BUSINESS PLAN · INDIA

Dairy-Products Brand

Curd, paneer and ghee - with the batch result published against the code

DAIRY

AISEVAK.IN · BY ABL DIGITAL TECHNOLOGIES

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1. Executive Summary

This plan sets out a **Dairy-Products Brand** in India — a value-added dairy manufacturer producing curd, paneer, ghee, butter, khoa, buttermilk, lassi and flavoured milk under its own label, supplying general trade, modern retail, quick commerce and institutional kitchens through a chilled distribution network.

> The dairy vertical's conventions are set in the dairy-farm anchor and cross-referenced rather than re-derived, and the milk-processing plan's rules carry directly: **where a gatekeeper chooses its own detection scope the honest operator publishes the scope; shelf life is a prediction rather than a property; an alarm somebody silenced is not a record; and the decision must be removed from the moment rather than left to resolve at the moment. What is specific to a branded manufacturer is that its principal claims are the ones India adulterates most.**

> **"PURE GHEE", "FRESH PANEER" AND "MADE FROM 100% MILK" ARE AMONG THE MOST ADULTERATED CLAIMS IN INDIAN FOOD — and the substitution is profitable precisely because the consumer cannot detect it. Vegetable fat in ghee, starch and non-milk solids in paneer, analogue paneer sold as paneer, and thickeners standing in for milk solids in curd are all cheap, widespread and identifiable only in a laboratory the buyer does not have. A shopper holding a packet has no test, no comparison and no recourse; she has a word on a label chosen by the person selling it to her. So this brand DECLARES COMPOSITION AS NUMBERS ON THE PACK — fat percentage, moisture, milk-solids source — and PUBLISHES BATCH TEST RESULTS AGAINST THE BATCH CODE, so a customer can look up the packet in her hand rather than trusting an adjective. The general rule: WHERE A SUBSTITUTION IS UNDETECTABLE BY THE CONSUMER AND PROFITABLE FOR THE SELLER, THE ONLY MEANINGFUL CONTROL IS TO MAKE THE TEST RESULT PUBLIC PER BATCH.**

> **AND THE COLD CHAIN THIS BRAND CANNOT CONTROL IS WHERE ITS PRODUCT ACTUALLY FAILS. Curd and paneer have days rather than months, and a perfect batch delivered into a retailer's warm cabinet spoils under this brand's name with nobody able to trace it. So retailer cold storage is assessed BEFORE appointment, temperature is logged to the point of delivery, and 61 retailers were de-appointed in Year 3 for cold-chain failure — a number reported rather than buried, because de-appointing a paying customer is the only version of this control that means anything.**

> **The third finding is the one that decides the P&L: THE YIELD PER LITRE OF MILK IS THE ENTIRE MARGIN. Paneer returns roughly 14% of its milk input by weight and ghee about 4.6%, so half a percentage point of yield is worth more than any price increase this brand could sustain — and CONTRIBUTION PER LITRE OF MILK INPUT is reported BY PRODUCT and never blended, because a blended figure conceals which product is subsidising which.**

This plan models an operator requiring **₹9.60 crore** (₹3.40 crore investor + ₹2.20 crore working-capital facility + ₹2.00 crore promoter + ₹2.00 crore term loan), moving from **₹18.00 crore revenue and a ₹96 lakh loss** to **₹58.00 crore revenue and ₹3.48 crore profit** by Year 3 — *a 6.0% net margin, 32.6% return on capital, and paneer yield of 14.2% against a trade norm nearer 12.5%. (Dairy-products brand — figures illustrative.)*

2. Business Description, Vision & Legal Structure

Concept: A dairy brand whose batch code returns a test report.

Vision: To be the brand a customer can verify instead of believe.

Mission: Print the fat and the moisture as numbers; publish the batch result against the code; put no vegetable fat in anything called ghee; refuse the marginal batch instead of rounding it; assess the retailer's cabinet before we appoint him and remove him if it fails; and report contribution per litre by product.

Legal structure

- **Private Limited** — required in substance. FSSAI manufacturing licence, modern-trade and quick-commerce vendor agreements, term lending and outside capital all assume it.
- **Proprietorship or partnership** — the form of most regional dairy-product makers; **the consequence is that an adulteration prosecution or a recall obligation attaches to an entity that cannot honour it, and the brand simply reappears under another name.**
- **Employed quality function with release authority**, reporting to the promoter — **because the person accountable for despatching today's paneer cannot be the person deciding whether it meets the standard.**

> **Regulatory anchor:** a food manufacturer whose products carry specific, numerical legal standards that most of the trade treats as approximate. **The first exposure is composition: FSSAI's Food Products Standards prescribe exact requirements for ghee, paneer, curd, butter and khoa — minimum milk fat, maximum moisture, and in the case of ghee a Baudouin test for the presence of vegetable oil — so these are not quality preferences but legal specifications, and a batch below standard is a misbranded or adulterated article rather than a slightly weaker one. The second is labelling and representation: FSSAI labelling regulations and the Legal Metrology (Packaged Commodities) Rules govern composition declarations, net quantity, date marking and every claim, and "pure", "fresh", "natural" and "no preservatives" are testable assertions with consequences attached. The third is traceability and recall: a documented and exercised recall capability resolving a pack to a batch, a vat and a milk intake is required — and in fresh dairy, where product is consumed within days, a recall that takes two days to trace has already failed.** Then: cold-chain and transport compliance; state pollution-control consent for whey and washdown effluent, which in paneer manufacture is substantial; GST; and EPF/ESI, POSH and food-handler health checks.

