumed @ 80 %.

On indicative basis, power Costs are considered at Rs 5/- per Kwh and fuel cost is considered at Rs. 50/- per litre. The depreciation of plant is taken at 10-12 % and

Interest costs are taken at 12 % depending on type of industry. All these are wherever applicable.

It may be kindly noted that basis / assumptions for such kind and size of the projects in a profile can be on indicative basis only. At the same time it does provide a reasonably accurate scenario.

15. Breakeven analyses

$$FC \times 100: 15.00 \times 100 = 1500$$

$$FC + Profit: 15.00 + 16.00 = 31$$

$$BEP = 48.30 \%$$

16. STATUTORY/ GOVERNMENT APPROVALS

Good Manufacturing Practices (GMP)

The Drugs and Pharmaceutical Industry in general is highly regulated in India. Regulatory authorities at the Central level and the State level monitor the same.

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The Ayush Standard Mark will be issued as certification for manufacturers who meet the domestic regulatory requirements. These companies can sell their products within the country.

MSME & GST registration, IEC Code for Export of end products and local authority clearance may be required for Shops and Establishment, for Fire and Safety requirement and registration for ESI, PF and Labour laws may be required if applicable. And promoter has to take approval from Pollution Control Board.

17. BACKWARD AND FORWARD INTEGRATION

As backward integration, Entrepreneur may think of going for the production of bulk ingredients.

18. TRAINING CENTERS/COURSES

For Homeopathic industry training and short term courses may be availed from the Institutions such as AYUSH, NIPER , and Homeopathic colleges.. Also EDP centers.

Udyamimitra portal (link : www.udyamimitra.in) can also be accessed for handholding services viz. application filling / project report preparation, EDP, financial Training, Skill Development, mentoring etc.

Entrepreneurship development programs help to run businesses successfully and are available from Institutes like 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.