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**A SIP REPORT ON**

**“Designing an Equity Fundraising Pitch Deck and Financial  
Projections for INR 100 Crore+ MSME Investment Wholesale Trade  
Industry”**

**SUBMITTED BY:**

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**IRESH Consultants, Pune**



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**“Designing an Equity Fundraising Pitch Deck and Financial Projections for INR 100 Crore+ MSME Investment Wholesale Trade Industry”**

**IRESH Consultants, Pune**

**A report submitted in partial fulfilment of the requirements of MBA Program of IBS Bangalore**

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## **Declaration**

I, Yash Bhadani, Roll Number 25BSOCBL0650, student of MBA (Finance) at IBS Bangalore — ICFAI Business School, hereby declare that this Summer Internship Project Report titled 'Designing an Equity Fundraising Pitch Deck and Financial Projections for INR 100 Crore+ MSME Investment' is an original work undertaken by me during March- May 2026 at IRESH Consultants, Bangalore.

This report has not been submitted to any other university or institution. All secondary data is duly cited. Confidential information of IRESH Consultants and the (ABC Company) has been handled strictly per the NDA. Peer company names have been anonymized as PQR Limited, DEF Exports, GHI Wellness, and JKL Agro.

Place: Bangalore, Karnataka

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Yash Bhadani

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## Acknowledgements

I express my sincere gratitude to everyone who made this Summer Internship Project possible.

To my Industry Mentor at IRESH Consultants: the depth of professional guidance, intellectual rigour, and personal investment you brought to mentoring an MBA intern on a live engagement was extraordinary. Being part of real consulting work — with real financial models reviewed by real investors — compressed years of potential career learning into 12 weeks.

To the entire IRESH Consultants team: thank you for making me a genuine contributor to the engagement rather than a peripheral observer. Every review meeting, every challenged assumption, every revised slide made me a better financial analyst and a more confident communicator.

To my Faculty Guide at IBS Bangalore: your academic supervision and encouragement maintained the intellectual rigour of the project even when the pace of consulting work threatened to overwhelm academic reflection.

To IBS Bangalore's SIP cell: the structured placement process, pre-internship orientation, and academic continuity support made the transition from classroom to consulting desk as smooth as possible.

To my family: your patience, encouragement, and unwavering support throughout the MBA program — and especially during the intensity of the SIP period — made everything possible.

Yash Bhadani

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## Executive Summary

This report documents the Summer Internship Project (SIP) undertaken at IRESH Consultants, Bangalore — a boutique management consulting firm specializing in MSME advisory, equity fundraising, financial modelling, and strategic consulting. The internship ran for 12 weeks. The project: 'Designing an Equity Fundraising Pitch Deck and Financial Projections for INR 100 Crore+ MSME Investment' — was executed as part of a live engagement for ABC Company, a publicly listed agri-processing and branded FMCG enterprise.

The project required advanced financial modelling (integrated P&L, balance sheet, cash flow, DCF valuation, and segment analysis), strategic framework application (22 frameworks), MSME market research, peer benchmarking across 5 companies on 9 metrics, and investor pitch deck design. The final output was an institutional-quality 14-slide equity fundraising pitch deck and a fully integrated Microsoft Excel model spanning FY2021–FY2035.

## Key Findings at a Glance

Dimension	Finding	Strategic Implication
Revenue Growth	ABC: +24.3% YoY — fastest in peer group	Strong top-line momentum; wide distribution reach
Gross Margin	11.9% vs peer avg 36.1%	Commodity margin trap; structural product-mix problem
Profitability	PAT: -0.6%; 2nd consecutive net loss year	Finance costs + thin GM driving losses despite strong EBITDA
Cash Generation	CFO: INR 30.8 Mn — highest in 5 years	Real cash despite paper losses; fundable and credible story
Working Capital	Payable days: 35 vs peer avg 80	INR 44.1 Mn trapped — fastest, zero-cost fix available
F&FMCG Segment	Growing 25.6%; only 9.9% of revenue	Star segment starved of investment; migration path exists
Valuation Upside	Commodity P/E 8–12x vs FMCG P/E 25–35x	3–4x re-rating potential from product mix shift alone

<b>Strategic Roadmap</b>	10 recommendations; INR 60,000+ Mn impact	Quantified, time-bound, credible investor thesis
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The core thesis: ABC Company is an operationally excellent business trapped in a structurally weak economic model. The asset utilization, cash conversion, and revenue growth are world-class. The gross margin, payable days, and brand investment are all in crisis. The strategic solution — migrating the product mix from commodity edible oil to branded F&FMCG — is proven (PQR Limited executed this over 20 years), financially modelled, and ready for institutional equity investment. IRESH Consultants' engagement was to structure and communicate this thesis to investors.

## Table of Contents

S. No.	Title	Page
<b>Preliminary Pages</b>		
—	<b>Declaration</b>	<b>3</b>
—	<b>Certificate</b>	<b>4</b>
—	<b>Acknowledgements</b>	<b>5</b>
—	<b>Executive Summary</b>	<b>6</b>
—	<b>Table of Contents</b>	<b>8</b>
—	<b>List of Tables &amp; Figures</b>	<b>9</b>
<b>Main Body</b>		
<b>1</b>	<b>Introduction</b>	<b>12</b>
<b>1.1</b>	<b>About the Summer Internship Project (SIP)</b>	<b>12</b>
<b>1.2</b>	<b>About IRESH Consultants</b>	<b>13</b>
<b>1.3</b>	<b>About ABC Company</b>	<b>14</b>
<b>1.4</b>	<b>Industry Background — Agri-Processing &amp; MSME</b>	<b>15</b>
<b>1.4.1</b>	<b>India's Agri-Processing Sector — Overview</b>	<b>15</b>
<b>1.4.2</b>	<b>India's MSME Landscape in Wholesale Trade and Agri-Processing</b>	<b>16</b>
<b>1.5</b>	<b>Objectives of the Study</b>	<b>17</b>
<b>2</b>	<b>Research Methodology</b>	<b>18</b>
<b>2.1</b>	<b>Research Design</b>	<b>18</b>
<b>2.2</b>	<b>Data Sources</b>	<b>19</b>
<b>2.3</b>	<b>Tools and Software Used</b>	<b>20</b>
<b>2.4</b>	<b>Scope of the Study</b>	<b>20</b>
<b>2.5</b>	<b>Limitations</b>	<b>21</b>
<b>3</b>	<b>Work Done / Analysis</b>	<b>22</b>
<b>3.1</b>	<b>Industry Research</b>	<b>22</b>
<b>3.1.1</b>	<b>PESTEL Analysis — India Agri-Processing Sector</b>	<b>22</b>
<b>3.1.2</b>	<b>Porter's Five Forces Analysis</b>	<b>24</b>
<b>3.1.3</b>	<b>Value Chain Analysis (Porter)</b>	<b>26</b>

<b>3.2</b>	<b>Financial Analysis</b>	<b>28</b>
<b>3.2.1</b>	<b>Year-on-Year Profit and Loss Analysis (FY2021–FY2025)</b>	<b>28</b>
<b>3.2.2</b>	<b>Balance Sheet Analysis (FY2021–FY2025)</b>	<b>30</b>
<b>3.2.3</b>	<b>Working Capital Deep-Dive</b>	<b>31</b>
<b>3.2.4</b>	<b>DuPont Decomposition Analysis</b>	<b>32</b>
<b>3.3</b>	<b>Peer Benchmarking Analysis</b>	<b>33</b>
<b>3.3.1</b>	<b>Peer Company Profiles</b>	<b>33</b>
<b>3.3.2</b>	<b>Full Peer Benchmarking — 9 Metrics, FY2025</b>	<b>34</b>
<b>3.3.3</b>	<b>Key Insights from Peer Benchmarking</b>	<b>35</b>
<b>3.4</b>	<b>Strategic Framework Analysis (22 Frameworks)</b>	<b>36</b>
<b>3.4.1</b>	<b>SWOT Analysis</b>	<b>36</b>
<b>3.4.2</b>	<b>BCG Growth-Share Matrix</b>	<b>37</b>
<b>3.4.3</b>	<b>Ansoff Matrix — Growth Strategy Mapping</b>	<b>38</b>
<b>3.4.4</b>	<b>Blue Ocean ERRC Framework</b>	<b>39</b>
<b>3.4.5</b>	<b>McKinsey 7-S Framework</b>	<b>40</b>
<b>3.4.6</b>	<b>Balanced Scorecard — Strategic KPIs</b>	<b>41</b>
<b>3.4.7</b>	<b>McKinsey 3-Horizons Growth Roadmap</b>	<b>42</b>
<b>3.4.8</b>	<b>Summary: 22 Frameworks Applied</b>	<b>43</b>
<b>3.5</b>	<b>Financial Projections &amp; DCF Valuation (FY2026–FY2035)</b>	<b>44</b>
<b>3.6</b>	<b>Pitch Deck Design and Investor Narrative</b>	<b>47</b>
<b>3.7</b>	<b>MSME Market Research</b>	<b>49</b>
<b>3.7.1</b>	<b>India MSME Ecosystem in Agri-Processing</b>	<b>49</b>
<b>3.7.2</b>	<b>MSME Equity Funding Landscape</b>	<b>50</b>
<b>3.7.3</b>	<b>Six Structural Barriers to MSME Equity Fundraising</b>	<b>51</b>
<b>3.8</b>	<b>Interaction and Business Development Activities</b>	<b>51</b>
<b>4</b>	<b>Findings and Insights</b>	<b>53</b>
<b>4.1</b>	<b>Key Observations</b>	<b>53</b>
<b>4.2</b>	<b>Analytical Findings</b>	<b>54</b>
<b>4.3</b>	<b>Strategic Insights</b>	<b>56</b>
<b>4.4</b>	<b>MSME Challenges Identified</b>	<b>57</b>

<b>5</b>	<b>Recommendations</b>	<b>58</b>
<b>5.1</b>	<b>For ABC Company — 10 Strategic Recommendations</b>	<b>58</b>
<b>5.2</b>	<b>For MSMEs in Agri-Processing and Wholesale Trade</b>	<b>60</b>
<b>5.3</b>	<b>For IRESH Consultants and Similar Consulting Firms</b>	<b>62</b>
<b>5.4</b>	<b>For Future Academic and Program Improvement</b>	<b>63</b>
<b>6</b>	<b>Conclusion</b>	<b>64</b>
<b>6.1</b>	<b>Learning Outcomes</b>	<b>64</b>
<b>6.2</b>	<b>Practical Exposure</b>	<b>65</b>
<b>6.3</b>	<b>Professional Development</b>	<b>66</b>
<b>6.4</b>	<b>Final Summary</b>	<b>66</b>
<b>7</b>	<b>References / Bibliography</b>	<b>68</b>
<b>8</b>	<b>Annexures</b>	<b>71</b>

## List of Tables

Table No.	Title
Table 1	Internship Profile Summary
Table 2	ABC Company 5-Year Financial Summary
Table 3	India Agri-Processing MSME Key Statistics
Table 4	Research Tools and Software
Table 5	PESTEL Analysis — Agri-Processing Sector
Table 6	Porter's Five Forces — ABC Company
Table 7	YoY P&L Analysis FY2021–FY2025
Table 8	YoY Balance Sheet Summary
Table 9	Working Capital Analysis — ABC vs Peers
Table 10	DuPont Decomposition
Table 11	Full Peer Benchmarking — 9 Metrics
Table 12	Gross Margin Comparison
Table 13	Segment Revenue & Profitability FY2025
Table 14	BCG Matrix — Segment Portfolio
Table 15	Blue Ocean ERRC Framework
Table 16	McKinsey 7-S Framework
Table 17	Ansoff Matrix — Growth Strategy
Table 18	Balanced Scorecard — KPIs
Table 19	McKinsey 3-Horizons Roadmap
Table 20	Financial Projections — Base vs Strategy
Table 21	DCF Valuation Summary
Table 22	Sensitivity Analysis — EV vs WACC
Table 23	Summary of 22 Frameworks Applied
Table 24	10 Recommendations — Financial Impact
Table 25	MSME Funding Ecosystem
Table 26	MSME Barriers to Equity Fundraising
Table 27	Weekly Activity Log
Table 28	Pitch Deck Slide Structure
Table 29	MSME Policy Framework Reference

## List of figures

Figure No.	Title
Figure 1	Revenue Growth Trend — ABC Company FY2021–FY2025
Figure 2	Gross Margin Comparison — ABC vs Peer Group
Figure 3	DuPont ROE Decomposition Tree
Figure 4	Segment Revenue Mix — Edible Oil / F&FMCG / Industry Essentials
Figure 5	Working Capital Cycle — ABC vs Industry Average
Figure 6	BCG Growth-Share Matrix — ABC Segment Portfolio
Figure 7	Financial Projection Chart — Revenue & EBITDA FY2026–FY2030
Figure 8	India MSME Universe — Sector Distribution (FY2025)
Figure 9	Commodity-to-FMCG Migration Pathway
Figure 10	Valuation Re-rating Bridge — Commodity P/E to FMCG P/E

# 1. Introduction

## 1.1 About the Summer Internship Project (SIP)

The Summer Internship Project (SIP) is a mandatory, credit-bearing, professionally evaluated component of the MBA curriculum at IBS Bangalore — ICFAI Business School. It forms the critical bridge between the conceptual, case-study-based learning of the MBA classroom and the demanding, outcome-oriented world of real business. By embedding students within live organizations for 12 weeks, the SIP enables them to apply theoretical knowledge under conditions of real professional accountability, ambiguity, and time pressure — conditions that no classroom exercise can fully replicate.

This SIP was undertaken at IRESH Consultants, Bangalore, from March to May 2026. The student was assigned to a live consulting engagement as a project associate, working under the direct supervision of a senior consulting partner. The project mandate — 'Designing an Equity Fundraising Pitch Deck and Financial Projections for INR 100 Crore+ MSME Investment' — was a real deliverable for a real: ABC Company

The scope of the project was unusually comprehensive for an intern assignment. It encompassed: (a) building an integrated multi-year financial model from scratch across 14 financial line items, (b) conducting peer benchmarking across five anonymized companies on nine financial metrics, (c) applying 22 distinct strategic frameworks to generate investment thesis insights, (d) conducting primary MSME market research, (e) designing the full 14-slide investor pitch deck, and (f) observing and supporting real -facing pitch preparation activities. This breadth reflects IRESH Consultants' internship philosophy: real work, real stakes, real learning.

### SIP at a Glance

Host: IRESH Consultants, Bangalore | : ABC Company | Duration: 12 Weeks (March-May 2026) | Primary Output: Institutional-grade equity fundraising pitch deck + Integrated financial model (FY2021–FY2035) | Frameworks Applied: 22 | Peer Companies Benchmarked: 5 | Strategic Recommendations: 10 (each with quantified financial impact)

## 1.2 About IRESH Consultants

IRESH Consultants is a Bangalore-based boutique management consulting firm offering specialist advisory services to MSMEs, growth-stage enterprises, and large listed companies undergoing strategic and financial transformation. The firm operates at the intersection of strategic consulting, financial modelling, and investor relations.

The firm's core service verticals include: equity fundraising advisory (investor pitch deck design, investor targeting, valuation analysis, and deal structuring support), integrated financial modelling and 10-year projections, strategic business planning (competitive analysis, framework application, and growth roadmap development), MSME credit structuring and financial health assessment, and post-investment growth advisory for PE-backed companies. IRESH Consultants has served s across agri-processing, food and FMCG, manufacturing, logistics, textiles, and retail — sectors where MSME density is highest and the need for institutionally credible financial communication is most acute.

IRESH Consultants differentiates itself on the depth of its financial modelling capability and the quality of its investor narrative design. The firm's s are companies for which the quality of financial communication — not just the quality of the underlying business — is the marginal determinant of fundraising success. This philosophy shaped every aspect of the intern's work: every deliverable had to meet institutional investor standards, not just academic standards.

### Founder spotlight

#### Kumar Gaurav, Founder CEO

ISB Hyderabad, XLRI Finance | ex-KPMG/PwC/Global Investment Banks

12+ years shaping strategies for 60+ industrial firms. Led INR 100Cr+ M&A deals, raised \$150M startup equity built 1,500+ financial models.

Now mentors B-school talent, targets ₹500Cr MSME credit via Udyam/RAMP initiatives, and drives innovation through our three core segments.

