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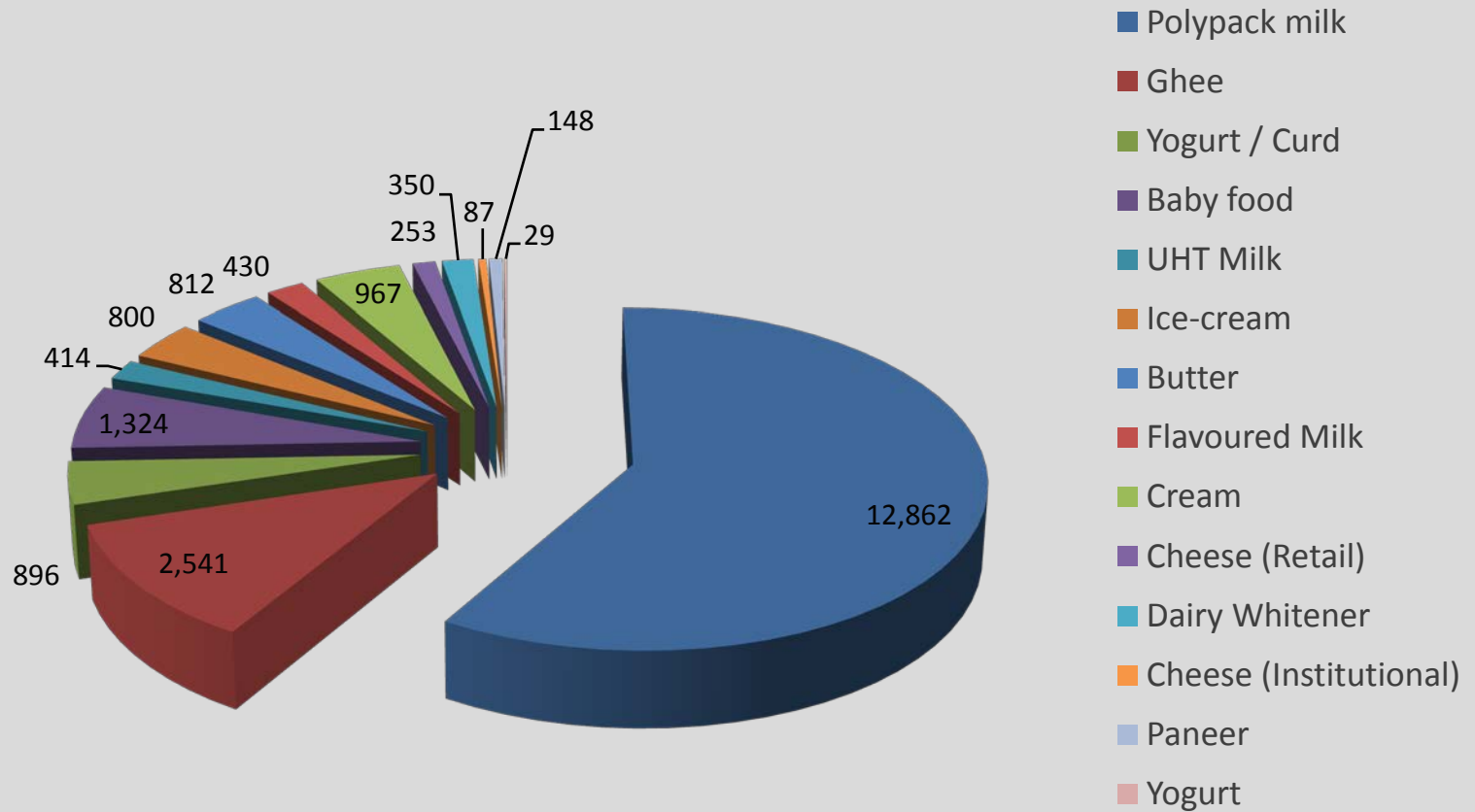


## Dairy Industry

- Dairy industry has been identified as extremely attractive market both because of its size and its potential.
- Value Added Market:

**Rs. 80,000 Crore**

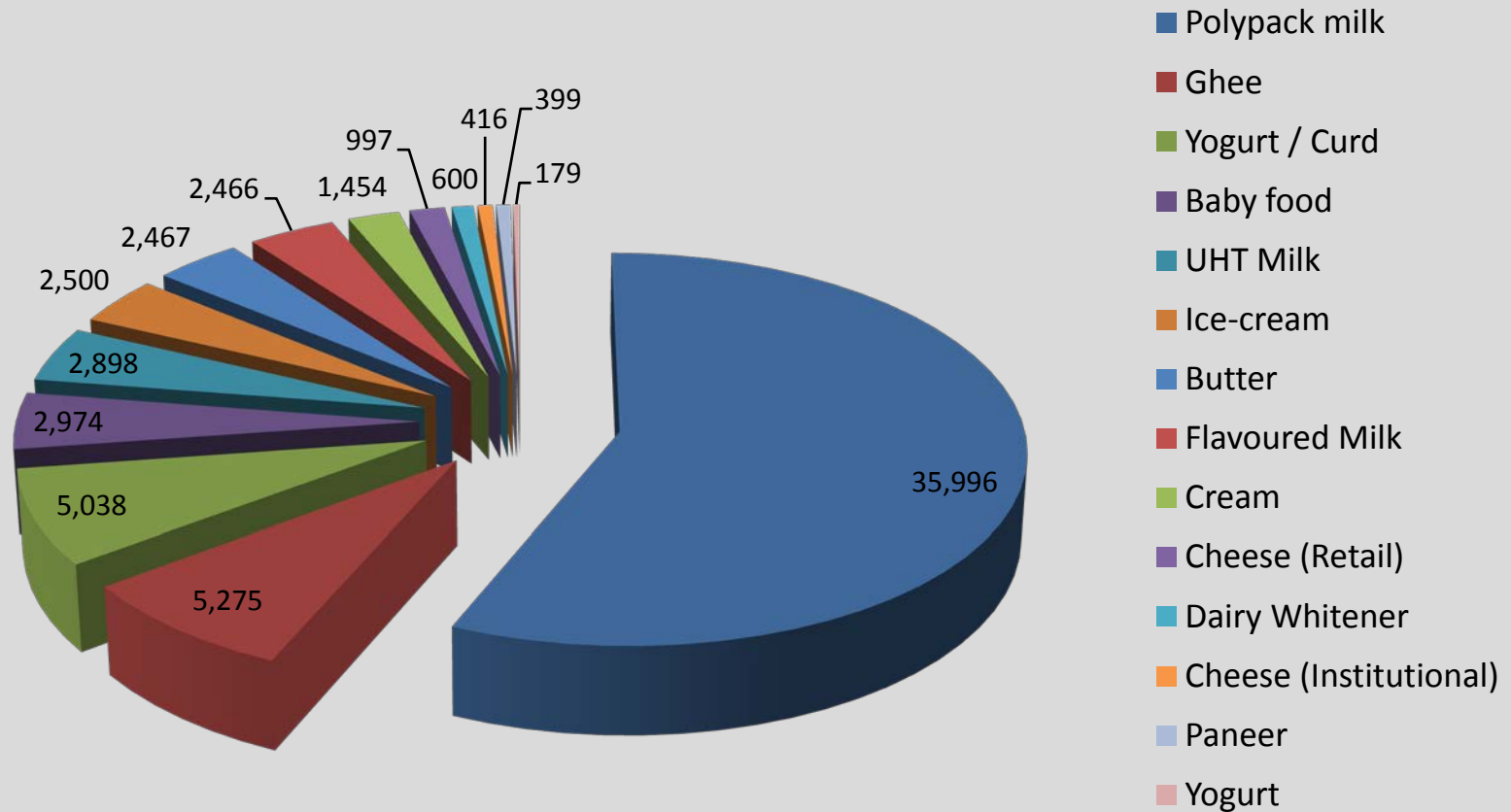
Source – Business Today June Edition



Source – Business Today June Edition

Dairy Industry – Market Size 2008

**21,913 Crores**



Source – Business Today June Edition

Dairy Industry – Market Size 2015

**63,659 Crores**

## Dairy Industry

- India has become the fastest growing dairy market and largest global producer of milk with 18% global milk production.
- Domestic milk production recorded about 4.4% CAGR, reaching about 147 million tonnes in 2014-15 from 116 million tonnes in 2009-10.
- Increased demand for dairy products driven by several factors:
  - Increase in population and urbanisation
  - Increase in per capita income and consumption.
  - Change in lifestyle
  - Growth in food services industry
  - Rising need for convenience
  - Better health awareness among end users.
- Milk production growing at 4.3% and consumption growing at 5% thereby creating a gap which has led the greater access to organised milk processing sector.
- Future milk production need to increase by more than 1.8% p.a.
- Organised dairy sector seen huge investments from private equity investors.
- Post liberalisation in 1991, role of private sector in dairying has increased significantly.
- Dairy emerging as a reliable source of income compared to agriculture due to erratic weather.
- Milk producers are assured of fair price and market for selling milk.



