

Start Ups

Transforming India's Food Processing Economy



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FOREWORD



India has developed a vibrant entrepreneurial landscape and steadfastly strengthened its position as the 3rd largest start-up ecosystem globally. This is visible in our Food Processing sector and associated ecosystem, which has witnessed a wave of entrepreneurship with disruptive and futuristic ideas, especially in the last five years.

Our F&A sector is witnessing a transition towards tech-driven growth across the value-chain, such as supply chain management, e-commerce based B2B & B2C models, processing technologies and equipment, storage and logistics, food safety, packaging, distribution and retail, amongst others.

I firmly believe that collaborations, linkages and partnerships among key stakeholders including start-ups, will help develop scalable future-ready solutions, supported by conducive Government policies. Progressive Government initiatives such as Startup India, Atal Innovation Mission, a dedicated Women Entrepreneurship Cell in NITI Aayog and numerous startup-dedicated investment funds, are playing an important role in fostering the culture of innovation and entrepreneurship in India. The Government has also built a robust alternative investment regime and a friendly tax system for venture capitalists and angel investors, which can improve financial access for start-ups.

Food World India 2018 is a unique platform for the F&A ecosystem which can help build linkages amongst stakeholders to promote industry best practices in the sector. On this occasion, I am pleased to present the joint YES BANK-FICCI knowledge publication '**Start-Ups: Transforming India's Food Processing Economy**'.

I am confident that this publication will benefit all stakeholders in the F&A value chain and promote meaningful dialogue towards making India one of the largest start-up ecosystems in the world.

Thank You.

Sincerely,



Rana Kapoor

Managing Director & CEO 

Chairman 



Message from the Federation of Indian Chambers of Commerce & Industry (FICCI)

StartUps in the food processing ecosystem work across the value chain towards creating innovative products, supply chain solutions, packaging, processing technology, equipment, storage and logistics, food safety, marketing, e-commerce based B2B/B2C models, distribution and retail. The Indian Food StartUps are now playing a pivotal role in accomplishing this transformation in the sector.

In the fragmented food industry, tech startups are serving to consolidate the front end. In grocery retail, which is already consolidated in mature markets, tech startups introduce cost-effective solutions for food delivery that can be used by retailers to compete more aggressively online.

We believe that India's economic future lies in encouraging startups which will bring dynamism, new thinking and create jobs.

To seize the opportunity for the food industry, it is important to understand the dynamics around the StartUps ecosystem. This report aims to look at the current Indian scenario of StartUps and will provide a way forward for new entrepreneurs.

I am confident that this joint effort by FICCI and Yes Bank will be instrumental in shaping the future of StartUps in food sector and enabling their growth.

A handwritten signature in blue ink, appearing to read 'Sanjaya Baru', with a horizontal line underneath.

Dr Sanjaya Baru

Secretary General, FICCI

Message from FICCI Food Processing Committee



Sanjay Sharma

Chair

FICCI Food Processing

Committee &

Chief Executive Officer

MTR Foods Pvt. Limited



Hemant Malik

Co-Chair

FICCI Food Processing

Committee &

Chief Executive Officer

Food Division- ITC Limited

In a bid to double the farmer's income by 2022, the Government of India, under the leadership of Hon'ble Prime Minister is increasingly looking for ways to bolster agricultural production, food processing and marketing avenues through the integration of latest technologies and innovations; thus creating a huge scope for food and agritech startups in the country.

The Indian food processing industry rests on two strong pillars of the Indian economy and connects the two seamlessly- Agriculture and Manufacturing. The sector has the ability to transform the agri economy of the country by linking farmers to the markets, adding value to the agri-horti produce, reducing wastages and developing efficient supply chains. The Indian Food StartUps are now playing a pivotal role in accomplishing this transformation in the sector. Innovative technologies and business models are being tried and tested for aggregation, logistics, processing, new products development and market linkages. The challenges in the space are many, but it is heartening to see the passion and ability of the young StartUps who are working towards accomplishing their goals.

On the demand front, India's retail opportunity, changing demographics in terms of young population, rising standards of living & increasing disposable incomes of the middle class and rising internet penetration shall be a strong stimulant for the StartUps operating the food domain. This is further enhanced by the Indian government's ambitious endeavors on Make in India, Digital India, and Start up India.

"FoodWorld India 2018" hosted by FICCI aims at bringing together the entire eco system including the Startups, Government, investors as well the established industry players to discuss the current startup scenario in India. I am confident that the deliberations at the conference coupled with insights shared in this report "StartUps- Transforming India's Food Processing economy" jointly prepared by FICCI and YES BANK, would provide an overall perspective of the StartUp ecosystem in the food processing domain in India.

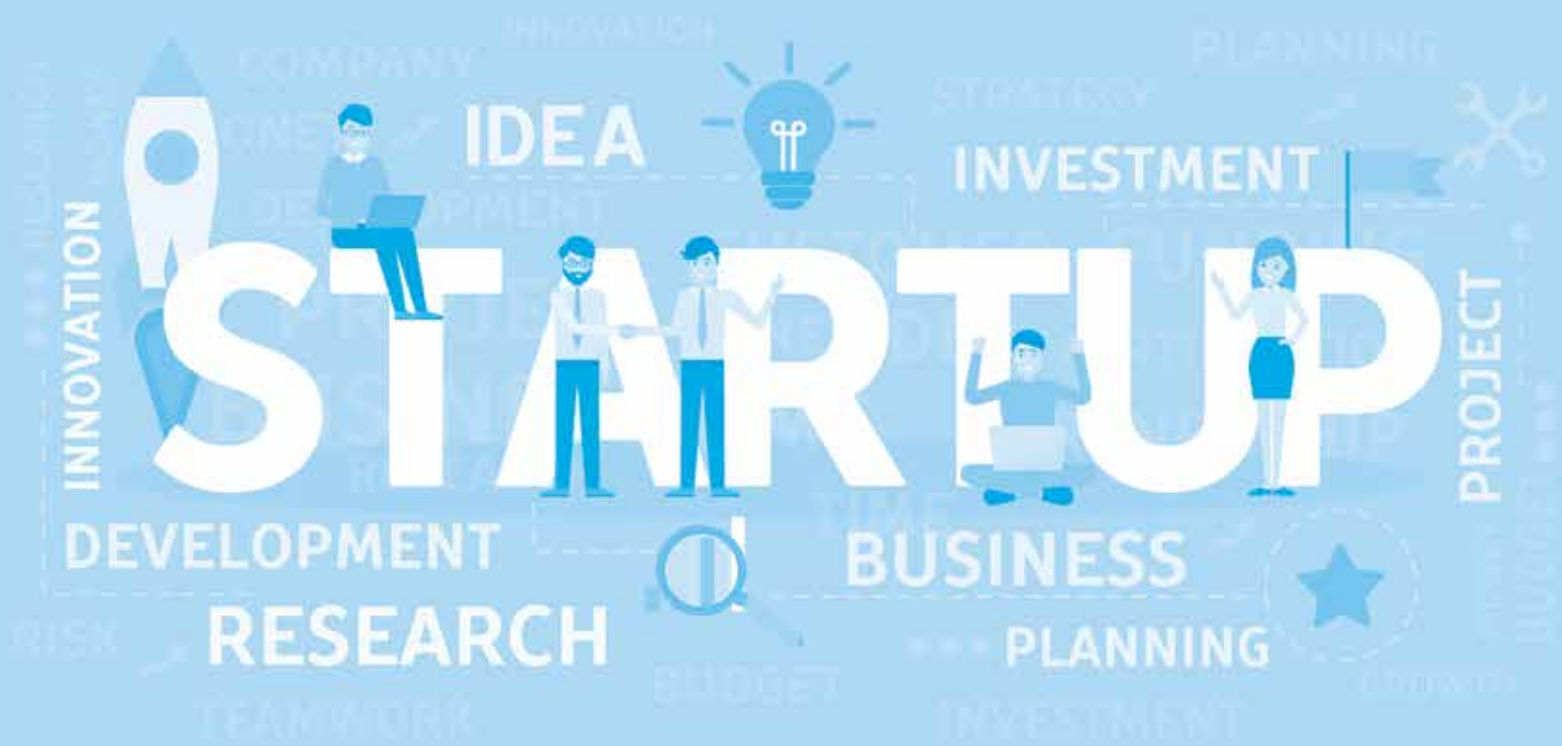
Sanjay Sharma

Hemant Malik



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1. Introduction

1 Introduction

India has made a strong name for itself in the global startup community. India ranks amongst the top five countries in the world in terms of number of startups founded. It is estimated that India houses around 4200 start-ups, creating more than 85,000 employment opportunities. It is projected that the number of Start-Ups in India will increase to more than 11,500 by 2020, with job creation from these entrepreneurs reaching 250-300K by 2020.

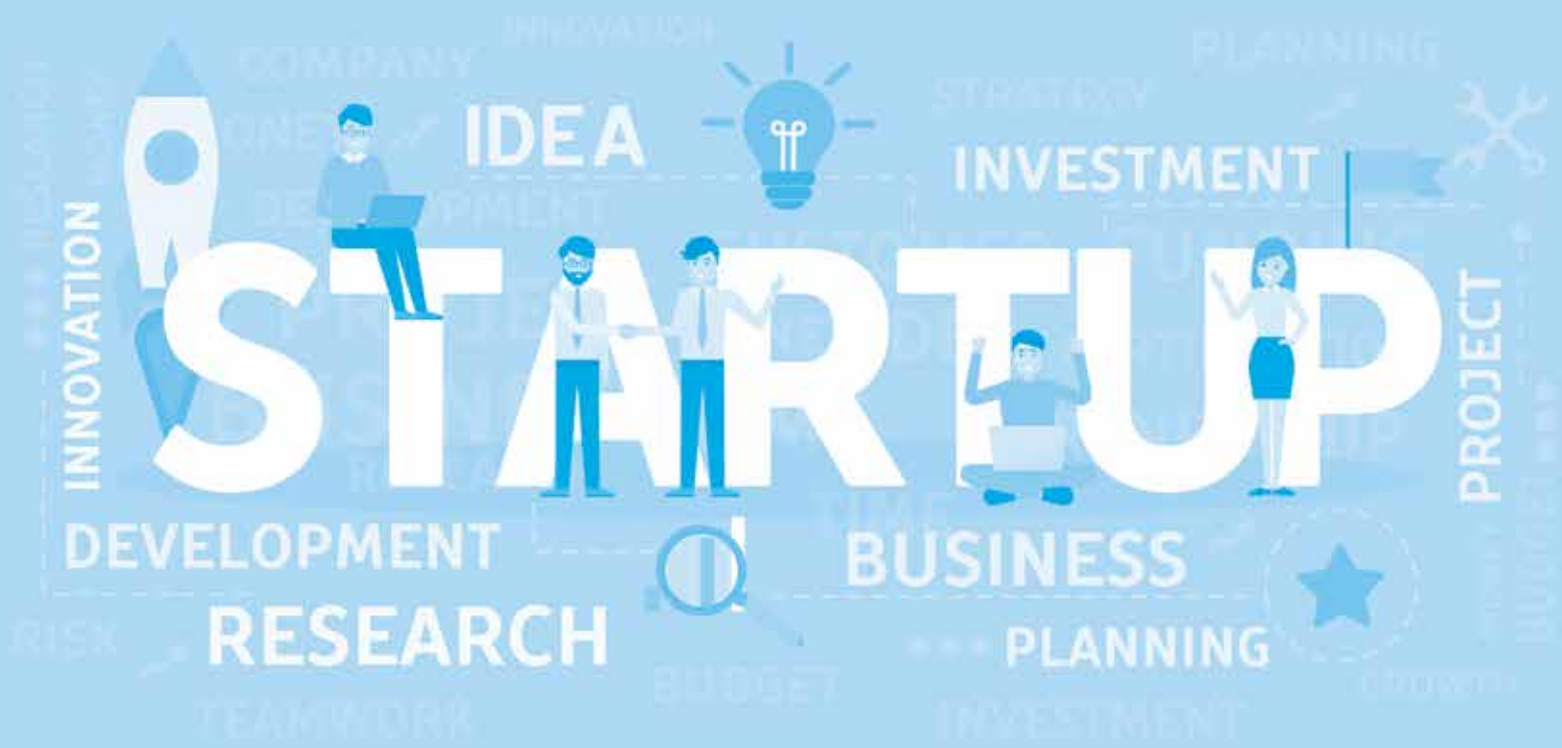
While this has been the StartUp ecosystem in general, the food processing StartUps are not far behind. The Food processing sector currently valued at USD 260 Bn and food services & retail at USD 400 Bn provide immense opportunities for enterprising StartUps to address the challenges and fill in the gaps existing in the food value chain, and in the process develop robust, scalable and replicable models which can transform the food processing economy of India.

As per industry estimates there are close to 200 StartUps operating in the food processing and allied ecosystem. These StartUps work across the food processing value chain towards creating innovative products, supply chain solutions, packaging, processing technology, equipment, storage and logistics, food safety, marketing, e-commerce based B2B/B2C models, distribution and retail.

Numerous Government initiatives and incentives apart from private investment ecosystems development are also playing a vital role in boosting the StartUp community in the sector. For nurturing innovations in the country, the Startup India Action Plan was launched in January, 2016 by the Government of India under the flagship Invest India initiative of DIPP. The Government through this initiative aims to empower Startups to grow through innovation and design and to accelerate spreading of the StartUp movement on a mass scale.

Numerous challenges mar the food value chain right from post-harvest handling to markets legs, and there is immense opportunity to offer new age solutions to tackling the problems through the best of innovation, technologies and business models.

Food processing as a sector is uniquely positioned at the intersection of agriculture, manufacturing and services and hence has the potential to develop into a sizeable growth engine for the Indian economy. What is remarkable is that a lot of the innovations that can possibly spark this growth, actually spring up more from the enterprising young and innovative StartUps rather than large corporates or organized players operating in the food value chain. This, therefore builds a strong case for suitably nurturing the StartUp innovations through a scalable enterprise model of the organized sector, by way of institutionalized collaborative mechanisms, which effectively have the potential to drastically transform the Indian food processing Economy and associated ecosystem.



