



Date: 25.07.2019

To,  
BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai- 400001

**SCRIP CODE: 540404**

Dear Sir/Madam,

**Sub: Updated Investor Presentation – An insight to investors**

With reference to the above mentioned subject, kindly find enclosed updated Investor Presentation for Prime Customer Services Limited.

Investor Presentation is brief profile of Prime Customer services Limited (PCSL) and the sector in which company operates. It includes history of India's horticulture, About PCSL, Business models and strategies of PCSL, Management profile of PCSL and Financial statement PCSL.

Kindly take the same on your record and oblige.

Thanking you,

Yours Truly,

**For Prime Customer Services Limited**

**Riya Doshi**  
Company Secretary



**PRIME CUSTOMER SERVICES LTD**  
**INVESTOR PRESENTATION**  
JULY 2019

# DISCLAIMER

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This presentation may contain certain forward looking statements concerning the company's future business prospects and business profitability, which are subject to a number of risks and uncertainties and the actual results could materially differ from those in such forward looking statement.

The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, competition (both domestic and international), economic growth in India and the target countries for exports, ability to attract and retain highly skilled professionals, time and cost overruns on operations, our ability to manage our assets, government policies and actions with respect to the industry, fiscal deficits, regulations, etc., interest and other fiscal costs generally prevailing in the economy. Past performance may not be indicative of future performance.

The company does not undertake to make any announcement in case any of these forward looking statements become materially incorrect in future or update any forward looking statements made from time to time by or on behalf of the company.

# GLOSSARY

## Term Description

3PL	Third Party logistics
APEDA	Agricultural and Processed Food Products Export Development Authority
APMC	Agricultural Produce Marketing Committee
C&F	Clearing and Forwarding
CH	Cold Storage Hubs
CS	Cold Storage Bulk
CWC	Central Warehousing Corporation
DAC & FW	Department of Agriculture, Cooperation & Farmers Welfare
DAC	Department of Agriculture and Cooperation
FCI	Food Corporation of India
FE	Retail/ Front end
FMCG	Fast Moving Consumer Goods
F&V	Fruits and Vegetables
HMNEH	Horticulture Mission for North East and Himalayan States
HoReCa	Hotel, Restaurant, Café
MIDH	Mission for Integrated Development of Horticulture
MoA&FW	Ministry of Agriculture & Farmers Welfare
MoFPI	Ministry of Food Processing Industries
NCCD	National Centre for Cold-chain Development
NHB	National Housing Bank
NHM	National Health Mission
PACS	Primary Agriculture Co-operative Society
PH	Modern Pack House
QSR	Quick Service Restaurant
RC	Ripening Chamber
REEFER	Refrigerated container
RTE	Ready To Eat
RT	Reefer Transport
SWC	State Warehousing Corporations
TFCP	Task Force on Cold-chain Projects
WDRA	Warehousing Development and Regulatory Authority

# INDEX

About PCSL

5

Business model & strategies

10

Management profile

21

Financial statements

23

Annexure

27

# About PCSL

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## Market

- Agro-products industry
- Focus on Fruits & Vegetables (F&V)



## Revenue streams (FY19)

- Supply of F&V - Rs. 370.25mn (23% YoY)
- Related services - Rs. 61.53mn (4% YoY)



## Customers

- 404-B2C and 40 new customer in B2B



## 5 year CAGR

- Revenue - 22%
- EBITDA - 33%

## Vision



We envisage to become a leading fully integrated agri value chain institution in the domestic and international agro trade

## Mission



**Growth** - of our Clients, Shareholders and Employees

**Empowerment** - of our Farmers

**Commitment** - of providing hygienic and best quality Agro produce to domestic as well as International consumers.

# GEOGRAPHIC PRESENCE



## Rajasthan

- Balotra • Barmer • Jaisalmer • Jodhpur • Mt. Abu • Padru • Phalodi • Sancho

## Gujarat

- Ahmedabad • Amalsad • Aslali • Banaskantha • Bhilad • Changodhar • Dharampur • Gandevi • Halvad • Himmatnagar • Jamalpur • Junagadh • Kutch • Lakhni • Mehsana • Naroda • Navsari • Surat • Tharad • Valsad • Vapi • Vyara

