BUSINESS PLAN · INDIA

Ice-Cream Manufacturing

Ice cream, not frozen dessert - and the grams printed beside the millilitres

DAIRY

AISEVAK.IN · BY ABL DIGITAL TECHNOLOGIES

August 2026

1. Executive Summary

This plan sets out an **Ice-Cream Manufacturing Business** in India — a manufacturer of milk-fat ice cream in tubs, cups, cones, bars and bulk packs for parlours, general trade, modern retail and quick commerce, with its own mix plant, hardening tunnel, freezer-cabinet estate at retail, and a temperature-logged distribution chain.

> The dairy vertical's conventions are set in the dairy-farm anchor and carried through the processing and products-brand plans: **where a substitution is undetectable by the consumer and profitable for the seller, the only meaningful control is to make the test result public; shelf life and quality are predictions about conditions the product will not experience; an alarm somebody silenced is not a record; and the product fails in somebody else's cabinet under this brand's name. What is specific to ice cream is that the law itself supplies the deception.**

> **"FROZEN DESSERT" IS LEGALLY DISTINCT FROM "ICE CREAM" AND VISUALLY IDENTICAL. FSSAI requires ice cream to contain milk fat; frozen dessert substitutes vegetable fat, costs substantially less, and must carry the words — in whatever size the manufacturer chooses to print them. The declaration is entirely lawful, the tubs sit side by side, and the overwhelming majority of Indian consumers do not know the two are different products at all. So an entire category runs on a disclosure that is technically compliant and practically invisible — the content-creator plan's finding, arriving in a freezer. This manufacturer makes only milk-fat ice cream, declares the category in the SAME TYPE SIZE AND PROMINENCE as the product name, prints the milk fat percentage on the FRONT of the pack, and uses no dairy imagery on anything that is not dairy. The general rule: WHERE THE LAW PERMITS A DISCLOSURE THE BUYER CANNOT PRACTICALLY NOTICE, COMPLIANCE AND HONESTY HAVE COME APART, AND ONLY THE SECOND IS WORTH ANYTHING.**

> **AND OVERRUN IS AIR SOLD BY VOLUME. Ice cream is sold in millilitres and made by weight, so whipping air into the mix — overrun — increases the volume sold from the same ingredients. At 100% overrun half the tub is air; it is lawful, invisible on a shelf, and the single most profitable lever in the category. A one-litre pack weighing 480 grams and one weighing 620 grams are not the same purchase, and nothing on either label says so. So this manufacturer DECLARES GRAMS PER 100 ML on every pack — the second-number rule in its purest form — and runs 78% overrun against a category that routinely exceeds 100%.**

> **The third finding is where the product actually deteriorates: HEAT SHOCK IN THE RETAILER'S FREEZER. Partial thawing and refreezing recrystallises ice cream, ruining texture in a way the customer blames on the brand and nobody can trace — and it happens in a cabinet this manufacturer owns but does not operate. Cabinets carry loggers, excursions are reported rather than acknowledged (486 falling to 92), 78 retailers were de-appointed in Year 3, and RETURNED STOCK IS NEVER RE-FROZEN.**

This plan models an operator requiring **₹11.20 crore** (₹4.20 crore investor + ₹2.40 crore working-capital facility + ₹2.20 crore promoter + ₹2.40 crore term loan), moving from **₹14.00 crore revenue and a ₹1.12 crore loss** to **₹48.00 crore revenue and ₹4.32 crore profit** by Year 3 — *a 9.0% net margin, 34.8% return on capital, and revenue per freezer-day rising from ₹184 to ₹312. (Ice-cream manufacturing — figures illustrative.)*

2. Business Description, Vision & Legal Structure

Concept: An ice-cream company that prints how much of the tub is ice cream.

Vision: To be the brand a customer can compare on weight rather than on packaging.

Mission: Make ice cream, not frozen dessert; print the category as large as the name; put the milk fat on the front; declare grams per 100 ml; log every cabinet and remove the ones that fail; never re-freeze what came back; and report contribution per freezer-day, not just per pack.

Legal structure

- **Private Limited** — required in substance. FSSAI licensing, modern-trade and quick-commerce agreements, freezer-asset financing and outside capital all assume it.
- **Proprietorship or partnership** — common among regional makers; **the consequence is that a freezer estate worth crores sits on a balance sheet nobody can lend against, and a recall obligation attaches to an entity that cannot honour it.**
- **Employed quality function with release authority**, reporting to the promoter — **because overrun, fat content and pack weight are the three numbers a production manager under a despatch deadline would most like to adjust.**

> **Regulatory anchor:** a food manufacturer operating in a category where the labelling law creates the central problem rather than solving it. **The first exposure is category and composition: FSSAI's Food Products Standards distinguish ice cream, which must contain milk fat at a prescribed minimum, from frozen dessert, which may use vegetable fat — and prescribe minimum total solids and weight per unit volume — so the category name on the pack is a legal statement about composition rather than a marketing choice. The second is labelling and metrology: FSSAI labelling regulations and the Legal Metrology (Packaged Commodities) Rules govern net quantity, and here the interaction matters unusually — because a product sold by volume and made by weight allows a manufacturer to comply perfectly with the declared millilitres while delivering materially less food. The third is cold chain and safety: frozen storage requirements run through to the point of sale, and re-freezing thawed product is a food-safety matter and not only a texture one.** Then: a documented and exercised recall capability; state pollution-control consent for effluent; refrigerant handling and cabinet compliance; GST; and EPF/ESI, POSH and food-handler health checks across a highly seasonal workforce.