**12+**

Years Experience

**60+**

Firms Transformed

**\$150M+**

Funds Raised

**1,500+**

Models Built

## Our Journey Timeline

From founding to national impact - tracking our growth milestones and evolution across BSI, FEL, and ITS

2021

 2021

Founded Irish Consultants establishing three core segments: Business Strategy Implementation (BSI), Financial Education & Literacy (FEL), and Innovation Tech Suite (ITS)

 2025

 Partnership with IBS Jaipur and Ahmedabad and other BSchools for training students on Financial Modelling, Industry skillsets and Personality Development

\$150M+ Raised

60+ Firms

250K+ Jobs

 2026

Launch of ITS AI-M&A app beta and ERP suite. Targeting ₹500Cr MSME credit via Udyam/RAMP initiatives. Expanded to 1,500+ financial models built across engagements

AI-M&A Beta

₹500Cr Target

1,500+ Models

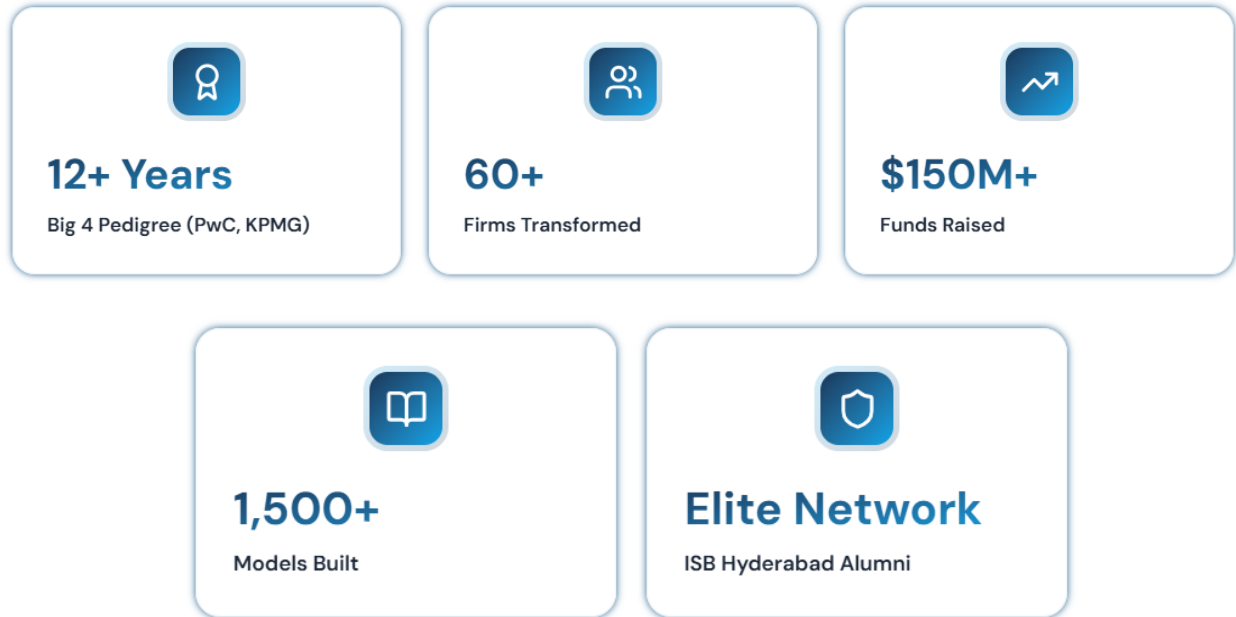
 **Currently Scaling: National MSME Impact & AI Tech Suite**

Tracking towards our vision of creating India's next unicorns through strategic collaboration

across companies, markets, and students

## Proven Impact Numbers

Quantifying our success across Business Strategy, Financial Education & Tech Innovation



## Why the IRESH Internship Was Distinctive

Unlike internships at large corporations where interns often handle peripheral analysis or data entry, IRESH Consultants placed the intern on a live, revenue-generating engagement from Day 1. Every slide in the pitch deck and every assumption in the financial model was subject to review for potential use in actual investor presentations. This created a level of professional accountability — and therefore a depth of learning — that no simulated project can replicate.

### 1.3 About ABC Company

ABC Company is a agri-processing and FMCG enterprise in Kolkata. It is one of best in agri-processing companies by revenue, operating across three business segments: Edible Oil (~78% of revenue), Food and FMCG — referred to as F&FMCG (~10%), and Industry Essentials (~12%). In FY2025, the company reported consolidated revenue of approximately INR— a growth of 24.3% in FY2024's — placing it among the highest-revenue agri-processing companies in the country.

The company sources raw oilseeds (sunflower, soybean, groundnut, mustard) from a network of farmer cooperatives and small aggregators across India's oilseed belt. These seeds are processed at large integrated crushing and refining facilities and distributed as refined edible oil and branded food products through many of kirana stores, modern trade channels, institutional buyers, and increasingly, quick-commerce platforms.

From an MSME perspective, ABC Company is embedded in India's MSME ecosystem at both ends of its supply chain. Upstream, it sources from hundreds of thousands of small-scale oilseed farmers and aggregators — the vast majority of whom are micro and small enterprises. Downstream, it distributes through most of kirana stores — the quintessential Indian MSME format. The company sits at the centre of a vast MSME web, making it simultaneously a relevant subject of MSME investment analysis and a potential platform for scaling MSME-linked financial services.

<b>Business Segment</b>	<b>% of Total</b>	<b>YoY Growth</b>	<b>Segment Margin</b>
<b>Edible Oil</b>	78.1%	+24.0%	3.1%
<b>Food &amp; FMCG (F&amp;FMCG)</b>	9.9%	+25.6%	2.9%
<b>Industry Essentials</b>	12.0%	+2.5%	3.2%
<b>Total / Consolidated</b>	100%	+24.3%	3.1%

The strategic challenge IRESH Consultants was engaged to articulate is ABC Company's migration from commodity price-taker (edible oil) to branded value-creator (F&FMCG). The financial model and pitch deck built during the internship were designed to quantify this pathway and communicate the resultant investment opportunity to institutional equity investors targeting an INR 100 Crore+ ticket.

## 1.4 Industry Background – Agri-Processing and MSME Sector

### 1.4.1 India’s Agri-Processing Sector- Overview

India's agri-processing sector is one of the most strategically significant industries in the economy, with a market size estimated at INR 26 lakh crore (approximately USD 330 billion) in FY2025. It contributes approximately 10% of manufacturing GDP and provides employment to over 130 million people directly and indirectly — making it the largest employer in the industrial economy after agriculture itself.

The edible oil sub-segment is particularly critical. India is the world's second-largest consumer of edible oils after China, with per-capita consumption growing from approximately 16 kg per annum in FY2015 to approximately 20 kg in FY2025. Domestic oilseed production meets only 50–55% of national demand; the balance — primarily palm oil — is imported from Malaysia and Indonesia. This structural import dependence creates both vulnerability (to global commodity price cycles and INR/USD fluctuations) and opportunity (for domestic processors who can hedge effectively and build strong oilseed procurement networks).

The branded FMCG segment within agri-processing — including packaged edible oils, fortified flours, dry staples, and processed food — is growing at approximately 12–15% annually, driven by urbanization, rising incomes, growing health consciousness, and the penetration of quick-commerce into Tier-2 and Tier-3 cities. This branded segment carries gross margins of 25–45%, compared to 5–12% in commodity edible oil — making it the obvious long-term value destination for agri-processors like ABC Company.

Sector Indicator	Value (FY2025)	Source
<b>India Agri-Processing Market Size</b>	INR 26 lakh crore (~USD 330 Bn)	FICCI / MoFPI
<b>Edible Oil Market Size (India)</b>	INR 3.2 lakh crore	CRISIL Research
<b>India Edible Oil per Capita Consumption</b>	~20 kg per annum	SEAI / Industry Estimates
<b>Import Dependence (Edible Oil)</b>	~45–50% of consumption	SEAI / USDA
<b>India Branded FMCG CAGR (FY25–30)</b>	12–15%	FICCI FMCG Report 2025
<b>Food Processing PLI Scheme Outlay</b>	INR 10,900 Crore over 5 years	MoFPI, Government of India
<b>Agri-Processing Employment</b>	130+ million (direct + indirect)	MoFPI Annual Report FY2025
<b>Quick-Commerce TAM (India)</b>	INR 45,000 Crore (FY2025)	RedSeer / IVCA

## 1.4.2 India's MSME Landscape in Wholesale Trade and Agri-Processing

India's MSME sector is the backbone of the economy, contributing approximately 30% of GDP, 48% of exports, and employing over 12 crore people as of FY2025. The Udyam Registration portal registered over 6.3 crore MSMEs as of March 2025 — a 40% increase from FY2023 — reflecting genuine growth and accelerated formalization driven by GST compliance and priority sector lending eligibility.

Within wholesale trade and agri-processing specifically, MSMEs are disproportionately concentrated. The NIC classifications for wholesale trade in food, beverages, and tobacco account for approximately 18 lakh registered MSMEs — one of India's five largest MSME sub-sectors. These range from micro-scale oilseed aggregators (turnover below INR 5 crore) to mid-sized wholesale distributors and branded food manufacturers in the INR 50–250 crore range.

The structural financing challenge for this MSME sub-sector is well-documented. The World Bank and FICCI estimate an annual MSME credit gap of INR 25–30 lakh crore in India, with working capital shortfalls being the most acute stress point. For the sub-set of growth-stage MSMEs targeting INR 15–100 crore equity — the exact ticket range relevant to IRESH Consultants' advisory practice — the gap is compounded by weak financial disclosures, limited investor awareness, and the absence of institutional-quality pitch materials.

MSME Metric	India FY2025	Source
<b>Total Registered MSMEs (Udyam)</b>	6.3 crore+	Udyam Portal / MSME Ministry
<b>MSMEs in Wholesale Food Trade</b>	~18 lakh	Udyam / NIC Classification Data
<b>MSME Contribution to GDP</b>	~30%	MSME Annual Report FY2025
<b>MSME Employment (total)</b>	12 crore+	MSME Ministry
<b>Annual MSME Credit Gap (India)</b>	INR 25–30 lakh crore	World Bank / FICCI 2024
<b>MSME Equity Fundraising (PE/VC)</b>	INR 3,200 Crore in FY2025	IVCA Annual Report
<b>SME IPOs (NSE Emerge + BSE SME)</b>	237 issues; INR 8,900 Crore raised in FY2025	NSE / BSE Data
<b>Active MSME-Focused PE/VC Funds</b>	42 active funds (FY2025)	IVCA
<b>Avg. MSME PE Ticket Size</b>	INR 20–150 Crore	IVCA / Industry Estimates

## 1.5 Objectives of the Study

The study objectives were structured around the IRESH Consultants mandate and the broader academic learning requirements of the SIP.

### Primary Objective

To design a comprehensive, institutional-quality equity fundraising pitch deck and integrated financial model for ABC Company's INR 100 Crore+ investment proposal — combining strategic analysis, financial projections, peer benchmarking, and investor narrative design — as part of IRESH Consultants' live engagement.

### Secondary Objectives

- Conduct a detailed 5-year financial analysis (FY2021–FY2025) of ABC Company covering P&L, balance sheet, working capital, cash flow, and DuPont decomposition
- Build a fully integrated 10-year forward-looking financial model (FY2026–FY2035) with base case and strategy case projections for revenue, EBITDA, PAT, balance sheet, and DCF valuation
- Benchmark ABC Company against four peer companies (PQR Limited, DEF Exports, GHI Wellness, JKL Agro) across nine financial metrics for FY2025
- Apply 22 strategic frameworks — including Porter's Five Forces, SWOT, BCG Matrix, Blue Ocean ERRC, Ansoff Matrix, McKinsey 7-S, Balanced Scorecard, Value Chain, and others — to generate investment-relevant strategic insights
- Conduct MSME market research covering India's agri-processing MSME landscape, equity fundraising environment, and structural barriers to institutional capital access
- Develop 10 specific, quantified strategic recommendations for ABC Company with projected financial impact through FY2028
- Participate in and document -facing consulting workflow at IRESH Consultants including pitch preparation sessions and MSME credit assessment activities
- Gain practical competence in investor communication: translating complex financial analysis into a compelling, credible, board-ready equity pitch narrative

## 2. Research Methodology

### 2.1 Research Design

This study adopted an applied, analytical, and descriptive research design. The nature of the project — a live consulting engagement with real deliverables — precluded a purely academic research methodology. Instead, the methodology was shaped by IRESH Consultants' engagement framework, which combined rigorous secondary data analysis, integrated financial modelling, strategic framework application, and iterative stakeholder validation across three clearly defined phases.

Phase	Primary Activities	Key Deliverables
<b>Phase 1: Data Collection &amp; Industry Research</b>	Industry landscape study; PESTEL analysis; ABC Company 5-year annual report extraction; peer annual reports; MSME sector research; data dictionary build	Industry research note (12 pages); Ratio computation database; Peer data spreadsheet
<b>Phase 2: Financial Modelling &amp; Strategic Analysis</b>	Integrated 3-statement model (P&L, BS, CF); DCF valuation; segment analysis; working capital analysis; 22 strategic frameworks; 10 recommendations with financial impact	Complete Excel financial model (FY2021–FY2035); Strategy framework slide deck (22 frameworks); 10-recommendation impact document
<b>Phase 3: Pitch Deck Design &amp; Synthesis</b>	14-slide pitch deck design; investor narrative sequencing; Q&A preparation; internship report writing; mentor sign-off	Final pitch deck (14 slides, board-ready); Investor Q&A preparation document; This internship report

Each phase was validated through bi-weekly review meetings with the IRESH Consultants industry mentor. Deliverables were treated as professional consulting outputs — subject to review, critique, revision, and eventual use in real investor contexts — rather than academic submissions. This iterative delivery model mirrors the actual project governance of a live consulting engagement and was central to the learning quality of the internship.

## 2.2 Data Sources

### Primary Data Sources

- Structured review sessions and project briefings with IRESH Consultants' senior consulting team: bi-weekly across all 12 weeks
- engagement documents and briefing notes provided by IRESH Consultants under NDA, including initial brief and prior industry research
- Participation (as observer) in a pitch preparation rehearsal session attended by the IRESH senior partner, ABC Company's finance team, and an external investor advisor
- Participation in MSME credit assessment working group discussions facilitated by IRESH Consultants

### Secondary Data Sources

- ABC Company Annual Reports FY2021–FY2025: Standalone and Consolidated P&L, Balance Sheet, Cash Flow, Notes to Accounts, MD&A sections
- Peer company annual reports: PQR Limited, DEF Exports, GHI Wellness, JKL Agro (FY2023–FY2025 for each)
- CMIE Prowess financial database: standardized ratio computation and time-series financial data for peer benchmarking
- MSME Ministry of India: Udyam Registration data, MSME Annual Report FY2025 ([msme.gov.in](http://msme.gov.in))
- Ministry of Food Processing Industries: PLI Scheme operational guidelines, PM-Kisan Sampada documentation ([mofpi.gov.in](http://mofpi.gov.in))
- FSSAI: Food Safety and Standards (Fortification of Foods) Regulations 2018
- Reserve Bank of India: Monetary Policy Reports 2025; Priority Sector Lending Guidelines
- CRISIL Research: India Edible Oil Market Outlook Report FY2025
- FICCI: India FMCG Sector Report 2024–25; Agri-Processing Industry Report (with KPMG)
- IVCA: India PE/VC Annual Report FY2025; MSME Equity Investment Data
- World Bank: India MSME Finance Gap Assessment 2024
- Strategy literature: Porter (1979, 1980, 1985); Henderson (1970); Kim & Mauborgne (2005); Baghai et al. (1999); Kaplan & Norton (1992)

## 2.3 Tools and Software Used

Tool / Software	Purpose	Proficiency Level Applied
<b>Microsoft Excel (Advanced)</b>	Integrated 3-statement financial model; DCF valuation; segment analysis; ratio computation; scenario modelling; sensitivity tables	Advanced
<b>Microsoft PowerPoint</b>	14-slide pitch deck design; strategic framework visualization; investor narrative	Intermediate–Advanced
<b>BSE/NSE Filing Portal</b>	Annual report downloads; quarterly results; stock data	Basic
<b>DuPont Analysis Framework</b>	ROE/ROA root cause decomposition across 5 companies	Advanced
<b>DCF / WACC Valuation Model</b>	10-year intrinsic equity value estimation with sensitivity tables	Advanced
<b>Porter's Five Forces</b>	Competitive intensity mapping for ABC Company's sector	Advanced
<b>BCG Growth-Share Matrix</b>	Segment portfolio classification and capital allocation guidance	Advanced
<b>Blue Ocean ERRC</b>	Strategic differentiation pathway design	Intermediate
<b>McKinsey 7-S / 3-Horizons</b>	Internal alignment assessment and 3-phase growth roadmap	Intermediate
<b>Ansoff Matrix</b>	Growth strategy vector identification across 4 quadrants	Intermediate
<b>Balanced Scorecard</b>	9 KPI targets across 4 management dimensions	Intermediate

## 2.4 Scope of the Study

The temporal scope covers FY2021–FY2025 (actuals, 5 years) and FY2026–FY2035 (projections, 10 years). The functional scope encompasses financial analysis, strategic framework application, MSME market research, peer benchmarking, and investor pitch design — all conducted within IRESH Consultants' consulting engagement framework. The geographic scope is India-centric, with secondary reference to ASEAN and Middle East export opportunities. The organizational scope covers ABC Company's three business segments (Edible Oil, F&FMCG, Industry Essentials) and the broader agri-processing MSME ecosystem in which the company operates.