## Maharashtra

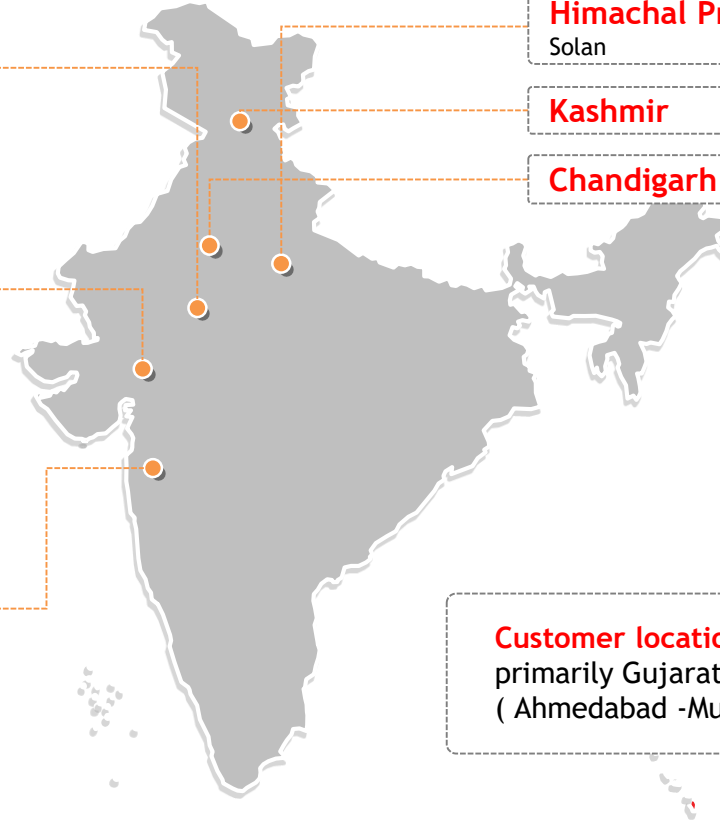
- Aatpadi • Ahmednagar • Amravati • Baramati • Devgad • Dhule • Indapur • Kolhapur • Lasolgoan • Malegaon (Nasik) • Malegaon (Washim) • Mangrupir • Morshi • Nadurbar • Nagpur • Nashik • Navi Mumbai • Niphad • Phaltan • Pimpalgaon • Pune • Rahate • Ratnagiri • Sangamner • Sanghola • Satana • Sinnar • Tasgaon

## Himachal Pradesh

Solan

## Kashmir

## Chandigarh



**Customer locations** Across country primarily Gujarat & Maharashtra. ( Ahmedabad -Mumbai -Delhi)



# PRIME CUSTOMER SERVICES BRANDS



Prime cares for its stakeholders and delivers end to end Agri Value chain solutions from sourcing, handling, sorting & grading, warehousing, ripening, storage, packing and delivery of Fruits and vegetables



We deliver Fresh is our tag line. We extensively work towards delivering high quality fresh produce to our customers.



We plan to have a retail model where we deliver the farm fresh produce( F&V) and value added products directly at the consumers doorstep (Fruits such as Mango, Pomegranate, apple, Banana).



## Supply of Fresh Fruits & Vegetables



D J Exports



**Mahindra**  
AGRI SOLUTIONS



## Warehousing Solutions & Services



Dairy  
Frozen

## Re-pack & Packaging Facility



## 3 PL (Manpower Management)



## C & FA Services

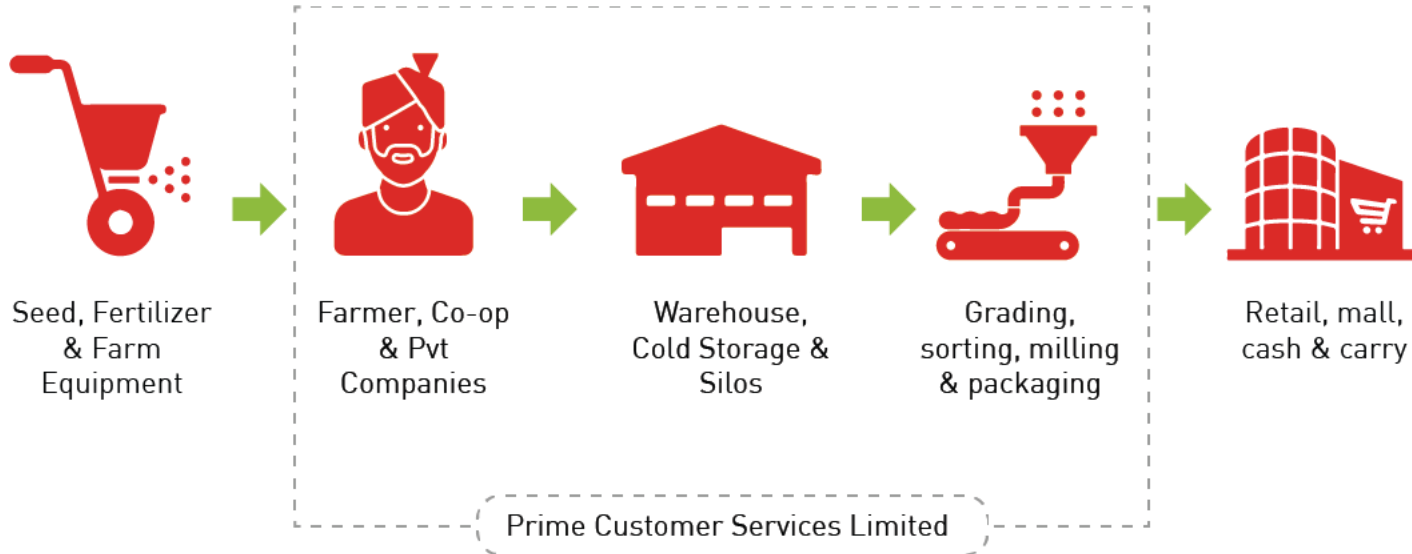


# Business model & strategies

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# PRESENCE IN F&V VALUE CHAIN



