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Compendium of financing options for the food processing sector

MOFPI

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National Event Partner

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Foreword

Food processing is considered as one of the fastest growing industries in India. The growth of the industry is supported by the availability of a large raw material production base. India is the largest producer of milk, bananas, mangoes, guavas, papaya, ginger, okra, second largest producer of wheat, rice, fruits, vegetables, tea, sugarcane and cashew nut and the third largest producer of cereals, coconut, lettuce, chicory, nutmeg, mace, cardamom and pepper globally.

Given the natural supply advantage and a population of 1.3 billion people (that spend a high proportion of their disposable income on food), there is a potential to nurture mutually beneficial relationships with global food processing, food retail and related supply chain organizations who could realize significant business growth opportunities in India, through new technologies, innovations and other methods of value additions.

Further, India's geographical location gives it a unique advantage when it comes to exports, having convenient connectivity to Europe, Middle East & Africa from the western coast, and Japan, Singapore, Thailand, Malaysia, Korea, Australia & New Zealand from the eastern coast.

Food processing is a priority sector for the Indian Government, as well as one of the focus sectors in the Make in India initiative. Further, the availability of affordable credit and other fiscal incentives has also led to India being considered as one of the most favourable markets.

In light of the above factors, and with total consumption of the food and beverage segment in India expected to increase from US$ 369 billion to US$1.142 trillion by 2025, output of the food processing sector (at market prices) is expected to increase to US$ 958 billion for the same period. These estimates clearly evidence the vast market opportunity offered by the Indian food processing, food retail, transport, logistics and related infrastructure sectors to players in the food processing value chain.

We trust that this report would be a useful guide for international as well as domestic food processing, food retail and related supply chain companies that are looking to invest or expand their presence in India.

Preface

The food processing sector is poised to grow over the next three to five years. This “Compendium of Financing Options for the Food Processing Sector” aims to discuss the most critical aspects of the business and illustrates the financing options for the food processing sector.

The first highlight of the report is an assessment of financing of the Food Processing Sector by the commercial banks. While USD 53 billion credit limit was sanctioned by the commercial banking sector to the Food Processing Sector (as on December 31, 2016), it was not sufficient in helping the food processing in achieving its potential. Moreover the lending from commercial banks was skewed towards primary processing sub-sector (65% share) instead of the high value adding secondary processing sub-sector, which is the actual profit earner for the economy.

The report also brings forth some of India’s unique initiatives in financing agriculture and agri value chain by showcasing the financing options available from institutions like the National Bank for Rural and Agricultural Development (NABARD) offering about UBD 2.08 billion specifically for food processing and related projects, Small Farmers Agriculture- Business Consortium (SFAC), Small Industries Development Bank of India (SIDBI), etc. It also provides detailed information on the initiatives and reforms being introduced by the Ministry of Food Processing Industries to boost the food processing in the country through Pradhan Mantri Kisan Sampada Yojna, with a budget of INR 6000 crores (USD 900 million).

The last but not the least, the report tries to capture the process flow that a small investor has to follow in order to get bank finance and government subsidy, including finance under Pradhan Mantri Mudra Bank Yojna (PMMY). This should give the small investor an indicative frame work for preparations.

Thus showcasing the full range of financing options available and also capturing the areas of weaknesses, the report attempts to provide a context to stakeholders visiting World Food India for their discussions with financial institutions at the event.

1 Executive Summary

India's food processing sector can be divided into (i) Primary Processing and (ii) Secondary Processing by levels of processing (a term interchangeable with value added) and they have differing growth rates. The nature and quantum of their credit needs are also different. While Primary processing sectors have been recipients of relatively easy banking lines, they also access national financial institutions and non-banking finance companies more routinely since their business models are well set for years (example-sugar). This is not replicated for secondary processing, which needs differentiated and more customized (or structured) products from lenders. Juxtaposed is the relative growth rates of primary and secondary sectors (5% for Primary versus 11% for secondary processing between 2014 and 2016 but projected to grow at 6% and 15% in next 5 years) which will more developed product solutions for secondary processing sectors.

Based on Reserve Bank of India's classification, total Credit Limits from banks to food processing companies (including beverages) as on December 2016 were USD 53 billion (CAGR of 8.2% between 2014 and 2016) but utilization was USD 31 billion (CAGR of 3.1% between 2014-2016) only. The numbers for Primary Processing companies were USD 34.5 billion and USD 21.6 billion and for secondary food processing were USD 18.6 billion and USD 9.7 billion respectively. The growth rates for both Credit and Outstanding were higher for Secondary Processing.

Assuming a growth rate of food processing sector at ~8% in next five years, (15% for Secondary Processing), the credit needs will move at least at the same rate on a linear basis i.e. an incremental need of USD 4 billion per year (USD 2.8 billion for Secondary Processing). This is going to be a challenge for banks especially since food processing is not comprehensively included in Priority Sector Lending (PSL). While the challenge faced by the sector is lack of structured products for addressing special risks and demands, the challenge faced by banks is the lack of focus (unlike agriculture).

On the strategic side, the companies often struggle to get external capital and need serious hand holding. Venture capital/private equity inflows to food processing are barely 2.5% of the total inflows. There are very few dedicated venture capital/private equity funds at present but with the resilience and sustained growth of food processing getting more apparent, these pools are bound to expand. Venture debt is another desirable source, which should be sought for the sector.

Disaggregated production creates problems for processors. The Government is proactively addressing it through National Bank for Agriculture and Rural Development (NABARD) and Small Farmers' Agribusiness Consortium (SFAC), which are developing Self Help Groups (SHG) and Farmer Producer Companies (FPO). Additionally, Small Industries Development Bank of India (SIDBI) is available to address the all-important micro, small and medium enterprises, to improve credit penetration to Small and Medium Enterprise (SME) processors.

The Government has also created pools of capital for specific initiatives. For example, a pool of INR 2000 crores for assistance to food parks is given to NABARD to manage. It also has a fund of INR 5000 Crores (USD 735 million), to support creation of infrastructure for storage of agricultural commodities. SFAC helps farmer producer companies get loans up to INR 1 crore

(150,000 USD) without security and food processors can utilize the scheme to strengthen their supply chain.

In addition to these institutional sources of credit and equity, the Ministry has an umbrella scheme the Pradhan Mantri Kisan Sampada Yojna (PMKSY) under which there are a range of subsidy schemes to promote food processing. Under the scheme, the Ministry is providing subsidy assistance to establishment of processing infrastructure, logistics and storage infrastructure, backward linkages and development of farmer producer organisations, test infrastructure, research and development and training and development. There are subsidies available primarily for storage and logistic infrastructure and some components of processing on a sector specific basis from other Government departments.

This report presents various existing and potential sources of financing for food processing sector and opens up discussion on more innovative financing solutions for the sector.

2 Introduction to Financial Services in India

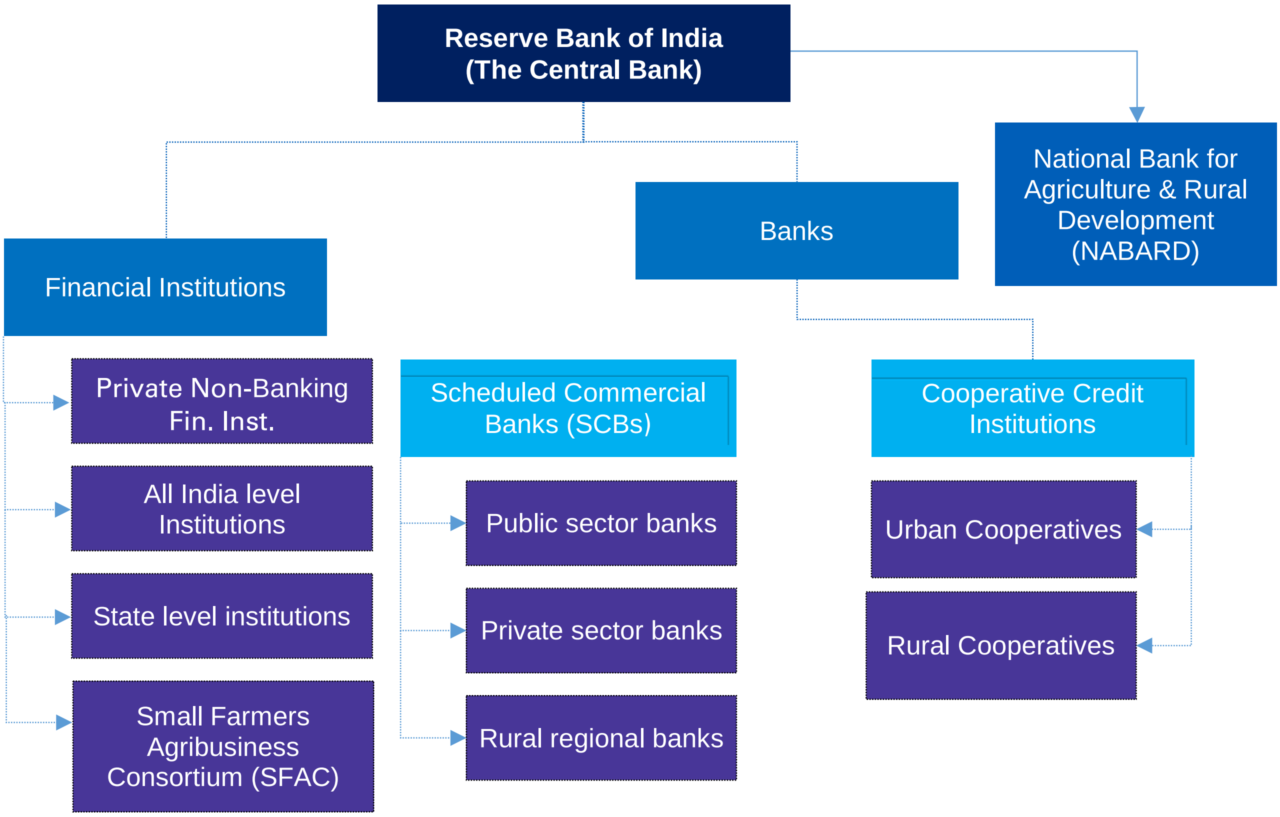
2.1 Flow of financing decision making for investors