3. Promoter & Ownership

Led by a promoter with dairy, frozen-food or FMCG manufacturing background. Three competences decide outcomes. *Freezer-estate management*, because a cabinet placed at a retailer is this business's real asset — it costs capital, occupies a balance sheet, and earns nothing if it is stocked with a competitor's product or runs at the wrong temperature. *Seasonal capacity planning*, since ice cream sells in a compressed summer and the plant, the cold store and the workforce must be sized for a peak they idle through for months. And *the willingness to lose the price argument* — competing against frozen dessert that costs a third less, looks identical and is lawfully labelled. Ownership, equity & investor terms are editable inputs; **overrun, fat content and pack weight are verified by quality and reported to the promoter, never adjustable by production under a despatch deadline.**

4. Market Analysis — India

Indian ice cream is growing quickly on rising incomes, cold-chain expansion and quick commerce — and is dominated by a product category most of its consumers have never knowingly chosen.

Demand drivers

- **Rising discretionary consumption** and the normalisation of packaged frozen dessert as an everyday purchase rather than an occasion.

- **Quick commerce**, which has transformed impulse frozen sales and rewards manufacturers who can hold a cold chain to a dark store.
- **Cold-chain and electrification improvement** in tier-two and tier-three markets, extending the addressable geography.
- **Premiumisation** — higher fat, real fruit, no-added-sugar and artisanal formats commanding materially better realisation.
- **Parlour and HORECA channels**, which buy in bulk and care about scoopability rather than packaging.
- **Consumer awareness of the ice cream / frozen dessert distinction**, which is slowly rising and is the opening this plan exists to occupy.

Market sizing (illustrative framing)

Layer	Definition	Indicative scale
TAM	Ice cream and frozen dessert consumption in the served region	Large and growing; frozen dessert a substantial share
SAM	**Volume reachable by an owned and logged freezer estate**	**Bounded by CABINETS PLACED, not by demand**
SOM (Yr 1–3)	Volume sold across parlour, trade, modern retail and quick commerce	₹14cr → ₹48cr; cabinets 1,240 → 4,100

The distinction nobody explains

	Ice cream (FSSAI)	Frozen dessert (FSSAI)
Fat source	**Milk fat, at a prescribed minimum**	**Vegetable fat permitted**
Input cost	Substantially higher	Roughly a third lower
Appearance on shelf	Identical	Identical
Declaration required	Yes	**Yes — in any size the maker chooses**
Consumer awareness	**Low; most buyers do not know the categories differ**	

> **This table is the market structure, not a footnote about it. A frozen-dessert manufacturer enjoys a third lower input cost, an identical shelf presence and a lawful label — which means a milk-fat manufacturer is competing against a cheaper product that most customers believe is the same thing. That is not a level playing field made uneven by dishonesty; it is a legal category distinction that functions, in practice, as an information asymmetry. The commercial consequence is that this business cannot win on price and must make the distinction visible — which is why the disclosure practices in section 6 are the strategy rather than a compliance overlay on it.**

Constraints

- **Extreme seasonality** — the summer peak can be three times the winter trough against a plant and cold store that cost the same all year.
- **Freezer capital**, since every retail point requires a cabinet the manufacturer funds and owns.
- **Cold-chain reach**, which physically bounds distribution and is unforgiving of interruption.
- **Power reliability** at retail, which determines whether a placed cabinet actually holds temperature.

5. Competition & Position

Competitor type	Strength	Weakness this plan exploits
National frozen-dessert brands	Price, scale, advertising, distribution depth	**Category declared in the smallest lawful type**
National ice-cream brands	Genuine milk fat, brand trust, freezer estates	Overrun undeclared; weight per volume never published
Regional makers	Local taste, price, parlour relationships	Cabinet quality unpoliced; composition unverified
Artisanal and premium players	Low overrun, real ingredients, high realisation	Sub-scale; limited cold-chain reach; expensive
This plan	**Milk fat only, category in full type size, grams per 100 ml declared, cabinets logged and retailers removed**	Cannot match frozen-dessert pricing; lower overrun means less volume per litre of mix

> **The positioning claim is a comparison the customer can perform in her hand: pick up this tub and the competing one, and read the weight. It requires no laboratory, no trust and no brand loyalty — which is exactly why it is the only claim worth making in a category where every other assertion is unverifiable and every product looks the same. Parlour and HORECA buyers respond first, because they already know what overrun does to a scoop and have simply never been given the number.**

> **The cost of the honest position is stated in rupees rather than implied. Making milk-fat ice cream rather than frozen dessert costs an estimated ₹5.80 crore of Year-3 gross margin at equivalent volumes — the input cost difference is real, large and permanent. Running 78% overrun instead of 110% yields roughly 15% less saleable volume from the same mix, worth about ₹3.20 crore. Printing the category in full type size and grams per 100 ml costs nothing to produce and some shelf appeal. De-appointing 78 retailers removes paying customers. The offsetting return is premium and HORECA business worth ₹19.20 crore of Year-3 revenue at realisations frozen-dessert competitors cannot reach, a returns rate under half the category norm, and a proposition that becomes stronger every year as awareness of the distinction rises.**

6. "Frozen Dessert" Is Legally Distinct and Visually Identical

This is the clearest case in the library of a disclosure requirement that satisfies the law and defeats its own purpose.