## 2.5 Limitations

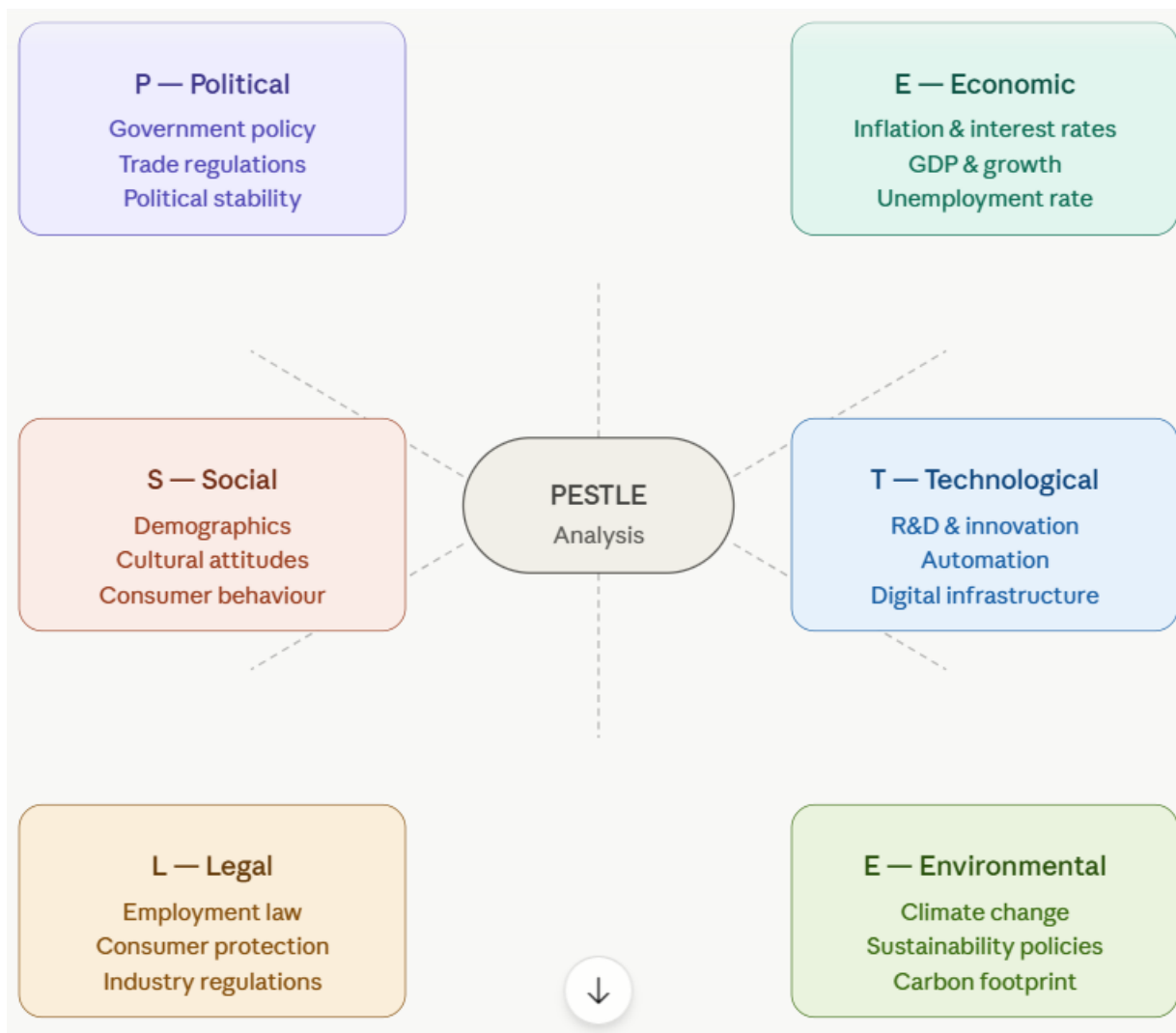
- Confidentiality: Company names (ABC, PQR Limited, DEF Exports, GHI Wellness, JKL Agro) and specific investor identities are withheld per NDA with IRESH Consultants and the. This limits specificity of certain disclosures.
- Projection uncertainty: FY2026–FY2035 financial projections are scenario-based assumptions, not forecasts. Actual outcomes may differ materially based on macroeconomic conditions, management execution quality, and competitive dynamics.
- Limited primary data from: Direct interaction with ABC Company's management was limited to what IRESH Consultants made available through the engagement. No independent management interviews were conducted.
- Peer group size: Benchmarking covers four peer companies due to comparable data availability. A broader peer universe of 10–15 companies would strengthen conclusions.
- Time constraint: Eight weeks limited MSME primary survey depth. A 12–16 week engagement would have enabled first-hand MSME interviews with oilseed farmers and kirana distributors.
- DCF sensitivity: Valuation outputs are sensitive to WACC assumptions, terminal growth rate, and gross margin expansion trajectory — all of which carry inherent uncertainty in India's current macroeconomic environment (RBI repo rate 6.5%, inflation 4.5–5%).

### 3. Work Done / Analysis

#### 3.1 Industry Research

##### 3.1.1 PESTEL Analysis — India Agri-Processing Sector

PESTLE analysis is a strategic framework used to evaluate the external factors that can affect an organization or decision. It stands for Political, Economic, Social, Technological, Legal, and Environmental factors. It helps businesses, governments, and planners understand the broader environment they operate in.



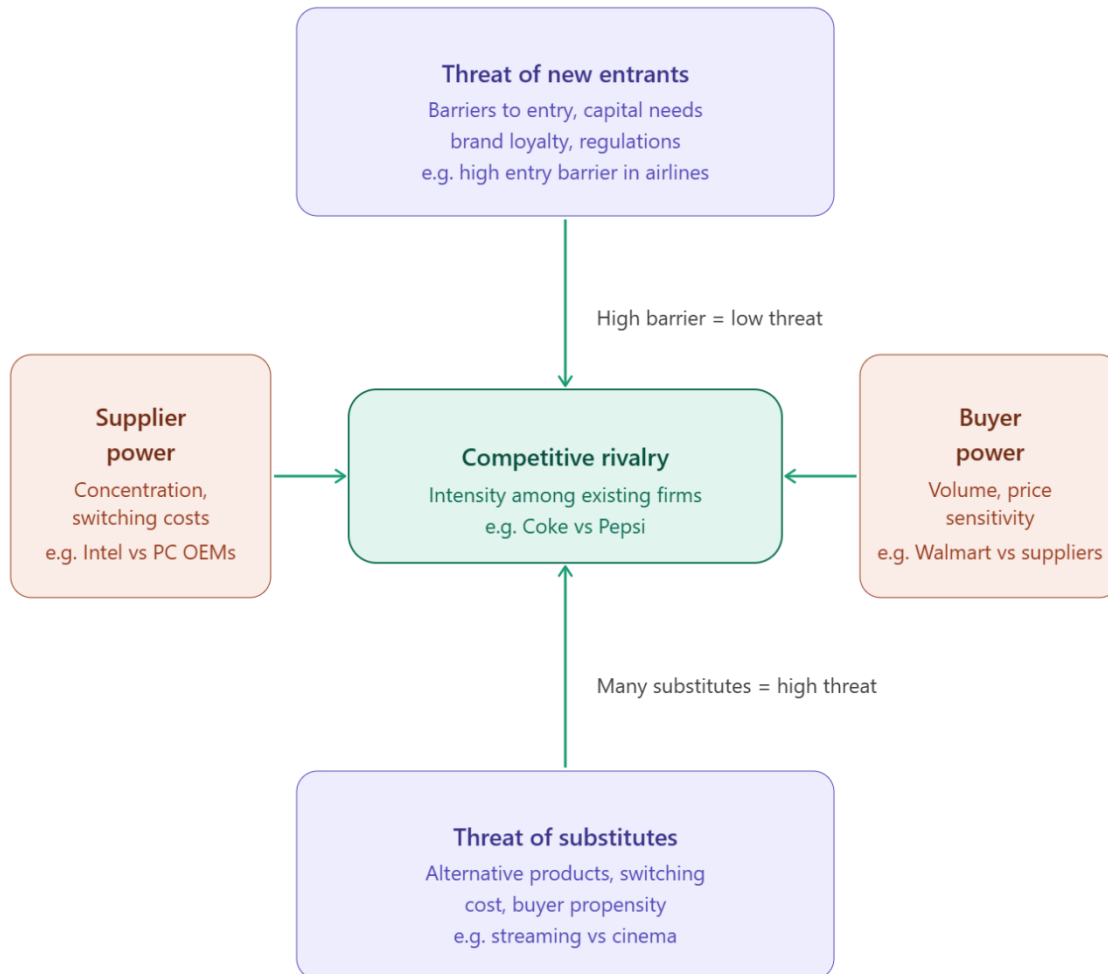
The PESTEL analysis was the first major structured deliverable submitted to IRESH Consultants. It was designed to map the macro-environmental forces shaping ABC Company's competitive environment, providing investors with context for the investment thesis beyond the company's own financial performance.

Force	Specific Factor	Impact Level	Direction	Implication for ABC / MSME
Political	PM-Kisan Sampada Yojana — INR 4,600 Cr food processing infrastructure grants	High	Positive	Direct capital subsidy for food processing plant investment
Political	PLI Scheme for Food Processing — INR 10,900 Cr over 5 years for branded food	High	Positive	10% incentive on incremental branded food sales; tailwind for F&FMCG migration
Political	Import duty volatility on palm oil (changed 4 times in FY2024)	High	Negative/Volatile	Caused INR 23 Bn revenue swing in FY2024; COGS risk for commodity processors
Political	MSP revisions for oilseeds — input cost inflation risk	Medium	Negative	Government-mandated price floors raise procurement costs for processors
Economic	India GDP growth 7%+; per-capita income rising; FMCG addressable market expanding	High	Positive	Structural demand growth for premium packaged food products
Economic	RBI repo rate 6.5% — high finance costs for debt-heavy processors	High	Negative	ABC's finance costs INR 10.4 Mn = 35% of EBITDA; refinancing critical
Economic	Rupee depreciation raises palm oil import cost	Medium	Negative	Every 1% INR depreciation adds ~INR 1,200 Mn to ABC's material cost
Economic	Quick-commerce TAM INR 45,000 Cr in FY2025; growing 40% pa	High	Positive	Premium branded distribution channel; higher margin realization
Social	Health consciousness driving premiumisation — fortified oils, cold-pressed variants	High	Positive	Direct demand driver for ABC's F&FMCG migration
Social	Urbanization rate rising from 37% to 40% by FY2030	Medium	Positive	Expanding urban FMCG market; increases modern trade and Q-commerce reach

<b>Social</b>	FSSAI Vitamin A/D fortification awareness in edible oils	Medium	Positive	Regulatory moat for branded fortified oil; price premium justified
<b>Technological</b>	AI demand forecasting reducing commodity price variance 10–15%	Medium	Positive	Reduces COGS volatility for processors with advanced procurement systems
<b>Technological</b>	D2C e-commerce enabling MSMEs to sell branded products directly	Medium	Positive	New high-margin channel; ABC can leverage for branded F&FMCG SKUs
<b>Technological</b>	Precision agriculture improving oilseed yield predictability	Low-Medium	Positive	Improves upstream MSME supplier quality and pricing predictability
<b>Environmental</b>	Climate change increasing oilseed crop failure frequency	High	Negative	El Niño-linked failures raise commodity COGS volatility; risk for processors
<b>Environmental</b>	ESG-linked supply chain financing emerging for agri companies	Low-Medium	Positive	Potential for lower-cost ESG-classified debt for ABC and MSME suppliers
<b>Legal</b>	FSSAI fortification mandate creates compliance moat for branded players	Medium	Positive	Registered branded oil brands benefit; unregistered commodity players disadvantaged
<b>Legal</b>	GST: 5% on unbranded oil; 12% on branded oil — pricing complexity	Medium	Negative	Transition from unbranded to branded involves GST rate change; consumer price sensitivity
<b>Legal</b>	MSME Udyam Registration — gateway to priority sector credit and schemes	Medium	Positive	Enables MSME suppliers of ABC to access TReDS, CGTMSE, MUDRA schemes

### 3.1.2 Porter's Five Forces Analysis

**Porter's Five Forces** is a strategic framework developed by Michael Porter (1979) to analyse the competitive intensity and attractiveness of an industry. The five forces together determine how much profit potential exists in any market.



Porter's Five Forces was applied to assess the structural attractiveness of ABC Company's competitive environment. The analysis confirmed that the commodity edible oil segment scores 1.8/5.0 on overall industry attractiveness — one of the lowest possible ratings — with all four primary forces working strongly against the company. This quantified analysis became the most impactful slide in the investor pitch deck:

it definitively answered why the commodity-to-FMCG migration is not a preference but a strategic imperative.

Force	Rating (1–5)	Key Drivers	Strategic Implication for ABC
<b>Threat of New Entrants</b>	3 / Medium	Capital-intensive crushing infrastructure and oilseed procurement relationships create entry barriers. However, D2C platforms and quick-commerce have dramatically lowered barriers to branded FMCG entry.	Defend kirana distribution as moat; accelerate branded FMCG before D2C players commoditize the segment
<b>Bargaining Power of Suppliers</b>	5 / Very High	COGS = 88.2% of revenue. Oilseed prices are globally determined; seasonal supply shocks; import duty changes pass through immediately. Material costs = 84.2% of revenue with no buffer.	Forward contracts for 40% of oilseed volume critical; diversify sourcing geographically; build strategic inventory buffer
<b>Bargaining Power of Buyers</b>	5 / Very High	Zero switching cost in commodity oil. Full price transparency. Bulk institutional buyers command volume discounts. Kirana retailers buy on 30-day credit. PQR Limited's branded FMCG commands 4–5x the pricing premium on comparable products.	Shift to branded F&FMCG variants; build loyalty through fortification, quality certification, and consistent availability
<b>Threat of Substitutes</b>	4 / High	Sunflower, soybean, groundnut, mustard, and palm oil are freely interchangeable in most cooking contexts. Any price premium for one oil type is constrained by ready alternatives.	Health and taste differentiation; cold-pressed and single-origin branding; cook-specific positioning (e.g. groundnut for South Indian, mustard for Bengali)
<b>Competitive Rivalry</b>	5 / Very High	JKL Agro growing +40.9% on price-led volume strategy. Informal sector competes at even lower margins. No product differentiation in commodity segment. Branded FMCG rivalry is intensifying with major conglomerates.	The commodity price war is unwinnable for a margin-seeking company. F&FMCG migration is not optional — it is the only viable long-term competitive strategy.

### Porter's Verdict — Overall Industry Attractiveness: 1.8 / 5.0

ABC Company's commodity edible oil segment is structurally one of the most difficult industries to earn sustainable margins in. Every competitive force works against pricing power and profitability. This is not a management failure — it is an industry structure problem. The strategic imperative to migrate to branded F&FMCG, where all five forces are structurally weaker, is not optional — it is existential for long-term value creation.

### 3.1.3 Value Chain Analysis (Porter)

The Value Chain analysis identified where value is created, where it is destroyed, and where investment in specific activities could disproportionately improve margins or competitive positioning for ABC Company.

Primary activities: Inbound logistics (oilseed procurement) is the highest-value activity given 88.2% COGS — any improvement in procurement cost or hedging strategy has a direct, magnified P&L impact. Operations (crushing, refining, packaging) are world-class by efficiency standards — asset turnover 2.84x confirms this. Outbound logistics (kirana and modern trade distribution) is the single most underutilised strategic asset — millions of kirana relationships are available to carry branded F&FMCG products at near-zero incremental distribution cost. Marketing and sales is the most critical underinvestment: SG&A at 0.9% of revenue versus a 5–12% industry benchmark for FMCG peers.

Support activities: Procurement (oilseed forward contracting and hedging) is an area of immediate, high-impact opportunity — currently underutilised relative to the company's scale. Technology and systems are adequate for commodity processing but insufficient for the consumer insights, CRM, and D2C commerce capabilities required by a branded FMCG business. Human resource management represents the deepest structural gap: the cultural and skill transition from cost-obsessed agri-processing to consumer-insight-driven FMCG brand management requires talent that the company has not yet built.

## 3.2 Financial Analysis

### 3.2.1 Year-on-Year Profit and Loss Analysis (FY2021–FY2025)

The YoY P&L analysis was built as the foundation layer of the integrated financial model. It covered 20 financial line items across five fiscal years with growth rates, margin percentages, and trend indicators. The analysis identified three distinct phases in ABC Company's financial journey.