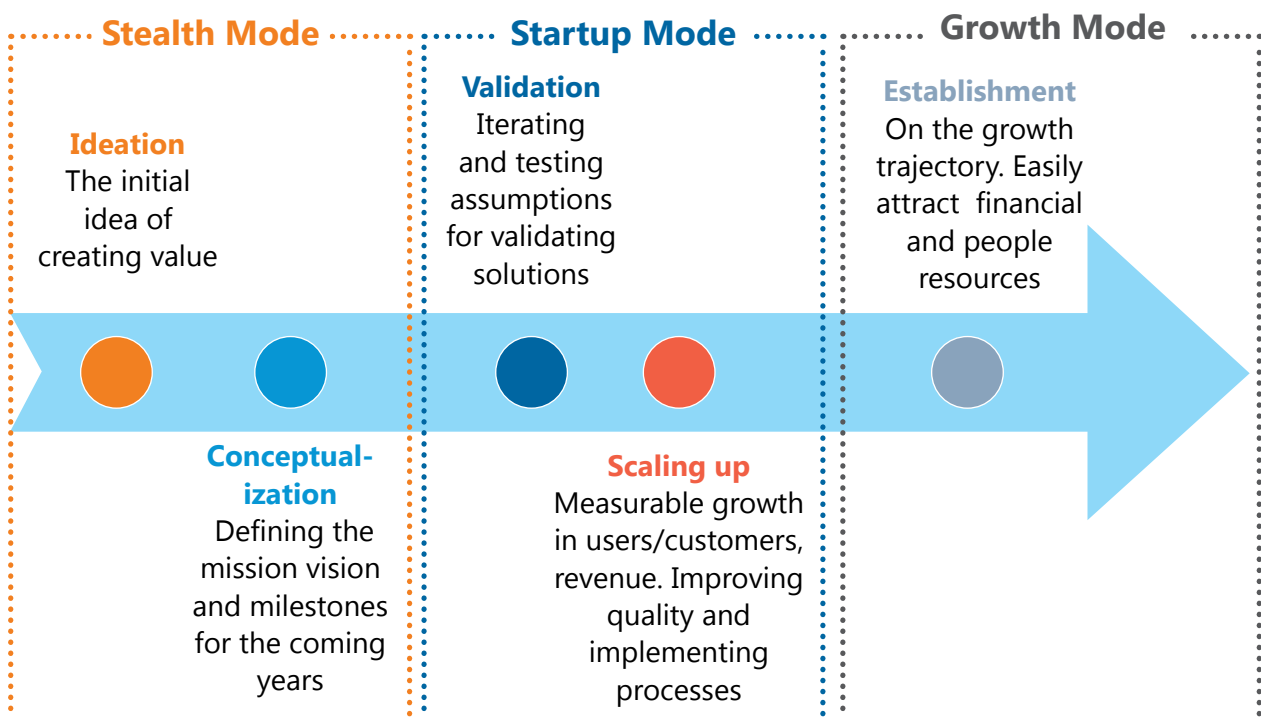
2. Current Scenario of StartUps in India

2 Current Scenario of StartUps in India

The Department of Industrial Policy and Promotion (DIPP) defines a startup as an entity established

- Not prior to seven years, however for Biotechnology Startups not prior to ten years
- With annual turnover not exceeding INR 25 crore in any preceding financial years
- Working towards innovation, development or improvement of products or processes or services, or if it is a scalable business model with a high potential of employment generation or wealth creation
- Provided that such entity is not formed by splitting up, or reconstruction, of a business already in existence.
- Provided also that an entity shall cease to be a Startup if its turnover for the previous financial years has exceeded INR 25 crore or it has completed 7 years and for biotechnology startups 10 years from the date of incorporation/ registration.
- Provided further that a Startup shall be eligible for tax benefits only after it has obtained certification from the Inter-Ministerial Board, setup for such purpose.

Broadly, a startup is entrepreneurial business seeking to disrupt existing markets or create new ones by a set of founders, cofounders and a passionate team attempting to develop a product or service and will have a lifecycle as follows:



In general parlance there are 2 categories of startups, both of which both currently exist in the Indian startup ecosystem.

A Unicorn startup is one that has been valued at more than USD 1 Bn by investors. In the era of startups, India has some Unicorns like Flipkart, Ola, Big Basket, Paytm etc. A general guidelines is that unicorn startup is more of a valuation game without a large focus on making money.

A Cockroach startup on the other hand will scale up slowly with sound fundamentals and strong business models. In other words, startups that can survive anything and works within boundaries of uniqueness, sharp eye on team strength besides financial viability are called the cockroach startups.

Segments of Activity in the Food Processing StartUps Domain in India

The broad gamut of functional areas /activity of StartUps in the food processing domain can be classified into the following eight heads:



Food Products

The consumption of processed food in India is on an upswing and the demand for healthy, safe, hygienic and convenience driven food is slated to increase at an even more significant pace in the future. StartUps are now offering healthy, value added, value for money, safe and hygienic products. A large number of companies are coming up with offerings in healthy snacking category including roasted makhanas in numerous flavours, dry fruits / nuts with a twist, vacuum fried vegetable based snacks (palak, okra, kale snacks), freeze dried fruits, smoothies, juices, certified organic ingredients based snacks, indigenous ingredient based products, millet based cookies/ snacks and traditional Indian flavours based candies. Many of these companies have come up with interesting brands and positioning strategies and are trying to revive the old traditions of India in a new format, packaging and taste that the younger generation appreciates.

Another interesting category of StartUps is in the space of food ingredients and DIY (Do It Yourself) food kits, providing boiled and vacuum packed pulses, batters/pastes, sauces, mixes, functional foods focusing on specific dietary requirements, fusion foods and baby food.



Packaging

Packaging is a key element of delivering value to the consumer. Capitalizing on this opportunity, numerous innovations have been coming up in areas including spray based formulations, unique dispensing models, shelf life enhancing materials, convenient handling, and attractive visibility offerings for products, biodegradable packaging and edible packaging. There are also numerous new age packaging solutions being created by StartUps that offer economic handling, convenient logistics and low supply chain cost to food players. Retention of nutrition through new age packaging technologies has also caught the fancies of many StartUps in the space.

Food Processing Technologies

There has been a proliferation of StartUps adopting age old technologies in a new commercialized format in segments like dehydrated snacks, as well as the development of newer technologies for catering to the aspirations of consumers for newer varieties and tastes of food. Converting Waste to Wealth is another big area of handling organic remains of a lot of agri based raw material that goes into food and pharma applications. Automation based technologies that enable more efficient handling of the food processing chain has also seen a lot of action in the StartUps space in India. National level institutes of eminence like NIFTEM have been doing a lot of path breaking work in this direction, focusing specially on commercializing and standardizing scalable processing technology solutions for traditional Indian food.

Supply Chain Solutions

The Indian post harvest Food supply chain system is plagued by numerous infrastructural, procedural and institutional inefficiencies. Many StartUps are getting into aggregation models on both the demand as well as supply sides in B2C as well as B2B segments. Ecommerce has given a further impetus to leverage the best of new age technological solutions to enable value chain actors across farmers, FPOs, consumers, distributors, retailers and supply chain service providers in offering a better value proposition to their respective suppliers and customers. Cloud-based supply chain management and logistic services are transforming the way companies (both large and small) are able to streamline their operations. StartUps aggregating produce from farmers and delivering to the doorstep of businesses/consumers is the harbinger of a great socio economic revolution for India's rural economy. This helps in farmers getting better prices, discovering prices more efficiently, generating consistent demand and receiving payments efficiently. It is also helping grocery stores, restaurants and modern retailers to source fresh fruits and vegetables at competitive prices directly from farmers. Traceability is another asset of the food supply chain, especially in the perishables domain, where the ultimate offering to the consumer is being strengthened through a more trusted supply chain. Coupled with strong technology, data analytics, blockchain, state of the art warehouses and integrated logistics network, the building blocks of a world class food supply chain are being developed by Indian StartUps. Such models aim at increasing speed, lowering cost and enhancing profitability for the stakeholders.

Equipment

Multiple StartUps are working on indigenizing processing equipment which otherwise is normally imported at a significantly higher cost from global suppliers. This is a great nation building initiative which dovetails well with the Make in India Program of the Government of India. Focus on reliability, quality and scalability is prime in this segment and there are many able technocrats



from the best of global and India technology institutes who are working on multiple offerings in this segment. Indian traditional food which is increasingly gaining prominence in the mainstream organized food services space has seen a lot of action in the recent past

Storage & Logistics

As per a study conducted by CIPHET, Indian agri produce witnesses a loss of 5.2-18% leading to a value of over INR 92,000 Crores. This is huge wastage that can be curbed through efficient storage and logistics solutions. Moreover, the existing storage solution that are currently built for perishables (specifically F&V) fail to meet the temperature requirements for different products and are mostly focusses on a single commodity- Potato.

The StartUp fraternity has identified this as a lucrative opportunity and has invested in storage and logistics solutions. Companies have designed portable modules with independent and flexible temperature control systems. Such modules are robust and can be transported from the farmers to the retailers without the need for reefer trucks. Similarly robust supply chain technology and innovations are being developed in storage facility, packaging and shipping in the Tea industry. Phase change material base storage solutions, solar energy based perishables handling systems and sustainable energy powered storage systems are being developed increasingly for micro farm level post-harvest handling of produce.

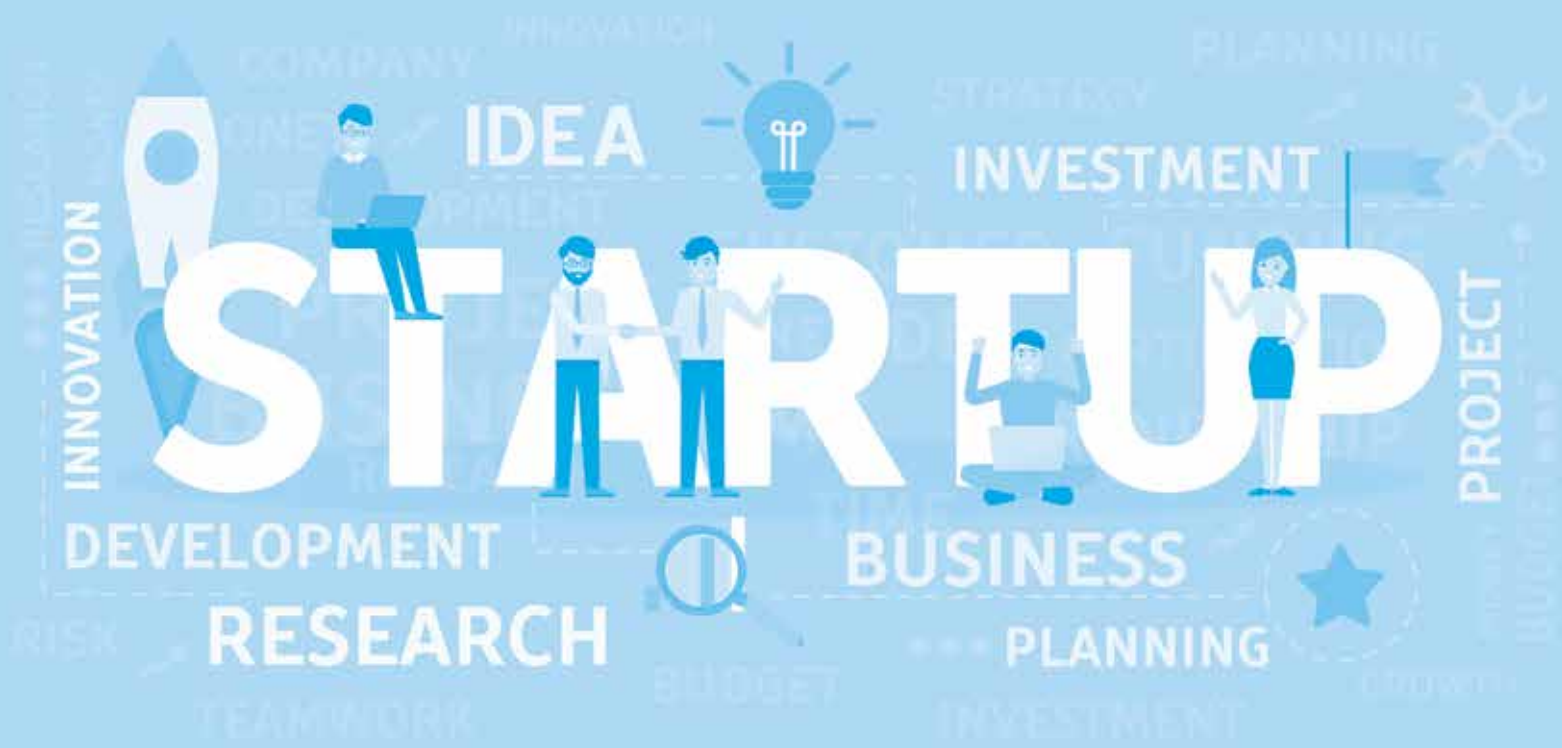
Food Safety

Food safety is a growing concern for the Indian Consumer. Awareness amongst the masses on safe and hygienic food has led to an increased demand for safe food products as well as products that can preemptively help consumers as well as food companies. There have been some very interesting beginnings on this front with Startups coming up with DIY food testing kits for retail consumers, food testing apparatus for the business houses as well as traceability solutions for the food value chain. Digital technologies are being increasingly deployed in food testing equipment that can test product quality through fast, system driven and error free protocols, which makes food supply chains less prone to manual mishandling and also help develop the trust of customers globally and domestically.

Food Distribution

E-commerce platforms are burgeoning in the StartUp space. Consumers are increasingly preferring local service providers who can cater to the customized needs of food delivery and who can respond to quick turnaround of orders. Many food delivery StartUps have sprung up in larger cities of India and have been offering services in dairy, fruits & vegetables and meat segments in particular in the fresh space. Similarly retail through the e commerce route many traditional brick and mortar retailers have been availing the services of these tech based distributors. Remote monitoring of last mile service delivery has also become increasingly convenient for larger companies through this route





3. The StartUp Ecosystem in India

3 The StartUp Ecosystem in India

The ecosystem for successful startups typically starts with proper mentorship with a mix of technological and managerial support. Ideally, in initial stages, there has to be an ecosystem where founder/ co-founders have an environment to build the architecture of the fledgling startup and hence the following stakeholders have key role:

- Accelerators/ fast-track incubators – for both technology and financial advisory and providing seed money
- Investors
- Mentorship from entrepreneurs
- Financial Advisors – who are key to provide assistance and assistance to target the best source of money at various stages of startup. Typically , leading sources of funding to startups are:
 - **STEALTH MODE** - Funding by Angel investors/ Seed funds to ameliorate corporate governance formalities
 - **STARTUP PHASE** - Venture capital - from larger institutional funds and is used to scale the company's business model with focus on building the sales force and establishing a global presence
 - **GROWTH PHASE** - Public markets – This low cost funding is needed for the exponential growth phase and needs large liquidity eg. tapping IPO, private equity funds

A Startup Incubator has program longer than 4-6 months, closer to the range of 8-12 months, attempting to handhold the startups which are still working on the ideal product, apart from market validation at scale

A Startup Accelerator on the other hand is a fast track program lasting 4-6 months, at the maximum and is for the startups looking to find a platform that enables rapid growth in terms of customer acquisition, product refinement to target a greater audience, or expansion, whether global or pan India.

