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Consolidated Financial Analysis – 9M FY20

Revenue (Rs. Mn)

- 9M FY19: 17,235
- 9M FY20: 19,027
  - Increase: +10.4%

EBITDA (Rs. Mn)

- 9M FY19: 1,798
- 9M FY20: 1,711
  - Decrease: -4.8%

PAT (Rs. Mn)

- 9M FY19: 894
- 9M FY20: 836
  - Decrease: -6.5%

Margins (%)

- EBITDA:
  - 9M FY19: 10.4%
  - 9M FY20: 9.0%
- PAT:
  - 9M FY19: 5.2%
  - 9M FY20: 4.4%

Product wise Revenue Break-up (Rs. Mn)

- Skimmed Milk Powder:
  - 9M FY19: 12.3%
  - 9M FY20: 18.3%
  - Increase: +6%

- Milk Products:
  - 9M FY19: 67.4%
  - 9M FY20: 67.5%

- Liquid Milk:
  - 9M FY19: 12%
  - 9M FY20: 12%

- Others:
  - 9M FY19: 11%
  - 9M FY20: -12%
Consolidated Financial Analysis – Q3 FY20 (QoQ)

**Revenue (Rs. Mn)**

- **Q2 FY20**: 6,400
- **Q3 FY20**: 6,329
- Change: -1.1%

**EBITDA (Rs. Mn)**

- **Q2 FY20**: 555
- **Q3 FY20**: 588
- Change: +5.9%

**PAT (Rs. Mn)**

- **Q2 FY20**: 285
- **Q3 FY20**: 276
- Change: -3.2%

**Margins (%)**

- **EBITDA%**: Q2 FY20: 8.7%, Q3 FY20: 9.3%
- **PAT%**: Q2 FY20: 4.5%, Q3 FY20: 4.4%

**Product wise Revenue Break-up (Rs. Mn)**

- **Skimmed Milk Powder**
  - Q2 FY20: 10.8%, Q3 FY20: 19.0%
  - Change: +51%

- **Liquid Milk**
  - Q2 FY20: 19.0%, Q3 FY20: 18.5%
  - Change: -4%

- **Others**
  - Q2 FY20: 68.1%, Q3 FY20: 67.5%
  - Change: -2%

- **Others**
  - Q2 FY20: 2.1%, Q3 FY20: 1.1%
  - Change: -51%
Key Highlights

**Revenue**
- Consolidated Revenue from Operations for Q3 FY20 stood at Rs. 6,329 million, a minor slip of 1.1% QoQ from Rs. 6,400 million in Q2 FY20.
  - Growth was subdued on account of the shortfall in milk availability during the quarter

**Gross Profit**
- Gross Profit for Q3 FY20 stood at Rs. 1,612 million as compared to Rs. 1,643 million in Q2 FY20.
  - Heavy rainfall, non-availability of green fodder and delayed calving affected the flush season, leading to disruptions in availability of milk causing spiraling milk prices which impacted margins

**EBITDA**
- EBITDA for Q3 FY20 stood at Rs. 588 million as compared to Rs. 554 million in Q2 FY20.
  - EBITDA Margin for Q3 FY20 stood at 9.3%. Tight operational controls and improved productivity measures have led to better performance

**PAT**
- PAT for Q3 FY20 stood at Rs. 276 million as compared to Rs. 285 million in Q2 FY20.
## Consolidated Profit & Loss Statement