3. Promoter & Ownership

Led by a promoter with dairy technology, food manufacturing or FMCG background. Three competences decide outcomes. *Yield engineering*, because the difference between 12.5% and 14.2% paneer yield is the difference between a loss and a return, and it is won in coagulation control, whey recovery and press management rather than in pricing. *Cold-chain reach*, since the market this brand can serve is physically bounded by how far a chilled product survives, and every route extension is a shelf-life decision. And *the willingness to reject a batch* — a vat marginally below the fat standard, with orders committed, a shift finishing and the difference invisible to everybody outside the laboratory. Ownership, equity & investor terms are editable inputs; **the release decision and the batch publication sit with the quality head and the promoter, never with sales or despatch.**

4. Market Analysis — India

Indian value-added dairy is growing faster than liquid milk, and it is the category where consumer distrust is highest and best founded.

Demand drivers

- **Protein and paneer consumption**, rising sharply across urban and vegetarian households.
- **Convenience formats** — cup curd, pouch lassi, portioned paneer — replacing loose purchase from a local dairy.

- **Quick commerce**, which has transformed fresh dairy distribution and rewards short, reliable cold chains.
- **Institutional kitchens** — hotels, cloud kitchens, caterers and QSR chains buying paneer and ghee in bulk with their own audit requirements.
- **Ghee premiumisation**, with consumers paying substantially more for a product whose authenticity they cannot verify at all.
- **Publicised adulteration incidents**, which have created a demand for proof that nobody currently supplies.

Market sizing (illustrative framing)

Layer	Definition	Indicative scale
TAM	Value-added dairy consumption in the served region	Very large; substantially loose and unbranded
SAM	**Packaged value-added dairy within reliable cold-chain reach**	**Bounded by COLD CHAIN and MILK ACCESS, not demand**
SOM (Yr 1–3)	Volume sold across trade, modern retail, quick commerce and institutional	₹18cr → ₹58cr; milk intake 42,000 → 118,000 LPD

The products are four different businesses

Product	Yield from milk	Shelf life	Yr 3 contribution per litre of milk input
Paneer	14.2% by weight	7–12 days chilled	**₹7.40**
Curd & lassi	~100% (set product)	10–15 days chilled	₹4.10
Ghee	4.6% by weight	9–12 months ambient	**₹6.80**
Butter & khoa	4.8% / 17%	Weeks, chilled or frozen	₹5.20
Flavoured milk & beverages	~100%	Weeks to months	₹2.90

> **Reported per litre of milk input rather than per kilogram of product, and never blended, per the library's rule — because these are four businesses with entirely different economics sharing one intake pipe. Ghee is ambient and travels anywhere but converts a litre of milk into 46 grams of product, so its price sensitivity is extreme; paneer converts three times as efficiently but must be sold within a week inside a cold chain. A brand managing to a blended contribution will push volume into whichever product last looked good and discover months later that it has been buying milk to make the cheapest thing in the range.**

Constraints

- **Milk availability and price**, which is the input for everything and is seasonal.
- **Cold-chain reach**, which bounds the fresh range physically and is only partly within the brand's control.
- **Retailer cabinet quality**, the failure point most brands never inspect.
- **Working capital** — milk paid weekly, modern trade settling at 45–60 days.

5. Competition & Position

Competitor type	Strength	Weakness this plan exploits

National dairy brands	Scale, distribution, brand trust, advertising	Composition declared to the minimum; nothing published per batch
Cooperative brands	Procurement depth, price, institutional trust	Batch-level transparency absent; cabinet quality unpoliced
Regional and local makers	Freshness, price, local relationships	**Adulteration risk highest; no testing capability at all**
Loose sale from local dairies	Cheapest, perceived freshness, no packaging cost	No standard, no date, no accountability
This plan	**Composition as numbers, batch results published against the code, no vegetable fat ever, cabinets assessed and retailers removed**	Costs more; rejects batches and customers competitors keep

> **The positioning claim is deliberately the only one in this category that a customer can actually test: scan or type the batch code and read that batch's fat, moisture and Baudouin result. Every competitor claims purity and none of them can be checked, which means the claim's real work is not persuading a customer of this brand's quality but raising a question about every other packet on the shelf. Institutional buyers — hotels, QSR chains, caterers — respond to it fastest, because they carry their own food-safety liability and have been unable to verify a paneer supplier by any means other than trust.**

> **The cost of the honest position is stated in rupees rather than implied. Refusing vegetable fat in ghee costs an estimated ₹2.34 crore of Year-3 gross margin against competitors who blend — the substitution is roughly a third cheaper per kilogram and completely undetectable to a consumer. Rejecting 264 batches on composition rather than rounding them costs ₹86 lakh. Per-batch testing and publication costs ₹64 lakh a year. De-appointing 61 retailers whose cabinets failed removes paying customers. The offsetting return is institutional and modern-trade business worth ₹24.60 crore of Year-3 revenue at better realisation, a returns rate of 1.4% against a fresh-dairy norm nearer 4%, and a brand that survives the adulteration scandal that periodically removes its competitors.**

6. "Pure Ghee" Is the Most Adulterated Claim in Indian Food

This category's central problem is that its most valuable claims are its least verifiable ones.

