BUSINESS PLAN · INDIA

Packaged-Food Manufacturing Unit

Safe, quality, tasty packaged food produced efficiently and at scale

MANUFACTURING

AISEVAK.IN · BY ABL DIGITAL TECHNOLOGIES

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1. Executive Summary

This plan sets out a **Packaged-Food Manufacturing Unit** in India — an FMCG food-production & co-packing factory making packaged food products (snacks, spices/masalas, ready-to-eat/cook, sauces/condiments, bakery mixes, beverages or health foods) under own brand and/or as a contract/co-packer for other brands, sold through distribution, modern & general trade, D2C & exports. It earns food-manufacturing margins on production volume & brand/co-pack mix, monetising processing capacity, recipes/quality, shelf-life & distribution — an FSSAI-regulated, capacity-, quality- & distribution-driven food business.

India's packaged-food market is large & fast-growing, driven by rising incomes, urbanisation, convenience, health & premiumisation, the D2C food boom & exports — supported by PMFME, PLI-for-food & Make-in-India. A food-manufacturing unit can run own brands (higher margin, higher risk) and/or co-pack for brands (steady, lower-risk volume). Success rests on FSSAI/food-safety & quality, recipe/product, capacity utilisation, shelf-life & supply chain, and distribution/brand or co-pack contracts.

This is a capital-intensive MSME food business — funded by promoter equity plus bank finance (term loan for plant & machinery + CC/OD for working capital, under Mudra/CGTMSE/SIDBI & PMFME/PLI-for-food where eligible). This plan models a unit requiring **₹1.5 crore** (₹55 lakh promoter + ₹95 lakh bank finance), targeting **₹3.5 crore** revenue in Year 1 and **₹6.5 crore** by Year 3. *(Packaged-food manufacturing; FSSAI-regulated, capacity/distribution-driven, own-brand + co-pack mix.)*

2. Business Description, Vision & Legal Structure

Concept: An FSSAI-certified food-manufacturing unit producing quality packaged foods - own brand + co-packing for brands - with strong food safety, shelf-life & distribution.

Vision: To be a trusted food manufacturer & brand in its categories.

Mission: Produce safe, quality, tasty packaged food efficiently & at scale.

Legal structure options

- **Private Limited / LLP** — recommended (for brand, co-pack contracts, finance & scale).
- **Proprietorship / Partnership** — possible for a small unit, limits contracts/brand.

> **Regulatory anchor:** a food unit is heavily regulated — FSSAI (manufacturing licence), Factories Act, GST, pollution-board CTE/CTO, labelling & weights-and-measures, food-safety (HACCP/ISO 22000/GMP), fire & labour, & PMFME/PLI-for-food eligibility. FSSAI/food-safety & quality, recipe/product, capacity utilisation, shelf-life, supply chain & distribution/brand or co-pack contracts determine success; capital-intensive & food-safety-critical.

3. Promoter & Ownership

Led by a promoter with food/FMCG, manufacturing or brand experience. The team includes production, food technologist/QC, procurement, packing, supply chain/distribution & sales/BD. Food safety/quality, recipe, capacity utilisation & distribution/co-pack relationships are the differentiators. Ownership & stakes are editable inputs.

4. Market Analysis — India

India's packaged-food market is large & fast-growing, driven by rising incomes, urbanisation, convenience, dual-income households, health & premiumisation, the D2C food boom, modern trade & exports, supported by PMFME/PLI-for-food. Demand spans snacks, spices, RTE/RTC, condiments, health & regional foods. The market rewards food safety/quality, product/recipe, capacity, shelf-life, supply chain & distribution/brand; it is FSSAI-, quality- & distribution-sensitive & competitive, met with quality, product, co-pack volume & brand.

Demand drivers

- **Rising incomes & convenience.**
- **Urbanisation & dual-income** households.
- **Health & premiumisation.**
- **D2C food boom & modern trade.**
- **Exports & PMFME/PLI** support.

Market sizing (illustrative framing)

Layer	Definition	Indicative scale
TAM	Packaged-food market in India	Very large
SAM	Category/region & capacity	Substantial
SOM (Yr 1–3)	Own-brand + co-pack volume	Scaling

Target segments

- Own-brand consumers (retail/D2C).
- Brands needing co-packing.
- Modern & general trade.
- Institutional & export buyers.

5. Competition & Competitive Advantage

Landscape: established FMCG brands, other manufacturers/co-packers, regional players & imports. The unit competes on food safety/quality, product/recipe, capacity/cost, shelf-life, reliability & distribution/brand.

