

Aavishkaar buys stake in InI Farms

Radhika Nair

BANGALORE

SOCIAL venture fund Aavishkaar Venture has acquired a minority stake in InI Farms, a Mumbai-based horticulture company.

InI Farms, established by Pankaj Khandelwal and Purnima Khandelwal in September 2009, will use the capital raised to expand its pomegranate cultivation 10 times to 2,000 acre from the current 200 acre.

Modelled as a farm-to-fork company, with farms in Maharashtra and Madhya Pradesh, InI plans to use a mixed ownership model.

"The company will own some of the farms, while others will be on long-term lease and yet others under contract farming," says Pankaj Khandelwal, an IIT-Kanpur and IIM-Kolkata alumnus who was earlier chief executive of Desai Fruits and Vegetables, before he setting up his own entrepreneurial venture.

India's agriculture sector has been attracting PE and VC interest in the last few years. In 2010, the Godrej Group set up Omnivore Capital, an early-stage fund focusing on investments in agricultural technology start-ups. The same year, Summit Partners invested \$30 million in Krishidhan Seeds and Nexus Venture Partners put in Rs 10 crore in Sohan Lal Commodities, an agri-commodity logistics and warehousing firm.

For Aavishkaar, which had



earlier invested in other agri-ventures such as Zameen Organics, the latest deal marks a continuing focus on the sector. "We are always interested in investing in ventures that undertake farm-level interventions," said Parag Sancheti, Investment Manager, Aavishkaar.

InI Farms plans to manage production, handle supply chain and direct supply to optimise quality, productivity and profitability.

"We will provide input materials at lower cost as we will be going for bulk buying. We will also help farmers with organising funding and also provide them technological and supervisory support," said InI's Khandelwal. "We ensure purchase of all their produce and will manage the entire supply."

While the company will focus on exports, it will work to build a local presence as well. Apart from pomegranate farming the next phase of growth will include cultivation and supply of other products such as onions, potatoes, bananas and pineapples.