Product	Common substitution	Can the consumer detect it?
Ghee	Vegetable fat, animal fat, hydrogenated oil	**No — aroma and appearance can be matched**
Paneer	Starch, non-milk solids, analogue paneer from vegetable fat	**No — texture is close and cooking hides it**
Curd	Thickeners and starch standing in for milk solids	No
Khoa	Starch, sugar, non-dairy solids	No
Butter	Vegetable fat blends	Rarely

> **The middle column is worth about a third of the input cost and the right-hand column is uniformly negative, which is the entire explanation for why adulteration in this category is endemic rather than occasional. A manufacturer who substitutes vegetable fat in ghee earns a materially better margin, faces no consumer**

complaint, and is detectable only if somebody sends a sample to a laboratory — which almost nobody does. The customer is not careless; she has no instrument, no comparison and no way of knowing that the tin she has bought for years was never what it said. WHERE A SUBSTITUTION IS UNDETECTABLE BY THE CONSUMER AND PROFITABLE FOR THE SELLER, THE ONLY MEANINGFUL CONTROL IS TO MAKE THE TEST RESULT PUBLIC PER BATCH.

So composition is declared as NUMBERS on every pack — milk fat percentage, moisture, total solids and the milk-solids source — rather than as "pure", "premium" or "traditional"; and every batch's laboratory results are PUBLISHED AGAINST ITS BATCH CODE on a page the customer can reach from the pack, including the Baudouin test result for ghee, so the specific tin in her kitchen has a verifiable record. Batches below the FSSAI standard are REJECTED rather than rounded — 118 in Year 1 rising to 264 in Year 3 as volume grows — because a compositional standard is a legal specification and a marginal batch is a misbranded article rather than a slightly weaker one. The quality function holds release authority and reports to the promoter, never to sales or despatch, since the person with orders committed for tomorrow morning cannot be the person deciding whether today's vat meets the standard.

7. The Cold Chain the Retailer Breaks, and the Number on the Pack

Two further problems sit outside the factory gate, where this brand's name travels but its control does not.

THE PRODUCT FAILS IN SOMEBODY ELSE'S CABINET, UNDER THIS BRAND'S NAME. Curd and paneer have days rather than months, and a perfect batch delivered into a retailer's cabinet running at 12°C because the compressor is failing, or stacked outside the chiller during a busy hour, spoils early — and the customer concludes the brand is unreliable. Nobody can trace it, and most brands respond by extending shelf life on the label rather than by fixing the cabinet. So retailer cold storage is ASSESSED BEFORE APPOINTMENT with a temperature logger left in place for a week; delivery temperature is logged at handover; cabinets are re-checked on a cycle; and RETAILERS ARE DE-APPOINTED WHEN THEY FAIL — 61 in Year 3, reported rather than buried, because removing a paying customer is the only version of this control that means anything.

AND THE DATE ON THE PACK IS A PREDICTION, NOT A PROPERTY. The photo-lab plan's rule and the milk-processing plan's practice arrive here together: a shelf life is a forecast about storage conditions the product will probably not experience, and the trade prints the optimistic number because a longer date means wider distribution and fewer returns credited. This brand states the assumed storage temperature ON the pack, tests every product TO FAILURE at realistic Indian retail conditions rather than to the label at laboratory conditions, and sets the printed date from the realistic result. The date is shorter than competitors', which costs distribution reach — and the returns rate is 1.4% against a fresh-dairy norm nearer 4%, which is where it is paid back.

"NO PRESERVATIVES" IS A CLAIM ABOUT WHAT IS ABSENT, AND SAYS NOTHING ABOUT WHAT IS PRESENT. The phrase has become standard on fresh dairy, and it is frequently true and frequently misleading at once — because the shelf life is then achieved by heat treatment, packaging atmosphere, acidity management or simply by an optimistic date. Where this brand uses no preservatives it says so and states what does provide the shelf life; where a permitted additive is used it is named on the pack in plain language rather than by code alone. A negative claim without its positive counterpart is the second-number problem in reverse.

> **AND THE NET QUANTITY IS A LEGAL DECLARATION, NOT A TARGET. Underfilling a paneer block is a Legal Metrology offence and overfilling is a silent giveaway in a business with a 6% net margin — and in fresh dairy the temptation runs toward underfill, because moisture loss between packing and sale reduces weight and the customer weighs nothing. Fill weights are verified continuously against the declaration with moisture loss allowed for at packing rather than discovered at retail, and check-weigher records are retained.**

8. Operations Plan (intake, standardise, make, test, publish, distribute)

Milk intake

- **Every intake tested against the published panel** — fat, SNF, adulterants, antibiotic residue — per the processing plan's rule, with the laboratory holding the release.
- **Supplier-level records retained** so a finished batch resolves back to the milk that made it.
- **Segregation by quality band**, since paneer and ghee have different input requirements and a marginal intake must not enter the premium stream.
- **Rejections recorded with the supplier named**, and rejection cost carried as a budgeted line rather than argued about at the gate.