**Increasing presence in the value chain gives greater price control and higher value addition at various levels**



## Three-pronged growth strategy for FY20E

### 1. Adding new raw material supply sources

(nos.)	FY17	FY18	FY19	FY20E
Farmer connects	8,000	15,000	25,000	33,000
APMC covered	22	38	39	52
Consolidators mapped	85	180	450	480
Collection centers	2	7	8	8

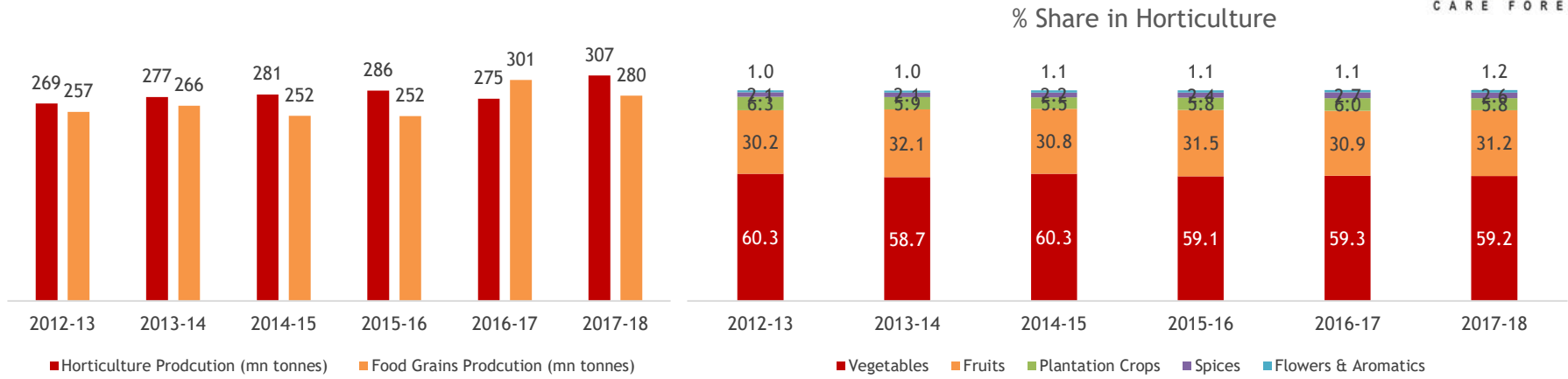
### 2. Adding new F&V segments

- Current: Mangoes, Pomegranate, Apple, Tomatoes, Onion, Imported Fruits and Mix Vegetables .  
Adding: Banana, Orange, Grapes

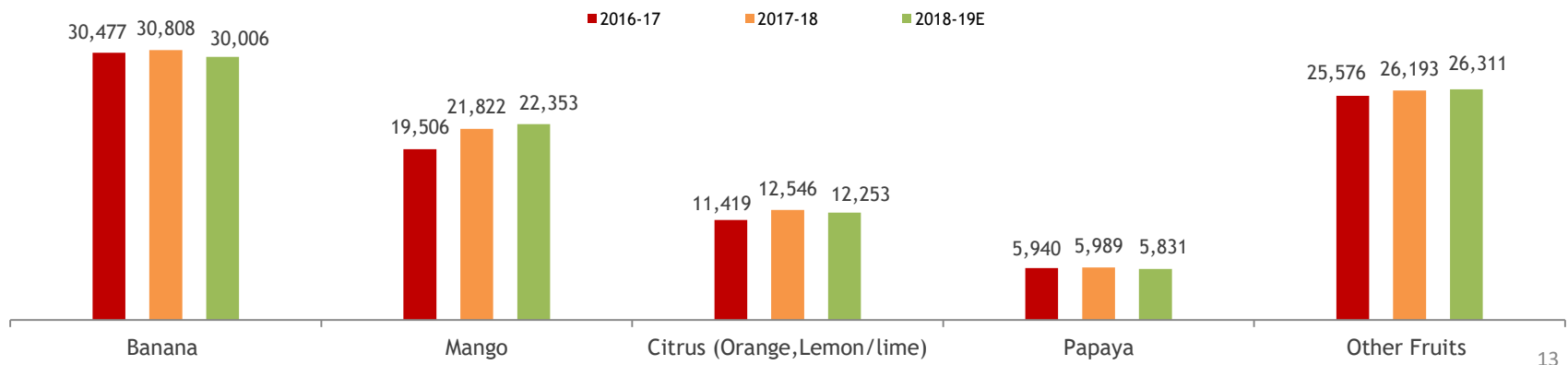
### 3. Adding new clients in new geographies