International investor	Domestic Investor (Non-Start up)	Domestic Investor (Start-up)
Check with home country banker for correspondent bank in India	Check with existing bankers for financing options	Funding from family and friends
Through correspondent bank understand the financing options	Understand through bankers all options	Funding limited MSME options
Evaluate and plan organisation structure and financial plan	Evaluate and plan organisation structure and financial plan	After reaching critical mass get access to commercial banks

Overall financial sector structure

Equity	Debt
Primary Regulator – Securities & Exchange Board of India (SEBI)	Primary Regulator – Reserve Bank of India (RBI)
Primary Stock markets – Bombay Stock Exchange (BSE) & National Stock Exchange (NSE)	Scheduled commercial banks
Private Equity / Venture Capital / Angle financing	Non- Bank Institutions
	Special purpose institutions
Equity and allied sector discussed in a later segment	Debt and allied sector discussed in next segment

2.2 Structure of Indian banking and allied sector



The Indian Banking and Allied sector is divided into two parts, the Scheduled Commercial Banks (SCBs) and the Non-Banking Financial Institutions (NBFCs). As compared to SCBs, the NBFCs do not provide accounts that are equivalent to Savings or Current accounts in a bank. Since such demand deposits are not allowed to the NBFCs, their access to funds is far lower than banks. Moreover, since such accounts are the lowest cost source of funds, the cost of funds for NBFCs is also higher than banks. However, since the regulations governing NBFCs are less stringent as compared to banks, they operate in areas where the banks do not reach or in functions which banks do not wish to directly service.

In the Indian market there two organisations which have been specifically created to help grow agriculture and allied activates. These entities are –

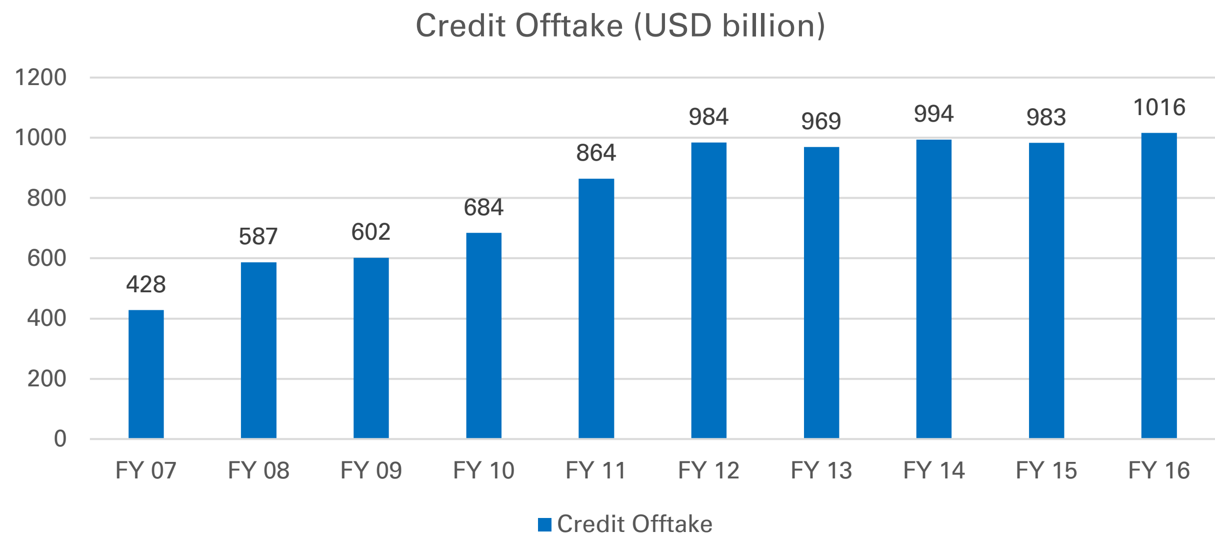
1. In the banking domain NABARD (National Bank for Agriculture & Rural Development)
2. In the NBFC domain SFAC

In addition, there is Small Industries Development Bank of India (SIDBI) which focusses on small, micro and medium scale enterprises. This report will first discuss the financing option for debt funding from all types of institutions followed by a discussion on equity options and then the subsidy options.

3 Credit for the Food Processing Sector

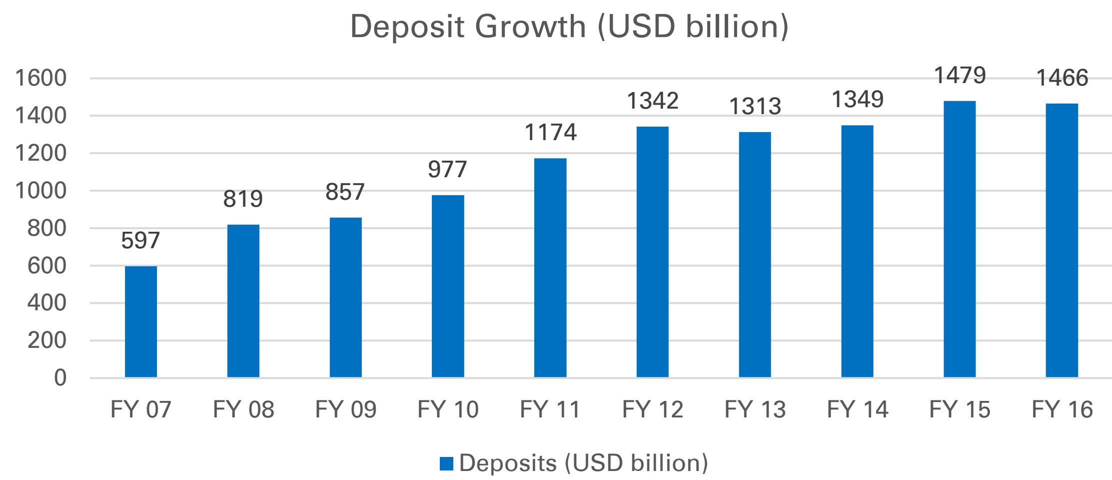
3.1 Overview of banking in India

In the last nine years, banks have seen a massive growth in credit offtake which has risen from USD 428 billion (FY07) to USD 1,016 billion (FY16).



Source: Reserve Bank of India

The Government is pushing to increase the penetration of banking into the rural and semi-urban areas and also pushing to provide options suitable for the economically weaker sections to join the banking network.



Source: Reserve Bank of India

Overall deposits also show a strong growth.