# OUR JOURNEY

**1998** Incorporation of the Company by Nirmal Family

**1999** Sale of Liquid Milk Consumer Pack under 'Prabhat' Brand

**2005** Introduction of Value added Products (Ghee and Powders)

**2008** Commenced Condensed Milk Sales to Cadbury's

**2010** - Dedicated Condensed Milk Plant Set-up for Cadbury  
- Received HACCP and ISO Certification

**2011** - Expanded the B2B Business with reputed Industry Players  
- Launched 'Prabhat Dairy Quality Mission'

**2012** Awarded best strategic supplier by Kraft and Abbott

**2013** - New capacity added for Curd, Icecream and Powders  
- Private Equity infused by leading financial Company's  
- Commissioning of new plant at Navi Mumbai

**2014** Initiated Marketing and branding activities to increase the consumer business

**2015** Manufacturing of Cheese, Paneer and Shrikhand

## Our Philosophy

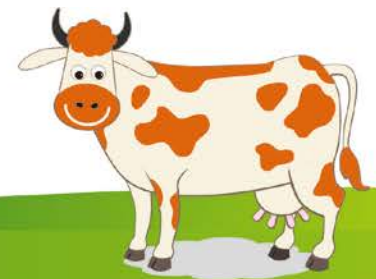
*"Partners in Progress"*

## Our Vision

*To be a highly respectable and leading milk food company, that is committed to thoughtful and sustainable socio-economic development*

## Our Values

- 1) Act like owner with passion...
- 2) Respect & warmth in behaviour
- 3) Learn, think, improvise & share...
- 4) Be honest to self
- 5) Sorry, No compromise on QUALITY.
- 6) Partnering in progress with our family of farmers, customers, employees & associates.
- 7) Cost Consciousness..
- 8) Save Natural Resources.





