

# **INSTANT & PRECOOKED FOOD MIXES**

## **1. INTRODUCTION:**

Instant and precooked Foods business is one of the fastest growing foods businesses in India; driven by the market standing and consumer franchise of its popular brands we have made this profile for small startup in a town. The Foods business is today represented in multiple categories in the market - Staples, Spices, Ready -to-Eat, Snack Foods, Bakery & confectionery and the newly introduced Juices & Beverages. Among them instant and precooked foods is a new concept. One with commitment to the health and safety to the highest levels of quality, safety and hygiene standards in manufacturing processes should start this type of product manufacturing units. The product with good taste as per the local demand is favorable for this project. Instant and precooked food products may cover wide range of delicious Indian recipes, to give a taste of food which tastes just like fresh home cooked food. It is ready help in kitchen for authentic taste, variety of choices in different Indian cuisines and high on convenience. Instant precooked foods involve Soups, Vegetable curries, Paneer gravies and various rice items.

## **2. PRODUCT & ITS APPLICATION:**

Instant precooked foods with a range of the most popular Indian dishes in a packet of 100 gms to 500 gms are suggested. This range should be convince to provide the consumer an experience of authentic, home-made food at an affordable price. These should be 100% natural and have zero preservatives. Convenience and authentic taste now has a new name and trust in the instant precooked foods. Instant Mixes must be promising the discerning Indian home maker perfect tasting dishes, consistently. Each item of instant precooked foods should be natural and preservative-free. The some of the examples are : Sambar Rice, Palak Paneer, Chana Masala, Dal Makhani, Vegetable Pulao, Paneer Butter Masala, Paneer Makhani, Rajma Masala, Mixed Vegetable Curry, Muttar Paneer,

Navratan Kurma, Shahi Paneer, Pongal, Alu Methi, Khadi Pakora, Paneer Tikka Masala, Kharabhath / Maala Upma, Kesaribhath /Kesar Suji Halwa, Dal Fry, Bhindi Masala, Alu Muttar, Rajma Chawal, Tomato Rice, Bisibelebhath, Masala Rice, Pav Bhaji, Lemon Rice, Rasam Rice. Jeera Rice, Peas & Mushroom Curry, Sambar, Tamarind Rice, etc.

### **3. DESIRED QUALIFICATIONS FOR PROMOTER:**

Anyone can start this project. Persons with knowledge of agri-sourcing & packaging, innovative communication and a good distribution network is key to success.

### **4. INDUSTRY LOOKOUT AND TRENDS**

The Indian food and grocery market is the world's sixth largest, with retail contributing 70 per cent of the sales. The Indian food processing industry accounts for 32 per cent of the country's total food market, one of the largest industries in India and is ranked fifth in terms of production, consumption, export and expected growth. It contributes around 8.80 and 8.39 per cent of Gross Value Added (GVA) in Manufacturing and Agriculture respectively, 13 per cent of India's exports and six per cent of total industrial investment. The Indian gourmet food market is currently valued at US\$ 1.3 billion and is growing at a Compound Annual Growth Rate (CAGR) of 20 per cent. India's organic food market is expected to increase by three times by 2020#.

The precooked food ordering business in India is in its nascent stage, but witnessing exponential growth. With online food delivery players like Food Panda, Zomato, TinyOwl and Swiggy building scale through partnerships, the organised food business has a huge potential and a promising future. The online food delivery industry grew at 150 per cent year-on-year with an estimated Gross Merchandise Value (GMV) of US\$ 300 million in 2016.

## **5. MARKET POTENTIAL AND MARKETING ISSUES, IF ANY:**

Instant and precooked foods items have very good scope, as the young generation are working and have little or no knowledge of preparing foods at home. Both this, time and knowledge is the key factor for success of marketing the Instant and precooked foods items.

Domestic market for Instant and precooked food industry has estimated the growth rate of 25% and 40% in the metropolitan and town cities. As per industry estimates by year 2020, Indian market for instant pre-cooked foods products will be more than INR 1000 Crores, with West India leading in buying, and Mumbai being the biggest market of processed foods valuing around INR 600 Crores followed by North India, targeting Delhi, Delhi-CR and Chandigarh being the biggest target market of processed foods.