- North India and South India

# HORTICULTURE PRODUCTION VOLUME AT A GLANCE



Source: Ministry of Agriculture



Source: NHB



■ In H2FY19, the company delivered a topline growth of 29.2% vs H1FY19, on the back of improved volumes of fruits and vegetables

■ Depreciation in the H2FY19 was higher by 44.6% vs H1FY19, as the company had to write off assets

■ In H2FY19 PAT saw a dip of 9.9% vs H1FY19 on the back of higher income taxes

■ FY19 saw a couple of non-recurring expenses in nature comprising of legal and one time asset write off, however Profit after taxes (PAT) was still higher by Rs 26 Lakhs growing 26% YoY

# GROWTH CATALYST OVER THE NEXT 3 YEARS



■ PCSL currently operates in Western India and select North and North eastern region of the country for procurement of pomegranate, mangoes, onion and tomatoes and aspires to increase its footprints and F&V offerings

■ Increasing its footprints beyond the domestic boundaries tapping global markets, this entails building a right team in the value chain, thus capitalising on the opportunities present in F&V industry

■ Strengthening its Brand “ PRIME FRESH” by increasing its touch points through expansion for its F&V acquisition

■ Leveraging technology through social media and online platforms to tap different pockets for sales

■ Catered to 40,000 customer in Mumbai and Ahmedabad and aspire to address 1,00,000 customer by June 2020E



# GROWTH CATALYST OVER THE NEXT 3 YEARS



## Geographic expansion advantages:

- Large chunk of revenues from APMC and General trade from North & north eastern region, adding newer states in North and North eastern part of India
- Limiting the dependence on buyer thus de-risking the business operations
- Grading, Sorting and Packaging will vary thus bringing further improvement resulting in customer satisfaction, retention and repeat business from clientele.

## Increasing the F&V categories advantages:

- Company is going to add more F&V categories like Grapes, Banana, Orange and few other vegetables thus engaging with new clients both in the domestic and international markets
- Amassing further experience in the F&V segment and sourcing more F&V through its farmer network and strengthen its position in across 40 Districts in Maharashtra ,Gujarat & Rajasthan.
- The above strategy will ensure better sales growth and increase in profitability over a period of time

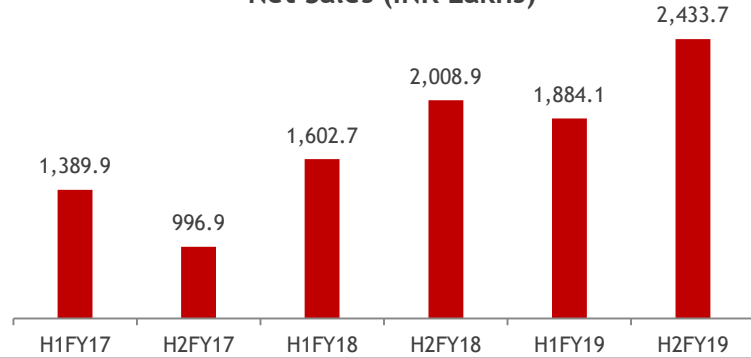
## Seasoned player in the F&V segment:

- More than a decade of experience PCSL has developed its competencies around building, owning , operating and transferring F&V DCs and CCs
- Developing and Maintaining deeper relations with farmer community and its customers which creates a barrier for new incumbents to the business
- The experience has enabled PCSL to setup 6 collection centres, 3 DCs and 2 integrated pack houses in next 18 months

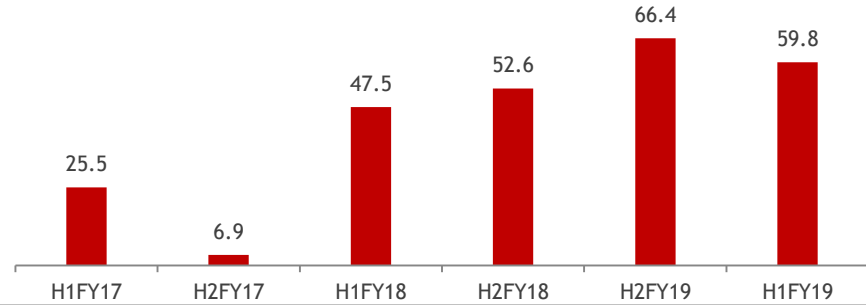
# SOUND FINANCIAL PERFORMANCE - HALF YEARLY