## Our Strengths

### Strategic Business Location

Shrirampur and Navi Mumbai

### Association

More than 1 Lac farmers

### Milk Handling

10 Lacs / Day, 65% direct Sourcing

### Cheese Plant

3rd Largest in the country

### Sweetened Condensed Milk Plant

India's largest Plant

### Professional Staff

Experts in all domains of operations



# OUR PRODUCTS RANGE



## 2 State of Art Manufacturing Facilities



Shrirampur (Ahmednagar) -  
the largest cow milk producing District



Navi Mumbai -  
the largest Dairy Consumption City

## Quality Certification





# Award and Recognition



## Our Businesses

**B2C**

*Business to Consumer*

**B2B**

*Business to Business*

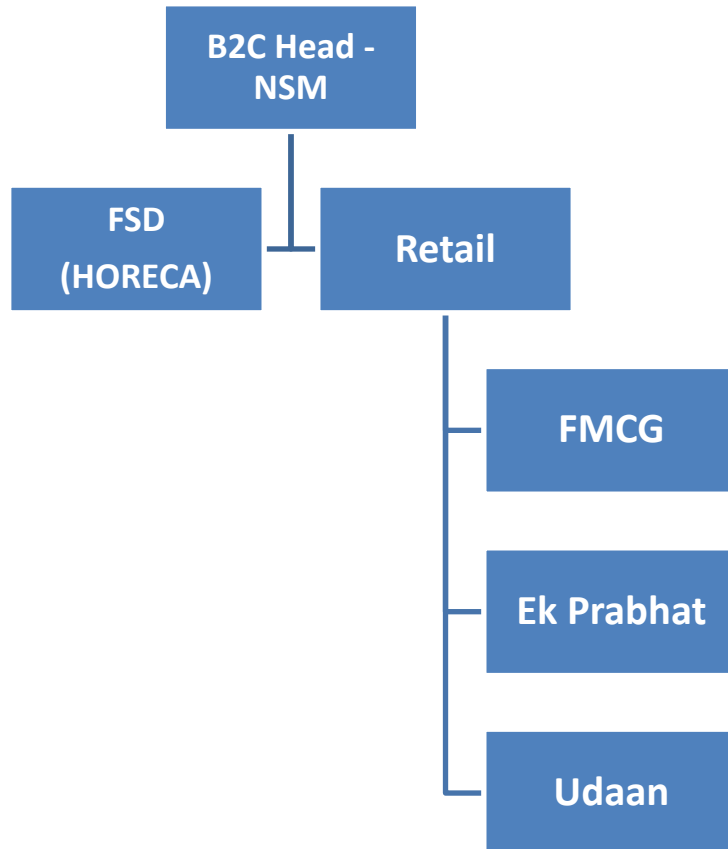
**FOOD SERVICE**

*Hotel, Restaurant, Caterers*



# B2C

*Business to Consumer*

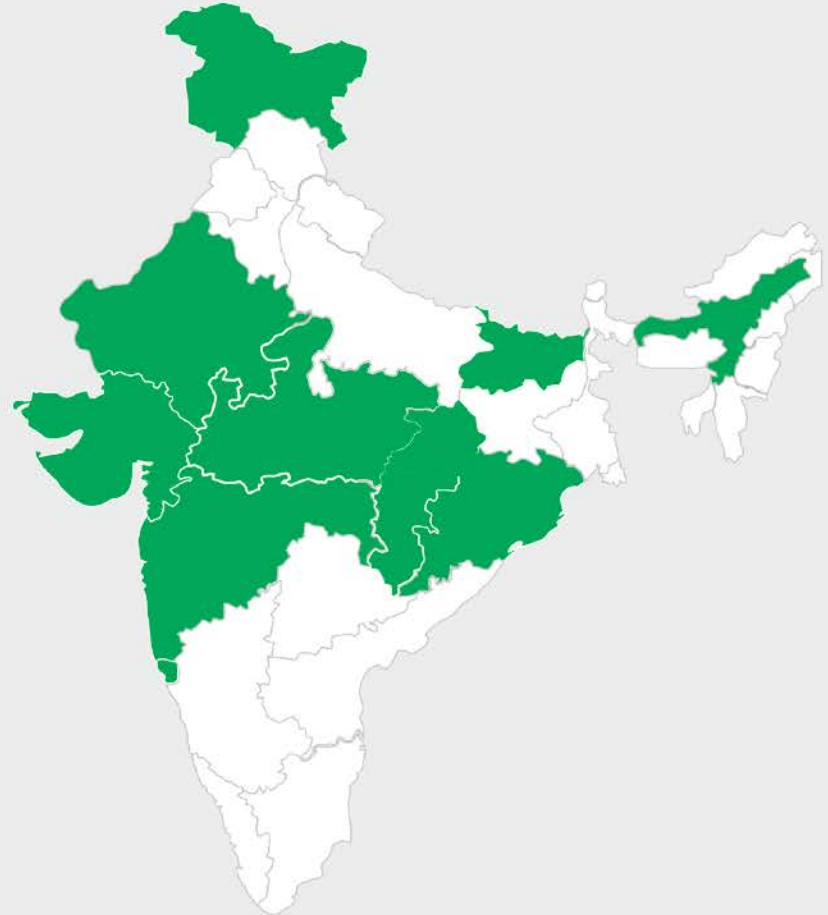


- Forayed into B2C business through different value added segments to enhance margins, reduce working capital, gain a higher market share.
- Focussing on Tier 2 and Tier 3 cities
- Value added products (VAP) gaining consumer taste and preference.
- Market size of processed milk segment to expand at a CAGR of 12-13% in value terms from 2013-14 to 2016-17 to reach 3090 – 3100 billion.
- B2C estimated gross margins – 25%
- Currently B2C contributes 30% of the total Sales and expected to grow to 50% by 2020

B2C

*Business to Consumer*

Presence  
in 10 states of India



B2C

*Business to Consumer*



Distributors

More than 500 distributors

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Sale force strength

More than 250 company employed sales force

B2C

*Business to Consumer*



### Modern Trade

Presence in all Major Modern Trade Outlets  
Reliance, D Mart, Hyper City, Big Bazaar, Star City etc

