

**Commissioner of Industries
Hyderabad
Andhra Pradesh**

Gold Powder for Pharmaceutical Industry

I. Introduction

Natural medicines including Ayurved (Herbal) and Homeo Medicines are finding increasing popularity day by day due to their safe functioning without any dangerous side effects, quick & permanent cure of chronic diseases and reasonable cost. Most of the chronic diseases like tumors, cancer, lung congestions, paediatric/gynic problems, skin diseases, liver problems, kidney diseases etc., find permanent & safe cure with natural medicines. These medicines can be used by the patients with a comfortable stay at home avoiding hospitalisation. Special Ayurved medicines using gold powder provides cure for all these diseases at ease. The gold provides good cure for problems with-nervous weakness, old age effects, eye sight, ulcerous poisons, memory etc. when mixed with suitable ingredients.

II. Market Status & Scope

The demand for gold powder in Ayurvedic medicines is very large in India but several doctors are unable to prescribe it due to non-availability of quality gold powder of pharmaceutical grade. Very selective manufacturers like Dabur use small quantities of gold powder in their medicines which are sold at very high prices. Other manufacturers are manufacturing the medicines without gold. When quality gold powder is made available to doctors & manufacturers of medicines will use it for good results.

III. Installed Capacity

An installed capacity of 1000 gms. of gold powder is suggested per annum on basis of two shifts and 300 working days. Operating capacities suggested are 60% in I year, 70% in II year and 80% from III year onwards.

IV. Process

The process is very time consuming and labour intensive requiring very careful attention. The cycle of operation is around 10-12 days. First pure 24 carets gold is converted into fine flakes using manual tools. The flakes are then fired on coal fire periodically dipped in oil, butter milk, starch and in cow urine 3-4 times in a day's operation. Then the gold is mixed in mercury and lemon juice, stirred well to form a paste. Then sulphur of suitable grade is added and burnt on fire. The entire process is repeated 14-15 times which takes about 10-12 days when the gold powder is ready.

V. Land & Buildings

The project can be setup in rented premises and requires a covered area of about 500 sq. ft.

VI. Plant & Machinery

The project requires hand tools, miscellaneous containers, office equipment and furniture. The tools and equipment totally cost Rs. 0.31 lakh including 10% contingencies.

VII. Raw Materials

The required raw materials are pure 24 carets gold, starch, oil, butter milk, cow urine, mercury, pure lemon juice and sulphur. The raw materials cost Rs. 5.92 lakhs in III year at 80% capacity utilisation.

VIII. Utilities

The project requires 1.0 H.P of power and drinking water. The bill of utilities works out to about Rs.0.07 lakh III year at 80% capacity utilisation.

IX. Manpower Requirement

The project requires one supervisor, two skilled workers and one unskilled worker. The details are as follows.

S.No.	Details	Number	Salary per month in I year	Total Rs. lakhs
1.	Supervisor	1	2500	0.30
2.	Skilled workers	2	2000	0.48
3.	Unskilled workers	1	1500	0.18
Fringe benefit @ 20% + 5% annual rise				0.96
				0.20
Total				1.16

X. Working Capital Requirement

The project requires one month each of raw materials, packing material, utilities, salaries, bills receivables and finished goods.

The working capital requirement works out to Rs.1.76 lakhs from III year onwards.

XI. Preliminary & Pre-operative Expenses

The total preliminary & pro-operative costs towards project report preparation, acquiring loan, travelling, salaries, interest, trial production, technology, deposits & contingencies out amounts to Rs. 0.63 lakh.

XII. Project Cost & Means of Finance

Rs. lakhs	
I. Project Cost	
a) Land	Rented
b) Building	"
c) Tools & equipment	0.20
d) Miscellaneous fixed assets	0.10
e) Preliminary & preoperative expenses including deposit	0.63

Total fixed capital	0.93
f) Working capital margin (III yr)	0.52
Total project cost	1.45
II. Means of Finance	
Promoter's contribution	0.93
Term loan	0.52

XIII. Annual Operating Results (at 80 % capacity utilisation in III year)

Rs.lakhs	
A. Cost of Production	
a. Rent/lease	0.24
b. Raw material	5.92
c. Utilities	0.07
d. Salaries	1.16
e. Packing materials	0.20
f. Repairs, maintenance, insurance	0.01
g. Depreciation	0.01
h. Telephone & Post	0.20
i. Selling expenses	0.30
j. Preliminary & preoperative expenses written off	0.06
k. Interest	0.30
l. Administrative overheads	0.39
Total	8.86
B. Net sales	9.80
C. Profit before tax	0.94
D. Break even point (% of installed capacity)	50.68%
E. DSCR	4.77
F. Cumulative cash surplus (by the end of V yr.)	2.62
G. Rate of returns on promoters contribution before taxes	101%

XIV. List of Raw Material Suppliers:

Local Traders.

XVI. List of Machinery Suppliers:

Local Traders.