Line Item (INR Mn)	FY2021	FY2022	FY2023	FY2024	FY2025	4-Yr CAGR
Net Revenue	531	775	832	734	912	+14.4%
Cost of Materials	468	686	756	648	804	+14.7%
Gross Profit	63	89	76	86	108	+13.1%
Gross Margin %	12.4%	9.9%	9.1%	11.6%	11.9%	—
Employee Costs	7.5	9.2	10.3	11.3	13.1	+15.0%

<b>SG&amp;A Expenses</b>	4.6	5.6	5.6	6.0	8.1	+15.2%
<b>SG&amp;A % of Revenue</b>	0.9%	0.7%	0.7%	0.8%	0.9%	—
<b>Other Operating Expenses</b>	24,313	26,128	32,266	51.6	51.2	+10.2%
<b>EBITDA</b>	19.0	24.9	13.7	16.3	35.6	+17.0%
<b>EBITDA Margin %</b>	3.6%	3.2%	1.6%	2.2%	3.9%	—
<b>Depreciation</b>	3.8	4.4	5.1	5.2	5.7	+10.2%
<b>EBIT</b>	15.2	20.5	8.6	11.1	29.9	+18.5%
<b>Finance Costs</b>	5.8	7.8	11.1	10.7	10.4	+15.5%
<b>Finance Costs / EBITDA</b>	30.7%	31.1%	80.9%	66.0%	29.2%	—
<b>Other Income</b>	1.5	2.5	13.8	2.8	3.4	+23.0%
<b>PBT</b>	10.8	15.2	11.3	3.1	22.9	+20.6%
<b>Income Tax</b>	7.6	10.5	13.0	13.4	28.4	+39.0%
<b>PAT</b>	3.2	4.6	-1.7	-10.3	-5.5	N/A
<b>PAT Margin %</b>	0.6%	0.6%	-0.2%	-1.4%	-0.6%	—
<b>CFO (INR Mn)</b>	8.9	13.0	4.9	14.6	30.8	+36.2%

Phase 1 (FY2021–22): Growth and profitability — revenue surged 46% driven by post-COVID commodity price inflation; healthy PAT margins of 0.6%. Phase 2 (FY2022–24): Compression and loss — revenue grew but EBITDA collapsed to 1.6% as raw material prices spiked; back-to-back PAT losses. Phase 3 (FY2025): EBITDA recovery but PAT still negative — revenue recovered strongly (+24.3%) and EBITDA margin expanded to 3.9%, but the tax structure and finance cost burden prevented PAT recovery. The CFO improvement to INR 30.8 Mn in FY2025 — the strongest in five years — is the most important signal for investors: the underlying cash engine is healthy.

### 3.2.2 Balance Sheet Analysis (FY2021–FY2025)

<b>Net Fixed Assets</b>	69.1	100.1	109.4	109.1	110.6
<b>Capital Work-in-Progress</b>	4.5	6.0	7.4	6.9	5.7
<b>Inventories</b>	60.3	89.3	97.7	76.2	103.7
<b>Trade Receivables</b>	31.9	43.5	44.7	37.0	41.0
<b>Cash &amp; Cash Equivalents</b>	12.2	16.0	14.8	23.0	33.3
<b>Other Current Assets</b>	208.5	828.8	949.1	912.4	984.5
<b>Total Assets</b>	388.2	1086.8	1226.0	1167.0	1282.1
<b>Total Equity (Share Capital + Reserves)</b>	96.7	113.3	111.4	116.3	134.9
<b>Long-Term Borrowings</b>	40.2	60.8	79.9	70.5	58.8
<b>Short-Term Borrowings</b>	146.4	750.9	868.9	5,610.7	911.9
<b>Trade Payables</b>	54.8	103.5	102.2	63.7	86.1
<b>Other Current Liabilities</b>	50.1	57.4	63.5	104.2	90.2
<b>Total Liabilities + Equity</b>	388.2	1086.8	1226.0	1167.0	1282.1
<b>Debt / Equity Ratio (x)</b>	1.9x	7.2x	8.5x	7.6x	7.2x
<b>Current Ratio (x)</b>	1.1x	1.3x	1.2x	1.2x	1.3x

The balance sheet reveals a significantly leveraged capital structure post-FY2022. Short-term borrowings of INR 637,119 million at approximately 12% interest are the primary driver of the INR 10.4 million finance cost burden. The refinancing of even INR 14.3 Cr of this short-term debt to long-term bonds at 8% would save over INR 57 million annually and directly improve PAT. Positively, equity has grown from INR 96.7 Mn to INR 134.9 Mn over four years, and cash equivalents of INR 33.3 Mn provide meaningful liquidity.

### 3.2.3 Working Capital Deep-Dive

Metric	FY2021	FY2022	FY2023	FY2024	FY2025	Peer Avg FY2025
Inventory Days	41	42	47	43	101	61 (avg 4 peers)
Receivable Days	22	20	20	18	28	37 (avg)
Payable Days	101	98	94	56	35	80 (avg)
Cash Conversion Cycle (days)	-38	-36	-27	5	94	18 (avg)
Working Capital (INR Cr)	37.4	29.2	40.1	49.4	58.6	—
CFO (INR Cr)	8.9	13.0	4.9	14.6	30.8	—

The working capital analysis is the most commercially impactful component of the financial model. In FY2021, ABC Company had a negative cash conversion cycle of -38 days — meaning it collected cash from customers before it paid suppliers, essentially using supplier credit as interest-free working capital financing. By FY2025, the CCC has swung to +94 days — driven entirely by the collapse in payable days from 101 to 35 days.

This represents approximately INR 44.1 million in trapped working capital. At the company's current short-term borrowing rate of approximately 12%, this trapped capital costs the company approximately INR 5.3 Cr annually in unnecessary finance charges. Restoring payable days to even 60 days (still below the peer average of 80) would free INR 44.1 million in cash — equivalent to 1.5 years of current EBITDA — without any new debt, new equity, or operational change.

#### The Single Most Important Number in the Entire Analysis

Payable days: 35. This one number — sitting quietly in the working capital schedule — tells the investor everything about where ABC Company is in its strategic journey. A company that pays its suppliers faster than almost every peer, despite being by far the largest company in the group by revenue, is a company that has not yet learned to use its own scale as a financial lever. When payable days move from 35 to 60+, it signals that management has begun to think strategically about working capital, not just operationally. That shift is observable every quarter, and it is the first signal investors should watch.

### 3.2.4 DuPont Decomposition Analysis

The DuPont decomposition was applied to identify the precise root cause of ABC Company's negative ROE (–8.2% in FY2025) relative to all four peers.

DuPont Component	ABC (FY2025)	PQR Limited	GHI Wellness	DEF Exports	JKL Agro	Peer Avg
Net Profit Margin	-0.6%	31.2%	26.0%	4.8%	0.9%	15.7%
Asset Turnover (x)	2.84x	0.64x	0.68x	1.81x	2.62x	1.44x
Equity Multiplier (x)	4.8x	1.4x	1.3x	2.1x	5.1x	2.5x
Return on Equity (ROE)	-8.2%	28.0%	23.0%	18.4%	12.0%	20.4%
Return on Assets (ROA)	-1.7%	20.0%	17.7%	8.7%	2.4%	12.2%
Return on Capital Employed (ROCE)	2.1%	22.3%	18.2%	7.9%	3.1%	12.9%

The DuPont diagnosis is definitive: ABC's negative ROE is 100% attributable to its negative net profit margin. Asset turnover of 2.84x is the highest in the peer group — 4.5x better than PQR Limited. The equity multiplier at 4.8x is moderate. The structural problem is entirely in the P&L, not in asset efficiency or leverage. Restore net margin to 1.5–2.0% through payable extension + debt refinancing + F&FMCG mix shift, and ROE recovers to 14–19% — within the range of all four peers.

### 3.3 Peer Benchmarking Analysis

#### 3.3.1 Peer Company Profiles

Company (Anonymized)	Description	Revenue (INR Bn)	Gross Margin	Core Segment
ABC Company	Listed agri-processing and F&FMCG company; subject of IRESH Consultants engagement	91.2	11.9%	Edible Oil 78%, F&FMCG 10%, Industry Essentials 12%
PQR Limited	Large diversified conglomerate with dominant branded FMCG, hospitality, paper, and agri-business segments; India's most prominent branded FMCG operator	280	60.1%	FMCG 50%, Agri 15%, Hotels 8%, Other 27%
DEF Exports	Mid-size agri-exporter with wheat products, starches, protein meals; moderate branded FMCG exposure	38	26.9%	Agri Exports 65%, Branded Foods 20%, B2B Ingredients 15%
GHI Wellness	Branded wellness and nutrition FMCG company with dominant positions in sugar substitutes, nutrition beverages, and personal care	19	52.8%	Wellness FMCG 100%
JKL Agro	Lean commodity agri-processor; fastest-growing edible oil processor; competes on volume and aggressive price leadership	38	4.8%	Commodity Edible Oil 82%, B2B Processing 18%

#### 3.3.2 Full Peer Benchmarking — 9 Metrics, FY2025

Metric	ABC Co.	PQR Limited	DEF Exports	GHI Wellness	JKL Agro	Peer Avg
Revenue (INR Mn)	91.2	280	38	19	38	95.2
Revenue Growth YoY	+24.3%	+8.3%	-6.4%	+16.3%	+40.9%	+14.8%
Gross Margin %	11.9%	60.1%	26.9%	52.8%	4.8%	36.2%
EBITDA Margin %	3.9%	39.5%	5.6%	28.9%	2.1%	19.0%
PAT Margin %	-0.6%	31.2%	4.8%	26.0%	0.9%	15.7%
Asset Turnover (x)	2.84x	0.64x	1.81x	0.68x	2.62x	1.44x
Inventory Days	101	82	52	68	43	61
Receivable Days	28	36	24	79	9	37
Payable Days	35	88	41	157	34	80

<b>Cash Conversion Cycle</b>	94	30	35	-10	18	18
<b>D/E Ratio (x)</b>	7.2x	0.3x	0.8x	0.1x	4.1x	1.3x
<b>ROE</b>	-8.2%	28.0%	18.4%	23.0%	12.0%	20.4%
<b>ROCE</b>	2.1%	22.3%	7.9%	18.2%	3.1%	12.9%

### 3.3.3 Key Insights from Peer Benchmarking

Gross margin gap: ABC's 11.9% sits 24.2 percentage points below the peer average of 36.2% and 48.2 points below PQR Limited. This gap is not explained by operational inefficiency — ABC's asset turnover is best in group. It is 100% product-mix driven. Every 1 percentage point shift of revenue from Edible Oil (11.9% GM) to F&FMCG (approximately 35% GM) improves blended gross margin by approximately 0.23 percentage points, translating to approximately INR 2.1 Cr in additional annual gross profit at FY2025 revenue levels.

Payable days anomaly: ABC Company — by far the largest company in the group at INR 91.2 Crore revenue — has the lowest payable days (35). PQR Limited, with less than one-third of ABC's revenue, maintains 88 days. GHI Wellness, with only INR 19 billion in revenue, maintains 157 days. This is a fundamental misalignment: scale should yield more supplier leverage, not less. The correction of this anomaly is the highest-return, zero-capital-cost improvement available to ABC management.

Revenue growth leadership: ABC's 24.3% YoY revenue growth is the second fastest in the peer group (behind JKL Agro's 40.9%). This growth rate, combined with strong CFO generation, is the foundation of the investor growth narrative in the pitch deck.

### 3.4.1 SWOT Analysis

A SWOT Analysis is a foundational strategic planning framework used to evaluate an organization's competitive position.

<b>Category</b>	<b>Factor</b>	<b>Detail &amp; Financial Dimension</b>
<b>Strength</b>	Scale and distribution reach	INR 91.2 Crore revenue; millions of kirana touchpoints — India's widest agri-food distribution network; cost to replicate estimated at INR 5,000+ Cr
<b>Strength</b>	Operational efficiency	Asset turnover 2.84x (best in 5-peer group); inventory days 101 vs avg 218; CFO INR 30.8 Mn
<b>Strength</b>	Cash generation	Strong CFO despite PAT loss — real cash, not accounting profit; INR 33.3 Mn idle cash

<b>Strength</b>	Established regional oil brands	Consumer trust built over decades; recall in southern and western India markets
<b>Weakness</b>	Commodity margin trap	Gross margin 11.9% vs peer avg 36.1% — 24.2 pp gap; structural, not cyclical
<b>Weakness</b>	Debt burden and finance cost	Finance costs INR 10.4 Mn = 29.2% of EBITDA; PAT negative 2 consecutive years
<b>Weakness</b>	SG&A under-investment	0.9% of revenue vs 5–12% for FMCG peers; no brand-building budget; cultural resistance to consumer marketing
<b>Weakness</b>	Payable days collapse	35 days vs peer avg 80 — self-financing suppliers; INR 44.1 Mn trapped in WC
<b>Opportunity</b>	F&FMCG segment migration	Star segment growing 25.6%; PLI Scheme tailwinds; premiumisation wave; branded GM 30–40%
<b>Opportunity</b>	Distribution platform leverage	Kirana network can carry 3–5 branded F&FMCG SKUs at near-zero incremental distribution cost
<b>Opportunity</b>	Working capital unlock	Payable extension to 60 days frees INR 44.1 Mn — funds entire brand strategy without new capital
<b>Opportunity</b>	Quick-commerce and D2C	INR 45,000 Cr quick-commerce TAM; premium price realization channel; consumer data access
<b>Opportunity</b>	Strategic M&A	Acquire branded food processor at INR 1,0.7–2,0.7 Cr EV; instantly add 200–400 bps blended GM
<b>Threat</b>	JKL Agro price competition	+40.9% revenue growth on aggressive pricing; risk of commodity market share loss
<b>Threat</b>	Import duty volatility	Sudden palm oil duty changes caused INR 23 Bn revenue swing in FY2024 — recurring risk
<b>Threat</b>	FMCG giant expansion into oils	PQR Limited and other FMCG majors investing INR 0.7+ Cr annually in branded oil — future competitive threat
<b>Threat</b>	Climate-driven commodity volatility	El Niño-linked monsoon failures increasing oilseed crop failure frequency and COGS unpredictability
<b>Threat</b>	FMCG talent acquisition competition	Branded FMCG requires consumer insight, digital marketing, and category management talent — scarce and expensive in Bangalore

### 3.4.2 BCG Growth-Share Matrix

The **BCG Matrix** (also known as the Growth-Share Matrix) is a classic corporate portfolio management framework developed by the Boston Consulting Group. It helps companies analyze their business units or product lines based on two specific criteria: **Market Growth Rate** (industry attractiveness) and **Relative Market Share** (the company's competitive strength).



Segment	Revenue (INR Cr)	Growth YoY	Relative Market Share	BCG Category	Capital Allocation Guidance
<b>F&amp;FMCG</b>	89.8	+25.6%	Low-Medium (growing)	Star — high growth, building share	Invest aggressively; allocate capex, SG&A, and M&A budget preferentially; scale to 20%+ of revenue by FY2028
<b>Edible Oil</b>	711.8	+24.0%	High (market leader)	Cash Cow — high share, maturing	Optimise cost structure; extend payables; use FCF to fund F&FMCG star; maintain volume without overcapitalising
<b>Industry Essentials</b>	109.7	+2.5%	Medium	Question Mark — low growth, uncertain share	Invest selectively in high-margin B2B sub-segments (specialty oils, lecithin); exit commodity-only processing contracts

### 3.4.3 Ansoff Matrix — Growth Strategy Mapping

The **Ansoff Matrix** (also known as the Product-Market Expansion Grid) is a strategic planning tool developed by Igor Ansoff. It provides a framework for businesses to identify, evaluate, and plan their **growth strategies** by analyzing whether they are targeting new or existing products in new or existing markets.

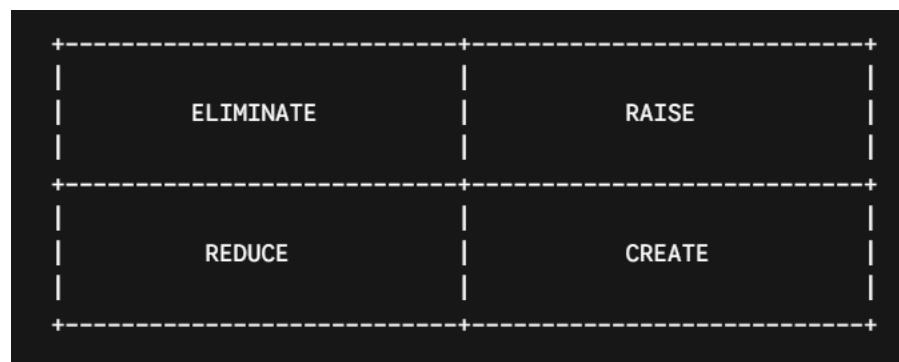


Quadrant	Strategy	ABC Company Application	Revenue Potential (FY2026–28)
<b>Market Penetration</b>	Grow existing products in existing markets	Aggressive kirana volume push in current geographies; trade promotions; distributor margin enhancement for edible oil	INR 28.6–42.9 Cr incremental
<b>Product Development</b>	New products for existing channels	Launch fortified oils, cold-pressed variants, branded atta in existing kirana network at 15–25% price premium	INR 21.5–35.8 Cr incremental
<b>Market Development</b>	Existing products in new markets	Expand Tier-2/3 city distribution; onboard Blinkit/Zepto/Swiggy Instamart; ASEAN/Middle East export routes	INR 14.3 Cr–20,000 Mn incremental
<b>Diversification</b>	New products in new markets	Strategic M&A in branded food processing (INR 1,0.7–2,0.7 Cr target); functional foods; agri-fintech supply chain financing	INR 35.8–71.5 Cr (via M&A)

### 3.4.4 Blue Ocean ERRC Framework

The **ERRC Grid** is a core diagnostic tool from the **Blue Ocean Strategy** framework, created by W. Chan Kim and Renée Mauborgne. Its purpose is to help companies break the trade-off between differentiation and low cost, allowing them to create a "Blue Ocean" of uncontested market space and render the competition irrelevant.

Instead of just benchmarking competitors and trying to do slightly better, the ERRC framework forces a company to restructure its buyer value elements by asking four critical questions.