3.1 Accelerators and Incubators

Some examples of accelerators / incubators focussed along the food and agritech chain are as follows:

Swissnex India Accelerator

Swissnex India is a part of the Consulate General of Switzerland, Bengaluru. It connects Switzerland and India in the fields of science, education, art and innovation and this is an initiative of the

Swiss State Secretariat for Education, Research and Innovation (SERI), in association with the Swiss Federal Department of Foreign Affairs. The accelerator has enabled 40 Swiss startups to come to India and explored the potential of the Indian market including dairy initiatives like Thinkmilk, a dairytech Swiss startup

SAP-SINE Social (S-Cube) Accelerator Programme

It is a joint initiative by SAP India Pvt Ltd (SAP India), and Society for Innovation and Entrepreneurship (SINE). The Program aims to encourage for-profit startups with a clear social and/or environmental mission across the following sectors: Healthcare, Clean Energy, Environment, Agritech and Foodtech.

IIT Kanpur INVENT Accelerator

Innovative Ventures and Technologies for Development (INVENT) is a joint collaboration of the Technology Development Board (TDB), Government of India and the Department for International Development (DFID), Government of the United Kingdom. INVENT aims to make a positive social impact by providing incubation support to technology-oriented start-ups. Through INVENT program, SIDBI Innovation and Incubation Centre (SIIC) at IIT Kanpur aims to incubate 40 start-ups working in social enterprise. One of the agri value chain incubatees from INVENT is the investment in an agritech startup KrishiHub alongwith Villgro Innovations

Agri-Tech Startup Accelerator CIE, Hyderabad.

IIT-Hyderabad and National Institute of Agricultural Extension Management (MANAGE) have signed an MOU to start an Agri tech startup accelerator programme. The Agri Tech Startup Accelerator Programme will identify, support and facilitate idea-stage enterprises using latest technologies and innovations to solve agriculture specific issues faced in India.

Icrisat Food Processing Business Incubator/ AgriBusiness Incubator (ABI)

The Agri-Business Incubator (ABI) of ICRISAT promotes technology and knowledge driven agribusiness start-ups by providing technical and scientific mentoring, access to infrastructure, business development support, team management, legal support services, and access to funding sources. It is an initiative of ICRISAT under the Agribusiness and Innovation Platform (AIP) in partnership with the Department of Science and Technology (DST), Government of India, to promote public-private partnerships. ABI-ICRISAT is a pioneering initiative for Agri-Business Incubation in India that maximizes the success quotient of start-up enterprises by offering them best opportunities with minimum risk.

Centre for Innovation Incubation and Entrepreneurship (CIIE), ICAR's National Academy of Agricultural Research Management (NAARM) and the Centre for Incubation and Business Acceleration (CIBA), a Goa-based incubator

IIM Ahmadabad's technology business incubator - Centre for Innovation Incubation and Entrepreneurship (CIIE) has launched a food and agri-business accelerator in partnership with a-IDEA - the business incubator at National Academy of Agricultural Research Management (NAARM) which is under Indian Council of Agricultural Research's (ICAR). The program aims to accelerate, nurture and invest in innovative early stage startups that have the potential to become scalable and competitive food and agri ventures. Seed investment of up to Rs 30 lacs each by CIIE, NAARM and Goa-based agri-focused incubator Center for Innovation and Business Acceleration (CIBA) is being provided. Further, CIIE's sustainability focused fund Infuse Ventures will invest up





to Rs 1 crore per venture in startups in sustainable agriculture areas like precision farming; supply chain tech; soil, weather & water tech; ICT / IoT for agriculture.

Jindal Stainless Launches Accelerator Program for AgriTech Startups

JSL in association with ANEW Holdings Limited, a Japanese Venture Capital has launched an Indo – Japanese Accelerator Program for Agriculture Start-ups. The Accelerator Program provides agriculture start-ups with a platform for networks and collaborations with Japanese companies through an intensive program led by experienced mentors from Japan, 3Lines Venture Fund (USA), Rockies Venture Club (USA) and India. The Accelerator program is a follow up of JSL's CSR Project – 'Project Krishi Unnati' and aims to double farmers' income in the next five years with the initial start from Jajpur district, Odisha

AGRI UDAAN - Food and Agribusiness Accelerator 2.0

AGRI UDAAN is a Food & Agribusiness Accelerator organised by NAARM, a-IDEA and IIM-A, CII in partnership with Caspian Impact Investment and supported by DST. YES BANK is also a leading stakeholder in this initiative to provide knowledge leadership and assess financing opportunities. The program focuses on catalyzing scale-up stage Food & Agribusiness startups through rigorous mentoring, industry networking and Investor pitching. The main objective of this programme is to scout for startups which are ready for scaling up. Some shortlisted incubatees from this cohort are Gen Agritech; Delmos Research Pvt Ltd ; Agricx; Intello Labs; Smoodies; Jivabhumi; Yukti Harvest , RF Wave technologies ; Odaku ; Growyi

IIT Madras' Rural Technology and Business Incubator (RTBI) and Indian Institute of Technology Madras Incubation Cell

The Rural Technology And Business Incubator (RTBI) works towards doubling India's Rural GDP, facilitating affordable technology development appropriate to the rural context, Enabling startup entrepreneurs to build rural inclusive business models, mediating between urban enterprise and rural potential through rural database and research besides building models of best practices in sector specific business incubation and focus sectors include Agriculture, Health, Finance, Education, Vocational Training, Business Processing, Manufacturing and Information and Communication Technologies for rural India. Some leading food and agri incubatees are Astraa Agro Innovations Private Limited ; Stellapps ; Lokyam Agro Products and Foods Pvt. Ltd. - Purple Chilli ; Arogyam Organics Private Limited

MAN Accelerator

MAN Truck & Bus Impact Accelerator brings together social entrepreneurs from Europe, South Africa and India that tackle social and environmental challenges through innovative solutions in the transport and logistics space.

It is a six month program in collaboration with non-profit venture fund Yunus Social Business. As part of this program, the Munich-based truck manufacturer supports innovative concepts developed by startups, provides mentors and infrastructure, and offers access to its global network. The concept at the heart of the Accelerator involves a structured, curriculum-based support program featuring workshops, mentoring, and coaching.



Shortlisted incubatees are Stanplus; Commut; Mellow Cabs; Gettruck, Crowdcontainer and shortlisted food and agri incubatees based out of India are as follows:

- **FARMART** – a startup specializing in providing an online marketplace for unused agricultural machinery to small farmers in India. Small farmers rent out unused agricultural machinery to fellow farmers in their area on a pay-per-use basis, which drives down costs for vehicle owners and increases their income. At the same time, this means that more smallholder farmers in India can use machinery to help them in their work.
- **COUNTRY DELIGHT** – Indian startup COUNTRY DELIGHT by which consumers can use the COUNTRY DELIGHT app to order their milk products and have them delivered directly from the farmer. Small farmers receive a better price for their milk products, whereas delivery agents have the chance to make a living as microentrepreneurs.
- **KRISHI TRADE** – this Mumbai-based Indian startup offers smallholder farmers direct access to global markets via a digital marketplace. Customers from the Middle East and South Asia who want to place large food orders are connected to aggregated online auctions. Smallholder farmers can use this platform to offer their goods directly, receiving a considerably higher income by cutting out the middle man.

T-Hub Accelerator - Government of Telangana and three of India's premier academic institutes viz IIT-H, ISB & NALSAR

T-Hub is a unique public/private partnership based at Hyderabad, the capital of Telangana state. It is expected that food and agtech will be a focus area under this hub. T-Hub accelerator has signed an MoU with Tel Aviv University's entrepreneurship centre StarTau for launching an accelerator program for agritech startups.

FORGE Accelerator

Coimbatore based FORGE is an innovation accelerator where innovative tech, product or business ideas will be accelerated to become investible. It is an innovation accelerator program launched by Coimbatore Innovation and Business Incubator (CIBI) and is joint venture from The Sakti Group and Kumaraguru College of Technology (KCT). It aims to foster the emergence of innovation powered enterprises that integrate technology (Connected Devices, Industrial Internet, and Digital Business) with the timeless business potential of manufacturing, agri & foods, smart-cities, education, healthcare, and finance sectors.

Y Combinator

Y Combinator provides seed funding for startups which is the earliest funding requirement of startups. It is an American accelerator based at Mountain View, California. Some Indian startups who are incubatees are Playment, Bulk MRO, Servx, WiFi Dubba. In food and agri space- Supr Daily is an incubatee which is an app based aggregator of daily grocery and fresh milk needs of consumer which are then home delivered. Currently active in Mumbai and expanding to other cities shortly. The accelerator also has YC Continuity Fund which is an investment fund dedicated to supporting founders as they scale their companies. This support YC alumni companies by investing in their subsequent funding rounds





Springforth Investment Managers (SIM)

Springforth Capital Advisors Pvt. Ltd, a mid-market focused investment banking firm launched a startup accelerator and has roped in Pradeep Dhobale, former ITC executive director and Joseph Cherian, former CEO of Papa Johns India to launch the platform.

Preferred sectors for investment would be early stage companies in sectors such as food, agri and logistics. This will be based in Hyderabad and like other acceleration platforms, it plans to follow two engagement models:

- Direct positions in companies which need mentoring and domain expertise along with funding support.
- Help investors who have already invested in these sectors manage their positions through an operating team of Springforth

Last Mile Access Accelerator

CII in partnership with Village Capital and with support from The Rockefeller Foundation has launched 'The Last Mile Access Accelerator' to help scale innovative enterprises which are increasing access to under-served population. Some food and agri focussed incubatees are:

- **Hi-7Agri Bio-solutions** - manufacture and sell crop specific, foliar spray micronutrients that increase the yield and quality of farmer crops.
- **KrishiStar** - to lift small farmers out of poverty by creating a food brand that represents them; setting up a farmer-owned food manufacturing capacity to supply this brand.
- **Parvata Foods** - aim to ameliorate the living conditions of local farmers by building a value chain of organic produce in Sikkim.
- **Sickle Innovations** - develop and design farm mechanization solutions for small farmers.
- **Suma Agro works** - towards revitalizing the physical, chemical, and biological processes that are essential for sustainable agriculture production.

Pioneering Ventures

Pioneering Ventures is a Swiss-based Indian agriculture sector-focused incubator and accelerator of agriculture and food supply chain ventures in India and helps create and scale companies in the area of supply chain management and export of farm produce. Pioneering Ventures backs industrial scale and socially responsible farm and food ventures and enables its portfolio companies to raise money through global HNIs and family offices. It has deployed close to INR 1000 Crores. Currently it has invested in four agri ventures:

- **Citrus International** - Frozen concentrate orange juice (FCOJ) plant at Nanded
- **Desai Fruits and Vegetables** - sustainable contract farming of export quality bananas
- **MilkLane** - end-to-end supply chain of milk collection at Kuppam that ensures high quality antibiotic-free milk for industrial off-takers and consumers.
- **FarmLink** - end-to-end supply chain of fruits & vegetables, including procuring directly from farmer group organisations through a network of collection and service center sand delivering produce to industrial scale off-takers including modern retail stores, quick service restaurant chains, industrial processors and e-commerce food platforms. FarmLink has also piloted its B2B tracing tool FarmTrace that will help clients track the produce from farm-to-shelf allowing multi-national retailers and consumers transparent insights into when, where, and how the food was grown.

Pioneering Ventures plans to deploy INR 5000 crore in the agriculture and food supply chain space in the country over the next five years and reach out to 1 million farmers

GHV Accelerator

The name is abbreviation for Green House Ventures Accelerator and provides Startups with a controlled environment, optimized & appropriate resources, along with sustainability funding, helping them to grow multifold in a shorter timeframe. Leading organic foods company SATTVIKO is one of their portfolio company

ISB Hyderabad Jumpstart Accelerator for Social StartUps

This is a collaboration of SAP Labs India and the Indian School of Business (ISB) known as Jumpstart Social Enterprise Accelerator. It is a mentor riven program to identify and nurture early stage and growth stage social enterprises which are leveraging technology as their core product or service to address pressing challenges faced by the citizens of India. Leading food and agri StartUps that have been a part of this accelerator are:

Millet Bowl – Intervention in value chain of millets

- **COLKS** - Facilitating training, procurement and finance for crop producers
- **eXabit Systems** - Agri solutions for pre and post harvest

It is this proactive promotion of StartUps both in academic curriculum as well as professional environment that following are some of StartUps by ISB Alumni:

- **DEVA Agri**, Begusarai
- **FARMIZEN**, Bengaluru
- **KISAANGO**
- **PINDFRESH**, Chandigarh, Punjab
- **Aadvik Foods and Products**, Rajasthan and New Delhi
- **Burgundy Box**, Mumbai
- **Country Oven**, Pan India
- **JIWA**, Mumbai
- **LANCER Food Products**, Rudrapur
- **SUPR - Super Food for Humans**, Chandigarh
- **Twigly Foods**, New Delhi
- **Zomoz**, Pan India

Upaya Social Ventures

It supports a larger number of entrepreneurs and their business ideas. They are starting a agri focussed accelerator cohort by February 2018 ending. Separately, this Seattle- based non-profit organization has in the past launched accelerator programme targeting small businesses who create jobs by 'organising the unorganised sector'. Aside, investments in the food and agri space are as follows:

- **Krishi Star** - value-added processing and market linkages.





- **Parvata Foods** - Organic products from north-east India farmers and provide access to authentic organic / clean food to consumers.
- **Tamul Plates** - all-natural disposable plates and bowls made from arecanut (palm) tree leaves.
- **Eco Kargha** - Tasar silk fabric production company

Gastrotope Incubator

This agri focussed accelerator has been promoted by the trio of GSF Accelerator promoted by Rajesh Sawhney; Mistletoe, Japanese startup incubator promoted by founded by Taizo Son; brother of Softbank promoter and Infobridge, an Indo-Japan business consultancy.