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### General Trade

Presence in more than 15000 general trade store

# Unique activities

## Prabhat Sales Academy





Unique activities  
Project Raftar



The Raftar Route to Market



NOW THEY ARE MOUNTED ON TVS MOPEDS  
FOR DELIVERY OF CHILLED PRODUCTS  
WITH CHILLED BOX AT THE BACK

1<sup>st</sup> time in

India Unique  
Distribution Model

# Unique activities

## Sales App



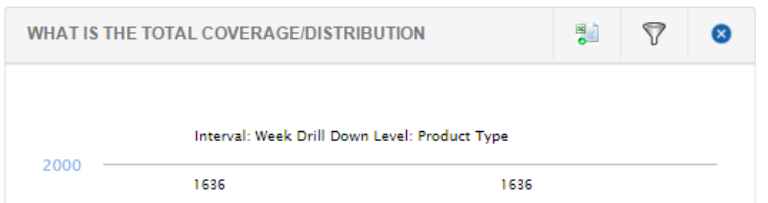
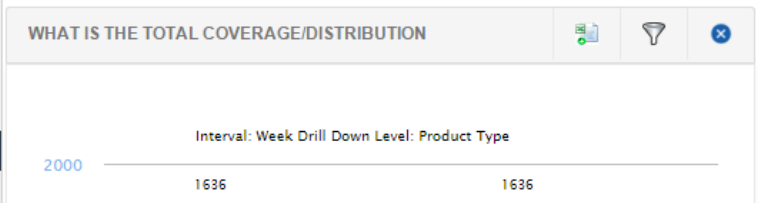
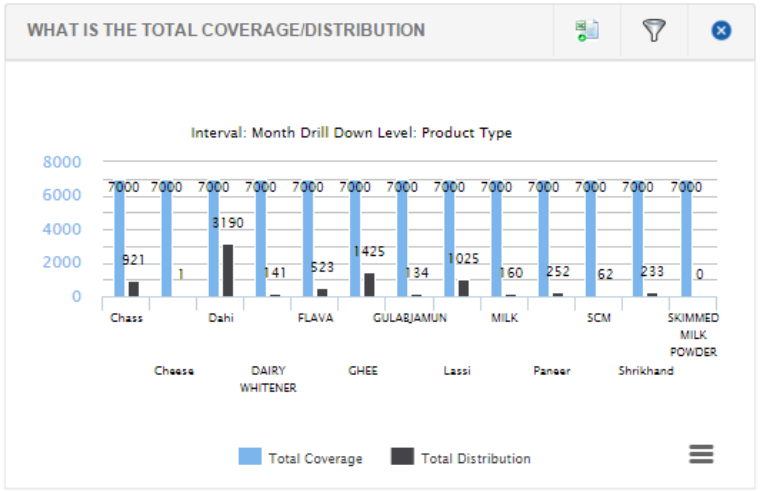
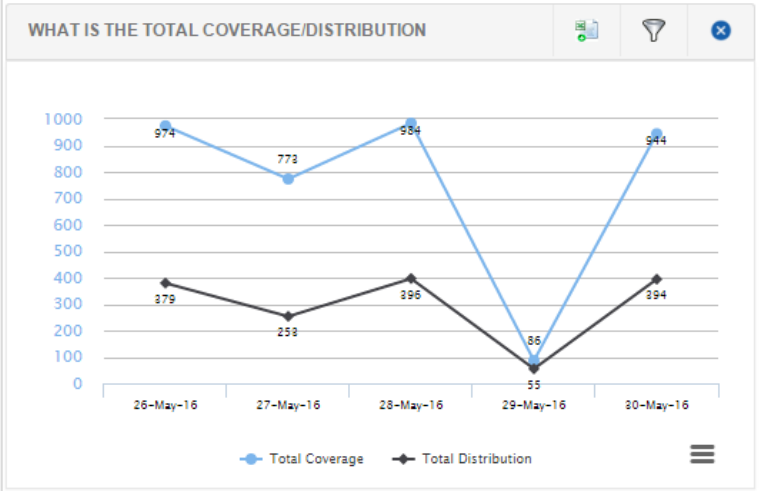
Change Password Logout

- Menu
- Master Data Management
  - Store Validation
  - Geography Management
  - Manage Product Master
  - Manage Sales Hierarchy
  - Manage Distributor Hierarchy
  - Scheme Management
  - Target Entry
  - Order Entry
  - PDA Management
- Reports
  - Store Details
  - Dashboard
  - Salesman Tracker
  - Scorecard
  - Order & Execution Detail
  - Order Return
  - DSR Route Details
  - Distribution Report

Filter Area

Company Sales Routes Product Time

Layout Clear Filter Selected Filters





The major products sold through  
B2C

## Our Businesses – Food Service Division

Quality.  
Service.  
Convenience.  
everytime...