3.2 Priority Sector Lending (PSL)

The problem in India has been of uneven distribution of credit. In order to address this issue, the Government has PSL norms. As per guidelines of RBI, all banks need to lend 40% of their portfolio to priority sectors which are –

- Agriculture
- Micro, Small and Medium Enterprises (MSME)
- Export Credit
- Education
- Housing
- Social Infrastructure
- Renewable Energy

Out of the 40% of total credit that has to be given to priority sectors, 18% is earmarked for agriculture. Loans to food and agro-based processing units and cold chain have been classified under agricultural activities for PSL as per the revised RBI guidelines issued in April 2015. Under PSL following are the guidelines for lending to food processing sector –

PSL other than farm credit under the 18% marked for agriculture	
Agriculture Infrastructure	**Ancillary activities**
• Loans for construction of storage facilities (warehouses, market yards and silos) including cold storage units/ cold storage chains designed to store agriculture produce/products, irrespective of their location • Soil conservation and watershed development • Plant tissue culture and agri-biotechnology, seed production, production of bio-pesticides, bio-fertilizer, and vermicomposting • For the above loans, an aggregate sanctioned limit of INR 100 crore (USD 14 million) per borrower from the banking system, will apply.	• Loans for food and agro-processing up to an aggregate sanctioned limit of INR 100 crore (USD 14 million) per borrower from the banking system • Other activities covered under ancillary activities - co-operative societies of farmers, setting up of agri-clinics and agribusiness centres, organizations who maintain a fleet of tractors, bulldozers, well-boring equipment, threshers, combines etc. for providing services, Primary Agricultural Credit Societies (PACS), Farmers' Service Societies (FSS) and Large-sized Adivasi Multi-Purpose Societies (LAMPS),

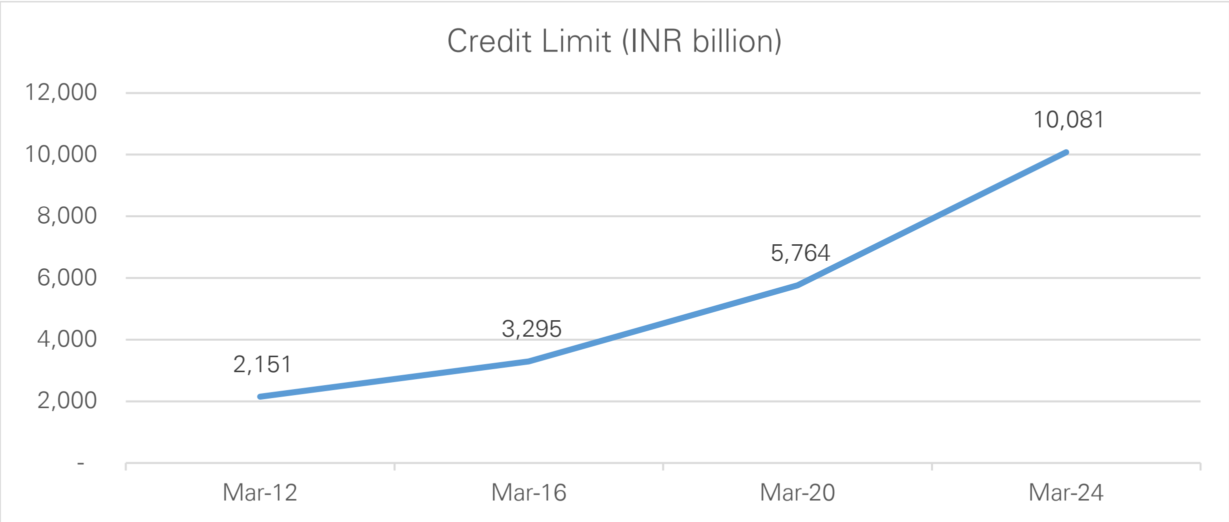
3.3 Credit flow from bank to food processing sector

The Credit Limit is the amount available to the entity as credit and therefore it has been considered while showcasing availability of credit. The historic data is as released by RBI. The data table is available in **annexure A.1**

Credit from banks to food processing sector (excluding beverages) has been growing well

From March 2014 to December 2016 the Credit Limit sanctioned has increased by 27% from INR 2.6 trillion (USD 38.2 billion) in March 2014 to INR 3.3 trillion (USD 48.3 billion) at the end of December 2016.

Credit flow to food processing sector from the banking sector is expected to triple in eight years' time if the current growth rate of ~15% per year is sustained.



Source: Reserve Bank of India, Quarterly statistics (up to Mar 2016), projections – KPMG Analysis

Assessing the sub-sector wise distribution of credit

As per the classification followed by RBI for Credit from Scheduled Commercial Banks (SCBs)"Food (Manufacturing and) Processing is presently included in the 'Industry' segment. Refer Annexure A1

Food (manufacturing and) processing sector can be broken into two broad segments as follows:

- Primary Processing (foods): Sub-sectors such as rice mills, flour and dal mills, sugar, edible oils, vanaspati, tea processing and part of others segment

- Secondary Processing (foods): Sub-sectors such as processing of fruit and vegetables as well significant portion of others segment.

'Others' should include packaged foods, dairy, poultry, seafood, kitchen ingredients, bakery, biscuits, snack foods, chocolates, confectionery and all other remaining processed foods segments. As per industry estimates (discussion with industry experts, a more scientific survey may reveal different results) while most of this (~67%) would come under secondary processing a certain proportion (~33%) would form part of Primary Processing. For example, liquid milk would come under Primary Processing while cheese or paneer would come under secondary processing.

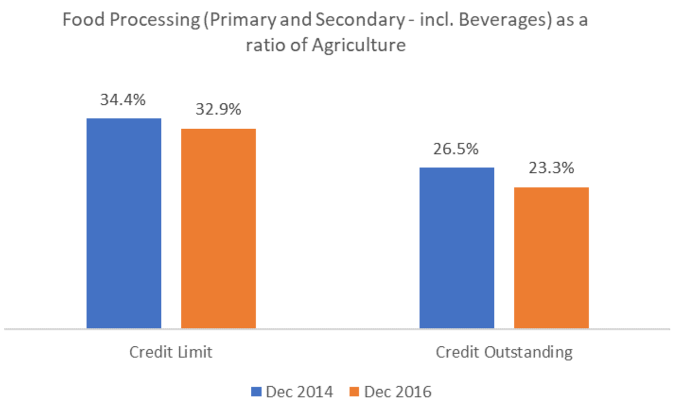
In addition, as part of the 'Industry' segment, beverages (to include spirits, wine, beer, juices and fruit based drinks, aerated drinks and packaged water) find inclusion under 'beverages and tobacco'. It is estimated (based on industry interaction) that beverages to tobacco is (50:50) and should be considered along with the overall food processing sector.

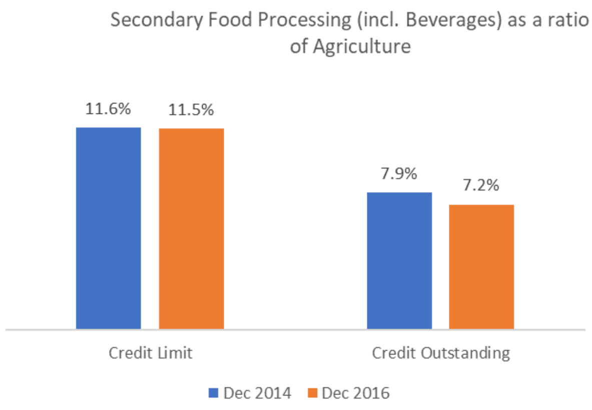
Considering the above, the key inferences based on an analysis of RBI data for December 2014 and December 2016 (comparable period) are as under:

As on December 2016, total Credit Limits for food (manufacturing and) processing sector (including beverages) were INR 3452 billion (USD 53.1 billion), split between Primary and Secondary as 65% and 35%.

As of December 2016, total amount outstanding to the food (manufacturing and) processing sector (including beverages) was INR 2032 billon (of which INR 1405 billon was for Primary Processing and INR 628 billon was for Secondary Processing.

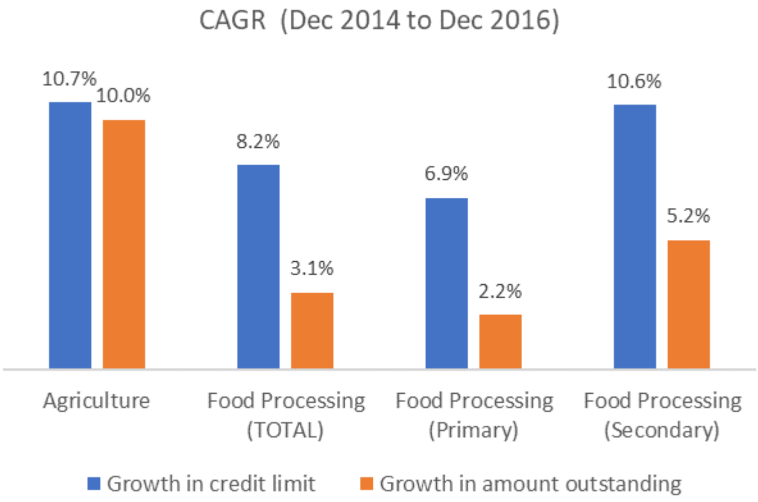
The total credit limit for food processing (Primary and secondary including beverages) as a ratio of Credit Limit for agriculture was in the range of 33-34% in both 2014 and 2016. However, in terms of Credit Outstanding, food processing as a ratio of agriculture declined from 26.5% to 23.3% over the two-year period. Interestingly, the share of total Credit Limit for Secondary Food Processing as a ratio of Credit Limit for agriculture was in the range of just 11-12% in both 2014 and 2016. However, in terms of Credit Outstanding, Secondary Food Processing as a ratio of agriculture declined from 7.9% to 7.2% over the two-year period.