Manufacture

- **Standardisation to the declared composition**, verified against the label rather than to an internal target.
- **Coagulation, pressing and whey management controlled for yield**, which is where the entire paneer margin lives.
- **Ghee clarification from cream or butter with no vegetable fat on the premises** — the anchor's supply-chain principle: the substitution is not refused, it is made impossible.
- **Whey recovered rather than discharged**, since it is both an effluent load and a saleable product.

Testing and publication

- **Every batch tested for its declared composition** before release — fat, moisture, total solids, and Baudouin for ghee.
- **Results published against the batch code** on a page reachable from the pack, within a stated period of despatch.
- **Batches below standard rejected and disposed of documented**, never reworked into another product line.
- **Shelf-life testing to failure at realistic conditions**, repeated whenever a formulation, pack or route changes.

Distribution and the shelf

- **Retailer cabinet assessed before appointment** with a logger left for a week; delivery temperature logged at handover.
- **Cabinet re-checks on a cycle**, and de-appointment where they fail repeatedly.
- **Returns analysed by retailer, route and date** rather than credited and forgotten, since returns are a cold-chain diagnostic.
- **Recall drill twice a year against a real batch code**, with time-to-trace recorded — and in fresh dairy the target is hours, because a two-day trace has already failed.

> **The operational hinge is the vat that is marginally below standard at the end of a shift, with tomorrow's orders committed and the difference invisible to everybody outside the laboratory. Rounding it costs nothing today, no customer will ever know, and the batch is genuinely only slightly below a threshold that is itself somewhat arbitrary — which is exactly the reasoning that turns a standard into a guideline over about four seasons. So**

> **release is a system gate rather than a judgement: the batch cannot be coded for despatch until the laboratory result is entered and passes, the rejection cost is budgeted in advance, and the quality head cannot be overruled by the plant or by sales.**

What the batch page actually shows

- **Manufacture date, batch code and the vat it came from**, matching what is printed on the pack.
- **Measured composition** — milk fat, moisture, total solids — against the FSSAI requirement for that product, so a reader can see both figures.
- **The Baudouin result for ghee**, stated as negative rather than described as pure.
- **The milk intake date range and the collection routes** feeding that batch, without naming individual farmers.
- **The assumed storage temperature** and the shelf-life basis for that batch's date.

> **Almost no consumer will ever open that page, and the system is built for the ones who do — which is the honest description of why it exists. Its practical effect is on the buyers who check systematically: an institutional chef, a modern-trade quality auditor, a caterer who has been burned once. And its second effect is on this manufacturer itself, because a composition figure that will be published tomorrow is a composition figure nobody rounds today — which is the most reliable internal control in the plan and the reason publication was chosen over an internal standard that would have achieved the same thing on paper.**

9. FSSAI Standards, Labelling & Operating Compliance (India)

- **Company & tax** — Private Limited, PAN/TAN, GST, FSSAI manufacturing licence, product-liability and recall insurance.
- **Compositional standards** — FSSAI Food Products Standards prescribe exact minimum milk fat and maximum moisture for ghee, paneer, curd, butter and khoa, and a Baudouin test for vegetable oil in ghee; **these are legal specifications, so a batch below standard is a misbranded or adulterated article rather than a slightly weaker one.**
- **Labelling & metrology** — FSSAI labelling regulations and Legal Metrology (Packaged Commodities) Rules over composition declarations, net quantity, date marking and claims; **"pure", "fresh", "natural" and "no preservatives" are testable assertions with consequences.**
- **Traceability & recall** — documented and exercised recall resolving a pack to a batch, a vat and a milk intake; **in fresh dairy a recall that takes two days to trace has already failed.**
- **Cold chain** — storage and transport temperature obligations through to the point of sale.
- **Environment** — state pollution-control consent for whey and washdown effluent, which in paneer manufacture is a substantial load.
- **Workforce** — EPF/ESI, POSH, food-handler health checks and hygiene training across shifts.

10. Organisation & Manpower Plan

Function	Yr 1	Yr 3	Notes
Promoter / managing director	1	1	Owns the publication policy and the rejection log
Quality assurance & laboratory	6	14	**Holds release authority; reports to the promoter**
Production — paneer, curd, ghee, khoa lines	28	64	Yield discipline is won here
Milk intake & procurement	6	14	Cannot overrule a laboratory decision

Cold chain, despatch & cabinet audit	10	26	**Assesses and re-checks retailer cabinets**
Engineering, utilities & effluent	6	13	Refrigeration, boiler, whey handling, ETP
Sales, modern trade & institutional	10	26	Institutional buyers respond to the batch pages
Finance, records & admin	5	11	Traceability records, supplier payments
Total	**72**	**169**	Employed; food-handler certified

> **The cabinet-audit capability inside cold chain and despatch is the unusual line here, and it is deliberately staffed rather than outsourced: assessing a retailer's cabinet before appointment and re-checking it on a cycle is what makes the de-appointment defensible when it happens. A brand that de-appoints on suspicion loses a customer and gains an enemy; one that de-appoints on a week of logged data from the retailer's own cabinet has a conversation instead of an argument. And the quality function holds release authority reporting to the promoter, because the entire batch-publication claim collapses the first time a marginal vat is released to meet a despatch.**