The unit's edge

- **FSSAI/food-safety & certifications.**
- **Product/recipe & quality.**
- **Capacity, cost & shelf-life.**
- **Co-pack reliability + own brand.**
- **Distribution & relationships.**

6. Products & Revenue Model

Stream	Model	Basis
Own-brand packaged food	Brand margin (higher)	Margin/growth
Co-packing / private label	Conversion / cost-plus	Steady volume/utilisation
Modern & general trade	Distribution margin (net trade)	Reach

D2C / online	Higher margin (own channel)	Margin/data
Institutional & exports	Volume / export margin	Base/growth

> Own brand earns higher margin (with brand/marketing/distribution risk); co-packing gives steady, lower-risk volume & utilisation. Modern trade & distribution carry margins/credit; D2C is higher-margin. FSSAI/quality, product, capacity utilisation, shelf-life & distribution/co-pack mix drive economics — the decisive food-manufacturing levers.

7. Go-to-Market — Marketing & Sales

- **Co-pack & private-label** B2B (utilisation base).
- **Distribution & trade** (GT/MT) for own brand.
- **D2C & online** for margin.
- **Quality/certifications & product** as credentials.
- **Exports & institutional** channels.

Sales approach

Build utilisation base with co-packing/private-label → grow own brand via distribution (GT/MT), D2C & exports → win on quality, product & food safety → deepen distribution & brand. Co-pack volume + own-brand margin, with quality & distribution, build a balanced, scalable business.

8. Operations Plan

- **Plant & processing:** FSSAI-compliant processing/packing lines, quality lab, cold/dry storage, hygiene zones; batch/continuous production.
- **Process:** procurement & QC → processing/production → packing & labelling → QC/shelf-life → warehousing & distribution/dispatch.
- **Food safety & quality:** FSSAI, HACCP/ISO 22000/GMP, traceability, testing, shelf-life validation, client/export audits.
- **Efficiency:** capacity utilisation, yield, wastage/spoilage, procurement, maintenance.
- **Tech:** ERP, production & batch planning, inventory, quality & traceability systems.

Food-manufacturing workflow

Stage	Activity	Metric
Procure	Ingredients/QC	Cost/quality
Produce	Process/batch	Utilisation/yield
Pack	Pack/label	Shelf-life/compliance
QC	Test/traceability	Food safety/reject %
Distribute	Warehouse/dispatch	Distribution/on-time

9. Regulatory, Licences & Compliance (India)

- **Food safety:** FSSAI manufacturing licence; HACCP/ISO 22000/GMP; food-safety & hygiene; testing/traceability.

- **Factory & environment:** Factories Act & factory licence; pollution CTE/CTO; effluent/waste; fire; labour/ESI/PF.
- **Labelling & export:** FSSAI labelling & weights-and-measures; export (IEC/APEDA/FSSAI-export) as relevant.
- **Business & schemes:** Pvt Ltd/LLP; GST; PAN/TAN; Udyam; PMFME/PLI-for-food (if eligible).

10. Organisation & Manpower Plan

Role	Yr 1	Yr 2	Yr 3
Promoter & plant head	2	2	3
Production & packing	16	26	38
Food tech & QC/lab	3	5	7
Procurement, stores & supply chain	3	5	8
Sales, distribution & admin	4	7	11
Total	**28**	**45**	**67**

11. Implementation Timeline & Milestones

Phase	Timeline	Milestone
Setup	Month 0–5	Plant, FSSAI/certifications, licences, recipes, first co-pack/brand
Ramp	Month 5–10	Utilisation, quality, distribution, co-pack contracts
Traction	Month 10–12	Capacity & distribution; ₹3.5cr revenue
Expand	Year 2	Own brand, D2C, SKUs, exports
Scale	Year 3	₹6.5cr revenue; brand & capacity growth

12. Financial Plan (Illustrative)

All figures are illustrative model assumptions for an Indian context, shown so the promoter can replace them with live rates. They are not projections of guaranteed results. Food manufacturing; capacity/distribution-driven, own-brand + co-pack mix, food-safety-critical.

12.1 Project cost & means of finance

Capital requirement	₹
Plant & machinery / processing lines	80,00,000
Factory, hygiene zones, lab & utilities	30,00,000
Working capital (ingredients, WIP, trade)	25,00,000
FSSAI/certifications, licences & pre-operative	8,00,000
Brand launch & contingency	7,00,000
Total project cost	**1,50,00,000**

Promoter contribution	55,00,000
Bank finance (term + CC; Mudra/CGTMSE/SIDBI/PMFME)	95,00,000

12.2 Projected Profit & Loss (3 years)

Particulars	Year 1	Year 2	Year 3
Co-packing / private label	2,20,00,000	3,20,00,000	3,80,00,000
Own brand (trade + D2C)	1,15,00,000	2,10,00,000	2,50,00,000
Institutional & exports	15,00,000	30,00,000	20,00,000
Total revenue	**3,50,00,000**	**5,60,00,000**	**6,50,00,000**
Ingredients & packing material	2,17,00,000	3,42,00,000	3,90,00,000
Power & direct labour	45,00,000	66,00,000	78,00,000
Overheads, QC & maintenance	30,00,000	44,00,000	52,00,000
Distribution, marketing & selling	30,00,000	52,00,000	62,00,000
Interest & depreciation	22,00,000	24,00,000	25,00,000
Total expenses	**3,44,00,000**	**5,28,00,000**	**6,07,00,000**
Net profit (before tax)	**6,00,000**	**32,00,000**	**43,00,000**
Net margin	1.7%	5.7%	6.6%

12.3 Unit economics & break-even

- **Mix & margin:** co-packing gives steady utilisation at conversion margin; own brand earns higher gross margin (with marketing/distribution cost) — the mix balances risk & return.
- **Capacity utilisation & yield:** utilisation, yield & wastage/spoilage against fixed plant drive margins; ingredients are the bulk of cost.
- **Break-even:** at a utilisation/distribution threshold covering fixed costs; co-pack base helps reach it, own-brand scale lifts margin — utilisation, quality & distribution decisive.