What the rule requires	How it is satisfied	What the buyer experiences
The category must be declared	Printed on the pack	**Reads the brand name, not the category**
Type size is not prescribed relative to the brand	Printed small	Does not notice it
Composition must be declared	On the back, in the panel	**Does not read the panel on an impulse purchase**
Imagery is not restricted to the actual composition	Milk splashes, cows, cream	**Concludes it is a dairy product**
No requirement to explain the distinction	Nobody explains it	Does not know two categories exist

Every row is lawful and every row moves the buyer further from understanding what she has bought. The disclosure exists, is accurate, and is placed exactly where a person choosing a tub in eleven seconds at a crowded freezer will not read it — which is a compliance outcome rather than an information one. It is precisely the structure the content-creator plan identified: where a disclosure reduces the value of the product it describes, it will be positioned so as not to be seen, and no conspiracy is required because every party benefits from the placement. WHERE THE LAW PERMITS A DISCLOSURE THE BUYER CANNOT PRACTICALLY NOTICE, COMPLIANCE AND HONESTY HAVE COME APART, AND ONLY THE SECOND IS WORTH ANYTHING.

So this manufacturer's practice goes past the requirement in four specific ways. It makes only milk-fat ICE CREAM and no frozen dessert at all — the supply-chain principle from the dairy-farm and products-brand plans, in which the cheaper substitution is made impossible rather than merely declined. The CATEGORY IS PRINTED IN THE SAME TYPE SIZE AND PROMINENCE AS THE PRODUCT NAME, on the front, so a person reading the brand reads the category in the same glance. The MILK FAT PERCENTAGE APPEARS ON THE FRONT of every pack rather than in the back panel. And no dairy imagery is used on any product that is not dairy — a rule that costs this manufacturer nothing today and is stated anyway, because a range extension into frozen dessert is exactly the decision a future management would make and this is where it is foreclosed.

7. Overrun Is Air Sold by Volume, and the Retailer's Freezer

Two further problems decide what a customer actually receives, and neither appears on any label in the category.

OVERRUN IS AIR, SOLD BY VOLUME. Ice cream is made by weight and sold in millilitres, so air whipped into the mix during freezing increases the volume produced from identical ingredients. Some overrun is essential — a product at zero overrun is an unpleasant frozen brick — but at 100% overrun half the pack is air, and the practice is lawful, invisible on a shelf, and by a wide margin the most profitable lever available to a manufacturer. A one-litre tub weighing 480 grams and one weighing 620 grams sit side by side at similar prices and nothing on either label distinguishes them. So this manufacturer DECLARES GRAMS PER 100 ML on every pack, alongside the net volume the law requires — the second-number rule in its purest form, since the volume figure is true and useless without the weight beside it. Overrun runs at 78%, and it is stated rather than merely lower.

The honest position on overrun deserves stating precisely, because overclaiming would be its own version of the problem. Lower overrun is not automatically better — it is denser, richer, colder-eating and more expensive, and a very low-overrun product is a niche preference rather than a universal improvement. What is indefensible is not high overrun but UNDISCLOSED overrun, because it converts a legitimate formulation choice into a concealed price rise that the customer cannot detect or compare. Publishing grams per 100 ml does not tell a competitor to change his recipe; it tells a customer what she is buying, which is a different and more modest claim.

AND THE PRODUCT DETERIORATES IN A CABINET THIS BUSINESS OWNS BUT DOES NOT OPERATE. Heat shock — partial thawing and refreezing from a door left open, a power cut, an overloaded cabinet or a defrost cycle — recrystallises ice cream, producing a gritty, icy texture that the customer attributes entirely to the brand. It is invisible until the pack is opened at home, untraceable afterwards, and it happens in a freezer the manufacturer funded and placed. So every cabinet carries a temperature logger, excursions are REPORTED rather than alarms acknowledged (486 in Year 1 falling to 92 in Year 3), cabinets are serviced on a schedule rather than on failure, retailers who repeatedly fail are DE-APPOINTED and the cabinet withdrawn — 78 in Year

3 — and RETURNED STOCK IS NEVER RE-FROZEN OR RESOLD, which is a food-safety rule before it is a quality one.

THE CABINET IS THE ASSET, AND ITS ECONOMICS ARE THE BUSINESS. A freezer placed at a retailer costs capital, occupies this balance sheet, consumes the retailer's power and earns only what passes through it — so REVENUE PER FREEZER-DAY is the operating metric, not revenue per pack. A cabinet stocked with a competitor's product, switched off in winter, or placed at a retailer whose footfall never justified it is a capital asset returning nothing, and the estate is reviewed on that basis with underperforming cabinets relocated rather than left to earn goodwill.

8. Operations Plan (mix, freeze, harden, place, monitor, replace)

Mix preparation

- **Milk, cream and dairy solids received and tested** per the vertical's intake rules, with the laboratory holding release.
- **Formulation to declared milk fat and total solids**, verified against the label rather than to an internal target.
- **No vegetable fat on the premises**, so the cheaper formulation is impossible rather than prohibited.
- **Pasteurisation, homogenisation and ageing controlled and recorded**, since mix quality decides texture before any freezing happens.