Source: KPMG Analysis, RBI data, Rabo Equity

The two-year CAGR (Dec 2014 to Dec 2016) in Credit Outstanding for the food processing sector (TOTAL) at 3.1% was much lower than agriculture which was at 10.0%. For the same period, the CAGR was at just 2.2% for Primary Processing, while it was for 5.2% for Secondary Processing. This credit growth for both Primary and Secondary sectors are still lower than their respective market size growths of 3-6% and 10%+. This also implies that many of the industry players are exploring other sources of funding (own funds, private equity, other third party sources of funds etc) for their growth requirements.



Source: KPMG Analysis, RBI data, Rabo Equity, Figures incl. beverages

As of December 2016, the Credit Outstanding (Utilization) to Credit Limit ratio was better for Primary (63%) vis-à-vis Secondary (52%). This could imply, that while there is increasing demand for credit for Secondary Processing, the disbursements could increase with better understanding of the growth drivers, value chain dynamics and proper risk assessment of these sub-sectors, within the banking sector.

3.4 Payments banks

Within the banking sector, there has been an increasing push towards cashless economy which got a significant boost during last year's demonetization of large denomination notes.

In order to facilitate cashless transactions, the Government has issued licenses to 11 entities, of which the following four entities have started operations:

- Airtel Payments Bank Ltd,
- India Post Payments Bank Ltd,
- Paytm Payments Bank Ltd,
- Fino Payments Bank Ltd.

Payments banks are different from regular banks as –

- Consumers can only keep deposits up to INR 100,000 (USD 14000) in these accounts
- Payments banks are not allowed to lend money.

The payment banks will –

- Pay interest on deposits held with them which currently varies from 4% to 7%
- These banks will also offer debit cards on payment of charges ranging from INR 99 to 199 (USD 1.5 to 3)
- These banks will also charge for withdrawal and deposit of cash.

The rationale for payments banks

Payments banks are an intermediate arrangement to compensate for the lack of reach of the traditional banking network. Unlike traditional banks, payments banks cannot lend to the consumer. However, they can partially address the challenge of sending money to interior and remote locations.

This is because these banks harness the non-traditional channels for reaching out to the consumers. Airtel has a network of 1 million retail counters which act as payment and deposit collection points for the bank. This network has a far wider reach than the regular banking channels.

Why is it important for the food processors?

The penetration of payment banks into rural area will be essential for resolving one of the key challenges faced by medium to large companies in direct procurement from farmers.

Farm produce procurement on non-cash payment

Traditionally farm produce is traded on cash basis irrespective of the volume or size of the transaction. This becomes a challenge for the professionally run companies which do not wish to handle large volumes of cash in its procurement. Moreover, it also adds to its operational risks.

The acceptance of non-cash mode of payment through payment banks will make it significantly simpler for companies to procure raw material directly from the farmers. The proof of the concept lies in Africa which is the leading continent in mobile money transfer due to its relatively weak banking network.

As the penetration of electronic payment increases, the companies which have started building their backward linkages to the farmers will greatly benefit from direct transactions.

In order to popularize the method the Government is pushing direct payment of subsidies into the beneficiary accounts and building user confidence.

3.5 Non – commercial bank sources of debt – NABARD

3.5.1 About NABARD

National Bank for Agriculture and Rural Development (NABARD) was created by transferring the agricultural credit functions of RBI and refinance functions of the then Agricultural Refinance and Development Corporation (ARDC). Government of India holds INR 4,980 crore (USD 732 million) (99.60%) while Reserve Bank of India holds INR 20.00 crore (USD 2.9 million) (0.4%) in the share capital of NABARD.

Mission - *"Promote sustainable and equitable agriculture and rural prosperity through effective credit support, related services, institution development and other innovative initiatives."*

3.5.2 Loans for Food Parks and Food Processing Units in Designated Food Parks

Special Fund of INR 2000 Crores (USD 300 million), for providing direct term loans at affordable rates of interest to Designated Food Parks (DFPs) and food processing units in the DFPs

Objective of the Fund	Scope of the fund	Eligible entities
• To provide impetus to development of the food processing sector on a cluster based approach • To reduce wastage of agricultural produce • To create employment opportunities especially in rural areas.	• Development of infrastructure required in the DFPs • Augmentation / modernization / creation of capacity in the DFPs • Setting up of individual food processing units or any other unit that is established for supporting the operations of the food processing units.	• State Governments /Public Sector entities • Joint Venture companies • Special Purpose Vehicles (SPVs) • Cooperatives • Federations of Cooperatives • Farmers' Producer Organizations • Companies / Entrepreneurs.

3.5.3 Loans to Warehouses, Cold Storage and Cold Chain Infrastructure

Special Fund of INR 10000 Crores (USD 1470 million), for supporting creation of infrastructure for storage of agricultural commodities

Scope of the fund	Eligible entities
Storage infrastructure with a minimum aggregate capacity of 5000 metric tons (MT) for agricultural and allied produce • Warehouses • Silos	• State Governments / Public Sector units or entities • Cooperatives, Federations of Cooperatives, • Farmers' Producers' Organizations (FPOs), Federations of Farmers' Collectives,

- Cold storage, controlled atmosphere (CA) stores, other cold chain infrastructure activities like pack houses/integrated pack houses, reefer vans, bulk coolers, individually quick frozen units, chilling/freezing infrastructure, etc.
- Modernization/improvement of the existing storage infrastructure projects.
- SPVs set up under PPP mode, etc.
- Primary Agricultural Credit Societies (PACS) / Cooperative Marketing Societies (CMS) or similar institutions
- **Companies / Individual Entrepreneurs**
- Agri produce marketing committees.

3.6 Non - commercial bank sources of debt - Rural Infrastructure Development Fund

Rural Infrastructure Development Fund (RIDF) is one of the most important funds created for development of rural infrastructure. The fund was created more than 20 years ago in 1995-96 with an allocation of INR 2000 crores (USD 294 million) which has grown to INR 25000 crores (USD 3.68 billion) for 2016-17. This fund is not available for companies and entrepreneurs but for state owned entities and Self-Help Groups (SHGs) / Non-Government Organisation (NGOs).

There 36 projects approved under RIDF and while not all of them have direct relevance to food processing, there are some such as cold storage (Public/ Joint sector cold storage at various exit points), grading/ certifying mechanisms, testing/ certifying laboratories, modern abattoir etc. which have direct implication on the supply chain of the processing company.

The list of activities is covered in **appendix A.2**

3.7 Credit Facilities to Marketing Federations/Corporations (CFF)

Many states in India have state government-owned Agriculture Marketing Federation/Corporation. The major activities undertaken by these institutions are procurement of agricultural commodities, aggregation, storage, value addition and marketing. Under this product, short term credit facility is provided for their working capital requirements to assist their marketing activities. In addition to Marketing Federation/Corporation, following institutions will be eligible for funding under CFF.

- Dairy Co-operatives/Federations
- Agriculture Marketing Co-operatives/Federations
- Registered Companies

Eligible activities are:

- Procurement and marketing of agricultural commodities
- Procurement, processing and marketing of milk
- Supply of agricultural inputs including animal feed and agricultural chemicals

- Other activities related to value addition and supply chain management of agricultural commodities

3.8 Non – commercial bank sources of debt – SIDBI

3.8.1 About SIDBI

Small Industries Development Bank of India (SIDBI), set up on April 2, 1990 under an Act of Indian Parliament, acts as the principal financial institution for the promotion, financing and development of the Micro, Small and Medium Enterprise (MSME) sector.

Most of the units in food processing sector in India can be classified under small and medium enterprises therefore the schemes of SIDBI are relevant for the sector.

3.8.2 SIDBI Make in India Soft Loan Fund for Micro, Small & Medium Enterprises (SMILE)

The scheme has been created to provide soft loan, in the nature of quasi-equity and term loan on relatively soft terms to MSMEs to meet the required debt-equity ratio for establishment of an MSME.

The focuses on new enterprises and covers 25 sectors of which food processing is one. The loans are similar to quasi equity/soft term loan of a typical tenor of seven years. With discounted interest rates in the first three years.

The scheme is also available online and investors may log on to the following link for information–

https://www.sidbi.in/online-enquiry.php

3.8.3 End to End Energy Efficiency Investments in MSMEs (4E Financing Scheme)

This scheme has been created to fund projects which reduce wastage, reducing emissions, improving energy efficiency etc. in the MSME sector. Funding as available for up to 90% of the project cost with an upper limit INR 1.5 crore (USD 250,000) as project cost.

