

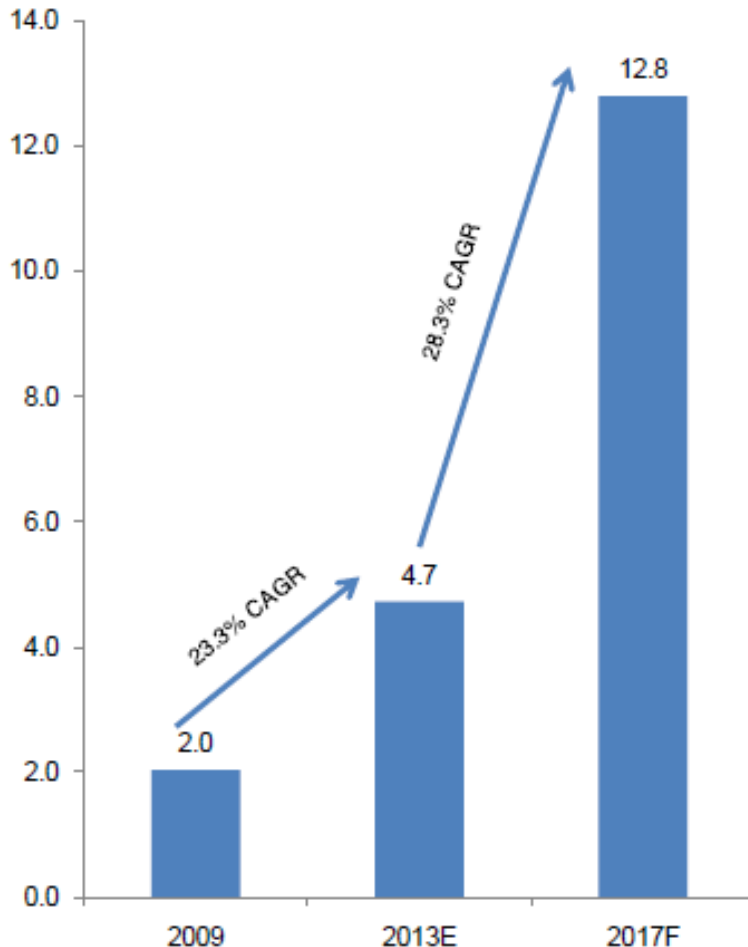
Cold Chain industry in India



Indian Cold Chain industry is expected to grow at a CAGR of c.28% over the next 4 years and reach a market size of c.\$13bn in 2017 presenting a great opportunity for investors 1/2



Cold Chain Industry in India (in USD Bn)



Growing annually at 28% the total value of cold chain industry in India is expected to reach ~USD 13 billion by 2017 through increased investments, modernization of existing facilities, and establishment of new ventures via private and government partnerships

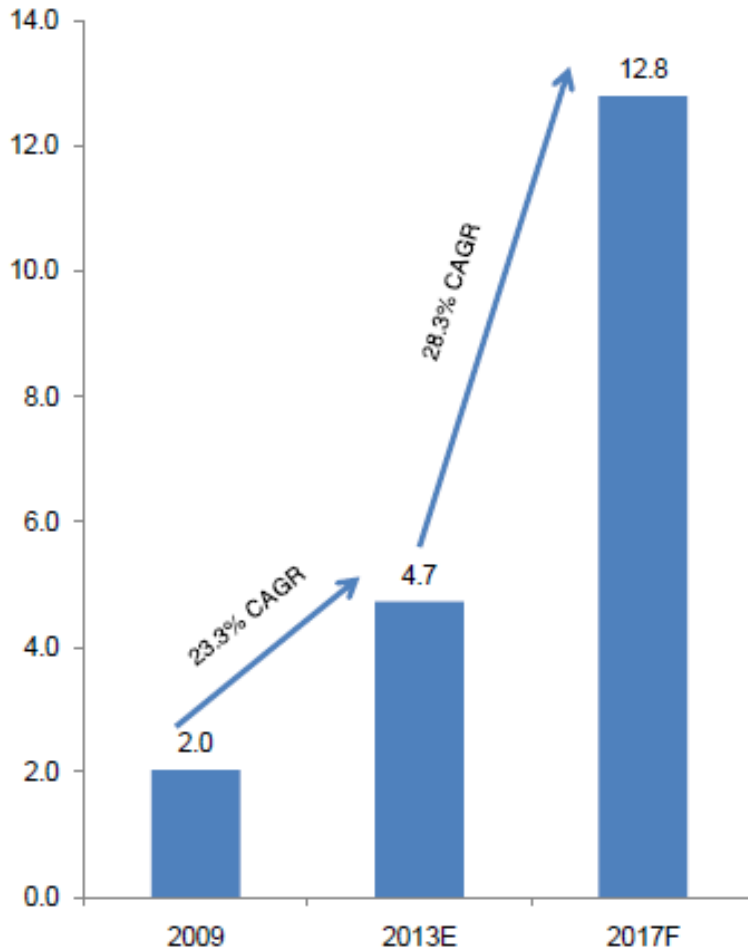
- India's cold chain industry is still evolving, not well organized and operating below capacity
- The Indian cold chain market is highly fragmented with more than 3,500 companies in the whole value system
- Organized players contribute only ~8%–10% of the cold chain industry market
- Most equipment in use is outdated and single commodity based