# Segments

## Food Service Division





The major products sold through  
**Food Service Division**





**2014**

**Awarded “Asia’s fastest  
growing marketing  
brands - FMCG sector”  
at the WCRC leaders  
summit**

## Premium Ingredient

- Sweetened Condensed Milk
- Dairy Powders

## Speciality Ingredient

- Nutrition Supplements
- Baby Foods
- Full cream Milk

## Co Manufacturing

- UHT Milk
- Ice Creams
- Clarified Butter

## Few of Our Clients



B2B

*Business to Business*

## Awards and Recognition







## Cheese

1. Procured orders from Pizza chains, major burger chains. Repeat orders for high quantity expected from institutional segment.
2. Cheese started in HORECCA segment for which establishing a nationwide distribution network – Already started in Maharashtra and Gujarat and planned in South India and North India in next quarter.
3. Planning to operate in particular segments where not many players operating like Mozerrella cheese for smaller or mid sized pizza chains.





5 Metrics TPD Paneer  
Plant and 5 Metrics TPD  
Shrikhand plant  
commissioned in Sept.  
2015



## Our sustainable Procurement strength

Established consistent deep relationship with farmers through:

- ❖ Remunerative procurement price.
- ❖ Quality cattle breeding education
- ❖ Veterinary services
- ❖ Supplying high quality fodder to increase yield
- ❖ Creating awareness among farmers

### **Milk pricing:**

- ❖ Quantum of milk production and stock of SMP are key factors that influence price, driven by the extent of exports.
- ❖ International prices have cascading effect on domestic dairy prices.



Partnered with Abbott to support dairy farmers in three ways:

- ❖ Providing training and resources for small holder farmers, especially women farmers – in financial and business skills, veterinary care, feeding and dairy development.
- ❖ Building critical infrastructure including new bulk milk chiller facilities in local communities, to provide safe and reliable cold storage to ensure high quality milk.
- ❖ Providing a reliable, sustainable market that supports transparent, consistent prices based on quality of milk.



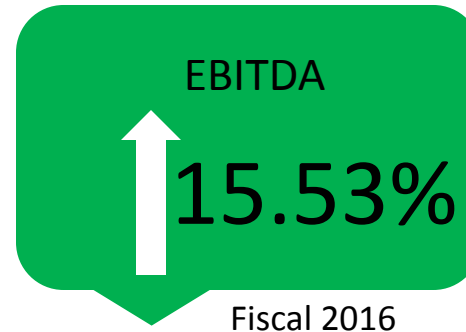
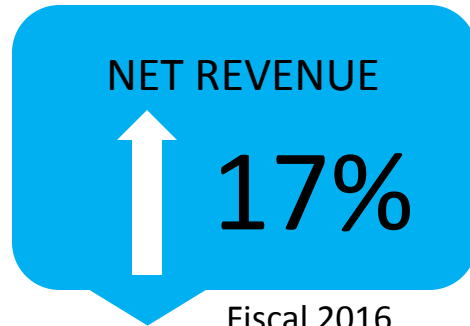




### Associated with BAIF:

- ❖ Phase I – Establishment of 50 cattle breeding centers to provide doorstep services to about 100,000 cattles of 25000 milk producers of Prabhat in about 500 villages.
- ❖ Perform about 275,000 AI in 5 years to add 55,000 female calves in milkshed.
- ❖ Generate additional 100,000 LPD from 3<sup>rd</sup> year adding INR 80 Cr. Per annum to the rural economy of the area.

## Our Performance / Achievements (F.Y. 2015-16)



PAT of Rs. 24.52 Cr. In fiscal 2016 against PAT of Rs. 25.99 Cr. In fiscal 2015.

- ❖ Highest operating margin vis a vis other dairy players, on account of strategic location of procurement and clientele.
- ❖ Higher gross margin of about 22-23%
- ❖ Increase in net revenue by 17% inspite of reduction in net realisable value more than 25%