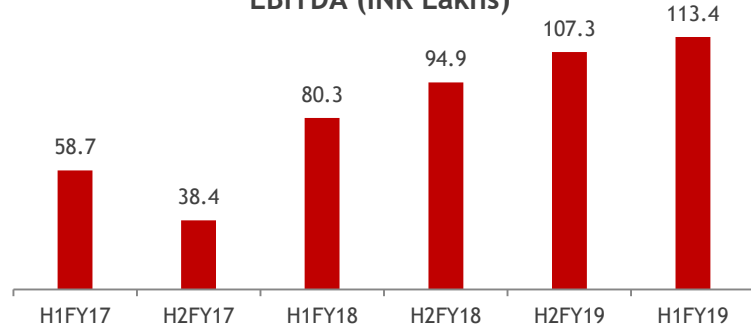
### Net Sales (INR Lakhs)



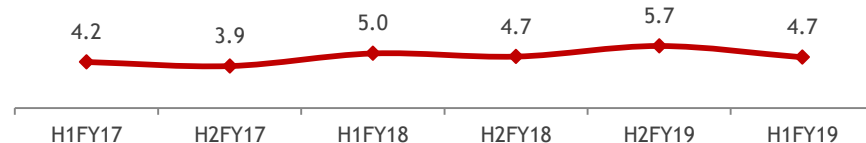
### PAT (INR Lakhs)



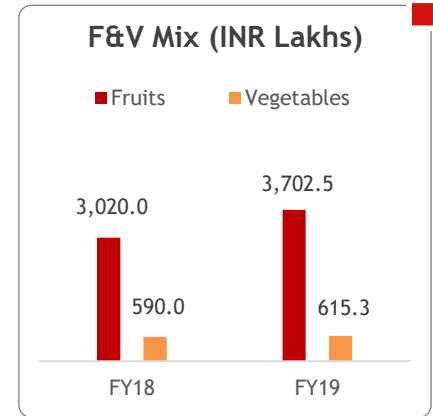
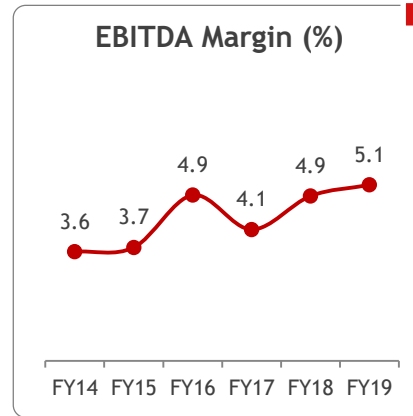
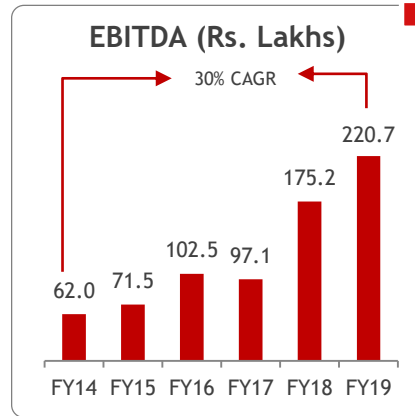
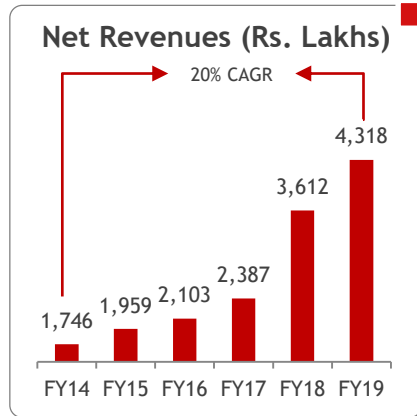
### EBITDA (INR Lakhs)