Freezing and packing

- **Overrun measured continuously and controlled to specification**, not set once at commissioning and assumed.
- **Weight per pack check-weighed against the declared grams per 100 ml**, with records retained.
- **Hardening to core temperature verified** rather than assumed from tunnel time.
- **Batch coding that resolves a pack to a mix batch, a shift and a milk intake**, which is what makes a recall executable.

Cold chain and placement

- **Cold store, vehicles and cabinets all logged**, with handover temperature recorded at delivery.
- **Retailer assessed before cabinet placement** — power reliability, footfall, space and willingness to keep the cabinet stocked and closed.
- **Cabinet servicing on a schedule**, since a failing compressor degrades product for weeks before it stops.
- **Excursions reviewed weekly by route**, and repeat offenders visited rather than emailed.

Returns, estate and season

- **Returned stock destroyed and recorded, never re-frozen or resold**, with the cost carried as a reported line.
- **De-appointment and cabinet withdrawal where a retailer repeatedly fails**, with the logged data shown to him.
- **Estate reviewed on revenue per freezer-day**, with underperforming cabinets relocated rather than left in place.
- **Seasonal capacity planning** — building stock into the peak, contract manufacturing and bulk formats through the trough.

The operational hinge is the peak-season week when the plant is running flat out, every cabinet is empty and the fastest way to make more product from the same mix is to raise the overrun by ten points. Nobody would notice, no law would be broken, and the volume gain is immediate and large — which is precisely why the

number is not adjustable by production. Overrun is specified by formulation, measured continuously, check-weighed against the declared grams per 100 ml, and reported to the promoter; a batch outside specification is rejected rather than released, and the declared weight on the pack is what makes the whole discipline externally verifiable.

9. FSSAI Category Standards, Metrology & Operating Compliance (India)

- **Company & tax** — Private Limited, PAN/TAN, GST, FSSAI manufacturing licence, product-liability and recall insurance.
- **Category & composition** — FSSAI Food Products Standards distinguishing ice cream (milk fat at a prescribed minimum) from frozen dessert (vegetable fat permitted), with minimum total solids and weight per unit volume; **the category name is a legal statement about composition, not a marketing choice.**
- **Labelling & metrology** — FSSAI labelling regulations and Legal Metrology (Packaged Commodities) Rules on net quantity; **a product sold by volume and made by weight allows perfect compliance with declared millilitres while delivering materially less food, which is why grams per 100 ml is declared voluntarily.**
- **Cold chain & safety** — frozen storage requirements through to the point of sale; **re-freezing thawed product is a food-safety matter and not only a texture one.**
- **Traceability & recall** — documented and exercised recall resolving pack to mix batch to milk intake.
- **Environment & equipment** — state pollution-control consent for effluent, refrigerant handling and cabinet compliance, energy-efficiency requirements on placed equipment.
- **Workforce** — EPF/ESI, POSH, food-handler health checks, and fair treatment of a highly seasonal workforce.

10. Organisation & Manpower Plan

Function	Yr 1	Yr 3	Notes
Promoter / managing director	1	1	Owns overrun specification and the estate policy
Quality assurance & laboratory	6	13	**Verifies overrun, fat and pack weight; reports to the promoter**
Production — mix, freezing, hardening, packing	32	74	Peak-season contract staff on top
Freezer estate — placement, service, logging	14	38	**The asset base; revenue per freezer-day**
Cold chain, warehousing & despatch	12	30	Logged vehicles, handover temperature
Engineering, refrigeration & utilities	8	18	Plant and cabinet refrigeration
Sales, distribution & HORECA	14	36	Cannot overrule a de-appointment
Finance, records & admin	5	12	Estate accounting, traceability records
Total	**92**	**222**	Plus seasonal contract labour in peak

Thirty-eight people on the freezer estate at Year 3 is the line that looks like overhead and is in fact asset management: four thousand cabinets are ₹8.2 crore of capital sitting in other people's shops, and an unmonitored estate degrades in exactly the way an unmonitored fleet does. Equally, the de-appointment decision sits with estate and quality rather than with sales, because a salesman asked to withdraw a cabinet

> **from a retailer on his own route will find reasons not to — the library's control-independence rule applied to an asset rather than to a product.**

11. Implementation Timeline & Milestones

Phase	Window	Milestones
Land, approvals & build	Month 0–9	Incorporation, FSSAI licence, pollution consent, plant and cold store construction
Plant commissioning	Month 7–13	Mix plant, continuous freezers, hardening tunnel, packing lines, laboratory
Label & disclosure system	Month 10–14	Category in full type size, front-of-pack milk fat, grams per 100 ml, batch coding
Estate build — season one	Month 12–20	Cabinet placement with pre-assessment; loggers fitted from the first unit
Channel expansion	Month 18–28	Modern retail, quick commerce, HORECA and parlour formats
Scale & season two	Month 24–36	Estate to 4,100 cabinets, capacity expansion, off-season contract manufacturing

Training and competence

- **Overrun and weight verification** for production and quality staff, including why the declared figure is not adjustable.
- **Cabinet assessment, logger use and servicing** for the estate team, and how to present logged data to a retailer being de-appointed.
- **Cold-chain discipline for drivers and despatch**, including the absolute rule against re-freezing returns.
- **Seasonal contract-staff induction** on hygiene and handling, delivered before machines rather than after.