12.4 Projected Cash Flow — Year 1 (quarterly, illustrative)

Particulars (₹)	Q1	Q2	Q3	Q4
Opening balance	7,00,000	6,20,000	6,10,000	6,40,000
Collections	64,00,000	80,00,000	94,00,000	1,05,00,000
Ingredients, labour, distribution & interest	64,80,000	80,10,000	93,70,000	1,04,20,000
Closing balance	**6,20,000**	**6,10,000**	**6,40,000**	**7,20,000**

> Co-pack & trade carry receivables (30–60 days) & ingredient WC; own brand needs trade credit & marketing spend; D2C is quicker. Utilisation, ingredient/yield control, trade-credit & CC discipline, plus contingency, manage cash; ingredient-price swings, own-brand marketing burn & distribution credit are the key risks.

12.5 Key Performance Indicators to Monitor

- **Utilisation:** capacity utilisation %; yield; wastage/spoilage %.
- **Mix:** co-pack vs. own-brand; own-brand gross margin; D2C share.
- **Quality:** food-safety/audit; reject/recall; shelf-life.
- **Distribution/WC:** distribution reach; receivable days; ingredient inventory.

13. Funding Requirement & Bankability

Total ask: **₹95 lakh bank finance** against ₹55 lakh promoter contribution — term loan for plant & machinery + CC for working capital, under Mudra/CGTMSE/SIDBI & PMFME/PLI-for-food (which can subsidise food-processing capex). Bankability rests on capacity utilisation, co-pack contracts, FSSAI/quality & distribution/brand; food is a defensive, growing sector & the unit is asset-backed. Year-1 near break-even scaling to ₹43 lakh profit supports servicing; co-pack base de-risks utilisation, own brand drives upside.

13.1 Funding utilisation

Use of funds	₹	% of total
Plant & machinery / processing lines	80,00,000	53.3%
Factory, hygiene zones, lab & utilities	30,00,000	20%
Working capital (ingredients, WIP, trade)	25,00,000	16.7%
FSSAI/certifications, licences & pre-operative	8,00,000	5.3%
Brand launch & contingency	7,00,000	4.7%
Total	**1,50,00,000**	**100%**

14. Risk Analysis & Mitigation

Risk	Mitigation
Low utilisation	Co-pack contracts (base load); own-brand growth; diversify
Ingredient-price & spoilage	Procurement; pricing; yield & shelf-life; inventory discipline
Food-safety / recall	FSSAI, HACCP/ISO 22000, testing, traceability, audits
Own-brand marketing/distribution burn	Balance co-pack base; disciplined brand spend; D2C
Distribution credit & WC	Credit control; CC; D2C mix; trade terms

15. SWOT Analysis

Strengths	Weaknesses
Defensive, growing food demand; co-pack base + own-brand upside; asset-backed; PMFME/PLI support; scalable.	Capital-intensive; food-safety-critical; ingredient-/spoilage-sensitive; own-brand marketing risk; WC-heavy.

Opportunities	Threats
Packaged-food/health/D2C boom; exports; new SKUs; PMFME/PLI; capacity & brand growth.	Ingredient inflation; competition & FMCG majors; food-safety incidents; distribution/credit risk.

16. Recommended AiSevak Tools for This Business

This food-manufacturing unit would use AiSevak's Manufacturing vertical tools in delivery:

- **Plant ops:** ERP/batch-planning, capacity-utilisation/yield, quality/traceability and distribution/inventory tools.
- **Compliance:** FSSAI/HACCP/ISO-22000, factory & pollution, labelling/weights-and-measures and PMFME/PLI tools (with Legal & Finance verticals).
- **Practice:** Business Plan, mix/utilisation-economics and Break-even tools to model the unit.

17. Key Assumptions & Notes

- Packaged-food manufacturing; own-brand (higher margin/risk) + co-packing (steady utilisation); trade + D2C + exports.
- Capacity utilisation, yield & food safety decisive; ingredients are the bulk of cost; co-pack base de-risks, own brand drives upside.
- Capital-intensive; term + CC (Mudra/CGTMSE/SIDBI; PMFME/PLI-for-food); FSSAI/HACCP/ISO-22000, Factories Act, pollution, labelling.
- Utilisation, quality, mix & distribution drive economics; figures illustrative, exclude GST.

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