### EBITDA (%)

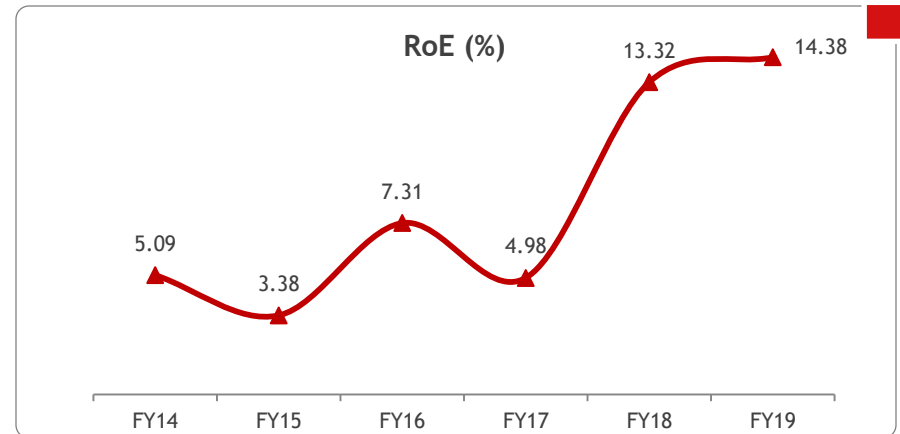
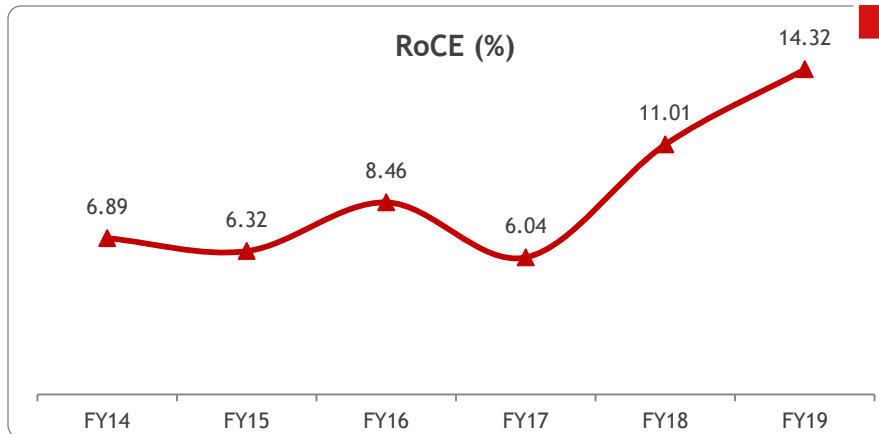
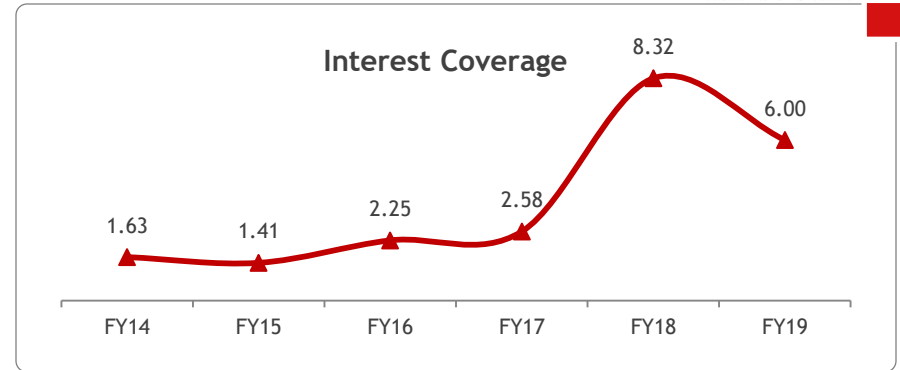
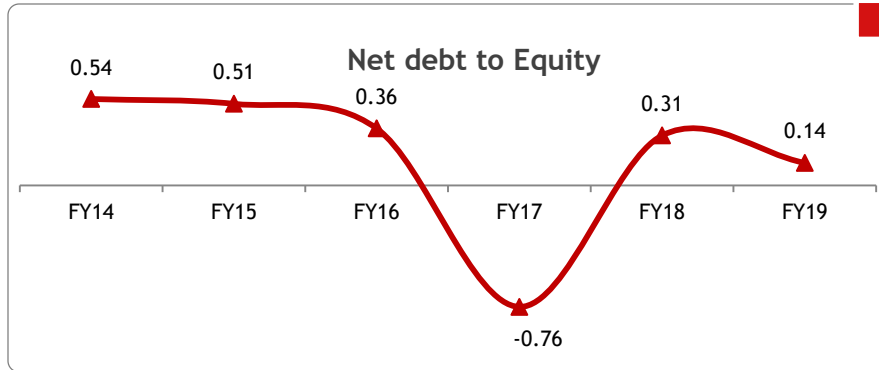


# SOUND FINANCIAL PERFORMANCE



PCSL's robust business model, growth strategy under execution, financial strength and growing market demand are catalyst for growth

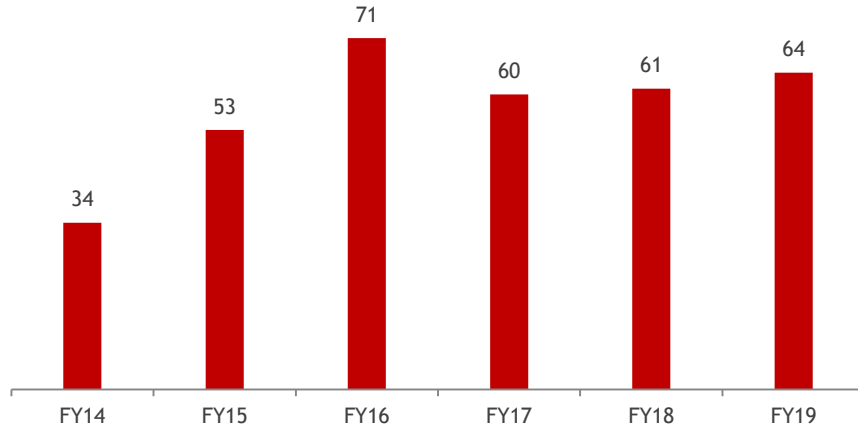
# IMPROVING RETURN PROFILE WITH LOWER DEBT