12. Financial Plan (Illustrative)

> **All figures are illustrative model assumptions, not forecasts or guarantees.** They exist to show the drivers of an ice-cream P&L and how the disclosure and cold-chain controls move them. Every input is editable. **The defining feature of this model is that the freezer estate is the business — cabinets are capital placed in other people's shops, and revenue per freezer-day rather than margin per pack is what determines the return.**

12.1 Project cost & funding

Item	₹ lakh	Notes
Land, civil works & food-grade building	210	Segregated areas, drainage, hygiene design
Mix plant, continuous freezers & hardening tunnel	320	Overrun control is built in here
Packing lines & check-weighers	140	Weight verification against the declaration
Freezer cabinets — retail estate	**210**	**The real asset; scales to ₹8.2cr over three years**
Cold store & logged distribution vehicles	150	Unbroken chain from tunnel to cabinet
Utilities, refrigeration plant & power backup	120	Ammonia or equivalent; standby power
Laboratory, effluent treatment & loggers	64	Composition, overrun and estate monitoring

Working capital & contingency	**106**	**Pre-season stock build against a compressed selling window**
Total project cost	**1,120**	₹420L investor + ₹240L WC facility + ₹220L promoter + ₹240L term loan

12.2 Operating metrics

Metric	Yr 1	Yr 2	Yr 3
Category declared in same type size as product name / milk fat % on front of pack / **frozen dessert manufactured**	100% / 100% / NIL	100% / 100% / NIL	**100% / 100% / NIL**
Grams per 100 ml declared on pack / **overrun** / packs check-weighed against declaration	100% / 78% / 100%	100% / 78% / 100%	**100% / 78% / 100%**
Cabinets with temperature loggers / **heat-shock excursions REPORTED** / cabinets serviced on schedule	100% / 486 / 91%	100% / 214 / 97%	**100% / 92 / 99%**
Retailers DE-APPOINTED for cabinet failure / **returned stock re-frozen or resold**	44 / NIL	66 / NIL	**78 / NIL**
Batches rejected on composition or overrun / recall time-to-trace / drills run	64 / 8 hrs / 2	102 / 5 hrs / 2	**148 / 3 hrs / 2**
Cabinets placed / **revenue per freezer-day** / market returns / contribution per litre of mix	1,240 / ₹184 / 4.6% / ₹28.40	2,600 / ₹252 / 2.4% / ₹36.80	**4,100 / ₹312 / 1.7% / ₹42.60**

> **Row two is the row that carries the whole proposition, and its flatness is the point: overrun at 78% in every year, declared on every pack, check-weighed on every line. A manufacturer whose overrun drifts upward across three years of growth has discovered the category's easiest margin and taken it. Row three is read the vertical's way — 486 excursions reported in Year 1 falling to 92 — because an estate reporting no excursions has loggers nobody reads, and the fall is the result of servicing schedules and de-appointments rather than of better luck. Row four's "returned stock re-frozen: NIL" is the food-safety line and is absolute; row six shows why the cabinet, not the pack, is the unit of account.**

12.3 Revenue build

Stream	Yr 1 (₹L)	Yr 2 (₹L)	Yr 3 (₹L)	Driver
Tubs & family packs — retail	480	980	1,680	**Where the weight declaration is compared**
Cups, cones & bars — impulse	420	840	1,420	Cabinet-dependent; quick commerce growing
Bulk & HORECA — parlours, hotels, caterers	280	560	1,000	**Buyers who already understand overrun**
Premium & low-overrun range	140	280	520	Best realisation; grams per 100 ml is the sell
Contract manufacturing (off-season)	60	100	140	Fills the trough; capacity monetised
Cabinet placement fees & institutional supply	20	40	40	Marginal; estate primarily earns through volume
Total revenue	**1,400**	**2,800**	**4,800**	Illustrative

12.4 P&L summary

Line	Yr 1 (₹L)	Yr 2 (₹L)	Yr 3 (₹L)
Revenue	1,400	2,800	4,800
Milk, cream, dairy solids & ingredients	(742)	(1,428)	(2,352)
Packaging material	(126)	(238)	(384)
Gross profit	**532**	**1,134**	**2,064**
Production & engineering employee cost	(178)	(288)	(444)
Freezer estate — depreciation, service, power support, logging	**(124)**	**(236)**	**(372)**
Cold chain, warehousing & distribution	(148)	(258)	(412)
Quality, laboratory & overrun verification	**(38)**	**(48)**	**(62)**
Returns destroyed — never re-frozen	**(44)**	**(38)**	**(46)**
Power, fuel, water & effluent	(96)	(158)	(248)
Sales, trade marketing & listing	(112)	(188)	(304)
Admin, insurance, professional & other	(74)	(116)	(178)
EBITDA	**(282)**	**(196)**	**(2)**
Depreciation & amortisation	(94)	(106)	(118)
Finance cost	(72)	(94)	(116)
Other income — off-season contract manufacturing, cold-store hire, by-product, scheme support	308	482	812
PBT	**(140)**	**86**	**576**
Tax	28	(22)	(144)
PAT	**(112)**	**64**	**432**
Net margin	**(8.0%)**	**2.3%**	**9.0%**
ROCE	**(12.4%)**	**13.6%**	**34.8%**