Source: Assocham, US Commercial Service, Media Reports, Reed Analysis

Indian Cold Chain industry is expected to grow at a CAGR of c.28% over the next 4 years and reach a market size of c.\$13bn in 2017 presenting a great opportunity for investors 2/2



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Gap between demand and supply as per National Spot Exchange in India in lakh MT – 368.32 lakh MT

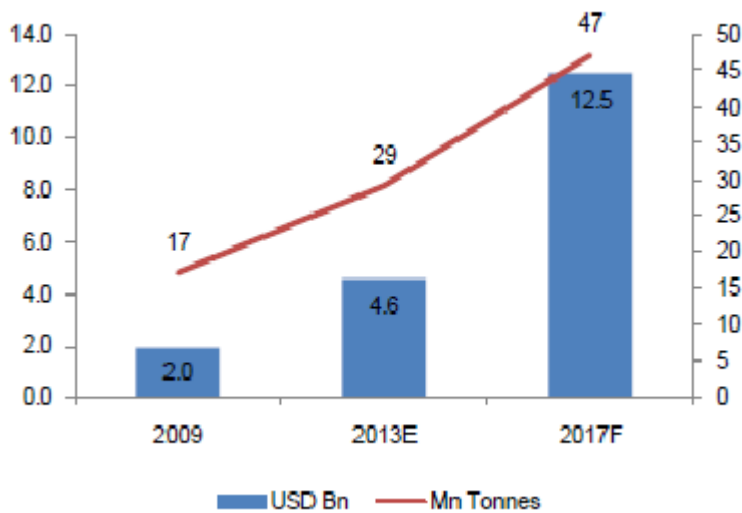
Need for cold chain

- Pharmaceutical industry will among key driver for growth of cold china in India
- 11% of world's total vegetables production is accounted by India alone but India's share in global vegetable trade is only 1.7%
- 127 Million Tonnes of milk was produced in 2011-12, but cold storage capacity is only available for 70,000-80,000 Tonnes of milk
- 20%-30% of fish production is annually wasted in India
- 25,000 unregistered slaughter houses are present in India, which generally lack chilling facilities

Cold storage stations are the major revenue contributors of the Indian Cold Chain industry and the market is gradually getting organised and focus towards multi purpose cold storages is rising 1/2



Temperature Controlled Warehouse Market in India

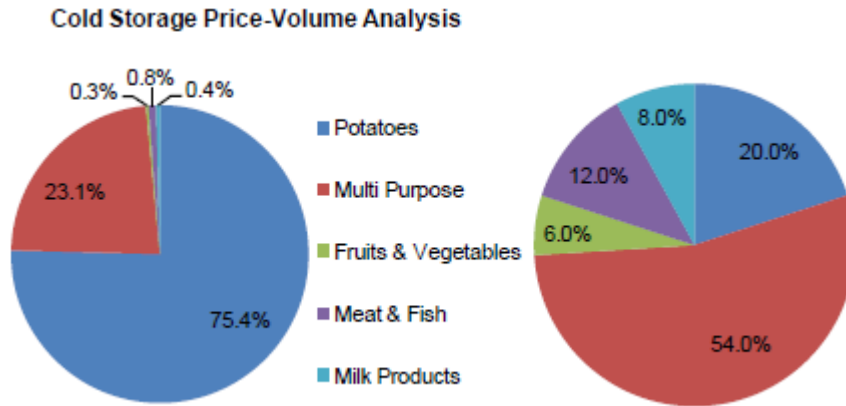


Source: ASSOCHAM

There are ~5,381 number of total cold chain storages in India with 95% of total storage capacity under private players