11. Implementation Timeline & Milestones

Phase	Window	Milestones
Formation & build	Month 0–8	Incorporation, FSSAI licence, pollution consent, plant construction, utilities and ETP
Lines & laboratory	Month 6–12	Paneer, curd and ghee lines commissioned; laboratory with Baudouin and compositional capability
Publication system	Month 9–13	Batch coding, results publication page, shelf-life testing to failure, pack declarations
Trade ramp	Month 11–22	General trade and modern retail; cabinet assessment before every appointment
Institutional & quick commerce	Month 16–28	Hotels, QSR and caterers won on the batch pages; quick-commerce integration
Scale	Month 24–36	Capacity expansion, whey value recovery, second geography

Training and competence

- **Yield discipline for production staff** — coagulation, pressing and whey control, since a percentage point of yield outweighs any pricing decision available.
- **Laboratory method certification** with inter-analyst comparison, because a published result must not depend on who ran it.
- **Cabinet assessment and logger use** for cold-chain and sales staff, including how to explain a de-appointment.
- **Recall drill participation** across production, despatch and sales, twice a year against a real code.

12. Financial Plan (Illustrative)

> **All figures are illustrative model assumptions, not forecasts or guarantees.** They exist to show the drivers of a value-added dairy P&L and how the composition and cold-chain controls move them. Every input is editable. **The defining**

feature of this model is that yield per litre of milk decides the margin — milk is 71% of cost, and half a percentage point of paneer yield is worth more than any price increase this brand could sustain.

12.1 Project cost & funding

Item	₹ lakh	Notes
Land, civil works & food-grade building	210	Segregated wet and dry areas, drainage, hygiene design
Paneer, curd & khoa lines	240	Coagulation, pressing, setting and packing
Ghee & butter plant	130	**No vegetable fat handling capability on site, by design**
Laboratory & batch-publication systems	**72**	**Baudouin, compositional analysis, batch page**
Cold rooms, chillers & logged vehicles	150	The market's physical boundary
Utilities — boiler, refrigeration, power, water	108	Certified pressure vessels
Effluent treatment & whey handling	64	Paneer whey is a substantial load and a product
Retailer cabinet loggers & audit kit	16	Cheap, and nobody else does it
Working capital & contingency	**170**	**Milk paid weekly; modern trade settles at 45–60 days**
Total project cost	**960**	₹340L investor + ₹220L WC facility + ₹200L promoter + ₹200L term loan

12.2 Operating metrics

Metric	Yr 1	Yr 2	Yr 3
Composition declared as numbers on pack / **batch results published against batch code** / "pure"/"fresh" used without a specification	100% / 100% / NIL	100% / 100% / NIL	**100% / 100% / NIL**
Vegetable fat or analogue in any product sold as dairy / vegetable fat present on the premises / Baudouin run on every ghee batch	NIL / NIL / 100%	NIL / NIL / 100%	**NIL / NIL / 100%**
Batches REJECTED below FSSAI standard / rejected batch reworked into another line	118 / NIL	196 / NIL	**264 / NIL**
Retailer cabinets assessed before appointment / **retailers DE-APPOINTED for cold-chain failure** / delivery temperature logged	100% / 34 / 100%	100% / 52 / 100%	**100% / 61 / 100%**
Shelf life tested to failure at realistic conditions / assumed storage stated on pack / recall time-to-trace	100% / 100% / 9 hrs	100% / 100% / 5 hrs	**100% / 100% / 3 hrs**
Milk intake (LPD) / **paneer yield** / market returns / contribution per litre of milk input	42,000 / 12.8% / 3.9% / ₹3.60	76,000 / 13.6% / 2.2% / ₹4.70	**118,000 / 14.2% / 1.4% / ₹5.40**

Row three is the working-gate row — 264 batches rejected in Year 3 against 118 in Year 1, rising with volume — and the "reworked into another line: NIL" column beside it is the one that matters more. A rejected batch quietly turned into khoa or sold as a secondary grade is not a rejection, it is a relabelling. Row four is uncomfortable and reported deliberately: de-appointing 61 retailers means removing 61 paying customers, and a brand that assesses cabinets but has never removed anybody is assessing for show. Row six carries the economics — paneer yield from 12.8% to 14.2% is worth ₹1.94 crore a year at Year-3 intake, more than the

entire quality and publication function costs.

12.3 Revenue build

Stream	Yr 1 (₹L)	Yr 2 (₹L)	Yr 3 (₹L)	Driver
Paneer — retail and institutional	620	1,240	2,180	**Volume core; yield decides the margin**
Curd, lassi & buttermilk	440	820	1,340	High turnover; cold-chain critical
Ghee	380	690	1,180	**Ambient, travels anywhere, most adulterated category**
Butter & khoa	180	330	560	Seasonal peaks; sweet-maker demand
Flavoured milk & beverages	120	230	400	Longer shelf life; wider distribution
Whey products & by-products	60	90	140	Effluent load converted into revenue
Total revenue	**1,800**	**3,400**	**5,800**	Illustrative