> **An investor should read the last three lines together and be told plainly: operating EBITDA is roughly breakeven at Year 3, and ₹8.12 crore of off-season contract manufacturing, cold-store hire and scheme support carries the result. That is disclosed separately per the library's rule because it is not incidental — a seasonal frozen business with a plant idle for five months either monetises that capacity or carries it, and this model does the former. The freezer-estate line at ₹3.72 crore is the second thing to examine: it is depreciation, servicing and monitoring on capital placed in other people's shops, and it is the cost that makes revenue per freezer-day rather than gross margin the right measure of whether the estate is working.**

12.5 Freezer-estate economics

Element	Yr 1	Yr 3	Note

Cabinets placed	1,240	4,100	₹8.2 crore of capital at Year 3
Revenue per freezer-day	**₹184**	**₹312**	**The operating metric, not margin per pack**
Cabinets below the return threshold	27%	11%	Relocated rather than left to earn goodwill
Peak vs trough monthly throughput	**3.4×**	**2.6×**	**Seasonality flattened by format and geography**
Cabinet payback period	31 months	19 months	Placement discipline is the whole difference
Excursion-hours per cabinet per month	14.2	2.6	Servicing schedule and de-appointment

> **The "cabinets below threshold" row is where most ice-cream businesses quietly lose money, and it is invisible in any account that treats freezers as a single asset class. A cabinet at a retailer whose footfall never justified it earns nothing, depreciates identically, and is almost never removed — because removing it feels like losing a customer, and the salesman who placed it has no incentive to admit the mistake. Reviewing the estate on revenue per freezer-day and relocating the bottom decile is therefore both a commercial discipline and the reason the payback period halves between Year 1 and Year 3.**

12.6 Break-even & sensitivity

Scenario	Yr 3 revenue	Yr 3 PAT	Comment
Base	₹48.0cr	₹4.32cr	As modelled
Off-season income down 30%	**₹48.0cr**	**₹2.49cr**	**The result depends on it; hence the disclosure**
A poor summer — peak volume down 18%	₹41.3cr	₹1.86cr	Seasonality is the structural exposure
Revenue per freezer-day ₹312 → ₹255	₹40.8cr	₹1.64cr	Estate discipline is the business
Milk and cream cost up 8%	₹48.0cr	₹2.94cr	Milk-fat formulation carries this exposure
Returns 1.7% → 3.8%	₹47.0cr	₹3.38cr	What cabinet monitoring is buying

13. Funding Requirement & Bankability

Source	₹ lakh	Terms (indicative)
Investor equity	420	Growth capital; estate-return and quality covenants
Working-capital facility	**240**	**Pre-season stock build against a compressed selling window**
Promoter contribution	220	Cash and land
Term loan	240	Plant, cold store and cabinet estate; 7–8 years
Total	**1,120**	Illustrative structure

> **The bankability case has an unusual feature a lender should price properly: the freezer estate is genuinely realisable security, unlike most food-manufacturing collateral. Four thousand cabinets are portable, standard, and hold value — but only if the operator knows where every one of them is, what it is earning and whether it works, which most regional ice-cream companies do not. The logged, tracked, revenue-attributed estate in this plan is therefore simultaneously the operating discipline and the security package, which is the durability test satisfied in a form a credit committee can verify. Seasonality requires a facility sized to a stock build that**

> **must be complete before the first hot week, not accumulated during it.**

- **Use of funds** — 29% mix plant and freezing equipment, 19% land and building, 19% freezer cabinets, 13% cold store and vehicles, 11% utilities and refrigeration, balance laboratory, effluent, loggers and working capital.
- **Repayment** — term loan from Year 3 cash flow plus off-season contract income; working-capital facility drawn for the pre-season build and cleared through the peak.
- **Investor exit** — strategic sale to a national frozen or FMCG group seeking regional capacity and a placed estate, or a promoter buyback once the estate matures.

14. Risk Analysis & Mitigation

Risk	Impact	Mitigation
Category confusion working against an honest manufacturer	Frozen dessert costs a third less, looks identical, is lawfully labelled, and most consumers do not know the categories differ — so a milk-fat maker competes against a cheaper product buyers believe is the same thing	**Make only milk-fat ICE CREAM with no vegetable fat on the premises, so the cheaper substitution is impossible rather than declined; declare the CATEGORY IN THE SAME TYPE SIZE AND PROMINENCE AS THE PRODUCT NAME on the front; print MILK FAT % on the front rather than in the back panel; use no dairy imagery on anything that is not dairy — a rule stated now precisely because a range extension into frozen dessert is exactly what a future management would decide, and this is where it is foreclosed**
Overrun raised quietly to make volume	Air is the most profitable ingredient in the category — lawful, invisible on a shelf, and a ten-point rise would go entirely unnoticed by anybody outside the plant	**GRAMS PER 100 ML DECLARED ON EVERY PACK alongside the net volume the law requires — the second-number rule, since the volume figure is true and useless without the weight beside it; overrun specified by formulation, measured continuously and NOT adjustable by production; every pack check-weighed against the declaration with records retained; batches outside specification rejected; and the declared weight is what makes the discipline externally verifiable rather than internally promised**
Heat shock in a cabinet this business owns but does not operate	Partial thawing and refreezing recrystallises the product into a gritty texture the customer attributes entirely to the brand — invisible until opened at home and untraceable afterwards	**Temperature loggers in every cabinet with EXCURSIONS REPORTED rather than alarms acknowledged (486 → 92); retailers assessed for power reliability and space BEFORE placement; servicing on a schedule rather than on failure, since a failing compressor degrades product for weeks before it stops; repeat offenders DE-APPOINTED and the cabinet withdrawn (78 in Year 3) with the logged data shown to them; and RETURNED STOCK NEVER RE-FROZEN OR RESOLD, which is a food-safety rule before a quality one**
The peak-season week when raising overrun solves everything	Plant flat out, every cabinet empty, and ten points of overrun would produce more saleable volume from the same mix immediately, lawfully and invisibly	**The number is removed from production's control: specified by formulation, verified by quality reporting to the promoter, check-weighed against a PUBLISHED declaration, with out-of-specification batches rejected rather than released — and the public grams-per-100-ml figure means a change would have to be printed, which is the point of publishing it**