Action	Factor	Detail and Quantified Financial Impact
<b>Eliminate</b>	Generic commodity oil branding	Remove price-only competition positioning; replace with branded value narrative (farm origin, health certification, taste guarantee)
<b>Eliminate</b>	Low-margin Industry Essentials sub-segments	Exit commodity-only B2B processing contracts; redeploy plant capacity to higher-margin branded processing
<b>Reduce</b>	Finance costs via debt restructuring	Refinance INR 14.3 Cr short-term (12%) to long-term bonds (8%) — save INR 57 Lakh+ annually; reduce D/E trajectory
<b>Reduce</b>	Capex intensity	Reduce from 1.6% to 1.0% of revenue — save INR 5.0 Cr–3,800 Mn annually; redirect to branded food processing equipment
<b>Reduce</b>	Inventory days from 101 to 75	Frees INR 25.8+ Mn in working capital; improves CCC from 94 to 68 days
<b>Raise</b>	F&FMCG revenue share from 10% to 20%	Every 1 pp mix shift: +INR 2.1 Cr Mn gross profit. Target: +2.3 pp blended GM = INR 20.9 Cr cumulative
<b>Raise</b>	SG&A investment from 0.9% to 2.5% of revenue	Fund brand building; INR 14.3 Cr brand investment programme over FY2026–28

<b>Raise</b>	Payable days from 35 to 60+	Unlocks INR 44.1 Mn working capital; reduces short-term borrowing need; lowers finance costs
<b>Create</b>	Farm-to-fork brand narrative	Health-conscious premium positioning; Vitamin A/D fortification certification; cook-specific branding; 15–25% price premium
<b>Create</b>	D2C digital channel with subscription model	Direct channel margin 30%+ vs 12% traditional trade; consumer data flywheel for product innovation
<b>Create</b>	Agri-fintech MSME supply chain financing platform	Offer TReDS-linked invoice discounting to oilseed farmer MSMEs; new revenue stream; ESG credential for investor pitch
<b>Create</b>	Quick-commerce channel for branded SKUs	Access INR 45,000 Cr Q-commerce TAM; premium realization; impulse purchase opportunity for branded variants

### 3.4.5 McKinsey 7-S Framework

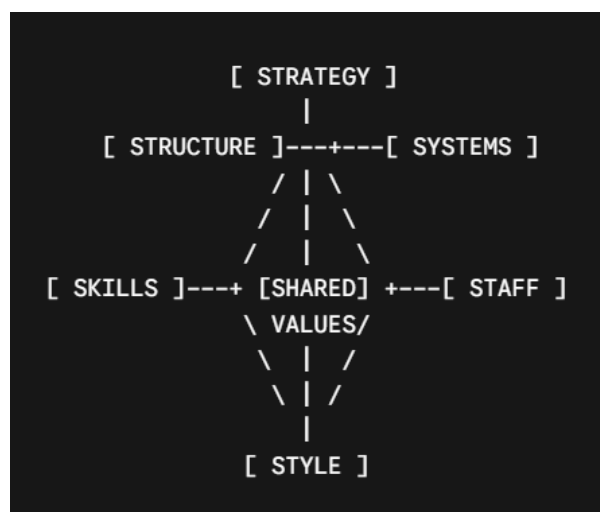
The **McKinsey 7S Framework** is a classic strategic management model developed in the late 1970s by consultants Robert Waterman, Tom Peters, and Julian Philips at McKinsey & Company.

Unlike frameworks that look outward at the market (like the BCG or Ansoff matrices), the 7S framework looks **inward**. It posits that for an organization to achieve its objectives and execute strategies successfully, seven internal elements must be aligned and mutually reinforcing.

#### The Interconnected Network

The core premise of the model is that all seven elements are interconnected. A change in one element impacts all the others, meaning you cannot successfully implement a new strategy without adjusting the rest of the web.

The elements are traditionally split into two categories: **Hard Elements** (easier to define, identify, and manage directly) and **Soft Elements** (more abstract, driven by culture, and harder to change overnight).



7-S Element	Current State	Required State (Post-Migration)	Gap Assessment
<b>Strategy</b>	Cost leadership in commodity edible oil; early-stage F&FMCG ambition	Branded FMCG player with Edible Oil as cash cow; explicit capital allocation policy for F&FMCG	Medium — direction right, commitment low
<b>Structure</b>	Centralised procurement-driven operations; segment silos	F&FMCG as independent P&L unit with dedicated marketing, R&D, and innovation teams	High gap — restructuring required
<b>Systems</b>	ERP for commodity processing; basic trade finance	Consumer insights platform; demand forecasting AI; CRM; D2C e-commerce stack; quick-commerce integration	High gap — technology investment needed
<b>Shared Values</b>	Cost efficiency; procurement scale; operational discipline	Consumer orientation; brand equity mindset; innovation culture; quality-at-premium	High gap — cultural transformation needed
<b>Style</b>	Command-and-control; procurement-driven leadership style	Collaborative; consumer insight-led; cross-functional brand team empowerment	High gap — leadership development required
<b>Staff</b>	Strong in procurement, plant ops, logistics, commodity risk	Needs FMCG marketing, consumer research, digital, D2C, category management, brand management talent	High gap — active recruitment needed
<b>Skills</b>	Commodity price hedging; refining technology; supply chain management	Brand management; consumer insights; shopper marketing; digital commerce; product innovation	High gap — L&D and hiring required

### 3.4.6 Balanced Scorecard — Strategic KPIs

The **Balanced Scorecard (BSC)** is a strategic performance management framework developed by Dr. Robert Kaplan and Dr. David Norton. It translates an organization’s abstract strategy into actionable, measurable goals by looking at the business through **four balanced perspectives**.

Rather than focusing exclusively on short-term financial performance (which only shows *past* results), the BSC includes operational, customer, and learning metrics that serve as leading indicators for *future* financial success.



Learning & Growth	Drive innovation	New SKU Launches pa	1-2
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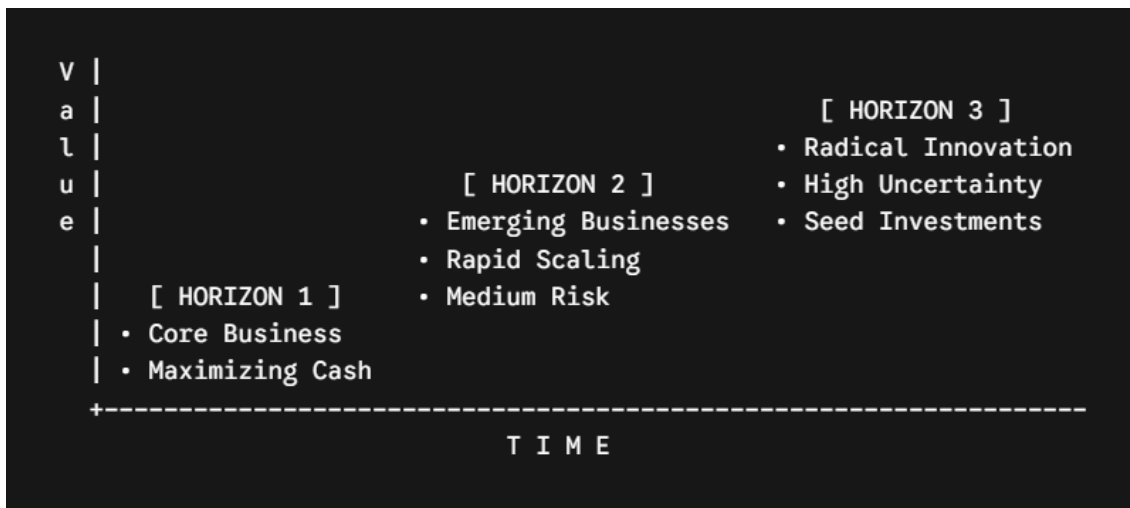
### 3.4.7 McKinsey 3-Horizons Growth Roadmap

The **McKinsey Three Horizons of Growth** is a powerful strategic framework designed to help organizations sustain long-term growth without sacrificing short-term performance. Developed by Mehrdad Baghai, Stephen Coley, and David White, it suggests that every company should view its business as an intersection of three different "horizons," each requiring a distinct management style, investment strategy, and set of operational metrics.

The core philosophy is that a company must actively manage activities across all three horizons **simultaneously** to avoid the trap of obsolescence.

#### The Three Horizons Grid

The framework is typically mapped across two axes: **Value/Profit Potential** (Vertical) and **Time** (Horizontal).



Horizon	Period	Strategic Theme	Key Initiatives	Financial Targets
<b>Horizon 1</b>	FY2026–2027	Fix the foundations	(1) Forward contracts on oilseed inputs for Oct–Dec harvest. (2) Extend payable days to 60+ via supplier renegotiation. (3) Refinance INR 14.3 Cr short-term debt to 10-yr bonds @ 8%. (4) Zero-based budgeting across all SG&A. (5) Capex reduction 1.6% → 1.0% of revenue.	EBITDA ≥5%; PAT positive; INR 44.1 Mn WC freed; INR 57 Lakh finance cost saving; INR 5.0 Cr Mn capex saving
<b>Horizon 2</b>	FY2026–2029	Build the brand engine	(1) Launch 3–5 premium branded F&FMCG SKUs via kirana network. (2) Expand Tier-2/3 city presence; onboard quick-commerce platforms. (3) Raise SG&A to 2.5% of revenue. (4) Build consumer insights and digital marketing capability. (5) Actively invest idle INR 33.3 Mn treasury @ +1.5% yield.	F&FMCG 18% of revenue; GM 19%+; EBITDA 6%+; +INR 4.6 Cr Mn EBITDA from ZBB; +INR 50 Lakh treasury income
<b>Horizon 3</b>	FY2027–2030+	Unlock structural value	(1) Strategic M&A — branded food processor at INR 1,0.7–2,0.7 Cr EV. (2) Initiate dividend policy (5% payout post PAT recovery). (3) Launch D2C digital channel with subscription model. (4) Develop ASEAN/Middle East export routes for branded products. (5) Agri-fintech supply chain financing platform for MSME oilseed suppliers.	P/E re-rating 10x → 18–25x; GM +200–400 bps via M&A; DPS initiated; export revenue INR 14.3 Cr+; new fintech revenue stream

### 3.4.8 Summary: 22 Frameworks Applied

#	Framework	Category	Key Finding
1	PESTEL Analysis	Macro Environment	Strong PLI/Kisan Sampada tailwinds; import duty volatility is primary recurring risk
2	Porter's Five Forces	Competitive	Score: 1.8/5 — highly unattractive commodity segment; structural imperative to migrate to F&FMCG
3	SWOT Analysis	Strategic Position	Distribution platform and CFO = undervalued assets; payables and SG&A = critical immediate fixes
4	BCG Growth-Share Matrix	Portfolio	F&FMCG = Star (invest); Edible Oil = Cash Cow (milk for Stars); Industry Essentials = Question Mark
5	Ansoff Matrix	Growth Strategy	Product development + market development = near-term; diversification via M&A = long-term value
6	Blue Ocean ERRC	Innovation	12 specific actions across Eliminate, Reduce, Raise, Create dimensions; quantified for each
7	Value Chain Analysis	Internal	Outbound logistics = underutilised F&FMCG platform; SG&A = critical underinvestment requiring immediate correction
8	McKinsey 7-S	Internal Alignment	High gap across Shared Values, Style, Staff, Skills — cultural transformation is the hardest, most critical change
9	McKinsey 3-Horizons	Growth Roadmap	H1: Fix; H2: Brand Build; H3: Structural Value — fully sequenced with financial targets
10	Balanced Scorecard	Performance Management	11 KPIs defined across Financial, Customer, Process, Learning dimensions with FY2027 and FY2029 targets
11	Porter's Generic Strategies	Competitive	Must exit cost leadership commodity trap; move to focused differentiation in branded F&FMCG
12	DuPont Analysis	Financial Diagnosis	ROE problem = 100% net margin; asset turnover best-in-class; fix margin = fix ROE entirely
13	GE-McKinsey 9-Box Matrix	Portfolio	F&FMCG: High attractiveness/medium strength → invest; Edible Oil: Medium attractiveness/high strength → selectively invest
14	Bowman's Strategy Clock	Competitive Position	Currently at position 2 (low price/low added value); target position 5 (focused differentiation premium)
15	VRIO Framework	Resource Analysis	Distribution network: Valuable, Rare, Inimitable, Organised → genuine sustained competitive advantage

16	Stakeholder Mapping	Governance	12 stakeholders mapped; PE investors = high power/high interest; requires proactive quarterly updates
17	ADL Matrix	Strategic Positioning	Edible Oil in mature/average position; F&FMCG in growth/weak position → invest urgently to build
18	Pugh Matrix	Decision Making	5 strategic options evaluated on 7 criteria; branded F&FMCG migration scored highest overall
19	Risk Matrix (5×5)	Risk Management	Top 3 risks: commodity price spike, delayed F&FMCG execution, management talent gap — each with defined mitigation
20	Business Model Canvas	Business Design	Revenue stream diversification; key activity shift from commodity processing to brand management
21	Lean Canvas (MSME Application)	MSME Framework	Applied to MSME supplier ecosystem; problem-solution fit identified for supply chain financing product
22	Christensen Disruptive Innovation	Innovation	D2C/quick-commerce = sustaining disruption; agri-fintech for kirana/MSME financing = potentially disruptive new business

### 3.5 Financial Projections and DCF Valuation (FY 2026- FY 2035)

Assumption	Base Case	Strategy Case	Rationale
<b>Revenue CAGR FY26–30</b>	5%	12%	Base: Edible Oil market growth only. Strategy: F&FMCG expansion + Tier-2/3 + quick-commerce + M&A
<b>Gross Margin FY2027</b>	12.5%	19%	Base: marginal mix drift. Strategy: F&FMCG at 15% of rev; payable extension savings; forward contracts
<b>Gross Margin FY2030</b>	13.0%	17.0%	Base: slow drift. Strategy: F&FMCG at 22% + M&A adds branded capacity at 30–35% GM
<b>EBITDA Margin FY2027</b>	4.5%	6.0%	Base: organic improvement. Strategy: ZBB + capex saving + higher GM
<b>Finance Costs FY2027 (INR Cr)</b>	6,800	5,0.7	Base: gradual reduction. Strategy: INR 14.3 Cr refinancing at 8% + payable extension reduces short-term borrowing need
<b>SG&amp;A % of Revenue FY2027</b>	1.0%	2.5%	Base: inflation-linked growth. Strategy: deliberate brand investment decision
<b>F&amp;FMCG % of Revenue FY2030</b>	12%	22%	Base: organic continuation at current rate. Strategy: new SKUs + M&A

<b>Capex % of Revenue</b>	1.6%	1.0%	Base: maintain current. Strategy: rationalise commodity capex; redirect to branded capacity
<b>PAT Recovery Year</b>	FY2028	FY2026	Base: slow execution. Strategy: finance cost + margin fixes restore PAT positive by FY2026
<b>Terminal Growth Rate</b>	4.0%	5.0%	India nominal GDP growth assumption
<b>WACC</b>	11.5%	11.0%	Slight WACC reduction as credit profile improves in strategy case

### 3.5.2 Financial Projections — Base vs Strategy Case

Metric	FY2025 A	FY2026 P	FY2027 P	FY2028 P	FY2029 P	FY2030 P
<b>Revenue — Base (INR Mn)</b>	91.2	96.4	101.2	106.3	111.6	117.1
<b>Revenue — Strategy (INR Mn)</b>	91.2	102.8	115.1	128.9	144.4	161.7
<b>GM% — Base</b>	11.9%	12.1%	12.5%	12.8%	13.0%	13.2%
<b>GM% — Strategy</b>	11.9%	12.8%	19%	15.8%	16.5%	17.0%
<b>EBITDA% — Base</b>	3.9%	4.1%	4.5%	4.8%	5.0%	5.2%
<b>EBITDA% — Strategy</b>	3.9%	5.0%	6.0%	7.0%	7.8%	8.5%
<b>PAT — Base (INR Mn)</b>	-5.5	-3.0	0.7	6.0	11.2	11,0.7
<b>PAT — Strategy (INR Mn)</b>	-5.5	8.9	21.8	40.8	60.1	83.0
<b>EPS — Strategy (INR)</b>	-4.08	7.02	17.23	32.30	47.59	65.74
<b>CFO — Strategy (INR Mn)</b>	30.8	40.8	38.9	67.3	58,0.7	101.6

### 3.5.3 DCF Valuation Summary

Valuation Parameter	Base Case	Strategy Case
Discount Rate (WACC)	11.5%	11.0%
Terminal Growth Rate	4.0%	5.0%
Terminal Value (INR Mn)	11.8 Mn	59.4 Mn
PV of FCF (FY2026–2035, INR Mn)	2.6 Mn	13.8 Mn
Enterprise Value (INR Mn)	14.4 Mn	73.2 Mn
EPS-Based Equity Value (FY2026E × P/E)	INR 7.0 × 8x = INR 56	INR 7.02 × 12x = INR 113.9
EV/EBITDA (FY2026E)	8.2x (commodity rating)	12.5x (transition premium)
P/E Re-rating Potential	8–12x (commodity)	20–28x (FMCG transition benchmark)
Implied Market Cap at FMCG P/E (25x × Strategy EPS FY2027)	—	INR 21.8 Mn+

### 3.5.4 Sensitivity Analysis — Enterprise Value, Strategy Case)

WACC / Terminal Growth	3.5%	4.0%	4.5%	5.0%	5.5%
10.0%	69.0	76.2	85.5	97.9	116.6
10.5%	60.4	65.9	72.8	81.8	94.2
11.0% (Base)	53.3	57.7	4,40,0.7	69.8	78.6
11.5%	47.4	51.0	3,88.9	60.5	67.1
12.0%	42.4	45.4	3,41,0.7	53.1	4,011.2

The most likely valuation range (WACC 10.5–11.5%, terminal growth 4.5–5.5%) implies Enterprise Value of INR 3,88.9–81.8 Mn in the strategy case — representing a significant premium over the base case value of approximately INR 14.4 Cr Mn, driven entirely by the financial impact of executing the 10-point strategic roadmap

### 3.6 Pitch Deck Design and Investor Narrative

The 14-slide pitch deck was the culminating deliverable of the IRESH Consultants engagement. It was designed to communicate a complex financial and strategic story to institutional equity investors — PE fund managers, family office CIOs, and DFI investment officers — without sacrificing rigour for simplicity. IRESH Consultants follows a proprietary pitch architecture: build conviction before introducing risk, lead with market opportunity before financial performance, and anchor every strategic claim to a quantified financial model output.