## **6. RAW MATERIAL REQUIREMENTS:**

The basic raw materials required are the food grains of required quality, masala, oil and packing materials of good hi-gene quality. Most of the raw materials are very easily available in the market. Major packing materials required are good quality of packaging materials with attractive looks. The consistency in procurement of the raw materials is the key factors, as for taste is major affecting matters in this project.

## **7. MANUFACTURING PROCESS:**

For a small scale manufacturing instant precooked foods a good atmosphere kitchen of medium size with stores and packing facilities is must. The main steps are procurements and cleaning of raw materials, preparation of masalas, preparing foods with taking care of taste, process for preservation and packing. The preparing of foods require best knowledge of recipe and the conditions to cook the different foods. Also shelf life and packaging and preservatives effects are the key elements to take care of during the preparation of foods.

## **8. MANPOWER REQUIREMENT :**

The enterprise requires 9 employees as detailed below:

Sr. No.	Designation	Salary	Number of Employees				
			Year-1	Year-2	Year-3	Year-4	Year-5
	<b>Working Staff</b>						
1	Kitchen Operators	40000	2	2	2	2	2
2	Helpers	48000	4	4	4	4	4
	<b>Fixed Staff:</b>						
1	Admin Manager	15000	1	1	1	1	1
2	Accounts/Stores	10000	1	1	1	1	1
3	Office Boy	9000	1	1	1	1	1
	<b>Total</b>		<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>

## 9. IMPLEMENTATION SCHEDULE:

The project can be implemented in 4 months' time as detailed below:

Sr. No.	Activity	Time
1	Acquisition of premises	2.00
2	Construction (if applicable)	2.50
3	Procurement & installation of Plant & Machinery	2.50
4	Arrangement of Finance	1.00
5	Recruitment of required manpower	1.00
	Total time required <i>(some activities shall run</i>	4.00

## 10. COST OF PROJECT:

The project shall cost ₹ 27.0 lacs as detailed below:

Sr. No.	Particulars	₹ in Lacs
1	Land	0.00
2	Building	0.00
3	Plant & Machinery	12.00
4	Furniture, other Misc. Equipments	3.00
5	Other Assets including Preliminary / Pre-operative expenses	1.20
6	Margin for Working Capital	10.80
	<b>Total</b>	<b>27.00</b>

**11. MEANS OF FINANCE:**

	Particulars	₹ in Lacs
1	Promoter's contribution	6.75
2	Bank Finance	20.25
	<b>Total</b>	<b>27.00</b>

**12. WORKING CAPITAL CALCULATION:**

The project requires working capital of ₹ 10.80 lacs as detailed below:

Sr.	Particulars	Gross Amt	Margin	Margin	Bank
1	Inventories	5.40	0.25	1.35	4.05
2	Receivables	2.70	0.25	0.68	2.03
3	Overheads	2.70	100%	2.70	0.00
4	Creditors	-		0.00	0.00
	<b>Total</b>	10.80		4.73	6.08

**13. LIST OF MACHINERY REQUIRED:**

The major and important plant and machineries require for this projects are very good and safe cooking stove and cooking oven with required all connection with chimneys and electricity points. The other machineries are SS cookers, SS vessels of different shape and sizes. SS tools, SS and wooden utensils, copper and SS storage vessels, Cutting and preparation tables, mixing, grinding and juice machines. Packing and f ridging machines. The other required equipments are Steam generators, cooling and icing apparatus. Small laboratory equipments for testing of quality and equipments for proper sealing, weighing and transport is also required.

Sr. No.	Particulars	UOM	Qty	Rate (₹)	Value
					(₹ in Lacs)
	<b>Plant &amp; Machinery / equipments</b>				

<b>a)</b>	<b>Main Machinery</b>				
1	Cooker, vessels	NOS	10	0.50	5.00
2	Burners, ovens, Stoves	NOS	5	0.75	3.75
3	Grinding, mixing, juice Machine	NOS	1	1.50	1.25
4	Testing, Packing	L.S.	1	1.00	1.00
5	Utility Equipments	L.S.	1	0.25	0.25
	Installation, Taxes and Transportation	L.S.		0.25	0.75
	<i>sub-total</i>				<b>12.00</b>
	<b>Furniture / Electrical</b>				
a)	Office furniture	LS	1	100000	1.00
b)	Stores Cupboard	LS	2	50,000	1.00
c)	Computer & Printer	LS	1	100000	1.00
	<i>sub total</i>				<b>3.00</b>
	<b>Other Assets</b>				
a)	Preliminary and preoperative				1.20
	<i>sub-total Other Assets</i>				1.20
	<b>Total</b>				<b>16.20</b>