## Sales Performance

PRESENT

70:30

B2B

B2C

By 2020

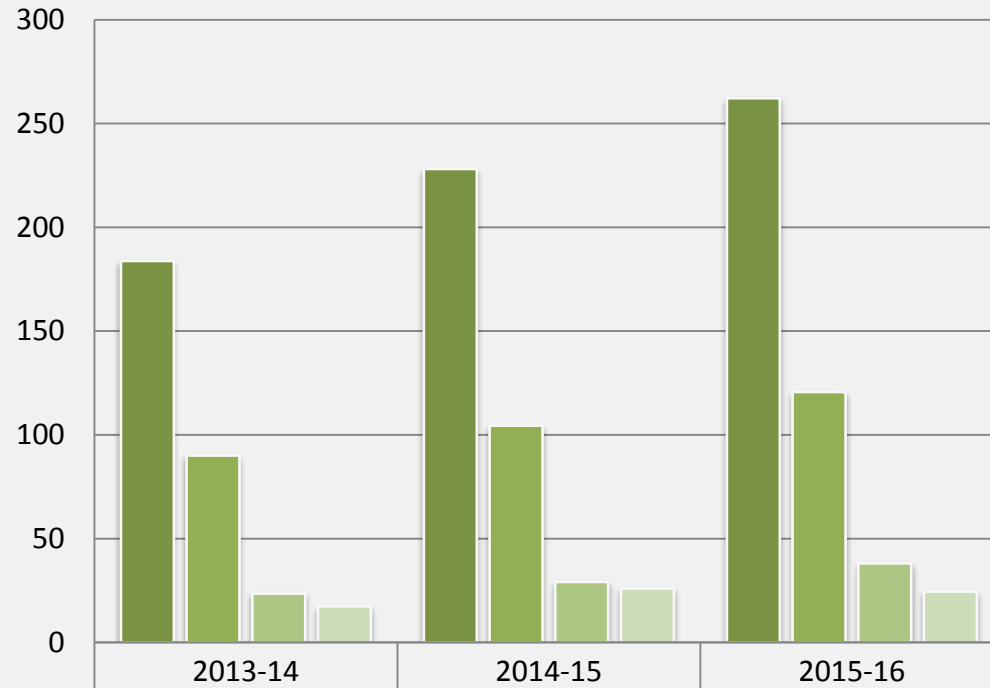
50:50

B2B

B2C

- ❖ Achieved a remarkable growth in value added products –ghee, ice-cream, lassi, butter.
- ❖ Retail presence increased significantly alongwith the retail outlets and modern trade.
- ❖ Successfully started project “RAFTAAR” to increase B2C Sales in Maharashtra.

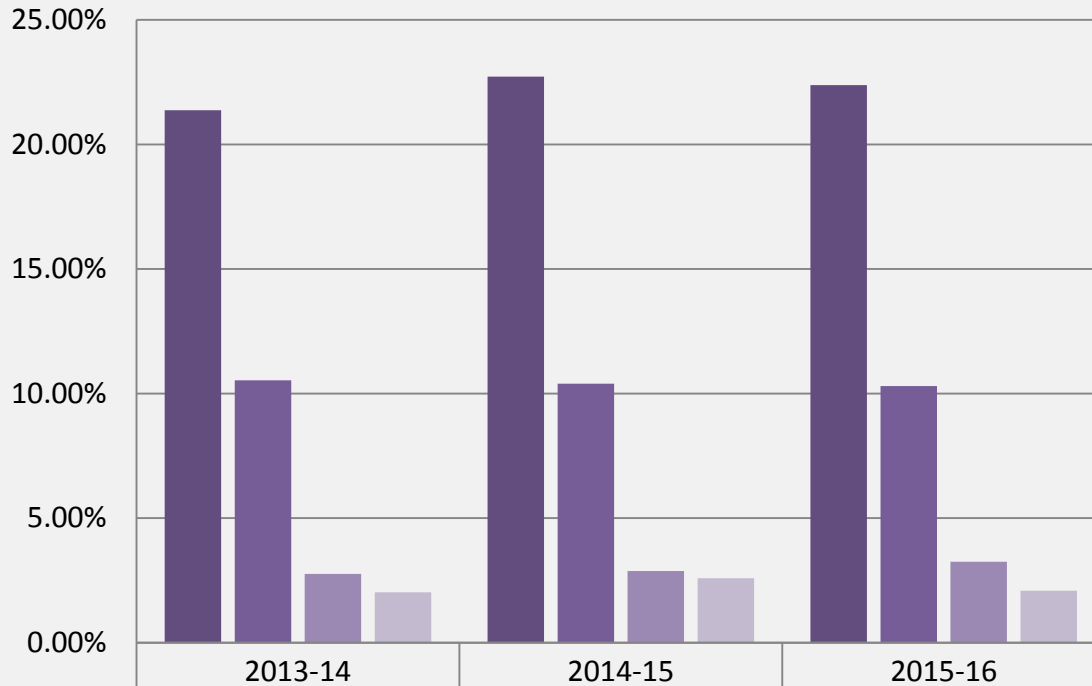
### Margin - Value



■ Gross Margin	183.81	228.14	262.27
■ EBITDA	90.05	104.47	120.71
■ PBT	23.54	29.14	38.11
■ PAT	17.34	25.98	24.52