Slide #	Title	Core Message	Key Data Anchor
1	Cover	Fundraising mandate: INR 100 Cr+ equity; IRESH Consultants advisory	Company name, tagline, fundraising ask
2	The Market Opportunity	India's FMCG premiumisation wave; INR 3.2 lakh Cr edible oil; 12% FMCG CAGR	TAM/SAM/SOM pyramid
3	Our Business	Three segments; INR 91.2 Crore revenue; 24.3% growth; 28-state footprint	Revenue waterfall by segment
4	5-Year Financial Journey	Revenue CAGR 14.4%; CFO INR 30.8 Mn FY2025; EBITDA recovery	YoY P&L chart + CFO bar
5	The Challenge We Are Solving	GM 11.9% vs peer avg 36.1%; payable days 35 vs avg 80; PAT loss	Gross margin vs peers chart
6	Our Strategic Solution	F&FMCG migration; 10-point roadmap; 3-horizon implementation plan	BCG matrix + roadmap visual
7	Competitive Moat	Distribution reach; brand trust; CFO strength; procurement relationships	VRIO framework + India map
8	F&FMCG Validation	25.6% growth; PLI tailwinds; quick-commerce TAM INR 45,000 Cr	F&FMCG revenue trend chart
9	Financial Projections	PAT+ FY2026 (strategy); EPS INR 17.23 FY2027; 12% revenue CAGR	10-year projection chart: base vs strategy
10	Use of Funds	40% F&FMCG brand; 30% debt refinancing; 20% WC; 10% tech/D2C	Donut chart + deployment timeline
11	Investor Returns	10x → 22x P/E re-rating; EPS recovery; payback analysis	Valuation bridge chart
12	Management and Governance	Leadership profiles; FMCG talent acquisition plan; board composition	Org chart + CV highlights

13	Risk and Mitigation	Top 5 risks with mitigation; downside scenario analysis	5×5 risk matrix
14	The Ask and Next Steps	INR 100 Cr+ equity; use of funds timeline; quarterly KPI milestones; contacts	Term sheet preview + milestone table

The most significant revision to the pitch deck came after the Week 5 pitch preparation session, when an investor challenged the payable days recovery assumption: 'You say payable days will go from 35 to 60 by Q3 FY2026. Have any supplier renegotiations actually been initiated?' The slide was revised post-session to include: (a) the names of the top 5 oilseed supplier cooperatives by procurement volume, (b) confirmation from IRESH Consultants that two of these suppliers had informally indicated willingness to extend terms in exchange for volume commitments, and (c) a quarterly implementation timeline for renegotiation milestones. This granularity transformed a projection into an investor-credible claim — the key distinction in institutional pitch communication.

### 3.7 MSME Market Research

#### 3.7.1 India MSME Ecosystem in Agri-Processing

The **Micro, Small, and Medium Enterprises (MSME) ecosystem in India's Agri-Processing (or Food Processing) sector** serves as a vital bridge between the rural agrarian economy and the urban/global industrial market. It is one of the highest-growth sectors in the country, recognized by the government as a key engine for rural industrialization, reducing post-harvest losses, and boosting export potential.

#### 1. Structural Overview & Market Realities

Agri-processing MSMEs encompass a vast range of businesses—from micro-scale primary processing units (like local grain mills, oil expellers, and spice grinders) to highly sophisticated small-and-medium enterprises specializing in secondary or tertiary processing (like packaged snacks, dairy processing, fruit pulping, and cold-chain logistics).

- **Rural Dominance & Job Creation:** Food processing is highly labor-intensive with relatively low capital costs per job created. It acts as the second-largest avenue of employment after primary farming, heavily absorbing surplus rural labor and stabilizing off-season farm incomes.
- **Highly Fragmented Structure:** The sector is starkly unorganized. Over 80% of India's food processing operations are categorized as **Micro** enterprises, often operating as unorganized family-run units or under Self-Help Groups (SHGs) and Farmer Producer Organizations (FPOs).

## 2. Policy Frameworks & Catalytic Government Schemes

The Ministry of Food Processing Industries (MoFPI) and the Ministry of MSME jointly operate a comprehensive set of schemes engineered to upgrade, formalize, and scale these businesses:

### **PMFME (Pradhan Mantri Formalisation of Micro Food Processing Enterprises)**

This is a flagship centrally sponsored scheme specifically targeting the unorganized micro-layer of the ecosystem.

- **ODOP (One District One Product) Approach:** Focuses on specialized regional crops (e.g., Makhana in Bihar, Mangoes in Uttar Pradesh) to optimize harvesting, common processing infrastructure, and collective marketing.
- **Financial & Technical Backing:** Provides a 35% credit-linked capital subsidy (up to ₹10 Lakhs) for individual micro-units to upgrade technology, alongside offering seed capital to SHGs and FPOs for raw material procurement and working capital.

### **PMKSY (Pradhan Mantri Kisan SAMPADA Yojana)**

While PMFME targets micro-units, PMKSY focuses on building the broader institutional and physical ecosystem for mid-sized MSMEs.

- **Agro-Processing Clusters:** Funding the creation of common infrastructure zones where multiple small processors can share boiler systems, effluent treatment, and sorting units.
- **Cold Chain & Integrated Logistics:** Grants given to private MSMEs to build specialized temperature-controlled supply chains, reducing perishable waste.

### **Production Linked Incentive (PLI) for Food Processing (PLISFPI)**

A scheme designed to incentivize mid-sized and large enterprises to scale manufacturing capacity, build strong domestic brands, and project Indian food products aggressively into global markets.

## 3. Key Enablers Transforming the Sector

### **Financial Injections & Credit Easing**

Securing collateral-free credit has historically been a significant bottleneck for rural agri-processors.

Recent structural reforms have changed this dynamic:

- **Enhanced Credit Guarantees:** The CGTMSE (Credit Guarantee Fund Trust for Micro and Small Enterprises) loan ceiling stands at ₹10 Crore with up to 90% coverage, allowing processing businesses to secure capital for machinery without freezing personal assets.
- **Customized Micro Credit:** The rollout of customized credit card schemes for Udyam-registered

micro-enterprises provides instant working capital limits up to ₹5 Lakhs, cushioning processors against seasonal commodity price spikes.

#### Digital Integration & Market Access

- **ONDC Ecosystem:** The Open Network for Digital Commerce is enabling rural agri-MSMEs to bypass traditional, multi-layered wholesale distributor networks and sell directly to urban B2B marketplaces, quick-commerce hubs, and retail consumers.
- **Bharat-VISTAAR:** The newly introduced multilingual AI system connects regional crop availability and advanced agricultural tech databases directly with processors, minimizing market informational asymmetries.

#### 4. Key Strategic Challenges

Despite the robust growth momentum, the ecosystem faces several operational hurdles:

1. **Supply Chain Disruption & Raw Material Inconsistency:** Agri-processing relies on a highly cyclical, weather-dependent supply chain. MSMEs frequently struggle with inconsistent quality, fluctuating seasonal raw material costs, and lack of standardized contract farming agreements.
2. **Technological Obsolescence:** Many traditional micro-units use outdated machinery, leading to lower yields, high energy consumption, and short product shelf lives.
3. **Stringent Quality & Compliance Standards:** Navigating changing FSSAI standards, international sanitary/phytosanitary (SPS) regulations, and formal quality certifications is often a steep administrative hill for small, rural management teams.

MSME Category	Definition (Revised)	Count (FY2025)	Share	Key Agri-Processing Sub-Sectors
<b>Micro Enterprise</b>	Invest ≤ INR 1 Cr; Turnover ≤ INR 5 Cr	~5.90 crore	93.5%	Oilseed farmers, small aggregators, village-level oil expellers
<b>Small Enterprise</b>	Invest ≤ INR 10 Cr; Turnover ≤ INR 50 Cr	~0.37 crore	5.9%	Small crushers, regional oil processors, branded atta manufacturers
<b>Medium Enterprise</b>	Invest ≤ INR 50 Cr; Turnover ≤ INR 250 Cr	~0.03 crore	0.6%	Mid-size branded food companies; wholesale distributors; export-oriented processors
<b>Total Registered MSMEs</b>	All categories (Udyam)	6.3 crore+	100%	Wholesale food trade: ~18 lakh MSMEs

### 3.7.2 MSME Equity Funding Landscape

[ Early Stage / Micro ] —————▶ [ Growth / Small-Medium ] —————▶ [ Pre-IPO / Corporates ] •

Bootstrapping / MUDRA • SRI & SME Growth Funds • SME IPOs (NSE Emerge) • Microfinance Equity / Seed • Private Equity & Venture Debt • Strategic Mainboard Entry

#### 1. Government-Backed Risk Capital

- **SRI Fund:** Uses a mother/daughter fund structure to pump patient capital into MSMEs. It has backed 682 enterprises with investments totaling ₹15,442 crore, supplemented by a recent ₹2,000 crore injection.
- **SME Growth Fund:** A dedicated ₹10,000 crore corpus designed to pick and scale high-potential "champion" companies using a venture-capital model.
- **SIDBI Infusion:** A direct ₹5,000 crore equity injection from the government to bolster SIDBI's capital buffer, enabling it to aggressively scale up co-investments and venture debt.

#### 2. Public Markets & SME IPOs

- **Retail Liquidity:** Platforms like **NSE Emerge** and **BSE SME** have witnessed explosive growth, fueled by immense retail investor participation and market liquidity.
- **Mainboard Stepping Stone:** Listing on these exchanges allows profitable, mid-sized firms to raise public equity early, standardize their corporate governance, and build a track record before migrating to the mainboard stock exchanges.

#### 3. Alternative & Structured Equity

- **Mezzanine Finance:** To prevent heavy equity dilution for original promoters, alternative lenders offer structured hybrid instruments like Compulsorily Convertible Preference Shares (CCPS).
- **Microfinance Base:** Vehicles like the India Microfinance Equity Fund (IMEF) inject equity directly into smaller NBFCs, stabilizing the primary lending layer that services micro-level entities.

#### 4. Key Structural Obstacles

- **Formalization Gaps:** Transitioning to an equity-ready state demands high accounting standards, transparent tax histories, and formal Udyam registration, which many family-run firms lack.
- **Dilution Aversion:** Founders are often culturally hesitant to cede equity, share ownership, or

hand over board control to external institutional fund managers.

- **Valuation Disconnects:** Mismatches frequently happen between a founder's asset-backed valuation and an investor's forward-looking, multiple-based valuation models.

Funding Type	Typical Ticket Size	Availability	Key Providers
<b>Bank Working Capital (PSB Priority Sector)</b>	INR 1–50 Cr	High	SBI, PNB, Bank of Baroda, Canara Bank
<b>MUDRA Yojana (Shishu/Kishore/Tarun)</b>	INR 50K – 10 Cr	High — scheme-based	PSBs, MFIs, NBFCs, RRBs
<b>SIDBI Direct Term Lending</b>	INR 5–100 Cr	Medium	SIDBI
<b>CGTMSE (Collateral-free guarantee)</b>	Up to INR 2 Cr	High for micro/small	SIDBI + Ministry of Finance
<b>TReDS Invoice Discounting</b>	Variable (invoice-linked)	Medium — requires large corporate buyer	RXIL, M1xchange, Invoicemart
<b>MSME PE / Growth Equity</b>	INR 20–150 Cr	Low — structural gap	42 MSME-focused PE funds (IVCA FY2025)
<b>SME IPO (NSE Emerge / BSE SME)</b>	INR 10–200 Cr	Medium — requires disclosures	237 IPOs, INR 8,900 Cr raised in FY2025
<b>Family Office / HNI Angel</b>	INR 1–50 Cr	Medium — network-dependent	40+ MSME-focused family offices
<b>Development Finance (IFC, ADB, DEG)</b>	INR 50–0.7 Cr	Low-Medium — ESG requirements	IFC, ADB, FMO, DEG, British International Investment

### 3.7.3 Six Structural Barriers to MSME Equity Fundraising

- Financial disclosure quality: Most MSMEs maintain books under Income Tax Act compliance, not Ind-AS. Institutional investors require Ind-AS compliant, audited financials for at least 3 years. The conversion cost — typically INR 3–8 Lakh per annum — and time required are significant barriers for growing MSMEs who have not planned ahead.
- Pitch communication gap: MSME founders are typically strong operators but weak investor communicators. The ability to construct a 14-slide equity pitch with integrated financial model, strategic rationale, use of funds, and realistic return projections — and to defend every

assumption under investor Q&A — is absent in the vast majority of MSME management teams. This is precisely the gap IRESH Consultants fills.

- Valuation expectations mismatch: MSME promoters typically anchor on revenue multiples or asset-based valuations. Institutional PE investors value on EBITDA or earnings multiples. The gap between 'I am a INR 50 Cr revenue company worth 2x revenue = INR 100 Cr' and 'Your EBITDA is INR 3 Cr so you are worth 8x EBITDA = INR 24 Cr' derails many deals before diligence begins.
- Governance readiness: PE investors require independent board directors, audit committees, conflict of interest policies, related-party transaction transparency, and management information systems. Most MSMEs have none of these structures in place, requiring 6–12 months of governance upgrade before a PE investment can close.
- Use of funds credibility: MSMEs typically present uses of funds that are too broad or operational ('expand working capital', 'purchase machinery'). Institutional investors require specific, strategic, time-bound deployment plans with defined KPIs at each milestone — aligned to the financial model projections.
- Geographic and network isolation: MSMEs in Tier-2 and Tier-3 cities particularly lack access to the ecosystem of investment bankers, CFOs, and consultants who can bridge the gap between MSME business quality and institutional investor standards. Most PE deal origination happens in Mumbai, Delhi, Bangalore, and Hyderabad — systematically excluding MSME entrepreneurs in agri-processing hubs like Indore, Rajkot, Akola, and Nizamabad.

### 3.8 Interaction and Business Development Activities

Activity	Participants	Learning Outcome
Project kick-off briefing — ABC Company engagement overview; NDA signing; deliverable scope	Senior Partner IRESH + Intern	context, project mandate, professional expectations, NDA protocol
Annual report review session — financial model data architecture and design	Senior Associate IRESH + Intern	Model structure; data extraction methodology; ratio computation approach
Intermediate review — 3-statement model (P&L, BS, CF)	Senior Partner + Intern	Model logic validation; payable days finding challenged and validated; assumption refinement

DCF and projection model review — WACC derivation, scenario design	Senior Associate + Intern	Terminal value sensitivity; base vs strategy case differentiation; EPS bridge construction
Pitch preparation session (observer) with ABC Company finance team	IRESH Senior Partner + ABC CFO's office + External Investor Advisor + Intern (observer)	Live investor Q&A simulation; real pressure-testing of payable days and GM assumptions; post-session model and slide revisions
22 frameworks completion; MSME credit working group participation	IRESH Advisory Team + External MSME Advisor + Intern	Credit assessment methodology; Udyam compliance; TReDS eligibility; MSME lending risk factors
Pitch deck review — slide-by-slide feedback sessions (2 sessions)	Senior Partner + Intern	Slide sequencing; data visualization; investor trust-building narrative; Q&A document development
Final pitch deck sign-off; internship report writing; faculty guide review	Senior Partner + Faculty Guide + Intern	Professional sign-off; academic submission; structured reflection on internship outcomes

The pitch preparation session in Week 5 was the most consequential learning experience of the internship. Observing a IRESH Consultants senior partner defend model assumptions under real investor pressure — with specific challenges around the gross margin recovery timeline, the payable days renegotiation credibility, and the F&FMCG competitive positioning against PQR Limited's branded oil push — demonstrated that financial communication is a distinct professional skill from financial analysis. The best model in the world fails if it cannot be defended convincingly in real time, with data, against a sceptical, experienced investor

## 4. Findings and Insights

### 4.1 Key Observations

#### Financial Observations

- ABC Company generated INR 30.8 million in operating cash flow in FY2025 — the highest CFO in five years — despite reporting a net loss of INR 3,824 million. This disconnect is the cornerstone of the investor pitch narrative: the cash engine is healthy, the accounting P&L is distorted by finance costs and tax structure.
- The gross margin gap (ABC: 11.9% vs peer avg: 36.2%) is structural, not cyclical. It will not close through cost-cutting or plant efficiency improvements within commodity oil. It requires a product mix shift to branded F&FMCG — the only path to structural margin improvement.
- The payable days collapse — from 101 days in FY2021 to 35 days in FY2025 — has trapped approximately INR 44.1 million. This is the highest-return, zero-capital-cost corrective action available and requires no new investment, no new debt, and no new equity.
- The D/E ratio of 7.2x, while high, is partly explained by the FY2022 entity restructuring. The actionable component is the INR 14.3 Cr of short-term borrowings at 12% that can be refinanced to long-term instruments at 8%, saving INR 57+ million annually.
- F&FMCG is the only segment with structural margin expansion potential. At INR 89.8 million revenue and 25.6% growth, it is the portfolio Star — but is receiving proportionally insufficient capital, SG&A, and management attention.