12.4 P&L summary

Line	Yr 1 (₹L)	Yr 2 (₹L)	Yr 3 (₹L)
Revenue	1,800	3,400	5,800
Milk & cream purchase	(1,314)	(2,414)	(4,002)
Packaging, cultures & ingredients	(144)	(258)	(418)
Gross profit	**342**	**728**	**1,380**
Production & engineering employee cost	(132)	(212)	(328)
Quality, laboratory & batch publication	**(42)**	**(54)**	**(64)**
Batch rejection cost	**(38)**	**(62)**	**(86)**
Cold chain, distribution & cabinet audit	(96)	(162)	(262)
Power, fuel, water & effluent	(74)	(118)	(184)
Sales, trade marketing & listing	(88)	(148)	(238)
Admin, insurance, professional & other	(62)	(98)	(152)
EBITDA	**(190)**	**(126)**	**66**
Depreciation & amortisation	(76)	(84)	(92)
Finance cost	(58)	(72)	(86)
Other income — contract manufacturing, whey concentrate, cream sales, scheme support	204	378	576
PBT	**(120)**	**96**	**464**
Tax	24	(24)	(116)
PAT	**(96)**	**72**	**348**

Net margin	**(5.3%)**	**2.1%**	**6.0%**
ROCE	**(11.2%)**	**14.6%**	**32.6%**

> **Milk and cream at ₹40.02 crore is 69% of revenue, which is why yield rather than pricing decides this business and why net margin at 6.0% must be read alongside ROCE at 32.6%. BATCH REJECTION COST at ₹86 lakh is the price of the standard being real and RISES with volume, exactly as it should — a manufacturer whose rejection cost is nil has a standard that has quietly become a guideline. Other income at ₹5.76 crore exceeds PAT and is disclosed separately per the library's rule: contract manufacturing and whey concentrate are not the brand, and an investor is entitled to see how much of the return comes from selling capacity and by-products rather than from the label.**

12.5 Contribution per litre of milk input, by product

Product (Yr 3)	Milk input share	Revenue	Contribution / litre of milk	Note
Paneer	34%	₹21.80cr	**₹7.40**	**Best converter; needs the cold chain**
Ghee	26%	₹11.80cr	₹6.80	Ambient reach; extreme price sensitivity
Curd, lassi & buttermilk	24%	₹13.40cr	₹4.10	Volume and frequency; thin per litre
Butter & khoa	10%	₹5.60cr	₹5.20	Seasonal; sweet-maker channel
Flavoured milk & beverages	6%	₹4.00cr	₹2.90	Widest distribution, weakest conversion
Blended	**100%**	**₹56.60cr**	**₹5.40**	**Meaningless without the rows above**

> **The blended ₹5.40 is shown only to be dismissed, which is the point of showing it: paneer and flavoured milk reach it from ₹7.40 and ₹2.90, and a brand managing to the blend will push volume into whichever product last had a good month. The correct question at every allocation decision is not which product sells best but which product converts a litre of milk best given the cold chain available for it — and the answer changes by season, by route and by milk price. This is the library's rule that a blended average must carry the figures underneath it, applied to the one input every product in the range competes for.**

12.6 Break-even & sensitivity

Scenario	Yr 3 revenue	Yr 3 PAT	Comment
Base	₹58.0cr	₹3.48cr	As modelled
Paneer yield 14.2% → 13.0%	₹56.4cr	₹1.82cr	**Yield is the business**
Milk price up 6% unrecovered	₹58.0cr	₹1.14cr	Pass-through lag; the seasonal risk
Other income down 30%	₹58.0cr	₹2.19cr	Why it is disclosed separately
Returns 1.4% → 3.6%	₹56.7cr	₹2.36cr	What cabinet discipline is buying

Ghee volume down 25% on price competition	₹55.1cr	₹2.44cr	Blended competitors are a third cheaper

13. Funding Requirement & Bankability

Source	₹ lakh	Terms (indicative)
Investor equity	340	Growth capital; yield and quality covenants
Working-capital facility	**220**	**Milk weekly against modern trade at 45–60 days**
Promoter contribution	200	Cash and land
Term loan	200	Plant, cold chain and utilities; 7–8 years
Total	**960**	Illustrative structure

> **The bankability case rests on institutional volume and on the absence of the tail risk that periodically destroys brands in this category. An adulteration prosecution or a publicised laboratory finding ends a dairy-products brand permanently and instantly, and the lender's security is specialised plant worth a fraction of cost to anybody else — so the batch-publication system, the rejection log and the absence of vegetable fat from the premises are not overhead but the reason this cash flow can be lent against. They are also auditable monthly, which conventional dairy propositions are not. The working-capital gap is structural rather than temporary: milk cannot wait for modern trade, and the facility must be sized for that permanently.**

- **Use of funds** — 25% paneer, curd and khoa lines, 22% land and building, 18% working capital, 16% cold chain, 14% ghee and butter plant, balance laboratory, utilities, effluent and audit equipment.
- **Repayment** — term loan from Year 3 cash flow with moratorium through commissioning; working-capital facility revolving against milk cycle and trade receivables.
- **Investor exit** — strategic sale to a national dairy or FMCG group seeking a value-added portfolio and a verifiable quality position, or a promoter buyback.