This is also a direct funding project so a direct enquiry to SIDBI is all that is needed for initiating the conversation for availing this facility. The enquiry link is provided in the previous section.

In addition SDBI also provides –

1 Receivables financing – working capital scheme

2 Syndication and facilitation – in partnership with banks, rating agencies etc. SIDBI helps MSME units in procuring loans from other sources as well.

3.9 Non – commercial bank sources of debt – SFAC

3.9.1 About SFAC

SFAC is an autonomous society promoted by Ministry of Agriculture, Cooperation and Farmers' Welfare, Government of India. It was registered under Societies Registration Act XXI of 1860 on 18th January, 1994 as an NBFC by the RBI.

The institution is governed by the Ministry of Agriculture and Farmer Welfare of the Government of India. The primary focus of the institution is organising small and marginal farmers as Farmers Interest Groups, Farmers Producers Organisation and Farmers Producers Company. This aim is to increase the bargaining power this section of the society as well as help create backward and forward linkages.

3.9.2 Credit Guarantee Fund Scheme

The Credit Guarantee Scheme enables the lending Institutions to provide collateral free credit to FPCs by minimizing their lending risks in respect of loans up to a maximum of INR 1 crores (USD 0.15 million).

This infuses significant financial freedom into the FPCs which receive the assistance.

Till date 20 banks have signed up for the Credit Guarantee Scheme participation.

What is in it for Individual/Small Investor?

These alternative options for finance is focused towards the small processor / individual entrepreneur who have limited access to finance from commercial banks. The benefit from these institutions are multi fold –

1. Give the small enterprise access to funds where the commercial banks would not
2. Give the small enterprise financial terms much softer compared to the banks
3. Give access to second tier loans – when commercial banks provide loans but not sufficient to meet the project's total requirement
4. Give access to funds for essential activities like training and capacity building which no commercial bank supports
5. Syndication of debt – in some cases these institutes may help get the requisite financing by from banks and help the small business owner in utilising professional services like credit rating / bank loan rating etc.

How to leverage these institutions has been discussed in the last chapter.

4 Equity in Food Processing

India has one of the most vibrant capital markets in the developing world with Indian stock market being one of the top 15 markets in the world.

While the markets are vibrant and the food processing sector has been investing organically for expansion, the equity infusion into sector is negligible compared to the rest of the capital market.

Private equity (PE)/Venture capital (VC) investment

India is one of the prominent destinations for investments among the PE/VC investment circle and yet the contribution of the food processing sector in attracting PE/VC funding is negligible at less than 2% over the years.

Year	TOTAL PE/VC INVESTMENT (USD Millions)	
	Food & Beverage Sector	Total Investment
2012	150	9500
2013	120	7500
2014	335	10400
2015	320	17000

Source: KPMG Research, not verified from Government sources

These two data points show that new entrants are entering the market less frequently and big ticket expansions are limited.

4.1 Equity assistance from Government through SFAC

4.1.1 Equity Grant Scheme

Under the scheme a capital grant is extended to Farmer Producer Companies (FPCs) subject to maximum limit of INR 10 lakhs (USD 15000) and to FPCs. This benefit is only available to those FPCs which do not have a paid up capital of more than INR 30 lakh (USD 44000).

The objectives of the scheme are –

- Enhancing viability and sustainability of FPCs
- Enhancing credit worthiness of FPCs

- Enhancing the shareholding of members to increase their ownership and participation in their FPC.

4.1.2 Venture Capital Assistance Scheme

Under this scheme, with the objective of promoting agri-ventures financial assistance is given to entrepreneurs. During the five-year period from 2012-2017, INR 302 crores (USD 44 million) has been provided in assistance to over 1000 projects and facilitating investments over INR 3650 crores (USD 538 million).

4.1.3 Farmer Producer Organization Scheme

While SFAC has a financial assistance plans for FPCs, there has to be a sizable number of viable FPCs to take the benefit of these schemes. Hence SFAC has the mandate to develop FPCs with starting memberships of 15-20 farmers and as the FPC proceeds through its life cycle, from time to time SFAC provides assistance to those FPCs.

Additional opportunity through SFAC

SFAC is also responsible for Government procurement of pulses and oil seeds and as such can be harnessed as procurement partner by food processors who need to procure in substantial volume.

4.2 Equity assistance from Government through NABARD

4.2.1 Financing and Supporting Producer Organisations (PO)

Producer Organizations are considered to be one of the effective means to enhance the income of small producers through improved access to quality inputs, modern technology and market linkages. In order to support Producers Organizations across three levels, viz. capacity building, credit support and market linkage to meet their end to end requirements and thereby ensuring sustainability and economic viability, NABARD created 'Producers Organization Development Fund (PODF)' with a corpus of INR 50 crore (7.3 million USD) out of its operating surplus during 2011-12. While the credit support to POs is made available for undertaking agribusiness activities out of general lending programme, limited grant support is provided from PODF for capacity building and market linkage facilitation, to enable them to become a self-sustaining business entities. With effect from October 2016, the credit needs are being supported through NABKISAN Finance limited, a subsidiary of NABARD, while the grant support (not exceeding 20% of loan) is extended by NABARD to POs financed by lending agencies.

The following broad activities are eligible for grant support out of PODF:

1) Various types of capacity building and skill development initiatives;
2) Market linkage Support
3) Support for other purposes e.g. DPR preparation etc.

4.2.2 Capital Investment Subsidy Scheme for Commercial Production Units for organic/ biological Inputs under National Project on Organic Farming

The Capital Investment Subsidy Scheme for Commercial Production Units of Organic Farming (NPOF) is a central scheme to promote organic farming in the country. The scheme is being implemented since 2004-05. Subsidy is extended through Banks for the credit linked projects of bio-fertilizer and bio-pesticide units and Fruit and Vegetable Market Waste Compost Unit. Under the above components, each Bio-Fertilizer/Bio-Pesticide unit will be provided with a subsidy @25% of capital cost of the project subject to a ceiling of INR 40 lakh (60,000 USD) and Fruit and Vegetable Waste Compost Production Unit will be provided with a subsidy @33% of capital cost of the project subject to a ceiling of Rs.63 lakh (USD 92,000).

Eligible beneficiaries

Particulars	Eligible beneficiaries
Bio-fertilizers and Bio-pesticides Production Unit	Individuals, group of farmers/growers, proprietary and partnership firms, Co-operatives, Fertilizer industry, Companies, Corporations, NGOs
Fruit and Vegetable Waste Compost Unit	APMCs, Municipalities, NGOs and Private entrepreneurs

NABARD also supports developmental activities which focus on increasing agricultural production, productivity, capacity building, rural livelihoods etc. While these activities may not be directly relevant to food processors, but it improves the overall business environment.

4.3 Equity assistance from Government through SIDBI

4.3.1 Growth Capital and Equity Assistance

This is a fund targeted towards existing MSME units. As business grows, internal accruals are not always sufficient for funding the growth and the entrepreneurs may not yet ready to dilute stake. So SIDBI steps in with a variety of structures such as Mezzanine/ Convertible Instruments, Subordinated Debt and Equity depending the entrepreneur’s eligibility and requirements. The repayment/recovery tenors are longer and structure flexible.

What is in it for Individual/Small Investor?

During the early and growth stage of a business, cash flows are often erratic. And when the business takes on loan, it has the liability to regularly pay interest and instalments. The small business may find it difficult to meet these obligations and often this is the reason why they are denied a loan. So during the growth phase when the small business cannot afford debt, it needs equity to grow and equality from commercial sources can be expensive in terms of the percentage of business that has to be sold.

In such situations, organisations like SFAC, SIDBI and NABARD are helpful as they provide equity to small businesses on reasonable terms.

How to leverage these institutions has been discussed in the last chapter.

5 Financial Assistance from the Ministry of Food Processing Industries

The Ministry of Food Processing Industries (MoFPI) also provides a host of financial assistance to food processing companies under Pradhan Mantri Kisan Sampada Yojna (PMKSY) to supplement agriculture, modernize processing and decrease agri-waste. The scheme has an allocation of INR 6,000 crore (USD 882 million) and is expected to leverage investment of INR 31,400 crore (USD 4.6 billion) generate more than 0.5 million employment by 2019-20[1].

5.1 Scheme of Mega Food Park

The objective of the scheme is to create state-of-the-art food processing centres based on the hub and spoke model consisting of central food processing industrial park called the Central Processing Centre where all the processing units and common facilities will be located and a network of collection centres for procurement of raw material from farmers and markets. In addition, there will also be a network of Primary Processing centres for initial grading/sorting/cooling activities so that the procurement catchment area can be expanded.