#### Operational Observations

- Asset turnover of 2.84x — best in the peer group — confirms that the physical infrastructure is sweated more efficiently than any comparable company. The operational engine is not the problem.
- Inventory days of 101 vs industry average of 218 confirms lean operations. A further reduction to 75 days would free an additional INR 25.8+ million in working capital.
- The kirana distribution network is the most strategically undervalued asset on ABC's balance sheet. Not reflected in book value, but representing the competitive advantage that took PQR Limited two decades to build in an adjacent business.

## 4.2 Analytical Findings

### **Finding 1: DuPont Single Root Cause — Negative ROE is 100% a Margin Problem**

The DuPont decomposition is unambiguous. ABC's asset turnover (2.84x) is the highest in the peer group, 4.5x better than PQR Limited. The equity multiplier (4.8x) is moderate. The sole driver of negative ROE (−8.2%) is the negative net profit margin (−0.6%). Restore net margin to 1.5–2.0% through payable extension + debt refinancing + F&FMCG mix shift — all achievable within FY2026 in the strategy case — and ROE recovers to 14–19%, within the range of all four peers.

### **Finding 2: The Valuation Re-Rating Opportunity**

The most commercially significant finding: commodity agri-processors trade at 8–12x P/E in India. Branded FMCG companies trade at 25–45x. If F&FMCG revenue share increases from 9.9% to 20–22%, the blended justifiable P/E multiple shifts from approximately 10x to 18–22x. This 2–2.2x multiple expansion, before any earnings improvement, makes the equity investment compelling. Combined with EPS recovery from −INR 5.85 (FY2025) to +INR 17.23 (FY2027 strategy case), the total investor return potential is exceptional.

### **Finding 3: The MSME Distribution Platform Insight**

One of the most original insights generated during the internship: ABC Company's kirana distribution network is an MSME-linked platform business that is not reflected in any financial statement. The network reaches millions of kirana stores — each an MSME — and represents a competitive moat estimated to cost INR 7.2 Crore+ to replicate from scratch. This network can carry branded F&FMCG products at near-zero incremental distribution cost, fund a supply chain financing platform for MSME oilseed suppliers, and serve as the launchpad for a B2B digital commerce business. It is the hidden asset that defines the bull case for equity investors.

### **Finding 4: The SG&A Investment Deficit is the Root of Brand Weakness**

SG&A at 0.9% of revenue (INR 8.1 million in FY2025) versus PQR Limited's approximately 10–12% is the most telling evidence of ABC's brand under-investment. For ABC to build branded F&FMCG products that command a 15–25% price premium, it needs to invest at least 2.5% of revenue in SG&A — approximately INR 22.8 Cr annually at FY2025 revenue levels. This is not a cost increase. It is the mechanism of margin improvement: every INR 1 invested in SG&A for branded F&FMCG generates approximately INR 8–12 in incremental gross profit at 35% branded margins versus 12% commodity margins.

### 4.3 Strategic Insights

- The commodity-to-FMCG migration is a proven playbook in India. PQR Limited executed exactly this journey over 20 years, using its existing distribution infrastructure to build branded staples, biscuits, snacks, and personal care products. ABC has the same infrastructure; the migration requires capital allocation courage, not new assets.
- The INR 100 Crore+ equity raise is most credibly positioned as a 'brand-building and margin expansion fund' for sophisticated investors. The pitch deck must communicate: 'We have the distribution platform, the revenue scale, and the cash generation to be a compelling FMCG business. We need patient equity to make the SG&A investment that permanently alters our margin structure.' This narrative avoids the common MSME pitch failure of positioning equity as rescue capital.
- Timing is favourable: PLI Scheme for Food Processing is at peak disbursement window (FY2025–27). Quick-commerce platforms are actively seeking branded FMCG partners. MSME-focused PE funds are deploying record capital (INR 3,200 Cr in FY2025). The confluence of these conditions creates a limited-window fundraising opportunity.
- The talent gap is the most underestimated risk in the investment thesis. Building a branded FMCG business requires consumer insight, brand strategy, category management, digital marketing, and D2C commerce expertise that is absent in ABC's current leadership. The equity raise budget should include an explicit allocation (at least INR 3–5 Cr over 3 years) for FMCG talent acquisition as a KPI milestone tracked quarterly by investors.

### 4.4 MSME Challenges Identified

- Working Capital Starvation: The cash conversion cycle for oilseed farmer MSMEs (upstream) and kirana distributor MSMEs (downstream) is severely stressed by delayed payments from large processors. India's INR 25–30 lakh crore MSME credit gap is most acutely felt in this segment. TReDS-linked invoice discounting, supply chain finance platforms, and cooperative credit schemes are partial solutions, but systemic reform of payment terms by large processors like ABC is the most impactful single change.
- Price Discovery Opacity: Oilseed MSMEs lack access to real-time commodity price information and forward market participation. This forces them to sell at whatever price the processor offers at harvest time. Digital platforms for transparent MSME oilseed price discovery — potentially built by ABC as an agri-fintech product — represent a large unmet need and a potential new revenue stream.

- **Regulatory Compliance Cost:** FSSAI registration, GST multi-rate compliance, Udyam annual renewal, environmental clearances, and packaging standards collectively consume 3–5% of revenue for a micro food processor — a disproportionate burden that restricts access to formal trade channels and institutional finance.
- **Financial Literacy and Pitch Gap:** The most common reason growth-stage agri-MSMEs fail to secure institutional equity is not business quality — it is financial communication quality. Most MSME founders cannot construct a credible DCF model, do not maintain Ind-AS compliant accounts, and lack the presentation skills to defend projections under investor scrutiny. This is the specific gap that firms like IRESH Consultants exist to bridge.
- **Talent Retention in Rural Processing Locations:** Agri-processing MSMEs in oilseed belt districts — Madhya Pradesh, Rajasthan, Gujarat, Maharashtra — struggle to attract finance, logistics, and digital talent. The perceived lower status of manufacturing and agri-processing versus services or technology roles creates a structural talent gap that limits MSME scaling capacity beyond founder-led operations.

## 5. Recommendations

### 5.1 For ABC Company – 10 Strategic Recommendations

#	Recommendation	Horizon	Primary Action	Financial Impact (FY2026–28)
R1	Gross Margin Expansion via Forward Contracts	H1 — Immediate	Enter forward oilseed contracts for Oct–Dec harvest; lock 40% of quarterly volume at pre-agreed prices	INR 18.2 Cr gross profit per 2 pp GM improvement; reduces COGS volatility
R2	Restore PAT via Debt Restructuring	H1 — Immediate	Refinance INR 14.3 Cr short-term (12%) to 10-year bonds at 8%; negotiate with 2–3 PSBs and bond markets	Save INR 57 Lakh annually; PAT positive FY2026 (strategy case); D/E trajectory improves
R3	Extend Payable Days 35 → 60+	H1 — Q1 FY2026	Renegotiate credit terms with top 50 oilseed suppliers using revenue scale as leverage; offer volume commitments in exchange for 60-day terms	Free INR 44.1 Mn WC; reduce short-term borrowing need; lower finance costs by INR 3,600+ Mn over 3 years
R4	F&FMCG Mix Premiumisation	H2 — FY2026–28	Launch 3 new branded SKUs (cold-pressed oil, Vitamin-fortified atta, premium groundnut oil) through existing kirana distribution network	INR 20.9 Cr gross profit from +2.3 pp blended GM by FY2028
R5	Accelerate Revenue Growth	H2 — FY2026–28	Expand Tier-2/3 city distribution; onboard Blinkit, Zepto, Swiggy Instamart; HoReCa channel development; ASEAN/Middle East export initiation	12% revenue CAGR vs 5% base = INR 442.5 Cr additional cumulative revenue by FY2030
R6	SG&A Efficiency via ZBB	H1 — FY2026	Implement zero-based budgeting across all SG&A; eliminate non-brand-building spend; redirect savings to F&FMCG marketing	50 bps EBITDA recovery = INR 4.6 Cr Mn; SG&A spending more productive per rupee invested
R7	Capex Rationalisation	H1-H2	Reduce capex from 1.6% to 1.0% of revenue; halt non-essential commodity expansion; redirect to branded food processing equipment	Annual saving INR 5.0 Cr–3,800 Mn; higher ROIC on remaining capex through branded mix
R8	Active Treasury Management	H1 — Immediate	Actively invest idle INR 33.3 Mn in short-duration bonds and liquid funds at +1.5% yield vs current near-zero return	INR 50 Lakh annual income; improves PBT without operational risk; demonstrates financial discipline
R9	Dividend Policy Initiation	H3 — FY2027–28	Announce 5% dividend payout ratio once PAT is positive and sustained for 2 consecutive quarters	Reduces cost of equity 200–400 bps; signals balance sheet confidence; attracts income-oriented institutional investors

<b>R10</b>	Strategic M&A — Branded Food Processor	H3 — FY2027– 30	Identify and acquire regional branded food MSME or food processing company at INR 1,0.7–2,0.7 Cr EV; target 30%+ GM businesses in premium oils, health foods, or specialty ingredients	INR +200–400 bps blended GM immediately post-acquisition; accelerates F&FMCG revenue share to 22%+ by FY2029
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## 5.2 For MSMEs in Agri-Processing and Wholesale Trade

### Recommendation 1: Migrate from Commodity to Branded Products

MSMEs in commodity edible oil, grain processing, or food ingredients should prioritize a product migration toward branded variants — fortified oils, cold-pressed ranges, organic staples, health-positioned flour blends — as the foundational strategic shift. Even a 15–20% shift in revenue to branded variants at 30–40% gross margin lifts blended margins from 5–8% to 11–14%, fundamentally altering the investment case. The required investment is lower than most founders estimate: a regional brand with INR 3–8 Lakh of consistent marketing investment, FSSAI fortification certification, and origin-linked quality storytelling can generate a 20–30% price premium within 12–18 months.

### Recommendation 2: Build Investor-Grade Financial Records — 3-Year Ind-AS Compliance

The single most important pre-fundraise action: engage a CA firm with Ind-AS expertise, separate promoter personal expenses from business accounts, build segment-wise profitability reporting if multiple lines exist, and maintain a working capital schedule with aging analysis. The cost — INR 3–8 Lakh per annum — is the highest-return investment an MSME can make before an equity raise. Without Ind-AS compliant, audited financials, the business fails at the first investor screen regardless of underlying quality.

### Recommendation 3: Develop a Professional 14-Slide Equity Pitch Deck

An equity pitch deck is not a business plan or a loan application. It is a 14-slide investor communication document distilling the investment thesis into a compelling, quantified narrative. The five components institutional investors universally require: (1) a quantified market opportunity with TAM/SAM/SOM, (2) evidence of competitive differentiation (VRIO, distribution moat, brand equity), (3) three years of clean financial data with trend analysis, (4) a specific and time-bound use of funds with KPI milestones, and (5) a realistic return projection with a DCF or earnings-based valuation methodology. Engage a consulting firm experienced in MSME equity mandates — the cost of INR 3–10 Lakh is small relative to the INR 15–100 crore typically being raised.

#### **Recommendation 4: Use Scale as a Financial Lever**

As observed at ABC Company, many agri-MSMEs underutilize their procurement scale in supplier negotiations. An MSME with INR 20+ crore in annual purchases from a single supplier has significant leverage to negotiate 45–60-day payment terms — freeing working capital that is more valuable than a comparable bank credit line at 12–14%.

#### **Recommendation 5: Leverage Government Schemes Proactively**

- PLI Scheme for Food Processing: 10% incentive on incremental branded food sales for 6 years for companies with turnover > INR 10 crore
- PM-Kisan Sampada Yojana: Grants and concessional loans for cold chain, agro-processing clusters, and food parks
- SIDBI MSME loans at 8.5–10% for Udyam-registered, GST-compliant MSMEs
- TReDS invoice discounting at 6–9% for MSME suppliers of large listed corporates
- CGTMSE collateral-free guarantee for loans up to INR 2 crore — enables first-time borrowing

### **5.3 For IRESH Consultants and Similar Consulting Firms**

- Develop a standardised MSME pitch deck template library by sector (agri-processing, food FMCG, manufacturing, retail). Sector-specific templates with pre-built financial model architecture reduce engagement delivery time by 40–50% and allow the team to focus on high-value strategic and narrative differentiation.
- Build a proprietary MSME financial benchmarking database covering 50+ companies per sector, updated quarterly from BSE/NSE filings and CMIE data. Real-time peer benchmarking is the highest-value analytical input for any MSME pitch deck and the most durable competitive advantage for a boutique consulting firm.
- Establish formal relationships with MSME-focused PE/VC funds, family offices, and DFIs (SIDBI, IFC, ADB, DEG) to build a deal flow pipeline. The most differentiated capability for an MSME consulting firm is investor introductions — connecting well-prepared MSMEs with the right institutional capital. Relationship capital is the firm's most durable moat.
- Consider a hybrid engagement model: retainer (INR 2–4 Lakh per month) plus success fee (0.5–1.5% of funds raised) for MSME equity mandates. This aligns consulting incentives with MSME outcomes, makes the service accessible to MSMEs with limited upfront budgets, and creates a high-value recurring revenue stream.

- Develop a post-investment monitoring service: tracking KPIs against pitch deck commitments, supporting quarterly investor reporting, and providing course-correction advisory. This recurring revenue stream deepens long-term relationships with both MSME and their PE investors.

#### **5.4 For Future Academic and Program Improvement**

- IBS Bangalore should introduce a 2-credit elective: 'Equity Fundraising and Financial Modelling for MSMEs' as part of the MBA Finance specialization. The internship demonstrated that students arrive with strong conceptual knowledge but limited practical competence in integrated Excel models, pitch deck design, and investor Q&A preparation — skills central to careers in PE, investment banking, and corporate finance.
- A structured pre-SIP orientation module (2–3 days) covering NDA protocols, professional conduct in consulting engagements, Excel financial modelling basics, and pitch deck design principles would significantly improve intern productivity in the first two weeks — currently partially consumed by acclimatization.
- IBS Bangalore should build a case library of 20–30 MSME-focused finance cases from Indian companies in agri-processing, food manufacturing, wholesale trade, and retail. Current case teaching relies heavily on Harvard cases featuring large US/European corporations — systematically underrepresenting the MSME-dominated economy in which most IBS graduates will actually build their careers.
- SIP evaluation should include a mandatory live pitch presentation to a panel of industry professionals and faculty. This would more accurately assess students' ability to communicate complex financial analysis under pressure — a skill that is central to finance careers but is almost never assessed through academic written submissions alone.
- Provide Bloomberg Terminal or equivalent (Refinitiv Eikon, FactSet) access to all MBA Finance students during the SIP period. Manual data extraction from annual reports is educationally valuable but extremely time-consuming, limiting the analytical depth interns can deliver within an week window

## **6. Conclusion**

### **6.1 Learning Outcomes**

#### **Financial Modelling Proficiency**

Building a fully integrated financial model from scratch — covering 20 financial line items across 5 actual and 10 projected years, with linked P&L, balance sheet, cash flow, DCF valuation, segment analysis, working capital schedule, and sensitivity tables — elevated practical Excel competence beyond what any coursework had achieved. The model was revised seven times based on mentor feedback and investor challenges. Each revision deepened understanding of how financial variables interact and cascade through an integrated model. The discipline of iterative, stakeholder-validated modelling — rather than single-pass academic analysis — is the most transferable skill from this internship.

#### **Strategic Framework Application**

Applying 22 distinct strategic frameworks to a single company's real situation — and discovering that each framework revealed a different, complementary facet of the same underlying problem — transformed understanding of how strategy consulting works in practice. In academic case discussions, frameworks are applied individually and in isolation. In a live engagement, they are applied sequentially and synthetically, with each framework building on the previous one's insights. The most powerful learning moment: Porter's Five Forces, DuPont decomposition, and the VRIO framework converged simultaneously on the identical diagnosis — the competitive advantage is in the distribution network; the problem is product mix; the solution is branded F&FMCG migration. Three independent analytical lenses. One unified conclusion. That convergence is the hallmark of a rigorous strategic analysis.

#### **Investor Communication as a Distinct Skill**

Designing a pitch deck for institutional equity investors taught the most important lesson of the internship: financial communication is an independent professional skill, entirely separable from financial analysis. The ability to choose what to include and what to omit, how to sequence information to build conviction before addressing risk, how to present a projection as a credible commitment rather than a hopeful guess, and how to answer a tough investor challenge with data and composure — these are craft skills that require deliberate practice. The pitch preparation session in Week 5 compressed years of that practice into a single afternoon.