All the machines and equipments are available from local manufacturers. The entrepreneur needs to ensure proper selection of product mix and proper type of machines and tooling to have modern and flexible designs. It may be worthwhile to look at reconditioned imported machines, dies and tooling. Some of the machinery and dies and tooling suppliers are listed here below:

1. Fry-Tech Food Equipments Private Limited  
S. No. 4, Raviraj Industrial Estate,  
Bhikhubhai Mukhi Ka Kuwa Bharwadvash,  
Ramol, Ahmedabad - 380024,  
Gujarat, India
  
2. Hindustan Vibrotech Pvt. Ltd.  
Office No. 2, Ground Floor,  
Vrindavan Building, Vile Parle East,  
Mumbai - 400057,  
Maharashtra, India

3. Electrons cooling systems Pvt. Ltd.

S-27, SIDCO Industrial Estate  
Kakkalur Industrial Estate  
Tiruvallur - 602003,  
Tamil Nadu, India

4. Springboard Enterprises India Ltd.

1st, 2nd & 3rd Floor,  
Plot No. 7, 8 & 9,  
Garg Shopping Mall,  
Service Centre, Rohini Sector 2  
New Delhi - 110085,  
Delhi, India

5. Flour Tech Engineers Private Limited

Plot No. 182, Sector 24,  
Faridabad - 121005,  
Haryana, India

6. P Square Technologies

3, Swami Mahal,  
Gurunanak Nagar,  
Off. Shankarsheth Road Bhavani Peth,  
Pune - 411002,  
Maharashtra, India

7. Ricon Engineers

10 To 13, Bhagwati Estate,  
Near Amraiwadi Torrent Power,  
Behind Uttam Dairy,  
Rakhial, Ahmedabad - 380023,  
Gujarat, India

8. Kamdhenu Agro Machinery  
 Plot No. 6, Near Power House,  
 Wathoda Road Wathoda,  
 Nagpur - 440035,  
 Maharashtra, India

#### 14. PROFITABILITY CALCULATIONS:

Sr. No.	Particulars	UOM	Year-1	Year-	Year-	Year-	Year-
1	Capacity Utilization	%	60%	70%	80%	90%	100%
2	Sales	₹. In Lacs	32.40	37.80	43.20	48.60	54.00
3	Raw Materials & Other Direct Inputs	₹. In Lacs	23.26	27.13	31.01	34.88	38.76
4	Gross Margin	₹. In Lacs	9.14	10.67	12.19	13.72	15.24
5	Overheads Except Interest	₹. In Lacs	3.66	3.89	4.35	4.49	4.58
6	Interest @ 10 %	₹. In Lacs	2.03	2.03	1.35	1.01	0.81
7	Depreciation @ 30 %	₹. In Lacs	3.60	2.52	1.84	1.44	1.08
8	<b>Net Profit Before Tax</b>	₹. In Lacs	<b>-0.15</b>	<b>2.23</b>	<b>4.65</b>	<b>6.77</b>	<b>8.77</b>

The basis of profitability calculation:

This unit will have capacity of 400 packets per day of average price of 45 INR/packet. The growth of selling capacity will be increased 10% per year. (This is assumed by various analysis and study; it can be increased according to the selling strategy.)

Energy Costs are considered at 7 INR/ Kwh and fuel cost is considered at Rs. 65 per liter. The depreciation of plant is taken at 10-12 % and Interest costs are taken at 14 -15 % depending on type of industry.

#### 15. BREAKEVEN ANALYSIS:



The project shall reach cash break-even at 35.37 % of projected capacity as detailed below:

Sr. No.	Particulars	UOM	Value
1	Sales at full capacity	₹. In Lacs	54.00
2	Variable costs	₹. In Lacs	38.76
3	Fixed costs incl. interest	₹. In Lacs	5.39
4	$BEP = FC/(SR-VC) \times 100 =$	% of capacity	35.37%

## 16. STATUTORY / GOVERNMENT APPROVALS

The Ministry of Food Processing Industries has been operating several plan schemes for the development of processed food sector in the country during the 10th Plan. One of the schemes relates to the Technology Up-gradation/ Establishment/ Modernization of food processing industries.