MoFPI provides an assistance of 50% of the project cost (excluding land cost) subject to a maximum of INR 50 crore (USD 7.4 million) for setting up this project.

5.2 Cold chain

The objective of this scheme is to catalyse the creation of an integrated cold chain and preservation infrastructure facilities without any break from the farm gate to the consumer. The assistance under the scheme will be provided for all facilities like production sites, reefer vans, mobile cooling units as well as value addition centres which include infrastructural facilities like Processing/Multi-line Processing/ Collection Centres, etc. for all commodities and crops requiring cold chain.

MoFPI provides an assistance of 50% of the project cost (excluding land cost) subject to a maximum of INR 10 crore (USD 1.5 million) for setting up such projects.

[1] http://pib.nic.in/newsite/PrintRelease.aspx?relid=170174

5.3 Food safety and quality assurance infrastructure

This is a scheme for promoting the creating of food testing facilities for the domestic manufacturers and exporters as quality control is a critical component for the development of the food processing industry.

MoFPI provides grant-in-aid of 50% of cost of laboratory equipment and 25% of the cost of technical civil works to house the equipment and furniture and fixtures associated with the equipment without ceiling which is decided on a case to case basis.

5.4 Related schemes from other agencies

5.4.1 Support under SIDBI

SIDBI becomes the nodal agency for some of the Government subsidy schemes from time to time. As a nodal agency it administers schemes wherever required and invites applications from interested companies and entrepreneurs, evaluates the applications and monitors the approved cases.

5.4.2 National Horticulture Board (NHB)

Capital Investment subsidy for construction/expansion/modernization of cold storage for horticulture Products

NHB also provides subsidy for cold storages, however the scale of subsidy is much lower than MoFPI as it is targeted more towards the farmers than the processors. However the processors can benefit by handholding their suppliers to gain the benefits of the scheme and thereby increase their procurement catchment area. Under this scheme the subsidy for cold storage is up to 35% of the project cost subject to ceiling given in their scheme guidelines which can be accessed from their website as given below:

http://nhb.gov.in/pdf/SCHEME2Guidelinefinal.pdf

Similarly the scheme guidelines for funding under National Horticulture Mission can be obtained from their website as given below:

http://nhm.nic.in/midhScheems.html

5.4.3 Agricultural and Processed Food Products Export Development Authority (APEDA) assistance for cold chain

APEDA is authority that is mandated to promote export of agricultural products from India. In order to incentivize exporters it has a wide range infrastructure development subsidies as well as subsidies for operational and promotional expenses that may be incurred by an exporting food processor. The details of the same can be obtained from the APEDA website.

http://apeda.gov.in/apedawebsite/trade_promotion/Financial_Assistance_Schemes.htm

5.4.4 Pradhan Mantri Kaushal VikasYojana (PMKVY)

This is skill development scheme which can be used by the processing units to develop their team of skilled work force.

Under the scheme work is provided with financial rewards for completion of basic and refresher and the agencies providing training are rewarded for mobilization of the youth for training.

The food processor can tie-up with such training agency to either recruit successful trainee or to run a training programme for their own employees.

5.5 Agro Processing clusters

The scheme is similar to Mega Food Park scheme in terms of the objective being to create food processing clusters, but it is targeted for smaller clusters with a minimum investment of INR 25 crores (USD 3.75 million) and at least 5 units.

The assistance provided will be a subsidy of 35% of the eligible cost or INR 10 crores (USD 1.5 million) whichever is less.

Processors interested in creating their own exclusive and customized ecosystems will find this an attractive option.

5.6 Scheme for creation/expansion of food processing/preservation capacities

The objective of the scheme is to assist modernization and expansion of existing processing facilities in the sectors of processing of horticultural products, dairy processors, meat and fish processors, ready-to-eat/ready-to-cook product manufacturers, honey, coconut, spices and mushroom processors, millers of grains/pulses or oilseed etc. The eligible activities cover a wide range of processing, storage and transportation activities.

The assistance provided by the ministry is 35% of eligible project cost with a ceiling of INR 5 crores (USD 0.75 million).

5.7 Scheme for creation of backward and forward linkages

The objective of the scheme is to provide seamless backward and forward integration in the sectors of horticulture, dairy, meat and fish products, ready to eat/ready to cook products, honey, coconut, spices, mushroom and retail shops of perishable commodities for the activities such as mechanized integrated pack houses, chilling/pre-cooling plants, reefer boats and machinery for minimal processing and packaging as well as for activities retail freezers, cold storage and display units and related facilities.

The assistance provided by the ministry is 35% of eligible project cost with a ceiling of INR 5 crores (USD 0.75 million) and food processors are implored to take advantage of the same.

All these incentives, schemes and programmes is trying to ensure that the food processing sector growth is not hindered by the lack of finance.

5.8 Government schemes being implemented by NABARD

5.8.1 Dairy Entrepreneurship Development Scheme

Special Fund of INR 240 crores, to extend assistance for setting up small dairy farms and other components to bring structural changes in the dairy sector

Scope of the fund

- To generate self- employment and provide infrastructure for dairy sector
- To set up modern dairy farms and infrastructure for production of clean milk
- To encourage heifer calf rearing for conservation and development of good breeding stock
- To bring structural changes in the unorganised sector, so that initial processing of milk can be taken up at the village level
- To upgrade traditional technology to handle milk on a commercial scale
- To provide value addition to milk through processing and production of milk products.

Eligible entities

- Farmers
- Individual entrepreneurs
- Groups of unorganized sector
- Self Help Groups (SHGs)
- Dairy Cooperative Societies
- Milk Unions/Milk Federation
- Panchayati Raj Institutions (PRIs).

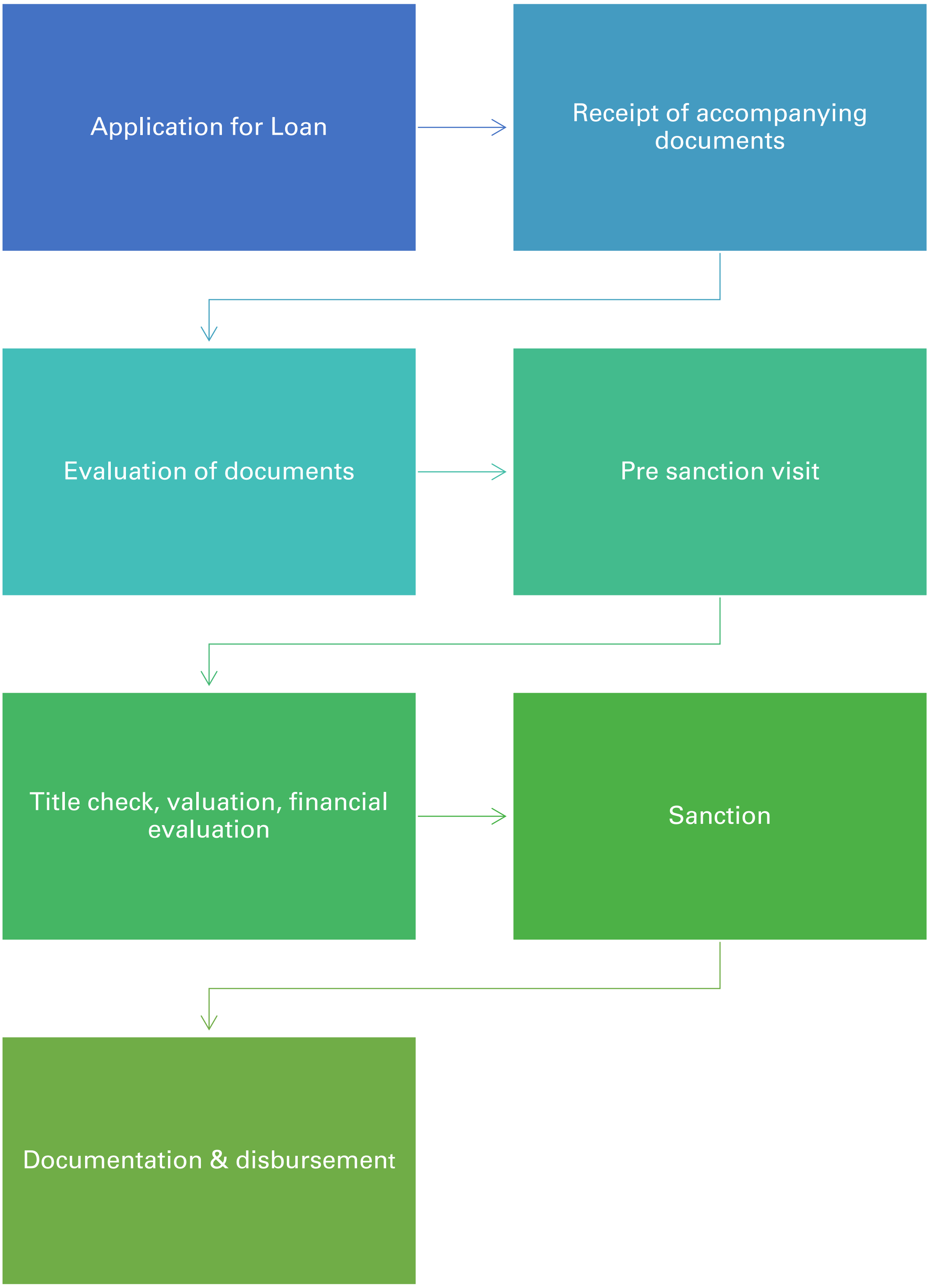
Pattern of assistance

- Back ended capital subsidy @25% of the project cost for general category and 33.33% for SC/ST farmers. The component wise subsidy ceiling will be subject to indicative cost arrived at by NABARD from time to time
- Entrepreneur contribution (margin) for loan beyond INR 1 lakh (Subject to any revision in RBI guidelines) – 10% of the project cost
- Bank loan – Balance portion is funded through bank loan.