Mistletoe has made investments in Ninjacart and KIWAN Network in India while GSF Accelerator is strong in food services StartUps. Gastrotope has just been initiated in India to focus on food and agri StartUp space

Jio-GenNext Accelerator (formerly known as GenNext Hub)

This is an initiative from Reliance Industries Limited (RIL) in association with Microsoft and one of its StartUp investments is in "Intello Labs". Intello Labs uses deep learning and AI to help farmers and agricultural organisations determine issues such as crop infestation and the quality of agricultural commodities to maximise returns

Sangam Ventures

Sangam Ventures is a seed and early stage venture fund that invests to improve access to sustainable energy and resource productivity solutions for the underserved in India. It has invested in a sustainable cold storage company in India viz Inficold which has developed world's first plug & play thermal storage solution for refrigeration and air conditioning and finds usage in dairy and horticulture. It has an accelerator program "The Emerging India Acceleration Program" focussed for agtech and cleantech companies.

3.2 Financing

Once a startup is up and running, the primary source of funding for a StartUp is either its own money or loans taken from their friends and family. These first tiers of investors provide the "Seed Funding" or and are fondly called Friends, Family (and Fools) in Startup parlance. These are the only people likely to believe in newbies with minimal product evidence or business experience. Usually, these funds are only used for market research and are useful till a startup finds venture capital to invest in their business.

Shortly after starting off and building a prototype the StartUps enter multiple stages of funding which are angel investors, seed funding, venture capitals, and private equities.

Angel Investor

- An Angel investor is typically an individual who will invest in Startups in exchange for equity. These angel investors are high networth individuals looking to invest in early-stage startups that have a strong base or idea in exchange for a share of the equity. Angel investors look for a working prototype, defined model, strategic business plan and assess the promoters background and dedication towards the company. Angel investors usually only fill in the gap between self-funding and raising a round of series funding.



Venture Capital

- The next stage is 'Series A' funding is where a venture capital first gets involved. Being a venture capital firm that's dedicated to investing in profitable companies with a growing customer base, the amount of funding raised is generally a lot higher as compared to that by an angel investor. The first preferred stock is offered to external investors at this stage. The aim of raising Series A funding, apart from expanding the startup business is also paying the salaries of all current employees.
- Series B is the next round of funding after the previous funds have been utilized in building a business plan for long-term profit and product availability. In Series B funding businesses have access to a much larger amount of funds. These fund aim to take the profits to a next level. Since the product is already out and a business plan is in place, reaching this stage of funding means the risk of investment is lesser. With series B funding, companies can expand their employee base and build a stronger team so as to expand in different markets and take the business to the next level.
- During Series C funding, investors are more interested in companies that are already successful in business. Companies go for this round of funding when they're looking to expand to other markets or preparing for acquisitions. Series C is considered as a less risky one, than the other phases or rounds. This is usually the stage after which companies have their first Initial Public Offering (IPO)
- The Series D funding is resorted to if a company decides to not go public and stay private for a longer time, they opt for series D. A company reaching this stage of funding goes for rounds of funding with smaller amounts instead of one big investment to preserve promoters equity stakes

Private Equity

Private Equity investments are made in companies that have not gone public yet. PE firms invest huge amount of money with the aim of acquiring a good position with controlling in the company. The mode of exit for a private equity is either a selloff to another private equity player or by offer-for-sale through IPO.

In India, investments by PE funds are focussed as agri agnostic funds who deploy funds across agribusiness or remain focussed on sustainable aspects of agribusiness value chain.

Food and Agri Value Chain Funds

Some portion is deployed for investments in food processing

Orkla Foods Fund – INR 50 Crores fund for investment in Food Processing StartUps

SEAF – SEAF India Agribusiness International Fund has invested in Khyati Foods; Tropolite Foods and Himadri Foods

Rabo Equity Advisors – Its flagship fund Indian Agribusiness Fund series investment also focusses on food processing. Portoflio includes LT Foods; Daawat Foods, GeePee Agri etc

Omnivore Capital - It is a venture fund investing in early stage startups from India developing breakthrough technologies for food, agriculture, and the rural economy agriculture companies. Key food processing StartUps under this fund are Arohan Foods and Y Cook



Aspada Investments - It is an early-stage VC that provides seed and growth equity capital to startups in Healthcare, Education, AgriTech, FinTech, etc. Key food processing StartUps under this fund are SV Agri; LEAF; INI Agri and Allfresh

Proterra Investment Partners - Key investments include Dodla Dairy; Future Consumer, Citrus International

Motilal Oswal Agri Fund – Dairy Classic; Ganesh Grains; Mrs Bectors; Parag Foods

Standard Chartered PE – Café Coffee Day; Varun Beverages

Impact Funds

Majorly investing in Triple P bottomline impact areas and also look at sustainable initiatives in food processing

Aavishkar – Portfolio companies include Milk Mantra; OSAM (dairy); INI Agri; Kamdhenu Dairy ; Agrostar and Zameen Organics

Villgro Innovations - This social impact institution funds, mentors and incubates early-stage, innovation-based social enterprises that impact the lives of India's poor. Portfolio companies include Aroghyam; Krishistar and Tamul Plates

Menterra – will invest in early-stage social enterprises in education, health, agriculture and energy sectors.

3.3 Investments in food StartUps

Some examples from and food brands in recent past are illustrated as below:

Pre Series A Funding

- a. RP-Sanjiv Goenka Group as a pre-Series A funding round has invested INR 5 crore for a minority stake in the health foods startup True Elements. Previously, in January 2015, True Elements had raised angel investment about INR 1.23 crore from a group of investors.
- b. HealthSutra, a Hyderabad-based health food maker raised an undisclosed amount in pre-Series A funding from social venture fund Ankur Capital and Hyderabad Angels

Series B

- a. DSG Consumer Partners (DSGCP) and Verlinvest, a Belgium-based consumer focused private equity group by the founding families of Anheuser-Busch InBev invested an amount of INR 90 Crore in Series B into Drums Food International which owns Epigamia brand of yoghurts. 'InnoVen Capital' backed by Temasek Holdings has also invested here
- b. Chevron, a frozen food maker company which sells ready-to-cook ranges under Chevron and Kuzo brand has a raised USD 1 million from Greenfield Advisory. The newly-raised funds will be used to expand its senior management team and develop new products
- c. Ready-to-cook fresh food solutions brand Fingerlix has raised USD 7 million in a Series B funding led by Accel Partners and Zephyr Peacock. The company said it will use the money to launch its services in Bengaluru, Hyderabad and Chennai.
- d. Peepul Capital, a Chennai and Hyderabad-based private equity fund, has committed up to USD 15 million into Sresta Natural Bioproducts (24 Mantra organic foods brand)



Series C

- a. DSG Consumer Partners (DSGCP); Sequoia India and Saama Capital invested Series C funding worth USD 6 million in three equal parts into RAW Pressery, India's first and largest clean-label beverage.
- b. Specialty food ingredients maker Veeba Food Services Pvt. Ltd raised over USD 6 million (INR 40 crore) in Series C round of funding led by existing investor Verlinvest, a private Belgian family investment company. While Verlinvest put in USD 4 million the other two investors Samaa Capital and DSG Consumer Partner contributed the rest of the money.

Venture Capital

- a. Ahmedabad-based snacks maker Chhaged Foods Pvt Ltd has secured venture capital of INR 30 crore (USD 4.67 million) from GVFL Ltd. It will use the funds to expand its manufacturing.

Private Equity

- a. Agrex Limited, Dubai, a group firm of Suminter India Organics is intending to invest USD 30 million in a round led by IFC (which is to invest USD 25 million) by way of equity in the company. Agrex will use the funds for expanding its procurement and processing facilities besides augmenting the company's working capital which would help incremental sourcing from 9,000 new farmers across Sri Lanka, Uganda, Ethiopia and Philippines.
- b. Private equity firm Peepul Capital LLC has invested in Innovative Foods Ltd. Innovative foods markets frozen food products under the Sumeru brand. Peepul has put INR 20 crore (\$3.1 million) to increase its stake in Innovative Foods to 99.30% from 98.73%.
- c. Some other examples of PE investments and their targets are as below:
 - Zephyr Peacock & CapAleph: Utkal Tubers
 - Tiger Global: Chaayos
 - Saama Capital: Goa Brewcrafts, Veeba Food
 - DSG Consumer Partners: Goa Brewcrafts
 - Lighthouse: Wow Momo
 - Fireside Ventures: DropKaffe
 - Sequoia Capital: Bira91
 - Kae Capital: Popicorn
 - Now Capital: Kwals Group
 - ASK Pravi: Gho Agro
 - Quarizon: Chai Thela
 - Ratan Tata: IdeaChakki
 - Lion Ventures: Charcoal Biryani
 - Snow Leopard Technology Ventures: Good Juicery
 - Carpedium Capital: Biryani Blues
 - P39 Capital: The Fish Chain

IPO

- a. Buoyed by strong exports surge for Indian aqua produce; Apex Foods IPO was subscribed and has raised approx INR 150 Crores. Ahead of IPO, Apex Frozen Foods had also raised over INR 43 crore from anchor investors.
- b. Capricon Foods, a Chittoor based juice/ beverage processor has filed for a INR 500 Crores IPO.

3.4 Government Initiatives for StartUps

Assistance Scheme	Incentive
Start Up India	<p>Startup India is a flagship initiative of the Government of India, which aims to build a strong eco-system for nurturing innovation and Startups in the country that will drive sustainable economic growth and generate large scale employment opportunities.</p> <p>The Government through this initiative aims to empower Startups to grow through innovation and design. The Start Up India campaign is based on the following three pillars:</p> <ul style="list-style-type: none"> • Simplification and Handholding. • Funding Support and Incentives. • Industry-Academia Partnership and Incubation.
Atal Innovation Mission (AIM)	<p>Atal Innovation Mission (AIM) including Self-Employment and Talent Utilization (SETU) is Government of India's endeavour to promote a culture of innovation and entrepreneurship.</p> <p>Its objective is to serve as a platform for promotion of world-class Innovation Hubs, Grand Challenges, Start-up businesses and other self-employment activities, particularly in technology driven areas.</p> <p>It has two core functions:</p> <ul style="list-style-type: none"> • Entrepreneurship promotion through Self-Employment and Talent Utilization • Innovation promotion: to provide a platform where innovative ideas are generated
NewGen Innovation and Entrepreneurship Development Centre (NewGen IEDC)	<p>The NSTEDC startup Program by Indian government is implemented in educational institutions. A maximum of twenty new projects are supported in a year</p> <p>Under the program the Government provides one-time, non-recurring financial assistance, up to a maximum of INR 25 Lakhs to the institution for the establishment cost, furnishing of cubicles for start-ups, purchase of PC with printers, library books, journals, laptop, multimedia projector, 3D printers etc.</p>

Assistance Scheme	Incentive
Dairy Entrepreneurship Development Scheme promoted by National Bank for Agriculture and Rural Development (NABARD)	25% of the project cost as backend subsidy restricted to maximum 10 animals ; subject to ceiling of INR 15000 per animal for establishing a dairy unit (INR 6 lakhs maximum)
	25% of the project cost as backend subsidy restricted to maximum 20 calves ; subject to ceiling of INR 6000.00 per animal for establishing a dairy unit (INR 5.30 lakhs maximum)
	Purchase of milking machine/ BMC upto 5000 liters- INR 20 lakhs maximum
	Purchase of dairy processing unit – INR 13.20 lakhs
	Cold storage facilities – INR 33 lakhs
	Dairy parlour- INR 1.0 lakh
	Veterinary Hospital – INR 2.60 lakhs for mobile and INR 2.0 lakhs for standalone vet clinic
Venture Capital Finance Assistance (VCA) Scheme promoted by Small Farmers’ Agri-Business Consortium (SFAC)	The quantum of SFAC Venture Capital Assistance will depend on the project cost, location and the promoter’s status. It will be in the form of interest free venture capital assistance upto INR 50 lakhs or 26% of promoters equity whichever is lower
India Aspiration Fund	India Aspiration Fund (IAF) is a Fund of Funds, which would invest in Venture Capital Funds for meeting the equity requirements of MSMEs, especially Start-ups. SIDBI has so far contributed to the corpus of 88 venture capital funds which has catalyzed investment of more than Rs.5600 Crore to more than 472 MSMEs.

Other Incentives

Some incentives to promote the StartUps environment are:

- Tax exemptions for three years and concessions on capital gains tax.
- Compliance regime based on self-certification and no regulatory inspection for three years.
- A fund of INR 100 billion to back startups. Initially the corpus will be INR 25 billion and a credit guarantee fund for startups.
- A Startup India hub – a single point of contact for interactions with the government.
- Atal Innovation Mission (AIM) for promotion of research and development including 500 tinkering labs, 35 public-private sector incubators, 31 innovation centers at national institutes, 7 new research parks, 5 new bio-clusters.



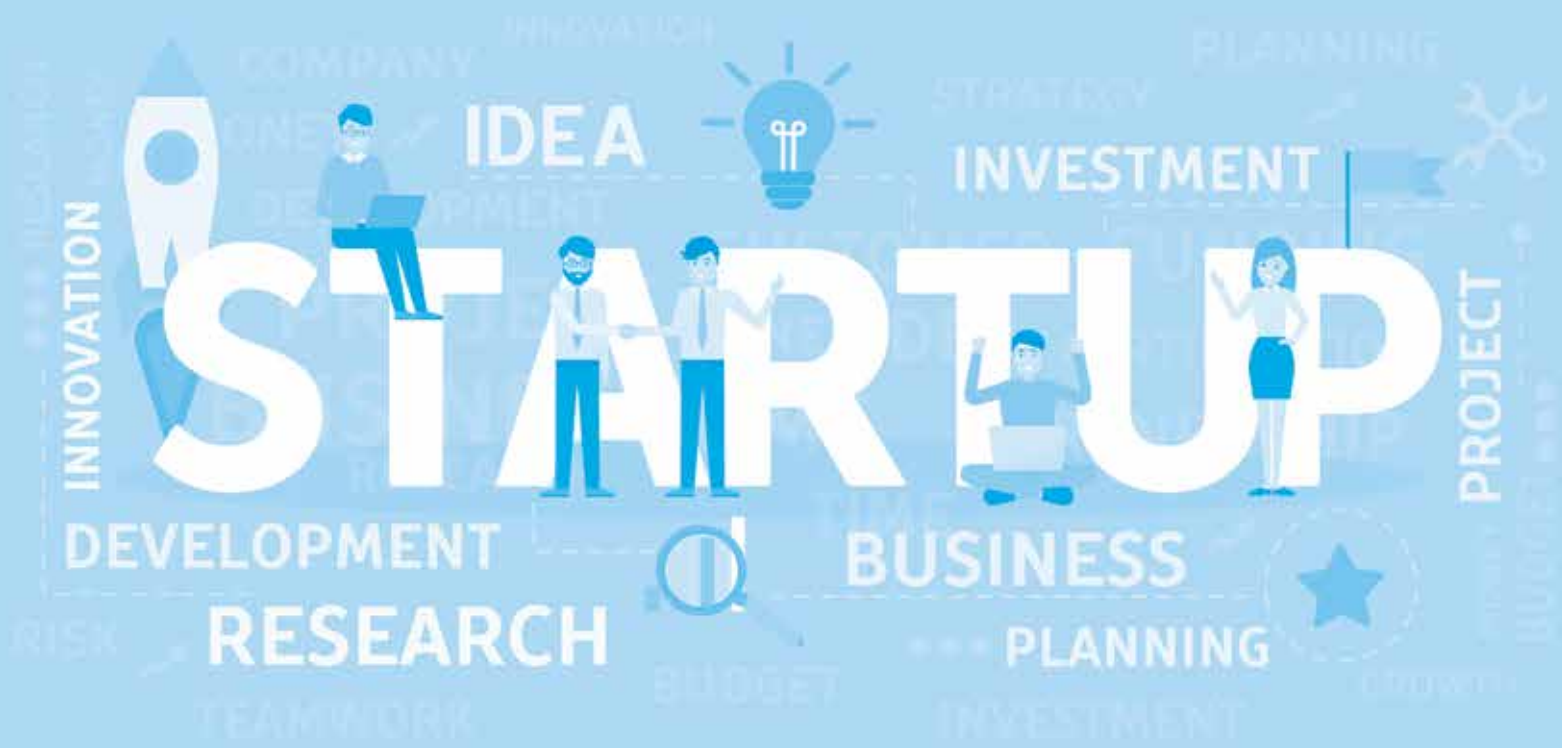
- 90 days for a startup to close down its business.
- 80 % reduction in patent filing fee and fast-track mechanism for startup patent applications. Also, a panel of legal facilitators for startups to file IP (patents, designs, trademarks) with costs borne by government.