■ Gross Margin ■ EBITDA ■ PBT ■ PAT

### Margin %



■ GM %	21.37%	22.72%	22.38%
■ EBITDA %	10.53%	10.40%	10.30%
■ PBT %	2.76%	2.88%	3.25%
■ PAT %	2.02%	2.59%	2.09%

■ GM % ■ EBITDA % ■ PBT % ■ PAT %

# Our Targets

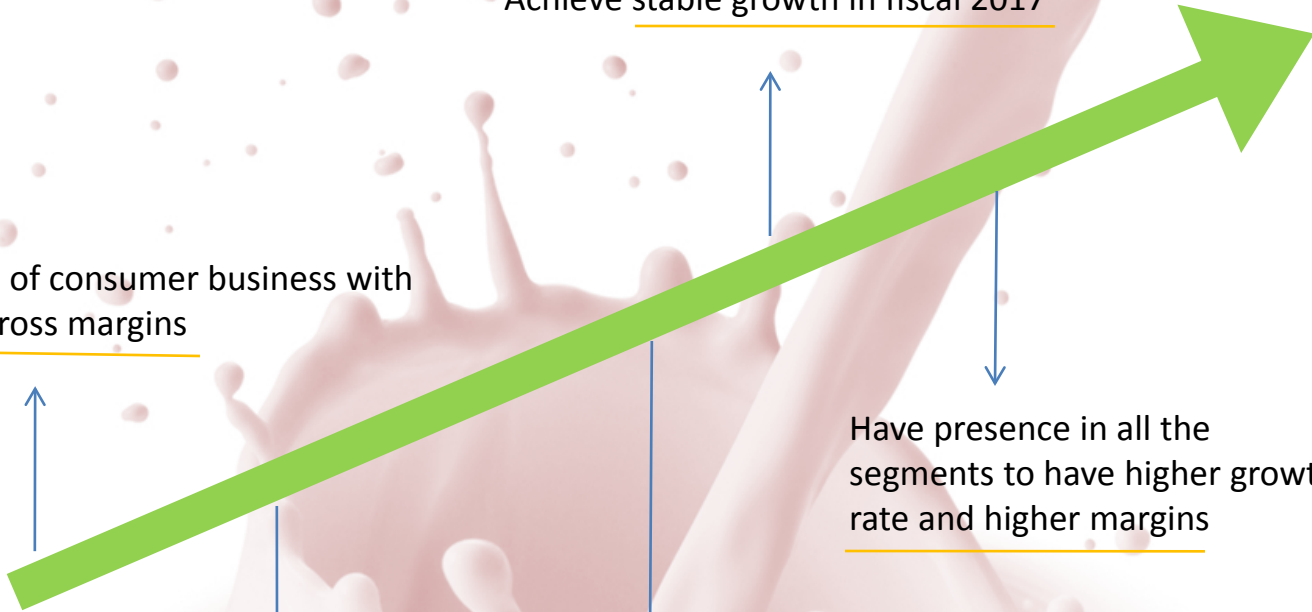
Achieve stable growth in fiscal 2017

Increase of consumer business with higher gross margins

Have presence in all the segments to have higher growth rate and higher margins

Increasing capacity utilisation to 80% - 85%

Increasing proportion of cheese as an overall ingredient business



## Key Government Schemes for dairy industry

- ❖ Package scheme of incentives
- ❖ Technology upgradation – grants, subsidies, etc.

Subsidiary of the Company viz. Sunfresh Agro Industries Pvt. Ltd. Has received an Eligibility Certificate from Government of Maharashtra for mega status. It is entitled to receive incentives in the form of refund of VAT, electricity duty, etc. over a period of 7 years starting from 2014-15 for a maximum amount of Rs. 261 Crore.



Within the first year of listing, as per the philosophy of the Company “Partners in Progress”, the Board of Directors has recommended dividend @ 0.40 per equity share which is about 15% of the consolidated net profits and believe to share more with the shareholders in future.

Be a partner in Progress

A close-up photograph of a hand holding a large splash of white liquid, likely milk or cream, against a vibrant blue background. The liquid is captured in mid-air, creating a dynamic and energetic scene. The hand is positioned in the upper right, with fingers slightly curled as if holding the splash. The liquid splashes outwards and downwards, with many small droplets visible. The overall composition is clean and modern.