Seasonality against a fixed cost base	Peak-to-trough throughput of 2.6× against a plant, cold store and estate costing the same all year; an 18% poor summer removes over half of Year-3 profit	Off-season contract manufacturing and cold-store hire disclosed as a separate income line and managed as a business; bulk and HORECA formats with flatter demand; geographic spread across differing season lengths; pre-season stock build funded by a facility sized for it; and seasonal workforce planning that treats contract staff fairly enough to return the following year
Freezer estate returning nothing	27% of cabinets below the return threshold in Year 1 — capital in other people's shops, depreciating identically and earning nothing	Revenue per freezer-day as the operating metric rather than margin per pack; retailer pre-assessment for footfall, power and space before placement; estate reviewed on returns with the bottom decile relocated rather than left to earn goodwill; de-appointment held by estate and quality rather than by the salesman who placed the cabinet and will find reasons not to remove it
Milk and cream cost exposure	Milk-fat formulation carries an input exposure frozen-dessert competitors do not have; an 8% rise removes a third of profit	Forward arrangements with anchor dairy suppliers; flush-season cream buying and frozen storage; premium range priced to carry the input honestly rather than reformulated downward; and the explicit strategic choice that this exposure is accepted rather than engineered away, since engineering it away means becoming the competitor
Power failure and cold-chain interruption	Plant, cold store and 4,100 cabinets all depend on continuous power in markets where it is not continuous	Standby generation at plant and cold store; cabinet placement assessed for local power reliability and rejected where it fails; route design minimising vehicle time; excursion review weekly by route with repeat locations visited rather than emailed; and stock destroyed rather than recovered after any material excursion

15. SWOT Analysis

Strengths

- Milk-fat ice cream only; no vegetable fat on the premises
- Category and milk fat on the front, in full type size
- Grams per 100 ml declared; overrun held at 78%
- Every cabinet logged; 78 retailers de-appointed
- Returns 1.7% and revenue per freezer-day ₹312

Weaknesses

- Cannot match frozen-dessert pricing
- Lower overrun means less volume per litre of mix
- Extreme seasonality against a fixed cost base
- Result depends materially on off-season income

Opportunities

- Rising awareness of the ice cream / frozen dessert distinction
- Quick commerce transforming impulse frozen sales
- Premium and low-overrun formats at better realisation
- HORECA buyers who already understand overrun
- Cold-chain expansion into tier-two and tier-three markets

Threats

- Price competition from lawfully labelled frozen dessert
- A poor summer or an early monsoon
- Milk and cream cost spikes
- Power reliability across a dispersed estate

16. Recommended AiSevak Tools for This Business

- **Batch & formulation register** — declared milk fat, total solids and overrun, with release blocked on out-of-specification results.

- **Check-weigher & declaration tracker** — grams per 100 ml verified against the printed figure, records retained.
- **Freezer estate register** — cabinet location, placement assessment, service history, logger data and revenue attribution.
- **Revenue-per-freezer-day dashboard** — estate returns by cabinet and route, with relocation candidates flagged.
- **Cold-chain excursion log** — plant, vehicle and cabinet, with excursions raised, visited and closed.
- **Returns & destruction register** — returned stock destroyed and recorded, never re-frozen.
- **Seasonal capacity planner** — pre-season build, peak scheduling and off-season contract manufacturing.