Budget 2018- Promotion of Startups

The Union budget unveiled by the Finance Minister Shri Arun Jaitley has initiated measures to promote startups with major revamps over the announcements over 2017. The benefits will be available for all startups incorporated upto 31st March 2021. Tax concessions are available for startups engaged in eligible business of innovation, development or improvement of products, processes or is a scalable business model with high potential of employment generation or wealth creation.

The deduction will be available for a period of three out of the first seven years from incorporation provided the turnover doesn't exceed more than INR 25 Crores





4. Select Case Studies

1. Teaxpress Private Limited

Founder name and background

Mr. Kaushal Dugar

Kaushal Dugar is the Founder & CEO of Teabox. Kaushal was also the co-founder of Books to Read – a nonprofit aimed to help primary & secondary school children get access to books from developing nations where he and his team shipped around 100,000 books from Singapore to schools in Tanzania and Zambia.

Stage of the Start Up

Growth and Establishment

Problem statement

India is one of the largest and the oldest Tea producing country. Unfortunately, it is not a simple garden-to-cup equation and a long supply chain featuring a network of intermediaries in the value chain, including auction houses and exporter wholesalers, leads to inevitable degradation in the freshness, quality of tea and increase in price by several folds. The traditional supply chain involves the tea sitting in warehouses for upto 6 months and changing hands at least five times before it reaches the customers. This means the tea planters get the short end of the stick while the customers get stale tea.

Solution

With Teabox, the customers get the tea from the planters directly. This ensures maximum benefit for the planters and a good product for the customers. Teabox's proposition is very simple and straightforward - from planter, straight to customer, without any intermediaries. Our presence at the source, gives us an edge over global competitors. Best quality made tea is received within 24-48 hours of its production. The tea is then preserved under modern storage conditions which ensure the quality of tea by protecting it from air (oxygen), light, heat and humidity.

Based on operational requirement, the tea is further packed in unit packs (vacuum) of 100 g for loose leaf or teapacs (nitrogen flush) of 2-3 g for teabags. All this backed by efficient logistics which ensures delivery of these fine teas within 7-10 working days to any location across the globe.

USP of the company

Every cup of tea raised, should only be the freshest. A cup of tea as fresh as it was on the day of manufacture at the tea garden. And we are here to make that happen.

What makes customers choose your product/s?

- Freshness Promise
- Variety of Teas
- Convenience
- Express Shipping

How have things improved for the customer since working with you?

Overall Experience from the time of placing order till he/ she sips the tea. Most of the customers have loved our teas so much so that they have become our biggest fans.. Many of them have become our regular customers and keep buying from us.

Milestone

- Delivered Teas to 110 countries as on date
- With the launch of TeaPacs we have created a whole new category

Challenges

Frequent updates in governing laws and regulations

Start-up's view on recipe for scaling up business.

- Entering into new channels such as Modern Trade, Restaurants and Cafes
- Increase in consumer reach through various channels which will result in high brand awareness
- Launch of new flavors from time to time will give more choices to consumers; it will also enable more consumer to try the product
- Automation of unit operations will also improve our efficiency by reducing production time which will allow us to fulfill existing demands of different channels. Automation will also allow us bring down the cost.

2. ZooFresh Foods

Founder name and background

Sadananda Satapathy: Edu - M.Sc. in Physics. He was a Technical Officer at the Directorate General of Quality Assurance (DGQA), Ministry of Defence, where he inspected supplies for the Army, Navy, Police and Paramilitary Forces. He was part of a team in charge of eight Northern Indian states and International Purchases.

Ambika Satapathy: Edu - B.A. Economics (H) from Miranda House, DU, and is a Young India Fellow 2012, a prestigious one-year academic fellowship for India's top graduates conducted by Ashoka University in collaboration with the University of Pennsylvania, USA. She has previously worked as a Financial Analyst at Tasanaya Hospitality, and was part of the senior management at Zomato, India's leading food-tech company.

Stage of the Start Up

Generating revenues, targeting revenue of INR 6 crores in 2018-19

Problem statement

The 1.2 trillion meat industry is highly unorganized, with 90% retail sales via unhygienic "wet" shops with no product traceability or health standards. Post harvest losses are rampant, with INR 15,000 crores of fish wasted annually. Fish and chicken is farmed using antibiotics and growth hormones, and fish is sprayed with dangerous preservatives like formaldehyde. The entire supply chain, from production, transportation and consumption, requires disruption, while taking into consideration Indian consumers' preference for fresh meat.

Solution

ZooFresh Foods is disrupting the meat industry in Eastern India by creating an integrated meat aggregation and distribution model, with farms, farmer networks, logistics, storage points, rural hubs and state-of-the-art, FSSAI certified urban retail outlets. The goal is to enhance livelihoods of local farmers, reduce wastages in the supply chain, and provide consumers the freshest, healthiest meat products at affordable prices.

USP of the company

- ZooFresh is pioneering state-of-the-art, FSSAI-certified retail outlets, with semi-automated mini processing plants, vacuum-packing and home delivery of meat products in cities of Odisha. It has an MoU with the Odisha govt. for execution.
- ZooFresh is also disrupting the fish industry by being the only organized player piloting live fish logistics and retail, minimizing post-harvest losses from 40% to less than 5%, and providing consumers with the ultimate proof of freshness. ZooFresh is collaborating with CIFA, one of Asia's leading research institutes on freshwater aquaculture, to undertake this project.
- A network of rural distribution hubs and large meat aggregation centres to cater to wholesale and rural markets
- Sourcing the healthiest, highest quality produce from small local farmers, discouraging the use of antibiotics and promoting natural farming methods

What makes customers choose your product/s?

High product and service standards, strong branding and differentiation, fair and transparent pricing. Keeping consumer preference of visual assurance of freshness at the forefront while organizing a mass product industry. Live fish is a major USP for which there is no competition in the local market.

How have things improved for the customer since working with you?

Urban consumers get a high quality, healthy product at affordable price, in an air-conditioned, hygienic environment while having clear visual of chicken/fish getting culled and cleaned in their presence. Rural consumers get high quality, healthy product at their doorstep via rural hubs. B2B customers (retailers / traders) get competitively priced, healthy product with high shelf life.

Milestone

ZooFresh Foods is incubated at KIIT-TBI (INVENT program of TDB & DFID), CIFA (Central Institute of Freshwater Aquaculture), Unltd India, and a-IDEA, NAARM. It has raised a round of seed funding from KIIT-TBI and Unltd India. It is recognized by Startup India and Startup Odisha, and was selected by the Ministry of Food Processing Industries (MoFPI) as one of India's top 20 food startups at World Food India 2017. It is a part of FSSAI's Food Innovators Network, and has a PPP with the Odisha Poultry Federation, Govt. of Odisha.

Challenges

Access to capital in Odisha, technical inputs during early stage, skilled HR

Start-up's view on recipe for scaling up business

Avoid "me-too" business models, create unique path for growth suited to local context. Start small and get the model right, will assist in scaling with minimum mistakes.



3. YCook India Pvt Ltd

Founder name and background

Janardhan Linga Swahar – CEO YCook India – is a retail banker turned entrepreneur. With over two decades of core sales experience coupled with inherent innovative mindset and research acumen, Swahar has envisioned and led Ycook from the start. He holds a Post Graduate Management Diploma from IIPM.

Vijay Reddy – COO Ycook India – takes care of the operations (SCM and Production) at Ycook India. A die-hard operations person, Vijay has been instrumental in getting the production facility up alongside build the strong backward integration with farmers. Prior to Ycook, he comes with core project management experience with GE, TIMKEN and Brady. Vijay holds a Graduate Degree in Business Management

Dr. Gayathri Swahar – CMO Ycook India – takes care of the marketing at YCook. She comes with more than a decade of expertise in consumer behavior and guiding companies build brands in her various leadership roles at Nielsen, including leading the Consumer Neuroscience practice of Nielsen in India. She holds a PhD in Organization Behavior.

Stage of the Start Up

Working on Series B funding and expansion

Problem statement

There is no customizable, truly healthy and affordable convenience. No options for Ready to Health

Solution

- To the consumer - As we take our products to the consumers, our promise to them is four fold -
 - o Ultimate convenience without compromise on their taste, as the final touch is still theirs
 - o An affordable, healthy and customizable convenience. With a pack of boiled Kabuli Chana (chickpeas), you can make Hummus, Salad, Chana masala, Sundal, Chana Chat, it's entirely customizable.
 - o Safe food with zero-pesticide residue - Since we have entirely done a backward integration with farmers, all our crops comply to the Global GAP farming practices thereby ensuring zero-pesticide residue in all our produce.
 - o A healthy, natural and wholesome food so the family can be fed with contentment

USP of the company

- Just boiled vegetables, fruits and lentils
- No preservatives or additives
- One year shelf life under ambient storage conditions
- Strong backward integration to ensure zero-pesticide residue in all our products.

What makes customers choose your product/s?

Truly healthy and nourishing snack which is cooked just the way nature intended

Easy and truly healthy convenience retaining the last mile for the consumer to add in their taste elements and enjoy the pride

How have things improved for the customer since working with you?

Ultimate kitchen convenience

Milestone

Achievements so far

- o Very strong backward integration with farmer
 - Soil analysis for every farmer enrolled
 - Training, Mentoring and monitoring every crop to ensure Global GAP compliance
- o No Preservative / additive product to the consumer
- o Pan India Presence – in all modern retail formats and Online presence (Big Basket, Grofers, Amazon)
- o Inching towards being a complete cycle company

Awards

- o Received the award from the President of India for the Top 3 Food startups in India, during the WorldFoodIndia 2017
- o Named the Health Brand of the Year – Food – India Health and Wellness Summit 2018
- o Received the Star award - MSME award for Innovation Excellence - FKCCI - 2017
- o Finalist – Best Innovation Food – Gulfood2016

Challenges

We have created a very strong backward linkage with the farmers.

We have also established a good distribution network

Marketing to the consumers on the uniqueness of the product is a challenge we currently face given the marketing costs are humongous.

Start-up's view on recipe for scaling up business

We are working on two main approaches

To increase per store conversions – especially in the multi chain modern trade formats

To increase foot print in the stand along modern trade formats across India



4. Delmos Research Pvt. Ltd.

Founder name and background

Babbar Singh

B.Tech.(Dairy Technology) from N.D.R.I., Karnal.

10 years experience in Production, Product Development & Business Development

Manoj Kumar Maurya

B.Tech.(Dairy Technology) from N.D.R.I., Karnal

6 years experience in Milk Procurement & Quality assurance

Stage of the Start Up

Early Stage

Problem statement

Adulteration in Milk

Consumption of low quality adulterated milk may lead to serious human health issues. The Indian Council of Medical Research, in one of its reports, states detergents cause food poisoning and gastro-intestinal complications. The immediate effect of drinking adulterated milk containing urea, caustic soda and formalin is gastroenteritis, but the long term effects are known to be far more serious. Milk is supposed to be a complete food for kids but adulteration lowers down its nutritive value, which leads to malnutrition in kids - Very serious situation. Kids' future is in danger and this situation needs special attention.

Solution

Current Quality control tests are incapable in controlling milk adulteration at lower levels of milk procurement. This is where current tests/ technology have failed. Therefore there arises a need for Easy to Use, Rapid test which can be performed by anyone, anywhere.

This is where we step in.

Our product "delstrips - Reagent Strips for Detection of Adulteration in Milk" is so easy to use that even a kid or a mother at home could use it to ensure safe milk. A person doesn't need any technical expertise, laboratory set-up or other facilities to perform this test. Its a simple two step process. Just dip the strip in milk & observe color change. Its a tool for common man to fight milk adulteration. This is a revolutionary product which will empower everyone to fight milk adulteration. Our product has potential to eliminate milk adulteration from INDIA.

USP of the company

Our products can be used at a all levels of milk procurement, processing, distribution & processing.

Delstrips has following advantage over existing tests from competitors:

Easy to use, Quick, Very sensitive, Very less quantity of sample is required, No skills required to perform tests, Safe to use and Economical as compared to chemical tests

What makes customers choose your product/s?

Current technology/ product can not be implemented at village level due to its economic non-feasibility. We cannot put testing laboratories in each and every village which also need large skilled manpower. So there arises a need for easy to use & advanced product which could be implemented at procurement level to block entry of adulterated milk into the system. No present product/technology is capable of achieving this. Our kit has a great advantage and will bring a revolutionary change. We have a market in need and we are going to fulfill that.

How have things improved for the customer since working with you?

We have received feedback from our customers. They have seen significant change in quality of milk after using our product. It has created a sense of fear among wrong doers. Earlier our customers (Dairy manufacturing organizations) were not able to find real culprits in the milk procurement chain. After using our product, they are able to blacklist wrong doers even at village levels.