#### **MSME Ecosystem Understanding**

The research into India's agri-MSME ecosystem — 6.3 crore registered MSMEs, INR 25–30 lakh crore credit gap, PLI and Kisan Sampada tailwinds, TReDS and CGTMSE support structures — gave a ground-level perspective on economic development and financial inclusion that will shape professional choices for

years. The realization that millions of kirana stores, oilseed farmers, and small food processors are operating at the intersection of India's two greatest economic transitions — formalization and premiumisation — and that the right financial and consulting intervention can unlock enormous value for these enterprises, is both intellectually stimulating and professionally motivating.

## **6.2 Practical Exposure**

Beyond analytical skills, the internship provided practical exposure to professional workflows that are standard in management consulting and corporate finance but are rarely simulated in academic settings: iterative deliverable production with senior stakeholder feedback loops, real professional accountability for deliverables used in actual context, the mechanics of WACC derivation and terminal value sensitivity analysis, and the practice of translating quantitative model outputs into qualitative investor narrative.

The single most practically valuable experience was the pitch preparation session observation in Week 5. Watching the IRESH senior partner field a specific investor challenge — 'Your payable days recovery from 35 to 60 assumes renegotiating contracts with oilseed cooperatives. Have any of these conversations actually been initiated, and what was the response?' — demonstrated the gap between what looks rigorous in a financial model and what stands up to institutional investor due diligence. The subsequent revision to include direct supplier communication evidence was a masterclass in the difference between a financial projection and an investor-credible claim.

## **6.3 Professional Development**

IRESH Consultants accelerated professional development across communication, analytical discipline, project management, and organizational awareness. The most significant growth was in professional communication: both written (pitch deck narrative, this report) and verbal (mentor review meetings, pitch session observation). The discipline of communicating clearly, precisely, and persuasively under real professional pressure — to an audience with higher knowledge and higher stakes than any academic submission — builds professional confidence that no classroom preparation can manufacture.

Working within a boutique consulting firm also provided an unusually direct view of how the business of consulting works: relationship management, engagement scoping, fee negotiation, and the management of expectations against deliverable quality and timeline. At large corporations, these dimensions of professional services are invisible to junior hires. At IRESH Consultants, they were observable, discussable, and educational. This transparency about the business of advisory services is an invaluable preparation for anyone considering a career in consulting, investment banking, or professional finance.

## **6.4 Final Summary**

ABC Company presents a compelling, multi-layered equity investment story that IRESH Consultants was engaged to structure and communicate. It is — in the language that emerged from the engagement — a strong operating business trapped in a weak economic model. Operational excellence by every efficiency metric. Economically constrained by the structural margin limitations of commodity agri-processing. The resolution of this contradiction is the entire investment thesis: migrate product mix to branded F&FMCG, leverage the existing kirana distribution platform, free the trapped working capital through payable extension, and allow the cash generation power that already exists in the operating engine to flow through to the PAT line.

The MSME dimension of the study is instructive at both enterprise and ecosystem levels. At the enterprise level: operational excellence alone is insufficient for durable financial performance. Economic value requires pricing power, which requires brand equity, which requires patient, consistent investment in marketing and product quality. At the ecosystem level: the enormous opportunity available to agri-processing MSMEs who can execute a similar migration — from undifferentiated commodity suppliers to value-added branded participants in India's rapidly growing FMCG market — is the defining investment theme of the next decade in Indian consumer goods.

The pitch deck and financial model developed during this internship at IRESH Consultants represent a concrete, institutional-quality artefact: 14 slides distilling nine analytical frameworks, five years of financial data, four peer benchmarks, and 10 quantified strategic recommendations into a compelling, credible equity fundraising narrative targeting INR 100 Crore+. The experience of building these deliverables under real professional accountability — and observing them tested in a live investor preparation environment — has been the most valuable eight weeks of the MBA education.

### **A Final Reflection**

If this internship at IRESH Consultants taught one lesson above all others, it is this: the best financial analysis in the world is worth nothing if you cannot communicate it credibly to the person who needs to act on it. The craft of investor communication — making a complex, nuanced, uncertainty-laden financial story feel simultaneously rigorous and compelling — is the skill that separates great analysts from great advisors. That is the craft that IRESH Consultants demonstrated, and that this internship began to teach.

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## **10. Abbreviations and Glossary**

### **Key Abbreviations**

<b>Abbreviation</b>	<b>Full Form</b>
<b>ABC</b>	company name (withheld for confidentiality)
<b>BCG</b>	Boston Consulting Group
<b>BSE</b>	Bombay Stock Exchange
<b>CAGR</b>	Compound Annual Growth Rate
<b>CFO</b>	Cash Flow from Operations
<b>CMIE</b>	Centre for Monitoring Indian Economy
<b>COGS</b>	Cost of Goods Sold
<b>D2C</b>	Direct-to-Consumer
<b>DCF</b>	Discounted Cash Flow
<b>DFI</b>	Development Finance Institution
<b>EBITDA</b>	Earnings Before Interest Tax Depreciation Amortisation
<b>EPS</b>	Earnings Per Share
<b>ERRC</b>	Eliminate-Reduce-Raise-Create (Blue Ocean)
<b>EV</b>	Enterprise Value
<b>F&amp;FMCG</b>	Food and Fast Moving Consumer Goods
<b>FMCG</b>	Fast Moving Consumer Goods
<b>FSSAI</b>	Food Safety and Standards Authority of India
<b>GM</b>	Gross Margin
<b>HoReCa</b>	Hotel Restaurant Catering
<b>INR</b>	Indian National Rupee
<b>IVCA</b>	Indian Venture and Alternate Capital Association
<b>MBA</b>	Master of Business Administration
<b>MSME</b>	Micro Small and Medium Enterprise
<b>NDA</b>	Non-Disclosure Agreement
<b>NSE</b>	National Stock Exchange
<b>PAT</b>	Profit After Tax
<b>P&amp;L</b>	Profit and Loss Statement
<b>PBT</b>	Profit Before Tax
<b>PE</b>	Private Equity
<b>PLI</b>	Production Linked Incentive Scheme
<b>ROE</b>	Return on Equity
<b>ROCE</b>	Return on Capital Employed
<b>SEBI</b>	Securities and Exchange Board of India

<b>SG&amp;A</b>	Selling General and Administrative Expenses
<b>SIP</b>	Summer Internship Project
<b>SIDBI</b>	Small Industries Development Bank of India
<b>SWOT</b>	Strengths Weaknesses Opportunities Threats
<b>WACC</b>	Weighted Average Cost of Capital
<b>WC</b>	Working Capital
<b>YoY</b>	Year on Year
<b>ZBB</b>	Zero-Based Budgeting

## Glossary of Key Terms

<b>Term</b>	<b>Definition</b>
<b>Asset Turnover</b>	Revenue ÷ Total Assets; measures efficiency of asset use in generating revenue
<b>Cash Conversion Cycle</b>	Inventory Days + Receivable Days – Payable Days; time to convert inventory investment to cash
<b>DuPont Analysis</b>	ROE decomposed into Net Margin × Asset Turnover × Equity Multiplier to pinpoint root causes
<b>EBITDA Margin</b>	EBITDA as % of revenue; operating profitability before non-cash and financial charges
<b>Equity Fundraising</b>	Raising capital by selling ownership (equity) stakes to investors
<b>Forward Contract</b>	Agreement to buy/sell a commodity at a predetermined price on a future date; used for hedging
<b>Gross Margin</b>	Gross Profit ÷ Revenue; profitability of core operations before overhead and financing
<b>Kirana</b>	Traditional Indian neighbourhood retail grocery stores — the dominant MSME retail format in India
<b>MSME</b>	Enterprises classified by GoI: Micro (turnover ≤ INR 5 Cr), Small (≤ INR 50 Cr), Medium (≤ INR 250 Cr)
<b>Payable Days</b>	Average days to pay suppliers; higher = better cash flow for the buyer
<b>Pitch Deck</b>	12–15 slide investor presentation communicating business case and equity investment opportunity
<b>Premiumisation</b>	Strategic shift from commodity/basic to higher-value branded differentiated products
<b>WACC</b>	Blended cost of capital from all sources (debt + equity); used as DCF discount rate
<b>Zero-Based Budgeting</b>	Every expense justified from zero each period rather than incrementally from prior year

## 9. Annexures

### Annexure A: ABC Company – Full 5- Year P&L (FY2021-FY2025)

**NOTE: The complete financial model workbook (Excel) is submitted separately as a digital attachment. The table below presents key extracted data from that model.**

Line Item (INR Mn)	FY2021	FY2022	FY2023	FY2024	FY2025
Net Revenue	531	775	832	734	912
Cost of Materials	468	686	756	648	804
Gross Profit	63	89	76	86	108
Gross Margin %	12.4%	9.9%	9.1%	11.6%	11.9%
Employee Costs	7.5	9.2	10.3	11.3	13.1
SG&A Expenses	4.6	5.6	5.6	6.0	8.1
SG&A % of Revenue	0.9%	0.7%	0.7%	0.8%	0.9%
Other Operating Expenses	24,313	26,128	32,266	51.6	51.2
EBITDA	19.0	24.9	13.7	16.3	35.6
EBITDA Margin %	3.6%	3.2%	1.6%	2.2%	3.9%
Depreciation	3.8	4.4	5.1	5.2	5.7
EBIT	15.2	20.5	8.6	11.1	29.9
Finance Costs	5.8	7.8	11.1	10.7	10.4
Other Income	1.5	2.5	13.8	2.8	3.4
PBT	10.8	15.2	11.3	3.1	22.9
Income Tax	7.6	10.5	13.0	13.4	28.4
PAT	3.2	4.6	-1.7	-10.3	-5.5
PAT Margin %	0.6%	0.6%	-0.2%	-1.4%	-0.6%
EPS (INR)	2.38	3.42	-1.25	-7.62	-4.08
CFO	8.9	13.0	4.9	14.6	30.8
Capex	8.5	10.4	11.8	10.2	13.8

### Annexure B: Balance Sheet Summary (FY2021-FY2025)

Balance Sheet Item (INR Mn)	FY2021	FY2022	FY2023	FY2024	FY2025
Net Fixed Assets	69.1	100.1	109.4	109.1	110.6
Inventories	60.3	89.3	97.7	76.2	103.7
Trade Receivables	31.9	43.5	44.7	37.0	41.0
Cash & Equivalents	12.2	16.0	14.8	23.0	33.3
Other Current Assets	208.5	828.8	949.1	912.4	984.5
<b>Total Assets</b>	<b>388.2</b>	<b>1086.8</b>	<b>1226.0</b>	<b>1167.0</b>	<b>1282.1</b>
<b>Total Equity</b>	<b>96.7</b>	<b>113.3</b>	<b>111.4</b>	<b>116.3</b>	<b>134.9</b>
Long-Term Borrowings	40.2	60.8	79.9	70.5	58.8
Short-Term Borrowings	146.4	750.9	868.9	5,610.7	911.9
Trade Payables	54.8	103.5	102.2	63.7	86.1
Other Current Liabilities	50.1	57.4	63.5	104.2	90.2
<b>Total Liabilities + Equity</b>	<b>388.2</b>	<b>1086.8</b>	<b>1226.0</b>	<b>1167.0</b>	<b>1282.1</b>
D/E Ratio (x)	1.9x	7.2x	8.5x	7.6x	7.2x
Current Ratio (x)	1.1x	1.3x	1.2x	1.2x	1.3x

### Annexure C: Full Peer Benchmarking- 13 Metrics (FY2025)

NOTE: All peer company names are anonymized per NDA. PQR Limited = diversified FMCG conglomerate; DEF Exports = agri-exporter; GHI Wellness = branded wellness FMCG; JKL Agro = commodity agri-processor.

Metric	ABC Co.	PQR Limited	DEF Exports	GHI Wellness	JKL Agro	Peer Avg
Revenue (INR Mn)	91.2	280	38	19	38	95.2
Revenue Growth YoY	+24.3%	+8.3%	-6.4%	+16.3%	+40.9%	+14.8%
Gross Margin %	11.9%	60.1%	26.9%	52.8%	4.8%	36.2%
EBITDA Margin %	3.9%	39.5%	5.6%	28.9%	2.1%	19.0%
PAT Margin %	-0.6%	31.2%	4.8%	26.0%	0.9%	15.7%

<b>Asset Turnover (x)</b>	2.84x	0.64x	1.81x	0.68x	2.62x	1.44x
<b>Inventory Days</b>	101	82	52	68	43	61
<b>Receivable Days</b>	28	36	24	79	9	37
<b>Payable Days</b>	35	88	41	157	34	80
<b>Cash Conversion Cycle (days)</b>	94	30	35	-10	18	18
<b>D/E Ratio (x)</b>	7.2x	0.3x	0.8x	0.1x	4.1x	1.3x
<b>ROE</b>	-8.2%	28.0%	18.4%	23.0%	12.0%	20.4%
<b>ROCE</b>	2.1%	22.3%	7.9%	18.2%	3.1%	12.9%

### Annexure D: 10 Strategic Recommendations – Quantified Financial Impact

#	Recommendation	Horizon	KPI to Track Quarterly
<b>R1</b>	Forward Contract GM Expansion	H1	Monthly COGS/revenue ratio
<b>R2</b>	Debt Restructuring (INR 14.3 Cr @ 8%)	H1	Finance cost / EBITDA %
<b>R3</b>	Extend Payable Days 35 → 60+	H1	Payable days (quarterly)
<b>R4</b>	F&FMCG Mix Premiumisation	H2	F&FMCG % of total revenue
<b>R5</b>	Revenue Growth Acceleration	H2	Revenue CAGR vs target
<b>R6</b>	ZBB — SG&A Efficiency	H1	SG&A % of revenue
<b>R7</b>	Capex Rationalisation (1.6% → 1.0%)	H1-H2	Capex % of revenue
<b>R8</b>	Active Treasury Management	H1	Investment yield on idle cash
<b>R9</b>	Dividend Policy Initiation (5% payout)	H3	DPS; payout ratio
<b>R10</b>	Strategic M&A — Branded Food	H3	M&A close date; post-acqn GM

### Annexure E: Internship Activity Log

Primary Activities	Key Deliverable	Mentor Review
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Industry orientation; PESTEL; ABC 5-yr annual report review; NDA signing	Industry research note (12 pp); Annotated annual report	Day 5 check-in
Financial data extraction; peer annual reports; ratio computation; data dictionary	Ratio benchmarking Excel; Peer database	Day 5 check-in
YoY P&L model; Balance Sheet; Cash Flow; working capital schedule	Integrated 3-statement model — actuals FY2021–2025	Full review Day 4–5
DCF model; segment analysis; 10-year projections; base vs strategy scenarios	Complete financial model — projections FY2026–2035	Full review Day 4–5
Frameworks F1–F12; pitch preparation session (observer)	Framework slides F1–F12; Revised model post-pitch feedback	Pitch session Day 3; debrief Day 4
Frameworks F13–F22; 10 recommendations; MSME credit working group	Frameworks F13–F22; 10-Rec impact document	Full review Day 5
Pitch deck design; narrative sequencing; investor Q&A prep	Draft pitch deck v1 (14 slides); Q&A prep document	Slide review Day 3 + Day 5
Pitch deck final; internship report writing; faculty review; sign-off	Final pitch deck; Internship report; Mentor certificate	Final sign-off Day 4

## Annexure G: MSME Policy Framework Reference

Scheme / Policy	Authority	Benefit	Relevance to Agri MSMEs
<b>PM-Kisan Sampada Yojana</b>	MoFPI	Grants + concessional loans for cold chain, agro-clusters, food parks	High — direct capital for food processing infrastructure
<b>PLI Scheme for Food Processing</b>	MoFPI	10% incentive on incremental branded food sales for 6 years	High — targets branded food manufacturers; F&FMCG tailwind
<b>MUDRA Yojana (Shishu/Kishore/Tarun)</b>	SIDBI / Banks	Loans INR 50K–10 Cr for micro/small enterprises	Medium — working capital for micro food processors
<b>CGTMSE (Credit Guarantee)</b>	SIDBI / MoF	Collateral-free loans up to INR 2 Cr	High — first-time borrowers without collateral

<b>TReDS Invoice Discounting</b>	RBI / SIDBI	Invoice discounting for MSME suppliers of large corporates at 6–9%	High — direct liquidity for MSME suppliers of ABC Company
<b>ONDC (Open Network for Digital Commerce)</b>	DPIIT	Digital channel access without platform dependency	Medium — D2C route for branded MSME food products
<b>Udyam Registration</b>	MSME Ministry	Gateway to priority sector credit, schemes, and compliance	Essential — enables all other MSME financial benefits
<b>GeM Portal</b>	DPIIT	Government procurement marketplace; MSME preferred access	Medium — relevant for food processing MSME B2G sales

**NOTE:** This report was prepared as part of the Summer Internship Project (SIP) at IBS Bangalore, ICFAI Business School, Academic Year 2025–2027. Internship undertaken at IRESH Consultants, Bangalore. company referred to as 'ABC Company'; peer companies as 'PQR Limited', 'DEF Exports', 'GHI Wellness', and 'JKL Agro' — all anonymized per NDA. No proprietary information has been disclosed. Roll Number 25BSOCBL0650 identifies this submission in the IBS Bangalore SIP evaluation system.