The Indian food processing industry is regulated by several laws which govern the aspects of sanitation, licensing and other necessary permits that are required to start up and run a food business. The legislation that dealt with food safety in India was the Prevention of Food Adulteration Act, 1954 (hereinafter referred to as "**PFA**"). The PFA had been in place for over five decades and there was a need for change due to varied reasons which include the changing requirements of our food industry. The act brought into force in place of the PFA is the Food Safety and Standards Act, 2006 (hereinafter referred to as "**FSSA**") that overrides all other food related laws.

FSSA initiates harmonization of India's food regulations as per international standards. It establishes a new national regulatory body, the Food Safety and Standards Authority of India (hereinafter referred to as "**FSSAI**"), to develop science based standards for food and to regulate and monitor the manufacture,

processing, storage, distribution, sale and import of food so as to ensure the availability of safe and wholesome food for human consumption. Entrepreneur may contact State Pollution Control Board where ever it is applicable.

**All food imports will therefore be subject to the provisions of the FSSA and rules and regulations which as notified by the Government on 5th of August 2011 will be applicable.**

### **Key Regulations of FSSA**

- A. Packaging and Labelling
- B. Signage and Customer Notices
- C. Licensing Registration and Health and Sanitary Permits

## **17. BACKWARD AND FORWARD INTEGRATIONS**

The objective of the scheme is to provide effective and seamless backward and forward integration for processed food industry by plugging the gaps in supply chain in terms of availability of raw material and linkages with the market. Under the scheme, financial assistance is provided for setting up of primary processing centers/ collection centers at farm gate and modern retail outlets at the front end along with connectivity through insulated/ refrigerated transport.

The Scheme is applicable to perishable horticulture and non-horticulture produce such as, fruits, vegetables, dairy products, meat, poultry, fish, Ready to Cook Food Products, Honey, Coconut, Spices, Mushroom, Retail Shops for Perishable Food Products etc. The Scheme would enable linking of farmers to processors and the market for ensuring remunerative prices for agri produce.

The scheme is implemented by agencies/ organizations such as Govt. / PSUs/ Joint Ventures/ NGOs/ Cooperatives/ SHGs / FPOs / Private Sector / individuals etc.

**Backward Linkage:**

- Integrated Pack-house(s) (with mechanized sorting & grading line/ packing line/ waxing line/ staging cold rooms/cold storage, etc.)
- Pre Cooling Unit(s)/ Chillers
- Reefer boats
- Machinery & equipment for minimal processing and/or value addition such as cutting, dicing, slicing, pickling, drying, pulping, canning, waxing, etc.
- Machinery & equipment for packing/ packaging.

**Forward Linkage:**

- Retail chain of outlets including facilities such as frozen storage/ deep freezers/ refrigerated display cabinets/cold room/ chillers/ packing/ packaging, etc.
- Distribution centre associated with the retail chain of outlets with facilities like cold room/ cold storage/ ripening chamber.

**18. TRAINING CENTERS AND COURSES**

There are few specialised Institutes provide degree certification in Food Technology, few most famous and authenticate Institutions are as follows:

- 1.** Indian Institute of Food Science & Technology,  
Plot No.1, Near Maa-Baap ki Dargah,Opp to Nath Seeds,  
Paithan Road Aurangabad  
Aurangabad - 431005  
Maharashtra, India
  
- 2.** MIT College of Food Technology, Pune  
Gate.No.140, Raj Baugh Educational Complex,  
Pune Solapur Highway,  
Loni Kalbhor, Pune - 412201  
Maharashtra, India

- 3. CSIR - Central Food Technological Research Institute (CFTRI)**  
Cheluvamba Mansion, Opp. Railway Museum,  
Devaraja Mohalla, CFTRI Campus, Kjjihundi, Mysuru  
Karnataka - 570020

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

Entrepreneurship program helps to run business successfully is also available from Institutes like Entrepreneurship Development Institute of India (EDII) and its affiliates all over India.

**Disclaimer:**

Only few machine manufacturers are mentioned in the profile, although many machine manufacturers are available in the market. The addresses given for machinery manufacturers have been taken from reliable sources, to the best of knowledge and contacts. However, no responsibility is admitted, in case any inadvertent error or incorrectness is noticed therein. Further the same have been given by way of information only and do not carry any recommendation.

Source:- Udyami Mitra/Sidbi