Milestone

We are at Revenue generation stage:

We are an incubatee at National Dairy Research Institute, Karnal under Startup India.

--> We were amongst top 20 innovative startups in World Food India 2017.

--> We were in top 10 innovative start-ups in AGRI-UDAAN, which is an accelerator program supported by ICAR & DST, Government of India.

—> We are amongst TOP 7 social impact Startups at iPITCH organized by Villgro & supported by TDB.

Challenges

Lack of funds to run business. Rest things can be outsourced.

Start-up's view on recipe for scaling up business

Focus should be on Marketing & Business development.

Use every channel or explore all options for marketing or business development for your product.

We have used every channel to target Dairy industry:

- Face to face client meetings
- Mails
- Social networking sites
- Product demo
- You tube, Whats app etc.

We are selling product through two channels:

- Direct sales
- Dealership network

Big brands are being handled by us directly whereas small manufacturers are dealt through dealership network.

5. Intello labs

Founder name and background

Milan Sharma (CEO): An IIT Bombay Alumnus, Milan Sharma is a veteran in the Analytics Industry.

Stage of the Start Up

Development

Problem statement

Intello Labs - Bringing AI to Agriculture

A simple photograph-through-mobile can change the farmer's life – this is truly game-changing. We develop computer vision based solutions for Agriculture problems with images as our key data to provide insightful and actionable recommendations. Grain quality is critical to all role players in grain value chain – from producer to consumer. In absence of proper grading system, impurities level have gone up to 10-15% from 3-5% in the past and wheat farmers are not incentivized to produce quality grain. Our grading solution would not only encourage farmers to grow better grains but also help them get fair pricing for their produce, reduce impurity level and save on costs of getting the quality inspected by grain inspectors. Assured end-use quality, better procurement decisions and saving on costs of grading machine equipment would be value addition for grain buyers.

Our solutions leverage the most advanced Analytics tools and techniques –Deep Learning and Artificial Intelligence (AI). Basis the images captured by farmers, we tell them grades of their produce, pest infestation etc, thus bringing complete transparency in the system. These empower the farmer to demand fair price for their produce or avoid unnecessary use of pesticides. We aim to supplement this with crop sowing data, weather predictions, soil quality, price visibility etc to give a wholistic tech platform for income augmentation

Solution

Agricultural Products Grading. This product:

- Identifies grains, their count and approximate weight (using deep learning models)
- Reads Image and Gives Quality parameters
- Recommends the price of grain

USP of the company

Our USP is real-time, accurate insights – leveraged by technology(AI, deep learning, image processing, computer vision)

What makes customers choose your product/s?

We provide a verifiable, automated, accurate and fast solution

How have things improved for the customer since working with you?

Now there is complete transparency in the system; farmers get to know - for the first time - what is their quality. Intermediaries are threatened as they are slowly losing their bargaining power. Also, with the new system, there is less scope for tampering or malpractices. Hence Agri/Food companies are excited about the possibilities.

Milestone

We work with 10-odd Clients (including a mix of free POCs, paid pilots, long-term engagement, etc.); these include:

- State Government
- One of India's largest organized food retailers
- Agri e-commerce firm
- One of the world's largest commodity trading companies

Awards:

- We recently won innovation award in Ag tech by Entrepreneur Association of India at National Agripreneur Summit 2017 (3rd amongst 500+ applicants).
 - Golden ticket to GES-We were recognised by Wadhvani Foundation and to win Golden ticket to Global Entrepreneurship Summit (GES) in Hyderabad.
 - World Food India-We had been awarded as 1st runner-up in as a hot start-up in food sector, by Honourable President of India.
-

Challenges

Our fundamental challenge is to hire quality talent. As a start-up we find it difficult to attract the right talent

Start-up's view on recipe for scaling up business

Our growth plan is based on four pillars, namely:

- Multitude of grains and agri produce - We intend to roll out the solution for multiple grains, fruits, vegetables, crops, and agri produce along with increasing the use for multitude of input and output steps.
 - We will work with multiple stakeholders and buyers within the agriculture industry; we are already in discussions with Government, Farmers, Pesticide firms, etc. There are others (traders, large producers, other firms in the Ag-Tech space, etc.) yet to be tapped
 - We will expand geographically; currently, most of our discussions are in India; soon, we will initiate aggressive sales push in global markets (US, UK, Nordics, Africa, etc.)
 - We will work with channel partners + Advisors; we recognize the limitations of sales being driven only by the Founders; we are looking for the right partners to work with... to be able to scale up the business to its full potential
-



6. Promethean Power Systems

Founder name

Sam White and Sorin Grama

Stage of the Start Up

Late Stage

Problem statement

For Farmers

- Unreliable power grid
- Issues of perishability of produce after milking/harvesting
- Post harvest losses which erode profitability during selling

For Customers

- High quality fresh milk and produce is not available due to inability to chill at source
- Cold storages are typically available far off from point of milking and may take up to four hours after harvest leading to loss of freshness and value of produce

Solution

- Patented thermal battery enables food processors to install and operate remote refrigeration systems without the need for a diesel generator
- Enables chilling at village/farm level where it was not economically viable to do so. Addresses problems of dairy processors, who incur up to 20% of their costs in retrieving unrefrigerated milk from villages twice a day before it spoils
- Consistent cooling is provided for milk which arrests and avoids bacterial buildup and thus preventing wastage

USP of the company

- Preserves quality by enabling village level chilling in areas with limited power
- Instant cooling capability
- Minimal operating cost

What makes customers choose your product/s?

- Rapid / instant chilling at village level (500L-2000L capacity) that can be installed in areas with unreliable grid supply
- Unlike conventional bulk chillers, Promethean also offers portable bulk milk chillers which are truck mountable too and can be moved/ shifted

How have things improved for the customer since working with you?

- Rapid cooling of milk; produce leads to arrest of bacterial count; hence better quality and value for harvested produce
- Processors get a higher quality material for processing, enabling greater freshness, production of value added products and further distribution
- Eliminates need for DG set
- Cost-effective / Eco-friendly
- Low maintenance and hassle

Milestone

- 2007 – MIT 100K Business Plan Competition
- 2011 – NASA LAUNCH Energy Innovator
- 2013- World Economic Forum Pioneer
- 2015 - VentureWell / Lemelson Sustainable Practice Award
- 2017 – CII “Significant Achievement in Innovation”
- 2018 - Over 800 systems operating in India and South Asia, reaching over 35,000 farmers daily

Challenges

- Low % milk collection is organized; hence challenge in customer acquisition for sales of the bulk chillers
- Limited expertise in small volume collection
- Initial capital costs for cold chain investment

Start-up's view on recipe for scaling up business.

- Deep customer understanding and innovative solutions that match customer requirements
- Customers look at value for money and once this is established; it can scale up rapidly; however convincing the customers (dairy processors) for establishing proof during first few years has been challenge

7. Rakyan Beverages Private Limited (Brand RAW PRESSERY)

Founder name

Anuj Rakyan

Stage of the Start Up

Late Stage

Problem statement

High value; unadulterated and hygienically processed fruit juice is a pain point to consumers.

Solution

Raw Pressery sources and processes fresh fruits ; vegetables and exotic produce directly from farmers under controlled cold conditions of juicing and processing/packaging under high pressure.

Unlike pasteurisation; high pressure processing prevents loss of nutrition

Thus it's a WIN WIN- more money to farmers by direct procurement and high nutritious and hygienic product to end consumer

USP of the company

The punchline of the company says it all "Just the fruit and nothing else"

RAW Pressery is India's first and largest clean label F&B brand, and provides 100% natural fruit juices completely free of additives like sugar, preservatives, chemicals, colors or flavors. The juices are prepared with farm fresh ingredients and have a shelf life of twenty-one days.

RAW Pressery retains matchless in-house capabilities in farm-produce procurement, processing, manufacturing, cold-chain logistics, warehousing and distribution

What makes customers choose your product/s?

With increased health awareness about the lifestyle diseases, consumer preferences have shifted towards healthier lifestyles. They prefer organic fruit juices compared to packaged drinks with artificial sweeteners and preservatives. These health conscious, highly aware consumers want varied choices ; wide range of flavours and blends besides convenience of doorsteps delivery

Each and every aspect above is catered by Raw Pressery

How have things improved for the customer since working with you?

As the product is positioned cold pressed; hygienically packed; they are assured of top quality and there is repeat purchases

Milestone

- Entrepreneur of the Year – Service Business – Beverages (Entrepreneur India)
 - Entrepreneur of the Year- Consumer Business (Entrepreneur India)
 - Most Innovative Packaged Beverage of the Year 16-17 at the Indian Restaurant Awards (Restaurant India)
 - Coca Cola Golden Spoon Award for Most Admired Brand- Retail Partnership of the year 2016-17
 - IAA Olive Crown (Silver) for excellence in communicating sustainability in events for RAW cycle
 - Listed in 100 best startups to look out for in 2017 by Sutra HR
-

Challenges

- Low volumes; higher range/ variants catered to faroff areas bring in inefficiencies; but had to be catered
 - Convincing channel to stock items like cold soups etc was a challenge initially
-

Start-up's view on recipe for scaling up business.

Entrepreneur has a wide market to cater to having diverse preferences. Hence scaling up needs teamwork and widest channel outreach; so entrepreneurs have to multi-task and wear many hats

8. Ecozen Solutions

Founder name

Devendra Gupta, CEO; Prateek Singhal, COO and Vivek Pandey, CTO

Stage of the Start Up

Mid stage

Problem statement

18% of the country's fruits and vegetables worth INR 133 bn go to waste annually. Most farmers at the farm level sell their produce at lower prices to avoid such wastage.

A major contributor to food waste in India includes lack of adequate cold chain solutions. Poor cold chain infrastructure affects the freshness, quality and the price of the produce and Ecozen provides solution in these grey areas

Solution

Sustainable, reliable, efficient cooling and clean/green "first mile" cold chain solution as conventional cold storages are away from farms

USP of the company

Two of the biggest contributors to food losses are the lack of refrigerated transport and the lack of high quality cold chain facilities for food manufacturers and food sellers.

Poor cold chain infrastructure affects the freshness, quality and the price of the produce. Wastage could potentially lead to doubling of the prices of the produce

Ecozen addresses the problem with a portable solar powered cold storage solution which is mobile and can be transported from field-to-field

What makes customers choose your product/s?

Customers require cold chain after harvest so that perishable horticulture produce can be stored immediately for preserving quality and freshness.

Ecozen provides the same at affordable price point

How have things improved for the customer since working with you?

Users have stored high value horticultural produce like flowers and grapes at farm gate level and were able to sell at 40% higher prices; thereby reaping profits

Milestone

- Dow Sustainability Innovation Challenge at
 - Economic Times-Power of Ideas award from DST, Govt. of India organized by CIIE, IIMA
 - Awarded by California Institute of Technology, Pasadena
 - Winner of Technology and Sustainable Development Award 2011 at Eureka IIT Bombay
 - World's top 30 business ideas at Stanford's E-bootcamp
 - Part of the coveted SEED cohort 2012 of Villgro
 - Regional Finalists of Cleantech Open 2012, US
-

Challenges

Convincing users to pay for capex as a onetime upfront payment is a challenge and takes time

Start-up's view on recipe for scaling up business

Judicious mix of marketing budgets while keeping a eagle's eye on sales to drive revenues

9. Earthy Tales

Founder name and background

Deepak Sabharwal / Narinder Sondhi

CA turned Hands On Organic farmer, turned agri entrepreneurs.

Stage of the Start Up

Early Stage

Problem statement

For Farmers

- Long supply chain eroding margins
- Conventional farming getting expensive
- Lack of awareness on organic farming practices
- Insufficient direct market linkages
- Lesser value addition possibilities

For Customers

- Zero transparency on source of organic produce
- Less access to organic fresh farm produce
- Lack of awareness on Organic options available
- Organic not accessible to most
- No connect with farms, farmers

Solution

- Bridge the gap between Farmers and Consumers by providing farm-fresh, Organic food
- Develop a self sustaining ecosystem of farmers practising organic farming

USP of the company

It's a venture by Farmers, with Farmers for providing organic Farm produce directly to customer homes, thereby eliminating middlemen

What makes customers choose your product/s?

- Transparency - share Source of their Organic food
- Educate - make customers aware about perils of chemical farming
- Freshness Re-defined - Vegetables delivered in 24 hours of harvesting
- Bring Farming closer to them - Farm blogs, farm visits
- Word of mouth marketing – build trust
- Eliminating middle men – Direct farmer purchases

How have things improved for the customer since working with you?

- Making organic more affordable, available
- More locally sourced varieties
- Direct appreciation of organic farming

Milestone

- Annualized turnover of around Rs 1 Cr per annum
- Operationally profitable
- 500 unique customers in NCR & growing
- Awarded one of the best Food Start Up at India Food Forum awards in Jan '2017
- Picked up by Amazon jury for their Global Launchpad program for Start ups – Jan '2017

Challenges

- Organic Certification process has to be easier & faster
- Hands on support for exports of organic produce
- Scaling up requires funds

Start-up's view on recipe for scaling up business.

- Build back end first, with strong organic farming ecosystem
 - Market linkages for farm produce
 - Technology for linking supply with demand
-

10. Chevon Agrotech Private Limited

Founder name and background

Rizwan Thakur – from an agriculturist family with earlier ventures in Internet, Media & Technology

Stage of the Start Up

Less than 3yrs since retail launch and have crossed the proof of concept stage.

Problem statement

INR 50,000 crore domestic annual consumption of Goat Meat in India, completely unorganized

Solution

High quality meat products, hygienically cut, cleaned, processed, packed and made conveniently available

USP of the company

Only packaged Goat Meat brand in India

What makes customers choose your product/s?

Assurance of quality, constant supply & convenience

How have things improved for the customer since working with you?

Has reduced the stress of consumers looking for quality healthy meat/goat meat products

Milestone

Have sold over 150000 packets in proof of concept stage. Chevon has won the best startup award in Asia for 2017/2018

Challenges

Distribution and Supply Chain

Start-up's view on recipe for scaling up business

Regional products matching diverse consumer palette and Distribution, Distribution, Distribution.

11. iQ Learning System Pvt Ltd (Foodwalas.com)

Founder name and background

Sanjay Lalwani & Pooja Lalwani, Both Chartered Accountant. While Sanjay's passion is to leverage tech to enable food makers to go national, Pooja's ensuring that verified and authentic food is on boarded. So that consumer, enjoys the best.