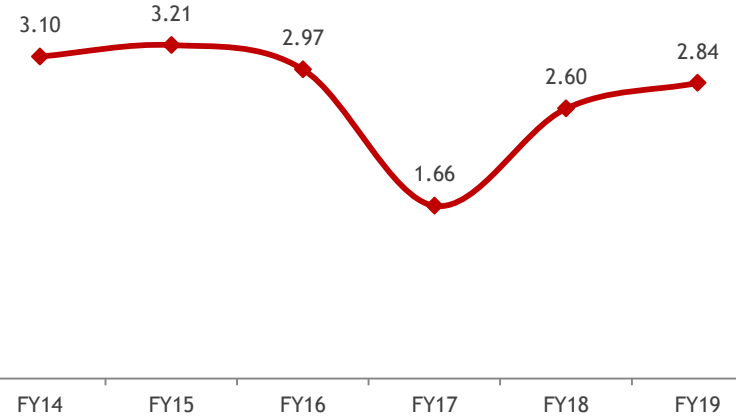
# SOUND FINANCIAL PERFORMANCE



### Net working capital Days



### Asset turnover ratio (Sales/Asset)



# Management profile

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## Jinen Ghelani (Chairman)



- 20 years experience in Retail, FMCG and horticulture in India.
- His role is pivotal for the company in identifying, negotiating and implementing new business opportunities. His rich experience includes
- procurement, operations and sales aiding the companies operation in tough business conditions.
- Through his involvement in the business, he is focussed on increasing the scale of operations and building a stronger network of farmers

## Hiren Ghelani (Director)



- A business enthusiast with passion for research has leveraged this competence in the field of F&V operation.
- A Veteran of the capital markets with a plethora of experience of 20 years in networking, resource allocation, team building and identifying new business opportunities
- Being a key member and a wheel of growth for the companies operations , he is involved in constructing and implementing strategies that add value to the business and enhance the overall shareholders value

## Umesh Patel (Independent Director)



- 30 years of deep & solid experience of Food processing sector and APMCs trade in Fruits and Vegetables sector
- Expertise in food processing & procurement bandwidth for Mangoes and Tomatoes aids in making further in-roads deeper in to Gujarat and Maharashtra
- As a part of the PCSL family, his assistance towards improving efficiency and increasing productivity are of prime importance

## Brijesh K Misra (Independent Director)



- 30 years of experience and a strong understanding of the industry with a degree in B.Sc. (Agri.) and M.S. (Agri.) in Horticulture
- He is proficient in agro-product marketing in generating, monitoring and managing sales of the products, licensing of central & state agriculture and quality control department, product trials & demonstrations and farmers meetings.
- His vast experience and wide network relationships are source for expansion in various F&V producing regions.

# Financial statements

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## Profit & Loss statement - Half Yearly

Particulars (Rs. Lakhs)	H1FY17	H2FY17	H1FY18	H2FY18	H1FY19	H2FY19
Total revenue from operations	1,391.8	997.6	1,603.4	2,009.0	1,884.1	2,434.1
Total expenses	1,333.0	959.2	1,523.1	1,914.1	1,776.8	2,320.7
<b>EBITDA</b>	<b>58.7</b>	<b>38.4</b>	<b>80.3</b>	<b>94.9</b>	<b>107.3</b>	<b>113.4</b>
<b>EBITDA margin (%)</b>	<b>4.2%</b>	<b>3.8%</b>	<b>5.0%</b>	<b>4.7%</b>	<b>5.7%</b>	<b>4.7%</b>
Depreciation and Amortization Expenses	9.7	10.2	8.1	8.3	5.4	7.8
EBIT	49.0	28.2	72.2	86.6	101.9	105.6
Other income	1.8	0.7	0.8	0.1	0.0	0.5
Interest	13.6	16.3	7.9	11.1	14.1	20.5
EBT	35.4	11.9	64.2	75.5	87.8	85.1
Tax expense	10.0	5.0	16.8	22.8	21.4	25.3
<b>Profit after tax</b>	<b>25.5</b>	<b>6.9</b>	<b>47.5</b>	<b>52.6</b>	<b>66.4</b>	<b>59.8</b>