14. Risk Analysis & Mitigation

Risk	Impact	Mitigation
Adulteration of the brand's own products	Vegetable fat in ghee or analogue in paneer is a third cheaper, entirely undetectable by the consumer, and would earn a materially better margin — which is why it is endemic rather than occasional across the category	**Composition declared as NUMBERS on every pack and batch results PUBLISHED against the batch code, including the Baudouin result for ghee, so a customer can look up the packet in her hand; no vegetable fat present on the premises at all, so the substitution is impossible rather than merely prohibited — the anchor's supply-chain principle; and batches below the FSSAI standard REJECTED rather than rounded (118 → 264), with NIL reworked into another line, because a rejected batch turned into khoa is a relabelling**

The marginal vat at the end of a shift	Rounding costs nothing today, no customer will ever know, and the batch is only slightly below a threshold — which is exactly the reasoning that turns a standard into a guideline over four seasons	**Release is a system gate, not a judgement: the batch cannot be coded for despatch until the laboratory result is entered and passes; rejection cost budgeted in advance at ₹86 lakh so nobody weighs quality against cost at the end of a shift; and the quality head holds release authority reporting to the promoter, never to plant or sales**
Product failing in a retailer's cabinet under this brand's name	Curd and paneer have days, not months; a perfect batch in a cabinet running at 12°C spoils early and the customer concludes the brand is unreliable — and most brands respond by extending the printed date rather than fixing the cabinet	**Cabinet ASSESSED BEFORE APPOINTMENT with a logger left in place for a week; delivery temperature logged at handover; cabinets re-checked on a cycle; and retailers DE-APPOINTED when they fail — 61 in Year 3, reported rather than buried, because removing a paying customer is the only version of this control that means anything; returns analysed by retailer and route as a cold-chain diagnostic rather than credited and forgotten**
Shelf-life over-statement	A longer date means wider distribution and fewer credited returns, which is precisely why the trade prints the optimistic number	Assumed storage temperature stated ON the pack; every product tested TO FAILURE at realistic Indian retail conditions rather than to the label at laboratory conditions; the printed date set from the realistic result even though it is shorter and costs distribution reach — with the returns rate at 1.4% against a category norm nearer 4% as the payback
Yield loss	Milk is 69% of revenue; 1.2 points of paneer yield is ₹1.66 crore of PAT	Coagulation temperature and acidity controlled rather than judged; press cycle standardised; whey solids recovered rather than discharged; yield measured per vat and per shift rather than as a monthly average; and yield treated as the operating metric it is, since half a point outweighs any price increase the market would accept
Milk price and seasonality	A 6% unrecovered rise removes two-thirds of Year-3 profit	Product mix shifted seasonally toward the best converter per litre using the contribution table rather than by habit; ghee and khoa as flush-season conversions with longer shelf life; forward arrangements with anchor suppliers; and pricing reviewed on a stated cycle so pass-through lag is bounded
Recall execution in a fresh category	Product is consumed within days, so a slow trace is a failed recall regardless of the paperwork	Batch coding designed to resolve pack to batch to vat to milk intake; drills twice a year against a REAL code with time-to-trace recorded (9 hours falling to 3); distribution records retained by route and retailer; and recall insurance held rather than assumed unnecessary
Working-capital squeeze	Structural — milk is paid weekly and modern trade settles at 45–60 days	Facility sized to the permanent gap at the outset; institutional and general-trade mix balanced against modern trade's terms; receivables managed by finance rather than by sales; supplier payment cycle held as a fixed commitment; and growth throttled to facility headroom rather than to demand

15. SWOT Analysis

Strengths	Weaknesses
• Batch test results published against the batch code • Composition declared as numbers, never as adjectives • No vegetable fat on the premises at all • Cabinets assessed and 61 retailers de-appointed • Paneer yield 14.2% and returns at 1.4%	• Cannot match blended-ghee competitors on price • Shorter printed shelf life limits distribution reach • Thin net margin with milk cost dominant • Result depends materially on other income
Opportunities	**Threats**
• Rising paneer and protein consumption • Institutional buyers carrying their own food-safety liability • Quick commerce rewarding short reliable cold chains • Ghee premiumisation where authenticity can be proved • Whey recovery converting effluent into revenue	• A category-wide adulteration scandal affecting trust generally • Milk price spikes with pass-through lag • Price competition from blended and analogue products • Modern-trade margin and listing pressure

16. Recommended AiSevak Tools for This Business

- **Batch record & publication system** — composition results tied to the batch code and published where a customer can reach them.
- **Release gate** — a batch cannot be coded for despatch until its laboratory result is entered and passes.
- **Yield tracker** — per vat, per shift and per product, with contribution per litre of milk input by product.
- **Retailer cabinet register** — pre-appointment assessment, logger records, re-check cycle and de-appointment log.
- **Cold-chain & delivery temperature log** — handover records and returns analysis by retailer and route.
- **Traceability & recall tracker** — pack to batch to vat to intake, with drill results and time-to-trace.
- **Compliance calendar** — FSSAI, pollution consent, boiler certification, food-handler checks and shelf-life re-validation.

17. Key Assumptions & Notes

- **All financials are illustrative model assumptions, not forecasts, projections or guarantees.** Revenue, milk intake, yields, product mix and headcount are editable inputs; actual outcomes depend on milk access and price, cold-chain reach, channel mix and category competition. Figures are in Indian rupees.
- **The central integrity finding is that this category's most valuable claims are its least verifiable ones.** Vegetable fat in ghee, starch and non-milk solids in paneer, analogue paneer sold as paneer, thickeners standing in for milk solids in curd — all cheap, all worth roughly a third of the input cost, and all detectable only in a laboratory the buyer does not have. **The customer is not careless; she has no instrument, no comparison and no way of knowing that the tin she has bought for years was never what it said. WHERE A SUBSTITUTION IS UNDETECTABLE BY THE CONSUMER AND PROFITABLE FOR THE SELLER, THE ONLY MEANINGFUL CONTROL IS TO MAKE THE TEST RESULT PUBLIC PER BATCH.**
- **So composition is declared as numbers and every batch is published against its code.** Milk fat percentage, moisture, total solids and milk-solids source printed on the pack rather than "pure", "premium" or "traditional"; and each batch's laboratory results — including the Baudouin test for ghee — published on a page reachable from the pack, so the specific tin in a customer's kitchen has a verifiable record. **And the substitution is made impossible rather than**

merely prohibited: no vegetable fat is present on the premises at all, which is the dairy-farm plan's supply-chain principle applied to a factory. Batches below the FSSAI standard are rejected rather than rounded — 118 rising to 264 — with NIL reworked into another line, because a rejected batch turned into khoa is a relabelling rather than a rejection.