Stage of the Start Up

Growth

Problem statement

- People as they migrate, are deprived of local delicious.
- Food makers have limited local reach.
- No access to freshly prepared specialty food

Solution

- For local vendors, simplify reach.
- For customer, simplify delivery and access to fresh preparations.
- Bring awareness about preparation style of local delicacies

USP of the company

Verified authentic Food Brands (Which hitherto are not available online or locally) – Virtual Food Tourism

What makes customers choose your product/s?

Specialty Gourmet Food from legendary food makers and Fresh, doorstep delivery.

How have things improved for the customer since working with you?

They enjoy the food freshness (as the orders are shipped from the latest batch). Convenience of ecommerce & Trust.

Milestone

5000+ Orders in 2 years.

Challenges

Logistics, Team & Convincing some legendary food makers to leverage online opportunity.

Start-up's view on recipe for scaling up business

Assets lite model & lean working.



12. Iplansysecom Pvt. Ltd.

Founder name

RajinderBhagat

Murali Nair

Stage of the Start Up

Growth

Problem statement

Excess ingredient inventory has always been considered a source of problem in the food industry. Sales forecasts are important for good planning, but situations change and new products are continuously being launched while old ones get delisted. Manufacturers produce in anticipation of market demand that is subject to number of unpredictable factors that inevitably affect production. Consequently, inventory gets piled-up turning it into a financial, logistical and commercial burden for all entities in the chain. This eventually leads to disposal of food ingredients which is a huge ecological and financial loss.

Solution

Food wastage is one of the biggest problem along the entire value chain of the industry. iplansys uses technology to connect a vast base of companies in food industry and assists them to seamlessly exchange ingredients on the platform. Good quality, usable raw materials are exchanged on the platform resulting in low wastage and more profit.

USP of the company

Our vision is to ensure sustainable technological solution for our partners, industry and society at large. Unlike other e-commerce platforms, iplansys is focused only on Food industry and we look forward to bring the entire industry on one platform as a one stop place for sourcing and liquidating inventory.

What makes customers choose your product/s?

Iplansys provides a platform that integrates comprehensive services for seamless exchange of quality ingredients at lower prices. We are building a profit network where people from the food industry come together and contribute to building an enhanced community of reduced losses and increased profits.

How have things improved for the customer since working with you?

Excess inventory is not an accident but a situation that we help our customers deal with. They no longer worry about overstocking and then disposing the material off resulting in huge losses. As soon as they realize that the ingredient will not be used any further which happens because of several reasons, they can post the products online and iplansys helps them buyers at a price agreeable for both parties. It's a win-win for buyers as well as sellers.

Milestone

We cracked our 1st deal within initial 3 months of operations with a Dutch MNC for two of their non moving ingredients and have been clocking 2-3 deals each month later. Participated in few Startup Awards and trade events.

Challenges

Foremost challenge we faced was to develop a system relevant to a diverse set of big, medium & small enterprises and across functionalities. In addition to that, apprehension among the food industry in adopting Information Technology as a medium to liquidate but also source the raw materials. Another concern was about the cynicism of buying online wrt quality of raw materials. Another concern, was the industry norm to write-off the excess inventory and disposing them. So the challenge was to convince the senior people from the industry to liquidate the ingredients at lower price rather than disposing them which leads to economic loss and environmental hazard.

Start-up's view on recipe for scaling up business

As currently the system requires human intervention as it is in a primitive stage. Our idea of scaling up is to automate the system with minimum human intervention.

B2B Marketing in the food industry and registering maximum companies, initially by increasing Foot-On-Street and then shifting to online registrations and social media.

13. Manuring It

Founder name and background

Amit Arora, A Sustainability Sector professional with an experience of working at Executive levels in projects of World Bank, Deutsche Bank, Barclays and BK Birla Family Group.

Stage of the Start Up

Growth Stage

Problem statement

Farmers' continuously reducing farm productivity owing to unplanned use of farm inputs and segregation of lands has made farming non-profitable. In order to meet the ends, they use heavy chemical supplements thus disturbing the nutrient ratio and making food risky and dangerous to consume.

Solution

Farmers' continuously reducing farm productivity owing to unplanned use of farm inputs and segregation of lands has made farming non-profitable. In order to meet the ends, they use heavy chemical supplements thus disturbing the nutrient ratio and making food risky and dangerous to consume.

USP of the company

We enable farmers to reduce their farm labour cost by 90 percent and their farm debt by 15 % annually thus giving them the leverage to adopt indigenous and safer cultivation methods. Our big data platform enables the farmer to subscribe for INR 250/day/acre digital credits on a mobile missed call which can be redeemed for insurance, borrowing farm equipment or even taking virtual loans without cash.

What makes customers choose your product/s?

Our local delivery and demonstration model of providing the farmer everything right in his/her village at subscription of INR 250/acre.

How have things improved for the customer since working with you?

Small scale farmers have been able to save more than 30 percent of total input cost and 90 percent of farm labour cost. Along with it, their use of excessive chemical fertilizers has decreased owing to use of modern farm equipment which doesn't break the husk or crop and thus there is no need of cleaning the fields by burning the crop residue.

Milestone

We have more than 22000 farmers in our cue and we envision reaching out to insure on and off farm risk of 50,000 farmers by 2019. We are post revenue stage and have been supported by ISB Hyderabad, IIT Kharagpur, SabMiller Group, Nasdaq Entrepreneurial Centre and JanhitJagran.

Challenges

1. Outreach within the farmers
2. Training of the farmers for financial literacy
3. Cashless payment methods

Start-up's view on recipe for scaling up business

Start from your own money, earn from your customer and expand with an investor.

14. Hygeia Wellness Private Limited (Brand Poshtick)

Founder name and background

Pranav Sharma: 24 year old young entrepreneur, Commerce graduate from Delhi University.

Kritik Thakur: 27 year old commerce graduate from Delhi university and CA Final year student.

Stage of the Start Up

Its an early stage startup. We have been into operations for one and a half year now. We started as an online portal that uses to sell online subscriptions and healthy snacks pan India. From January of 2018 we have started retailing some of our healthy snacks in close to around 350 shops in Delhi, Noida, Gurgaon, Kolkata, Chandigarh, Ludhiana, Jalandhar and Amritsar.

Problem statement

Following are the problems we identified:

- Lack of Healthy Snacking Options
- Lack of awareness about harmful effects of sugar, fat, salts etc.
- Healthy and Tasty snacking options seldom cross paths
- Lacks of Affordable healthy snacking options
- Low accessibility & availability of healthy snacking options
- Low consumer awareness about therapeutic value of food and how food can be used for preventive health care

Solution

Following are the solutions we offer:

- Smart Food choices by incorporating better food ingredients and cooking methodology
- Making available an exciting range of healthy snacks that tastes amazing as well.
- Providing healthy mid meal snacking solutions that are affordable
- Spreading awareness by educating people about the therapeutic benefits of food and helping them lead a better life style

USP of the company

We work passionately to make healthy eating exciting. With extensive research we have curated a range of healthy mid meal snacks that are high on nutrition and at the same time tastes amazing

What makes customers choose your product/s?

We have registered a good repeat from our customers just because of the very fact that our better for you range of snacks are high in nutrition and the consumer don't has to compromise on the taste of it as well.

How have things improved for the customer since working with you?

We believe in making customer part of our business and thus we take A lot of customer feedback and try to implement and incorporate the feedback provided by them. We started of as an online business model which use to work typically as an ecommerce business but in the customer feedback we got a feedback that food consumption is very experiential and they want instant gratification for the same. For the very same reason we launched the retail range of our products which are now available at the nearby grocery stores and corporate cafeteria so that our customers can have them instantly. We even have changed and made alterations to our snacks as per the consumer feedback.

Milestone

In a short span of one and half year of operations now we have more than 500 subscribers who use our "FINGE BOX "subscription services.

We have serviced close to 2000 + customers across several cities from our online platform. We have developed our own distribution channel as well which has 3 super stockiest working in Delhi, Kolkata and Punjab and are servicing 10 distributors. We have tie -ups with major modern trade formats like Future Retail, Spencers, SRS, 24 Seven stores and Modern Bazaar.

Challenges

Working at a startup and making things fall place is a very challenging task .Specially when it's a food and FMCG business , it becomes all the way more challenging . When operating in a retail distribution channel, there are multiple touch point of which we have to take care of which have significant impact on the business. We have to make policies and structures which are motivating and encouraging for the supply chain so that they are able to service the end consumer in an effective and efficient manner and at the same time we need to constantly keep visiting our customer which is very fragmented to take there feedback and align our business accordingly. We also need to ensure that the quality of the food remains at par with the standards. For a startup like us which operates out in Health food domain it was very difficult to create a range of snacks that were high in nutrition value and the taste element was intact at the same time. We have spent a lot of resources in terms of money and time in curating a range of snacks that taste amazing and are very nutritious at the same time. Preservation and maintain the shelf life of our snacks is again a very big challenge.

Start-up's view on recipe for scaling up business

I think in order to scale up the business its very important to firstly create a perfect product market fit and then to set the fundamentals of the business clear. Customers and consumers should be given the prime importance and they should be made part of the policy making and product development. There should be mechanism to record their feedback and a proper analysis should be done and appropriate actions should be taken to incorporate the same.

15. Pawak Foods

Founder name

Kaushal Dongre

Stage of the Start Up

4 Years

Problem statement

Inconvenience and quality issues in jaggery

Solution

Introduced jaggery in cubes & powdered form

USP of the company

Focus on making consumers aware, realize and adopt jaggery as their preferred natural sweetener on a daily basis considering its nutritional value and health benefits.

What makes customers choose your product/s?

Branded quality jaggery packed hygienically

How have things improved for the customer since working with you?

Customers have started using jaggery on a daily basis leading to their good health

Milestone

- 2017 – 1000 shops – 6 distributors (FY 16-17 – 33 LAKHS)
- Was invited for startup conclave by FICCI-Govt of India -2015
- Present in most of the super markets without any marketing or PR support

Challenges

- No Proven Technology available for Jaggery production
- We struggled to get good automated plant to scale up the production.
- Small cube process is not yet standardised and thus we have to produce it manually resulting in restriction in volumes
- Working with IIT Mumbai since last 2 years and yet solution is not obtained.

Start-up's view on recipe for scaling up business

- Today 70 Lakhs MT is Jaggery Market in India.
 - 2 % is Branded Jaggery – 14000 MT/Yr
 - We are looking for 5% of this 2% market share by 2020 -700 MT/yr
 - We want to set up our own plant to increase the volume
 - Working with IIT Mumbai for developing the technology
 - Today market is huge - stock out 4 months of the year.
-

16. Momenus Food Service

Founder name and background

Abhishek Chaubey. He is Tech graduate having experience of working with many multinational companies as a Business Developer and by year 2015 he was building Momenus

Stage of the Start Up

Prototype

Problem statement

According to a recent report by Deccan chronical Food wasted in households, hotels and subsidized canteens, Supermarkets etc is not only a waste of tons of cooked food, but is also a huge burden on the entire food chain. Right from the cost of food grains and vegetables to the transportation, cooking oil, fuel etc is also wasted. Restaurants have to throw away leftovers in the interests of hygiene, and some households do the same.

Solution

We offer solutions as a service provider for waste management in the household and food business, through the ingenious use of scraps and leftovers. Momenus (A service provider) is an online social platform where one user can share the food to another user under a communication network. Our vision involving food security is entirely unique and we encourage people to share food with others, which encourages intelligent budgeting, reduces wastage or valuable resources and also greater community interaction. We have a patented unique system of doing it and it reduces food waste/resources by sharing food to each other. We have a dynamic pricing module which works in manner to deliver food in free of cost to needy people encase it is going to be thrown in scrap.

USP of the company

We have a patented system for 'INTEGRATED ONLINE PLATFORM TO ENABLE FIRST USER TO SERVE A FOOD ITEM TO SECOND USER OVER A COMMUNICATION NETWORK'.

What makes customers choose your product/s?

- Generate Income/ employment.
- Reduce food waste by individual or food business.
- Quick food for people in case of Hunger and poverty.
- Homemade food available as per taste preference or cuisine type.
- Foodies have an opportunity to show their talent on bigger platform and create their kitchen as a brand.
- It is not similar like traditional restaurant business, home chef have freedom to keep their kitchen active or to go on a vacation.
- Customer can also post their interest of lunch/dinner/breakfast for the day with period of action, matching chef in your locally will show you interest to serve.
- Seller/customer can post add/request through Telecom network also.

How have things improved for the customer since working with you?

First Users

- Individual want to share their leftover kitchen food either free or in lower price in order to generate income or reduce food waste.
- A Restaurant/hotel/motel looking to utilize there leftover food item or ingredients by selling it in lower price or free.
- Supermarket/Food retail outlets which want to share there about to get spoil/expire food items like dairy products, Meat, Vegetables or ready to cook meal kit in discount or free.

Second Users

- Individual looking to have food in cheaper price or free in case of hunger and poverty.
- People Staying away from family, looking for homemade food or same cuisine type or taste preference in particular locality on regular basis.
- People want to discuss/share special food in case such as baby food, Diseases and festivals.

Milestone

- Top 20 Food tech startup 'World Food India' MOFPI GOI.
- Incubation IIM Bangalore.
- Selected as 10 best startup ideas in India conducted by 'startup India Rocks'.

Challenges

Investment is biggest challenge company is facing as of now.

Start-up's view on recipe for scaling up business.

A key decision when scaling up will be how to finance the expansion of your business. Having the right people in place is also crucial to the scaling-up process. As well as the right skills and approach, it's important to hire people who will fit in, have the right attitude, and care about the company. The more you understand the recipe, manufacturing process and equipment, the better you can work with your co-packer to produce the best possible product. While the co-packer will save you a lot of time, you still need to be proactive in the process.

17. Our Food Private Limited

Founder name and background

Bala Reddy. V, PGP-ABM IIM Ahemdabad, B.Tech NIT Warangal, 11 years of experience across sectors

Stage of the Start Up

Scaling up

Problem statement

Middlemen in the food supply chain, no value addition by farmers, redundant transportation, wastage of material

Solution

Chain of low cost food processing cum warehousing facilities, platform to connect to bulk buyers

USP of the company

Enabling the farmer to process the material himself by becoming franchise

What makes customers choose your product/s?

Less lead time for delivery from harvesting time, less price for a given quality

How have things improved for the customer since working with you?