17. Key Assumptions & Notes

- **All financials are illustrative model assumptions, not forecasts, projections or guarantees.** Revenue, cabinet count, freezer-day returns, overrun and headcount are editable inputs; actual outcomes depend on geography, season length, power reliability, channel mix and input costs. Figures are in Indian rupees.
- **The central integrity finding is that the law itself supplies the deception.** FSSAI distinguishes ice cream, which must contain milk fat, from frozen dessert, which may use vegetable fat and costs roughly a third less — and requires the category to be declared, in whatever type size the manufacturer chooses. **The declaration is lawful, accurate, and placed exactly where a person choosing a tub in eleven seconds at a crowded freezer will not read it, while dairy imagery on the pack points the other way. Most Indian consumers do not know the two categories exist. That is a compliance outcome rather than an information one, and it is precisely the structure the content-creator plan identified: where a disclosure reduces the value of the product it describes, it will be positioned so as not to be seen, and no conspiracy is required because every party benefits from the placement. WHERE THE LAW PERMITS A DISCLOSURE THE BUYER CANNOT PRACTICALLY NOTICE, COMPLIANCE AND HONESTY HAVE COME APART, AND ONLY THE SECOND IS WORTH ANYTHING.**
- **So the practice goes past the requirement in four specific ways.** Only milk-fat ice cream is made, with no vegetable fat on the premises, so the cheaper formulation is impossible rather than declined — the supply-chain principle from the dairy-farm and products-brand plans. The category is printed in the SAME TYPE SIZE AND PROMINENCE as the product name, on the front, so a person reading the brand reads the category in the same glance. Milk fat percentage appears on the front rather than in the back panel. **And no dairy imagery is used on anything that is not dairy — a rule that costs nothing today and is stated anyway, because a range extension into frozen dessert is exactly the decision a future management would make, and this is where it is foreclosed.**
- **Overrun is air, sold by volume.** Ice cream is made by weight and sold in millilitres, so air whipped into the mix increases the volume produced from identical ingredients — at 100% overrun half the pack is air. It is lawful, invisible on a shelf, and by a wide margin the most profitable lever in the category. **A one-litre tub weighing 480 grams and one weighing 620 grams sit side by side at similar prices and nothing on either label distinguishes them. So GRAMS PER 100 ML IS DECLARED ON EVERY PACK alongside the net volume the law requires — the second-number rule in its purest form, since the volume figure is true and useless without the weight beside it.**
- **The position on overrun is stated precisely rather than overclaimed.** Lower overrun is not automatically better — it is denser, richer, colder-eating and more expensive, and a very low-overrun product is a niche preference rather than a universal improvement. **What is indefensible is not high overrun but UNDISCLOSED overrun, because it converts a legitimate formulation choice into a concealed price rise the customer cannot detect or compare. Publishing grams per 100 ml does not tell a competitor to change his recipe; it tells a customer what she is buying, which is a different and more modest claim.**
- **The product deteriorates in a cabinet this business owns but does not operate.** Heat shock from an open door, a power cut, an overloaded cabinet or a defrost cycle recrystallises ice cream into a gritty texture the customer

attributes entirely to the brand — invisible until the pack is opened at home and untraceable afterwards. **Every cabinet carries a logger, EXCURSIONS ARE REPORTED rather than alarms acknowledged (486 → 92), retailers are assessed for power and space before placement, servicing runs on a schedule because a failing compressor degrades product for weeks before it stops, 78 retailers were de-appointed with the logged data shown to them, and RETURNED STOCK IS NEVER RE-FROZEN OR RESOLD — a food-safety rule before a quality one.**

- **The control exists for the peak-season week when raising overrun solves everything.** The plant is flat out, every cabinet is empty, and ten points of overrun would produce more saleable volume from the same mix immediately, lawfully and invisibly. **So the number is removed from production's control: specified by formulation, verified by quality reporting to the promoter, check-weighed against a PUBLISHED declaration, with out-of-specification batches rejected. The public figure means a change would have to be printed — which is the entire reason for publishing it, exactly as the products-brand plan found that a figure to be published tomorrow is one nobody rounds today.**
- **The freezer estate is the business and revenue per freezer-day is the metric.** Four thousand cabinets are ₹8.2 crore of capital sitting in other people's shops, consuming their power and earning only what passes through them. **27% of cabinets were below the return threshold in Year 1 — capital earning nothing, depreciating identically, and almost never removed, because removing one feels like losing a customer and the salesman who placed it has no incentive to admit the mistake. So de-appointment and relocation sit with estate and quality rather than with sales, and reviewing the bottom decile is why cabinet payback halves from 31 months to 19.**
- **An investor should be told plainly that operating EBITDA is roughly breakeven at Year 3 and ₹8.12 crore of off-season contract manufacturing, cold-store hire and scheme support carries the result.** It is disclosed separately because it is structural rather than incidental: a seasonal frozen business with a plant idle for five months either monetises that capacity or carries it. **The cost of the honest position is also stated — milk fat rather than vegetable fat costs an estimated ₹5.80 crore of Year-3 gross margin, 78% overrun instead of 110% yields about 15% less saleable volume worth ₹3.20 crore, and 78 de-appointments remove paying customers. The offsetting return is ₹19.20 crore of premium and HORECA revenue at realisations frozen-dessert competitors cannot reach, returns under half the category norm, and a proposition that strengthens every year as awareness of the distinction rises.**
- **Compliance runs through category law, metrology, cold chain and recall.** FSSAI Food Products Standards distinguishing ice cream from frozen dessert with prescribed minimum milk fat, total solids and weight per unit volume, where the category name is a legal statement about composition; FSSAI labelling regulations and Legal Metrology (Packaged Commodities) Rules on net quantity, where a product sold by volume and made by weight permits perfect compliance with declared millilitres while delivering materially less food; frozen storage obligations through to the point of sale, with re-freezing thawed product a food-safety matter and not only a texture one; a documented and exercised recall resolving pack to mix batch to milk intake; state pollution-control consent, refrigerant handling and cabinet energy compliance; GST; and EPF/ESI, POSH and food-handler health checks across a highly seasonal workforce. Professional advice should be taken on the specific category declarations, label claims and estate agreements.

▶ Use these tools now — free on AiSevak

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.