- **The control exists for the marginal vat at the end of a shift**, with tomorrow's orders committed and the shortfall invisible to everybody outside the laboratory. Rounding costs nothing today, no customer will ever know, and the batch is genuinely only slightly below a threshold that is itself somewhat arbitrary — **which is exactly the reasoning that turns a standard into a guideline over about four seasons. So release is a system gate rather than a judgement: the batch cannot be coded for despatch until the result is entered and passes, the rejection cost is budgeted in advance, and the quality head cannot be overruled by plant or sales.**
- **The product fails in somebody else's cabinet, under this brand's name.** Curd and paneer have days rather than months, and a perfect batch delivered into a cabinet running at 12°C spoils early while the customer concludes the brand is unreliable — and the trade's usual response is to extend the printed date rather than fix the cabinet. **Cabinets are assessed BEFORE appointment with a logger left for a week, delivery temperature is logged at handover, cabinets are re-checked on a cycle, and 61 retailers were de-appointed in Year 3 — reported rather than buried, because removing a paying customer is the only version of this control that means anything. A brand that assesses cabinets and has never removed anybody is assessing for show.**
- **The date on the pack is a prediction, not a property** — the photo-lab rule and the milk-processing practice arriving together. A shelf life forecasts storage conditions the product will probably not experience, and the trade prints the optimistic number because a longer date means wider distribution and fewer credited returns. The assumed storage temperature is stated on the pack, every product is tested TO FAILURE at realistic Indian retail conditions, and the printed date is set from the realistic result. It is shorter, it costs distribution reach, and the returns rate of 1.4% against a category norm nearer 4% is where it is paid back.
- **Yield per litre of milk is the entire margin.** Milk is 69% of revenue; paneer returns about 14% of its input by weight and ghee 4.6%, so 1.2 points of paneer yield is ₹1.66 crore of Year-3 profit — more than any price increase this brand could sustain and more than the whole quality function costs. **Contribution per litre of milk input is therefore reported BY PRODUCT and never blended: paneer at ₹7.40 and flavoured milk at ₹2.90 reach a blended ₹5.40 that describes neither, and a brand managing to the blend will push volume into whichever product last had a good month rather than into whichever converts a litre best given the cold chain available for it.**
- **Two negative claims deserve their positive counterparts.** "No preservatives" is true and misleading at once when the shelf life is then achieved by heat treatment, packaging atmosphere, acidity management or an optimistic date — so where none are used the brand states what does provide the shelf life, and where a permitted additive is used it is named in plain language rather than by code alone. **And net quantity is a legal declaration rather than a target: underfill is a Legal Metrology offence and overfill is a silent giveaway at a 6% net margin, with the temptation in fresh dairy running toward underfill because moisture loss between packing and sale reduces weight and the customer weighs nothing.**
- **The cost of the honest position is stated in rupees, and so is its return.** Refusing vegetable fat in ghee costs an estimated ₹2.34 crore of Year-3 gross margin against blended competitors; rejecting 264 batches costs ₹86 lakh; per-batch testing and publication costs ₹64 lakh; de-appointing 61 retailers removes paying customers. **Against that, institutional and modern-trade business worth ₹24.60 crore is won on batch pages competitors cannot produce, returns run at a third of the category norm, and — most importantly for a lender — an adulteration prosecution or a publicised laboratory finding ends a brand in this category permanently and instantly, so the publication system is the reason this cash flow is lendable at all.**
- **Compliance is compositional, numerical and unusually specific.** FSSAI Food Products Standards prescribing exact minimum milk fat and maximum moisture for ghee, paneer, curd, butter and khoa and a Baudouin test for vegetable oil in ghee — legal specifications rather than quality preferences, so a batch below standard is a misbranded or adulterated

article; FSSAI labelling regulations and Legal Metrology (Packaged Commodities) Rules over composition declarations, net quantity, date marking and claims, where "pure", "fresh", "natural" and "no preservatives" are testable assertions; a documented and exercised recall resolving pack to batch to vat to intake, where a two-day trace in fresh dairy has already failed; cold-chain obligations through to the point of sale; state pollution-control consent for a substantial whey and washdown load; GST; and EPF/ESI, POSH and food-handler health checks. Professional advice should be taken on the specific product standards, label claims and channel agreements.

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Every tool referenced in this plan is available on **aisevak.in**. Open the **Dairy toolkit** to browse and use them all at **https://aisevak.in/verticals/dairy** — or go straight to any specific tool at **https://aisevak.in/service/<tool-name>**. No signup needed to explore; each tool guides you step by step.