## Profit & Loss statement - Annually

Particulars (Rs. Lakhs)	FY15	FY16	FY17	FY18	FY19
Total revenue from operations	1,959.5	2,103.5	2,386.8	3,611.7	4,317.8
Total expenses	1,890.3	2,002.1	2,292.3	3,437.3	4,097.5
<b>EBITDA</b>	<b>69.1</b>	<b>101.4</b>	<b>94.6</b>	<b>174.4</b>	<b>220.2</b>
<b>EBITDA margin (%)</b>	<b>3.65%</b>	<b>4.87%</b>	<b>4.07%</b>	<b>4.85%</b>	<b>5.11%</b>
Depreciation and Amortization Expenses	29.7	31.8	19.9	16.4	13.2
EBIT	41.8	70.7	77.3	158.8	207.5
Other income	2.4	1.2	2.6	0.8	0.5
Interest	29.6	31.4	29.9	19.1	34.6
EBT	12.2	39.3	47.4	139.7	172.9
Tax expense	3.9	12.2	14.9	39.6	46.7
<b>Profit after tax</b>	<b>8.3</b>	<b>27.1</b>	<b>32.4</b>	<b>100.1</b>	<b>126.2</b>



## Balance Sheet

Particulars (Rs. Lakhs)	FY15	FY16	FY17	FY18	FY19
Share capital	91.6	152.2	349.3	349.3	349.3
Reserves and Surplus	155.2	218.5	302.2	402.2	528.4
Non-current liabilities	205.7	53.1	5.1	282.1	179.9
Current liabilities	158.5	283.6	779.7	357.2	461.0
<b>Total Equity and Liabilities</b>	<b>611.0</b>	<b>707.4</b>	<b>1,436.3</b>	<b>1,390.8</b>	<b>1,518.6</b>
Non-current assets	149.4	123.9	127.9	112.1	98.6
Current assets	461.6	583.4	1,308.3	1,278.7	1,420.0
<b>Total Assets</b>	<b>611.0</b>	<b>707.4</b>	<b>1,436.3</b>	<b>1,390.8</b>	<b>1,518.6</b>

# Annexure

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# FARM VISIT AND INTERACTION



Mr. Jinen Ghelani in conversation with Rajasthan Pomegranate farmers



Marketing activity for Zespri Kiwi by Team Prime



Registration of Mango Farmers at Bhiliya, south Gujarat



Pomegranates farm survey visit Malegaon

# FARM VISIT AND INTERACTION



Waghbakri Facility managed by Prime



Team Prime engrossed in packing activity of Pomegranate for Europe



PCSL meeting with Pomegranate farmers and their registration at Rajasthan



PCSL meeting with Pomegranate farmers and their registration- Rahata, Maharashtra

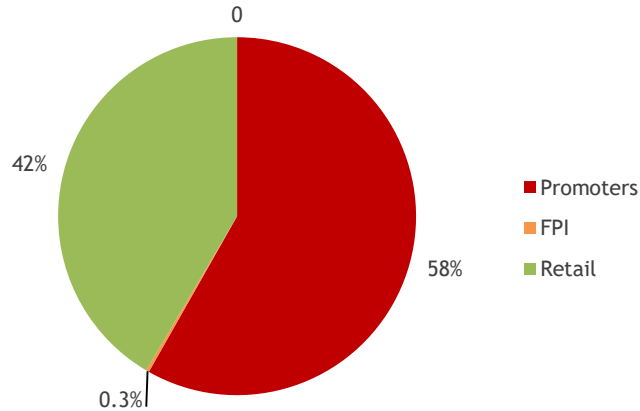
# STOCK INFORMATION



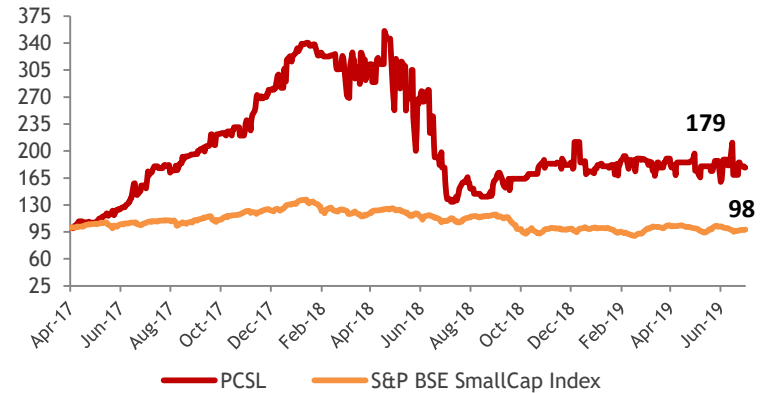
- Market cap (INR) - 3,771 lakhs
- Shares outstanding March 2019 - 34.9 lakhs

- Exchange code: 540404 (BSE)
- Bloomberg code: PRIME:IN

Shareholding pattern (as on March 2019)



Relative stock price chart



As on 4<sup>th</sup> July 2019





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