It can be concluded that in India, all forms of financing are available but most of it is geared toward the larger entities while the food processing sector is dominated by the smaller and medium sized entities. Therefore in the subsequent section, the opportunities and process flows for the small investors has been specifically highlighted.

6 Accessing finance for a small business

The following are the indicative/illustrative stages of approval of loan request in the Indian banking sector. Individual banks will have their own protocol for the appraisal process and investors are recommended to follow the instructions provided by their respective bankers.



6.1 Application for Loan

The business owner or promoter will need to approach the financial institution for loans or any other form of financial assistance.

While for an institution like SIDBI the application process can be online, for other institutions the representatives may have to visit the branch of the organisation.

The online application portal for SIDBI is in the following link (provided as an illustration) –

https://www.sidbi.in/online-enquiry.php

6.2 Receipt of accompanying documents

In accordance to the guidelines of the Reserve Bank of India, all new customers have furnish their identification details while initiating business with a bank. These are call "Know Your Customer (KYC)" norms which the banks have to adhere to. Below is an illustrative list of the documents collected by a private sector bank.

KYC documents:

Type	Documents
For Proprietorship Firm	• Last 6 month account statement of main banker/Last 3 year ITR (Income Tax Return) • CA (Chartered Accountant) certificate for Plant & Machinery investment, if ITR not available. • 2 Entity proof in the name of the firm ITR or VAT (Value Added Tax) return or Sales Tax registration • Proprietorship declaration • Individual KYC of Proprietor • Photo and specimen signature
For Partnership Firm	• Copies of Audited Balance sheet or Last 6 month account statement of main banker. • CA certificate for Plant & Machinery investment, if Balance sheet not available. • Partnership Deed- signed by all partners • Partnership declaration authorizing the partner to execute facility & transaction docs. • PAN (Permanent Account Number) card and Address proof of the firm • KYC of partners • Photo and specimen signature of Authorised signatory

Along with these documents, the business proposal is also submitted stating in details the capital and operating expenditure expected to be incurred and the rational for the expectations. Details of revenue and income expectations and the rationale thereof and based on these assumption the profitability, the loan requirement and proposed repayment plan.

In addition, the applicant will also have to provide the details of the security being offered for the loans.

6.3 Evaluation of documents

The bank /financial institution will not only evaluate the KYC documents but also the loan proposal. This is the point where commercial banks may at times take a very conservative view of the small business owner partly because he may not have a track record to go by and partly because the small businesses are susceptible to being wound up more easily in unfavourable economic environments.

Here the institutions like NABARD, SIDBI and SFAC play a developer role and often take more risky propositions at lower rates. Often the lower rates itself help the small businesses become more viable while the additional support from these institutions in the form of capacity building and hand holding further increase the chances of a success.

6.4 Pre sanction visit

Bankers or representatives of the financial institution will almost always visit the project site before further evaluations. It is a basic assessment and fact finding mission to check the ground reality, location and environment.

6.5 Title check, valuation, financial evaluation

The site visits are followed by the documentation check for validity, title check for the security asset and evaluation of the business plan. At this sometimes commercial banks may be conservative and set stringent terms on the loan or chose to ask for higher equity contribution than proposed by the applicant. The banks typically have financial parameters to financially evaluate the proposals e.g. debt service coverage ratio (free cash flows / the total debt related pay-out) however those are not being discussed here they vary from institution to institution and keep changing over time.

When such a situation happens, a subordinated loan from an institution like SIDBI comes in handy as it not considered as debt by the bankers who has first charge over the assets and cash flows, but it also does not force the promoter invest more equity.

6.6 Sanction

The sanctioning of the loan is typically a negotiated process however, for a small business the negotiation is notional unless they have alternatives like NABARD and SIDBI lined up as well.

6.7 Documentation & disbursement

This is the conclusion stage of the negotiation process where the loan agreements are signed and the charge on the assets created.

The above flow represents the typical loan sanctioning process, however it is neither sacrosanct not exhaustive and financial institutions are free to follow their own terms etc.

6.8 Bank loans under Pradhan Mantri Mudra Bank Loan Yojna (PMMY)

Under this scheme banks are required to fund non-corporatized small businesses and can claim refinance from Micro unit development & refinance agency ltd (MUDRA) after enrolling with MUDRA. NBFCs and Microfinance institutes can also enrol with MUDRA. There are three products under the scheme –

- Shishu (for Start – ups) financial support of up to INR 50,000 (USD 735)
- Kishor (for growing businesses) - financial support of amount ranging between INR 50,000 (USD 735) and INR 500,000 (USD 7350).
- Tarun (for established business) - financial support of amount ranging between INR 500,000 (USD 7350) and INR 1000,000 (USD 14,700)

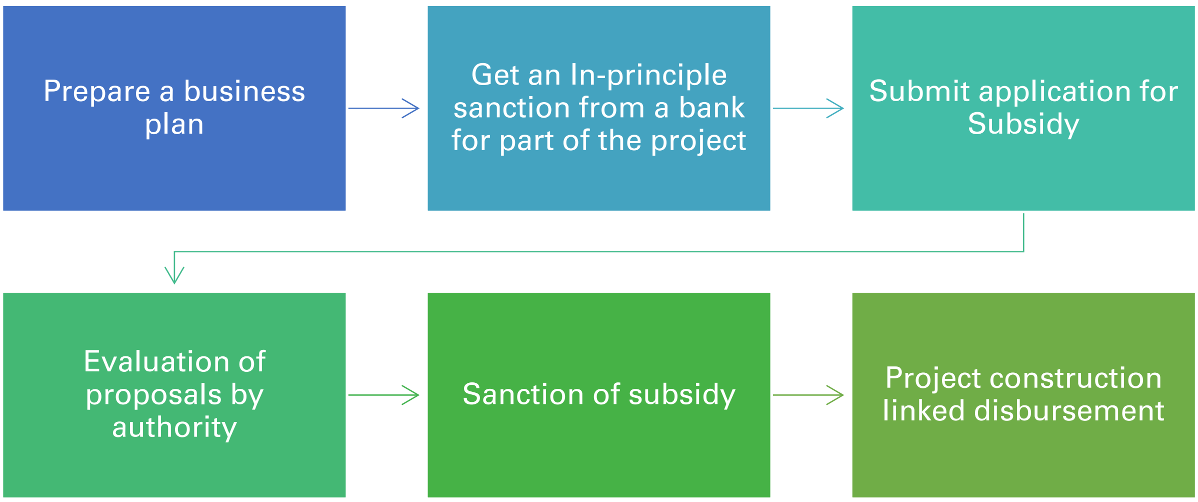
The target for these loans are those business which are not eligible for regular loans therefore banks cannot insist on security collateral. The objective of disbursing these loans through banks is to foster a relationship between the entrepreneur and the bank. However it is only available for existing businesses not projects which are yet to start and available for a maximum tenor of seven years.

Investors can visit the following site for more details –

http://www.mudraloans.in

6.9 Approach for getting subsidy / equity from government bodies

Below flow chart gives an indication of the process for getting subsidy from central institutions and departments. This an indicative list will vary depending on the scheme guidelines and the policies governing the department which is acting as the nodal agency for the subsidy.



Ministry of Food Processing Industries (MoFPI) – MoFPI invites proposals from time to time and the application window is open for limited time period during which the proposal has to be submitted (step 3 in the flow chart) to the ministry. The grant of subsidy is competitive i.e. limited number of projects are released in each window and only the best proposals approved. The details of MoFPI subsidised opportunities can be checked here – www.mofpi.nic.in

Other central institutions (SIDBI, SFAC, NABARD, APEDA, NHB etc) – The investor can register with the organisation online or by physically visiting their offices and then submit their proposals to these organisations in their prescribed forms and formats.