- ~36% these cold storages in India have capacity below 1,000 MT
- 65% of India's cold chain storage capacity is contributed by the states of Uttar Pradesh and West Bengal
- With the current capacity only less than 11% of what is produced can be stored
- Cold storage capacity is expected to grow at ~13% per annum on a sustained basis over the next 4 years, with the organized market growing at a faster pace of ~20%
- Key growth drivers include growth in organized retail and food service industry, government's initiatives, rising export demand for processed and frozen food

Cold storage stations are the major revenue contributors of the Indian Cold Chain industry and the market is gradually getting organised and focus towards multi purpose cold storages is rising 2/2



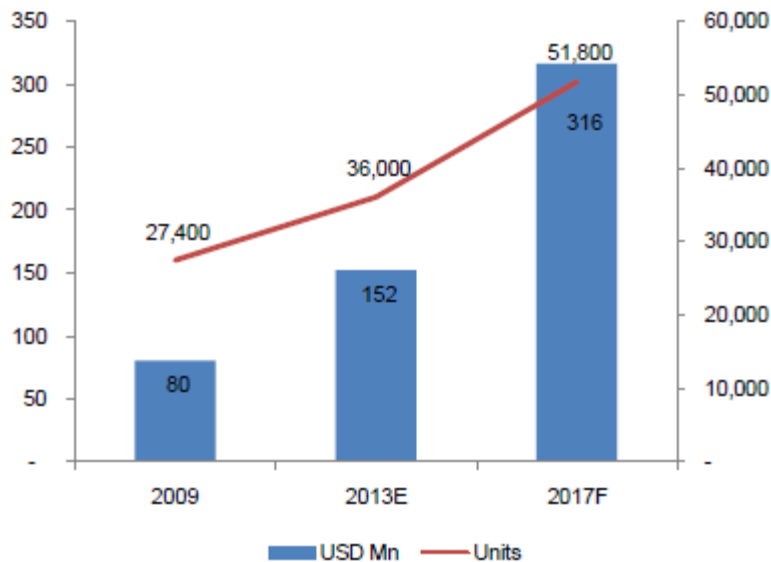
- Huge variation in the share of potatoes storage capacity and revenue generation
- Share of multi purpose cold storages is low in storage capacity but high in revenue generation
 - There is growing focus towards multi-purpose cold storages

Source: Assocham

India offers great market potential for cold chain logistic solution providers, including refrigerated transport



Temperature Controlled Vehicles Market in India



Source: Assocham, Reed Analysis

According to industry estimates, approximately 104 million metric tons of perishable produce is transported between cities each year

- of this figure, about 100 million metric tons moves via non-reefer mode and only four million metric tons is transported by reefer
- Even though, India has about 250 reefer transport operators (mostly small & non integrated firms) that transport perishable products and >30,000 refrigerated vehicles currently ply in India
- Majority of the refrigerated vehicles (~80%) are utilized for milk and milk products transportation
- The high cost of transportation is a major challenge for refrigerated vehicles market
- Key growth drivers include meat products export , rising demand for confectionary, frozen food etc.

The Government of India recognizes that development of cold chain is an essential next step in upgrading India's food processing industry and therefore offers many incentives for promoting growth



FDI in India

- 100% FDI allowed through automatic route

Infrastructure status

- Indian government has given Cold Chain industry infrastructure status

Viability gap funding

- Upto 40% viability gap funding provided by banks in India

Tax benefits

- Subsidy of over 25% to 33.3% on the cold storage project cost

NCCD established

- Established in 2011, to look in to matters related to cold chain infrastructure

Food Parks & Integrated Cold Chain Development

- Proposed financial outlay for cold chain infrastructure & food parks of ~ \$335m and \$650m respectively. Over 50%-70% capital grant on projects

Thank you for reading.

For further queries please contact

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