Better inventory management, freshness of the product, less procurement cost

Milestone

Crossed 2 crores of revenue in the pilot stage itself. Established 10 farmer franchises, received HMTV Business Excellency Award for 2017, Star Innovator Award for 2017 by Telangana Govt. Secured second place in Ipect Startu Fest, The Hague 2017

Challenges

- Convincing the farmer to accept for bank transfer for his produce. They want cash. But we convinced them
 - Maintaining quality of the produce according to consumer needs. Multiple iterations and trial and error process was involved to arrive at a uniform quality.
 - Transportation and wastage cost incorporation in to our operating cost was the biggest problem.
 - Convincing the rural youth (Who are also farmers) to start their own mill.
 - From the business consumer side, he/she is happy to procure from the market early in the morning. We are trying to convince this lot.
 - We are an asset heavy model, convincing a venture capitalist at this stage is really problematic. We are devising ways in which the heavy capes can be shared with a local entrepreneur.
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18. Tan90 Innovation

Founder name and background

Soumalya Mukherjee, PhD Biotechnology, IIT Madras

Praveen Sahu, MS Electrical Engineering, IIT Madras

Rajnikant Rai, PhD Biotechnology, IIT Madras

Shiv Sharma, PhD Mechanical, IIT Madras

Stage of the Start Up

Early Stage- Pilot Project

Problem statement

Inefficient network of cold logistics with huge gap between demand and supply leading to excessive loss of agri-products. Low return on investment on cold storage and logistics, further impede the penetration of the cold chain.

Solution

Modular Cold boxes- Scalable and foldable with `prolong non-refrigerant & energy efficient cooling

USP of the company

- Team of multidisciplinary people
- Access to research facility
- Proprietary of cooling material
- Unique ecosystem at IITM incubator
- Conceptualized and Dynamic Business Model
- Inclined towards solving legitimate problems

What makes customers choose your product/s?

- Innovative foldable, scalable and low-cost alternative to conventional crates
- Improved eutectic cooling- prolong cooling high retention time
- Flexibility of attaining required temperature.
- No moving parts: suited for transportation
- Long Energy sustainability is the need of hour which will track down by our product (as it reduces power consumptions)

How have things improved for the customer since working with you?

Presently, we are in our pilot phase, wherein we are testing our product in real time with small-scale traders. Feedback from the customers are taken along the following focal points:

- Low running cost.
- Low maintenance cost.
- High return on investment: longevity
- Flexibility for storing products

Milestone

- Winner of Rural Energy Challenge (Indian Institute of Technology, Madras)
- World Food India (WFI, New Delhi 2017): Top 10 in India
- Academy Industrial Training (AIT) (Indo-Swiss Collaboration): Top 18 in India
- Selected for ET Power of Ideas, IIM Ahmedabad
- Upcoming -Selected among the top 3% of startUps in Asia (RISE, Hong Kong, 2018)
- Upcoming- Selected for LJ Innovation Village event, Ahmedabad
- Upcoming - Among the top 3000 in theSmartFifty Contest

Challenges

- Winner of Rural Energy Challenge (Indian Institute of Technology, Madras)
- World Food India (WFI, New Delhi 2017): Top 10 in India
- Academy Industrial Training (AIT) (Indo-Swiss Collaboration): Top 18 in India
- Selected for ET Power of Ideas, IIM Ahmedabad
- Upcoming -Selected among the top 3% of startUps in Asia (RISE, Hong Kong, 2018)
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Start-up's view on recipe for scaling up business

- In-depth understanding of customers requirement
 - Connecting with key-partners
 - Exploring organic channels to reach out to initial customer
-

19. Muddy Puddle Foods Pvt. Ltd.

Founder name and background

Anusha Bhushan

Siddhartha Deb

Stage of the Start Up

Early stage revenues

Problem statement

Urban working professional consumers do not have the time to take care of nutrition by cooking or making their own food and drinks, hence packaged foods are required and becoming increasingly popular.

Within the packaged food ecosystem, most health or wellness based products are:

- Lack perception of value for money
- Not focused on taste hence not meant for the mass consumer
- Not truly healthy or innovative

Solution

Smoodies is the first of a line of products meant to provide nutrition in a natural way, at a value for money price point (benchmarked both to competition as well as quality of product), and in an innovative product with flavours that provide variety and newness to the urban Indian consumer

USP of the company

India's first and only fruit smoothie available in modern trade. The consumer may find these products in restaurants and cafes, but available in a shelf stable form and as part of your grocery basket is new and refreshing for the consumer to consume something different at home or at the office

What makes customers choose your product/s?

Innovation on taste and fruit blends, high product quality, focus on wellness (no added sugar or preservatives)

How have things improved for the customer since working with you?

Access to a novel product, and easier availability of nutrients from fruit in an on-the-go format

Milestone

- Accepted into Agri Udaan's Accelerator program in 2017
- Wadhvani Foundation's FMCG Accelerator program (February 2018)
- Top 20 finalist of Wharton India Startup Competition
- 120 points of sale across Bangalore, 8 Modern Trade partnerships with Godrej Nature's Basket, Aditya Birlas' MORE Megastore, Future Group's Hypercity, Namdhari Fresh, BigBasket, Grofers etc

Challenges

A relatively short shelf life product requires maximum supply chain agility to minimize product returns and maximize sales, which means we have had to internally build out distribution as well as manufacturing and a sales team, a consuming process to coordinate it all.

An additional challenge is to build a brand in a competitive FMCG space on low budgets

Start-up's view on recipe for scaling up business.

200% focus on product no matter how big you are, and a clear view and readiness with respect to how distribution will evolve with size of business.

20. Nutricane Beverages Pvt Ltd

Founder name

Dipin Kapur, Sachin Goel and Neeraj Jalan

Stage of the Start Up

Product Launched in the Market in November 2017

Problem statement

Packaging Sugarcane Juice with long Shelf life

Solution

New process developed specifically to package sugarcane juice with a 6 months non-refrigerated shelf life without using any chemical preservatives and while retaining its original nutritional values.

USP of the company

Proprietary Process developed in-house to packaged Sugarcane Juice with Long shelf life.

What makes customers choose your product/s?

Health benefits of the sugarcane juice and the fact that it now available in a hygienic form.

How have things improved for the customer since working with you?

They can now buy sugarcane juice of the shelves in their neighborhood in a hygienic form without compromising on the nutritional benefits offered by the juice.

Milestone

After 2 years in house R&D, the product was launched only 2 months ago and so the revenue is negligible as we are right now building distribution and retail presence.

Challenges

Building retail presence, distribution and sourcing funding for extensive marketing and brand building activities.

Start-up's view on recipe for scaling up business.

Explore alternate channels such as e-commerce for sales. Continuous Innovation at every stage and not just product development but in all activities including sales and marketing.



21. Adurcup

Founder name

Kushang, IIT Kanpur

Stage of the Start Up

Funded and operational in Delhi-NCR, Bangalore, Kolkata and Hyderabad

Problem statement

Lack of standards in supply chain & Leakages in communication and transaction process

Solution

Transparent pricing and stringent quality norms supported by a wide network of suppliers.

USP of the company

One-Point Solution for all the restaurant needs (eg- Groceries, Food Packaging, House-keeping, Pest Control and Social Wifi)

What makes customers choose your product/s?

Removal of the pain points faced by the HoReCa players – Single point billing, Single shipment delivery, Single payment terms, Order analysis, transparent pricing, portfolio margins, decent prices based on volume aggregation

How have things improved for the customer since working with you?

Based on the inputs from our various clients and the ordering trend which is being observed, we have received 78% retention. This number speaks for itself but our efforts have never wavered and we have to hit the perfect 100.

Milestone

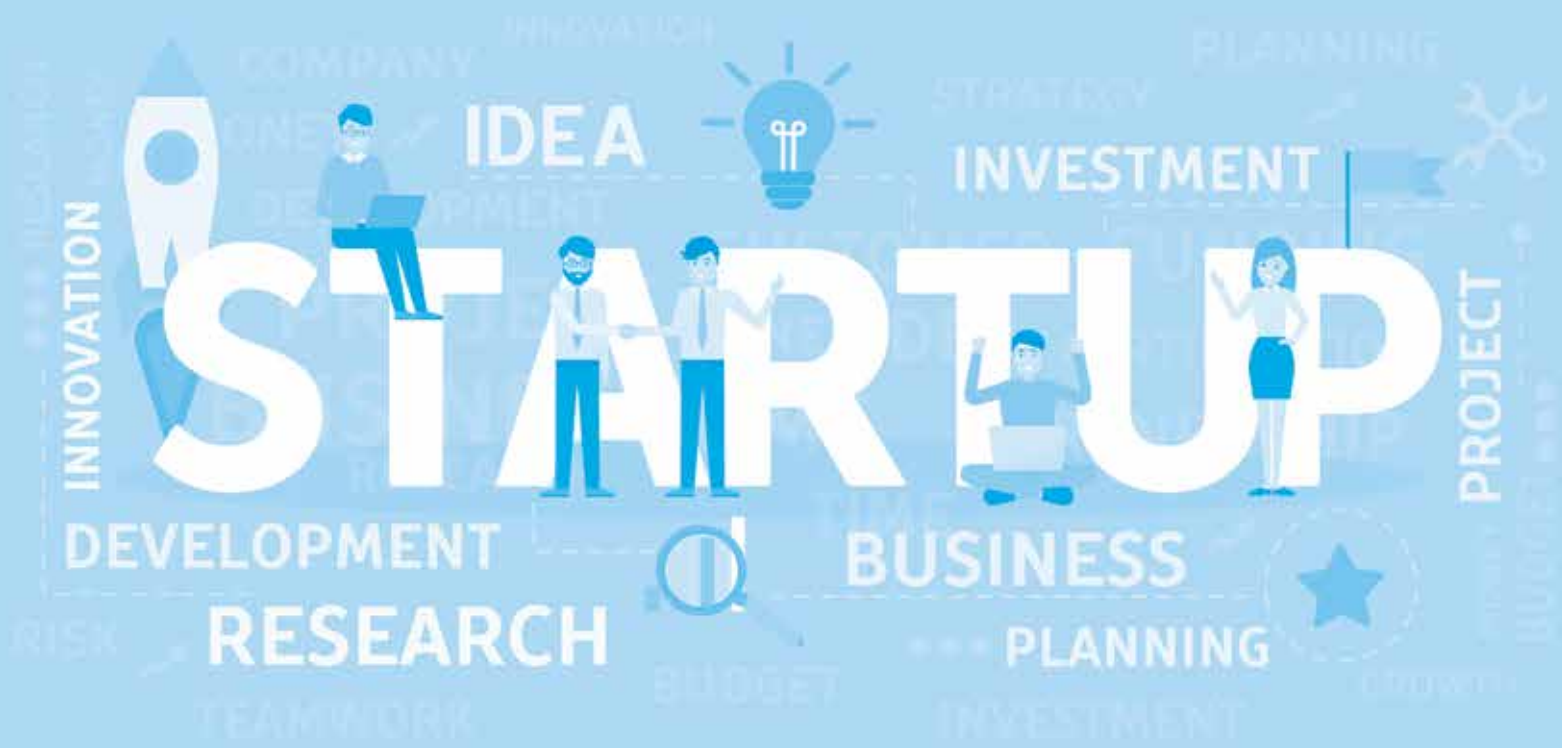
- March '17 – Raised Pre series A funding
- Apr '17 – Gets recognized by Startup India
- May '17 – Top 5 rising Startup in Asia (TechIn Asia)
- October '17- Launched Adurcup groceries with 1000+ SKUs in 23+ categories

Challenges

Working capital remains very central to our pool of challenges. There is no dearth of orders in the pipeline but the WC for catering to the same is a bit tricky.

Start-up's view on recipe for scaling up business.

- Stop telling what to do
- Flatten the silos
- Creating consistent feedback loops



5. Recommendations for boosting the food StartUp ecosystem in India

Recommendations for boosting the food StartUp ecosystem in India

A robust regulatory environment can enable a favorable macro-economic environment to nurture the growth and development of technology-based startups. The government has also taken note of this trend and it is expected that 'Startup India' will facilitate this growth and development by putting in place the right steps towards creating a nurturing ecosystem for startups.

Late stage startups – by virtue of their maturity and relatively proven business models have much easier access to funds. However, the current uncertainty in the Indian market means that early stage startups are finding it difficult to raise funds at a stage where they need the maximum financial support. In this scenario a government backed fund such as SETU (Self Employment and Talent Utilization) Fund can prove to be a reliable resource, desperately needed for these startups to get started. Such a fund can make a real difference to the ecosystem and provide momentum to the wave of innovation that has begun in India.

A streamlined tax regime can remove hurdles which impact startups and small businesses in India, including venture investment, technology, and mergers and acquisitions. The government can reclassify what constitutes 'services' for tax purposes, to help clarify the application of the term to software product businesses, including startups. Startups will also benefit from an exemption of income and sales tax, to facilitate their growth and development by making operations more viable. There should be tax breaks/ depreciation for startups procuring items essential for businesses like hardware, software and communication equipment among others.

Taxation on investments that are made in startup enterprises must adequately reflect associated risks of such enterprises, especially as gains made out of successful exits are redeployed for investment. This principle is currently reflected in the pass-through status accorded to venture capitalist funds. Incubators should be encouraged to avail of the benefits extended from time to time, and for them to be considered SEBI-approved investors. To encourage the sector's longterm growth the government can look at an enhanced taxation regime for incubators, including rendering them exempted from taxes as well as the customs duty which is levied on the purchase and import of goods needed for the incubators.

Given their role in mentoring and connecting innovators to business growth opportunities, funds contributed to incubators should be treated at par with investments in research and development (R&D) activities for businesses, and proportionally the entities that contribute funds to incubators should also be eligible for the 200% tax benefit that is currently applicable to R&D investments.

The role of industry is very critical in boosting the StartUp ecosystem. An institutionalized collaborative mechanism between the industry and the StartUps is of utmost importance. Such platforms provide an opportunity to discuss on ground challenges and share experiences with each other for mutual benefits. Regular interactions with the industry helps the startups get guidance and assistance from industry veterans.

Abbreviations

AIC	Atal Incubation Centres
AIM	Atal Innovation Mission
B2B	Business to Business
B2C	Business to Customer
CIPHET	Central Institute of Post Harvest Engineering & Technology
DIPP	Department of Industrial Policy & Promotion
DIY	Do it Yourself
FPO	Farmer Producer Organization
ICT	Information and communications Technology
IIT	Indian Institute of Technology
IOT	Internet of Things
ISB	Indian School of Business
NABARD	National Bank for Agriculture and Rural Development
NIFTEM	National Institute of Food Technology Entrepreneurship and Management (NIFTEM)
NSTEDC	NewGen Innovation and Entrepreneurship Development Centre



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