State government subsidies – The processes vary from state to state as some states appoint a nodal agency for administering the subsidies while other states do not do so. In addition, some states have made the process online. However all states have department of industries which have District Industries Centre (DIC) which act as the nodal point of contact and information through which the investor understand the scheme requirements as well as submit the proposals.

Initial investment in preparing the proposal – Most subsidy schemes, take into account the cost of preparing the proposal as part of project cost while estimating the eligible subsidy. However if the application is rejected, these costs are a loss to the investor. In some states, for micro and small entrepreneurs there is subsidy available for the preparation of the project plan as well and the investors can get the information for such options from their respective DIC.

It can be concluded that there are a wide range of avenues of funding available for the small and micro investor as well and he/she has to do the due diligence about the same in order to maximise the benefit.

A. Annexure

A.1 Reserve Bank of India –Sectorial Credit availability

TABLE NO. 1.4 - OUTSTANDING CREDIT OF SCHEDULED COMMERCIAL BANKS ACCORDING TO OCCUPATION

As On End (amount INR crores)	Dec-2016	Dec-2016	Dec-2016
OCCUPATION	No. of Accounts	Credit Limit	Amount Outstanding
I. AGRICULTURE	654,52,678	10,50,181	8,73,194
II. INDUSTRY	44,59,226	45,74,128	29,15,378
2. Food Manufacturing & Processing	4,47,511	3,28,602	1,92,864
(a) Rice Mills, Flour & Dal Mills	73,274	85,813	57,690
(b) Sugar	5,841	55,304	33,290
(c) Edible Oils & Vanaspati	16,149	31,815	23,257
(d) Tea Processing	5,795	4,687	2,995
(e) Processing of Fruits & Vegetables	21,004	10,155	5,228
(f) Others	3,25,448	1,40,827	70,404
3. Beverage & Tobacco	24,081	33,278	20,761
III. TRANSPORT OPERATORS	22,15,529	2,18,811	1,52,019
IV. PROFESSIONAL AND OTHER SERVICES	40,00,457	8,08,603	5,68,505
V. PERSONAL LOANS	564,01,057	20,91,844	14,52,416
VI. TRADE	94,87,637	12,65,971	7,02,143
VII. FINANCE	4,09,125	7,96,537	5,07,921
VIII. ALL OTHERS	25,35,569	4,66,785	1,65,423
TOTAL CREDIT	1449,61,278	112,72,860	73,36,999

As On End (amount INR crores)	Mar-2016	Mar-2016	Mar-2016
OCCUPATION	No of Accounts	Credit Limit	Amount Outstanding
I. AGRICULTURE	633,79,002	10,07,939	8,62,539
II. INDUSTRY	37,72,246	45,50,528	29,54,448
2. Food Manufacturing & Processing	3,80,395	3,29,541	2,06,196
(a) Rice Mills, Flour & Dal Mills	72,877	86,089	56,342
(b) Sugar	5,150	58,683	42,337
(c) Edible Oils & Vanaspati	17,074	34,647	24,804
(d) Tea Processing	5,135	4,947	2,711
(e) Processing of Fruits & Vegetables	19,828	8,452	4,063
(f) Others	2,60,331	1,36,723	75,939
3. Beverage & Tobacco	15,982	32,967	22,720
III. TRANSPORT OPERATORS	22,55,458	2,13,041	1,52,716
IV. PROFESSIONAL AND OTHER SERVICES	39,17,765	8,14,167	5,79,880
V. PERSONAL LOANS	522,33,449	19,78,594	13,12,617
VI. TRADE	86,61,231	11,89,812	6,82,325
VII. FINANCE	3,66,911	8,75,721	6,19,925
VIII. ALL OTHERS	44,18,933	2,96,262	1,51,351
TOTAL CREDIT	1390,04,995	109,26,063	73,15,801

As On End (amount INR crores)	Mar-2015	Mar-2015	Mar-2015
OCCUPATION	No. of Accounts	Credit Limit	Amount Outstanding
I. AGRICULTURE	576,17,009	9,17,089	7,82,257
II. INDUSTRY	26,81,681	45,44,134	28,31,771
2. Food Manufacturing & Processing	2,56,654	2,98,068	1,90,882
(a) Rice Mills, Flour & Dal Mills	72,474	77,761	58,509
(b) Sugar	4,272	56,503	40,807
(c) Edible Oils & Vanaspati	17,241	33,052	22,066
(d) Tea Processing	2,919	5,302	2,771
(e) Processing of Fruits & Vegetables	16,066	7,628	4,039
(f) Others	1,43,682	1,17,822	62,691
3. Beverage & Tobacco	14,399	35,327	23,299
III. TRANSPORT OPERATORS	19,68,720	1,92,810	1,32,301
IV. PROFESSIONAL AND OTHER SERVICES	32,06,757	7,32,569	4,91,234
V. PERSONAL LOANS	469,19,434	16,96,077	11,16,342
VI. TRADE	53,08,860	10,81,986	6,53,241
VII. FINANCE	3,18,405	8,16,126	5,58,394
VIII. ALL OTHERS	39,90,387	2,56,046	1,31,702
TOTAL CREDIT	1220,11,253	102,36,837	66,97,242

As On End (amount INR crores)	Mar-2014	Mar-2014	Mar-2014
OCCUPATION	No. of Accounts	Credit Limit	Amount Outstanding
	28	29	30
I. AGRICULTURE	536,22,651	10,27,360	7,36,622
1. Direct Finance	499,14,385	8,50,897	6,07,397
2. Indirect Finance	37,08,266	1,76,462	1,29,224
II. INDUSTRY	25,01,726	41,25,368	26,11,970
1. Mining & Quarrying	48,305	1,06,641	59,954
2. Food Manufacturing & Processing	2,44,776	2,60,807	1,72,925
(a) Rice Mills, Flour & Dal Mills	71,584	68,359	49,102
(b) Sugar	3,705	51,085	35,098
(c) Edible Oils & Vanaspati	16,218	33,273	22,521
(d) Tea Processing	2,718	3,987	1,938
(e) Processing of Fruits & Vegetables	16,415	6,051	3,798
(f) Others	1,34,136	98,053	60,469
3. Beverage & Tobacco	15,284	31,439	22,074
III. TRANSPORT OPERATORS	20,02,202	2,06,406	1,27,825
IV. PROFESSIONAL AND OTHER SERVICES	25,41,297	6,70,731	4,65,833
V. PERSONAL LOANS	473,76,233	14,13,816	9,91,929
VI. TRADE	51,23,527	9,45,356	5,65,361
VII. FINANCE	2,86,905	6,93,397	5,04,632
VIII. ALL OTHERS	38,12,992	1,95,543	1,19,030
TOTAL CREDIT	1172,67,533	92,77,978	61,23,201

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Ministry of Food Processing Industries
Government of India

The Ministry of Food Processing Industries is concerned with formulation and implementation of the policies for the food processing industries within the overall national priorities and objectives.

The Ministry acts as a catalyst for bringing in greater investment into this sector, guiding and helping the industry and creating a conducive environment for healthy growth of the food processing industry. The Ministry aims at:

1. Creating the critical infrastructure to fill the gaps in the supply chain from farm to consumer;
2. Value addition of agricultural produce;
3. Minimizing wastage at all stages in the food processing chain by the development of infrastructure for storage, transportation and processing of agro produce;
4. Induction of modern technology in the food processing industries;
5. Encouraging R&D in food processing for product and process development;
6. Providing policy support, promotional initiative and facilities to promote value added produce for domestic consumption and also exports.

KPMG in India, a professional services firm, is the Indian member firm affiliated with KPMG International and was established in September 1993. Our professionals leverage the global network of firms, providing detailed knowledge of local laws, regulations, markets and competition. KPMG has offices across India in Ahmedabad, Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Jaipur, Kochi, Kolkata, Mumbai, Noida, Pune and Vadodara.

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Confederation of Indian Industry

The Confederation of Indian Industry (CII) works to create and sustain an environment conducive to the development of India, partnering industry, Government, and civil society, through advisory and consultative processes.

As a developmental institution working towards India’s overall growth with a special focus on India@75 in 2022, the CII theme for 2017-18, India@75: Inclusive. Ahead. Responsible emphasizes Industry's role in partnering Government to accelerate India's growth and development.

Founded in 1895, India's premier business association has over 8500 members, from the private as well as public sectors, and an indirect membership of over 200,000 enterprises from around 250 national and regional sectoral industry bodies. With 67 offices in India and 11 overseas offices, CII serves as a reference point for Indian industry and the international business community.