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Q3 FY20</th>
<th>Q3 FY19</th>
<th>YoY</th>
<th>Q2 FY20</th>
<th>QoQ</th>
<th>9M FY20</th>
<th>9M FY19</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue from Operations</td>
<td>6,329.3</td>
<td>6,006.0</td>
<td>5.4%</td>
<td>6,400.3</td>
<td>-1.1%</td>
<td>19,026.9</td>
<td>17,235.1</td>
<td>10.4%</td>
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<tr>
<td>Raw Material Costs</td>
<td>4,717.6</td>
<td>4,048.8</td>
<td></td>
<td>4,757.3</td>
<td></td>
<td>14,087.8</td>
<td>11,842.5</td>
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<tr>
<td>GROSS PROFIT</td>
<td>1,611.7</td>
<td>1,957</td>
<td>-17.7%</td>
<td>1,643.0</td>
<td>-1.9%</td>
<td>4,939.1</td>
<td>5,393</td>
<td>-8.4%</td>
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<td>Gross Margins</td>
<td>25.5%</td>
<td>32.6%</td>
<td>-712%</td>
<td>25.7%</td>
<td>-21%</td>
<td>26.0%</td>
<td>31.3%</td>
<td>-533%</td>
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<tr>
<td>Employee Expenses</td>
<td>242.8</td>
<td>254.3</td>
<td></td>
<td>259.3</td>
<td></td>
<td>769.3</td>
<td>691.1</td>
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<tr>
<td>Other Expenses</td>
<td>781.3</td>
<td>1,082.7</td>
<td></td>
<td>828.9</td>
<td></td>
<td>2,459.0</td>
<td>2,903.9</td>
<td></td>
</tr>
<tr>
<td>EBITDA</td>
<td>587.6</td>
<td>620</td>
<td>-5.3%</td>
<td>554.8</td>
<td>5.9%</td>
<td>1,710.9</td>
<td>1,797.7</td>
<td>-4.8%</td>
</tr>
<tr>
<td>EBITDA Margin %</td>
<td>9.3%</td>
<td>10.3%</td>
<td>-104%</td>
<td>8.7%</td>
<td>62%</td>
<td>9.0%</td>
<td>10.4%</td>
<td>-144%</td>
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<tr>
<td>Other Income</td>
<td>7.7</td>
<td>6.9</td>
<td></td>
<td>30.8</td>
<td></td>
<td>66.6</td>
<td>39.3</td>
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<tr>
<td>Depreciation</td>
<td>136.0</td>
<td>138.5</td>
<td></td>
<td>130.2</td>
<td></td>
<td>399.1</td>
<td>407.7</td>
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<tr>
<td>EBIT</td>
<td>459.3</td>
<td>488.7</td>
<td>-6.0%</td>
<td>455.4</td>
<td>0.9%</td>
<td>1,378.4</td>
<td>1,429.3</td>
<td>-3.6%</td>
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<tr>
<td>Finance Cost</td>
<td>112.6</td>
<td>102.1</td>
<td></td>
<td>86.3</td>
<td></td>
<td>292.1</td>
<td>279.8</td>
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<tr>
<td>Exceptional Items</td>
<td>0.0</td>
<td>0.0</td>
<td></td>
<td>0.0</td>
<td></td>
<td>0.0</td>
<td>0.0</td>
<td></td>
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<tr>
<td>PBT</td>
<td>346.7</td>
<td>386.6</td>
<td>-10.3%</td>
<td>369.0</td>
<td>-6.1%</td>
<td>1,086.4</td>
<td>1,149.5</td>
<td>-5.5%</td>
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<tr>
<td>Tax Expense</td>
<td>70.9</td>
<td>79.2</td>
<td></td>
<td>84.1</td>
<td></td>
<td>250.5</td>
<td>255.2</td>
<td></td>
</tr>
<tr>
<td>PAT</td>
<td>275.8</td>
<td>307</td>
<td>-10.3%</td>
<td>284.9</td>
<td>-3.2%</td>
<td>835.8</td>
<td>894.3</td>
<td>-6.5%</td>
</tr>
<tr>
<td>PAT Margin %</td>
<td>4.4%</td>
<td>5.1%</td>
<td>-76%</td>
<td>4.5%</td>
<td>-9%</td>
<td>4.4%</td>
<td>5.2%</td>
<td>-80%</td>
</tr>
<tr>
<td>Other Comprehensive Income</td>
<td>0.2</td>
<td>-0.8</td>
<td></td>
<td>0.3</td>
<td></td>
<td>0.7</td>
<td>-2.3</td>
<td></td>
</tr>
<tr>
<td>Total Comprehensive Income</td>
<td>276.0</td>
<td>306.6</td>
<td></td>
<td>285.2</td>
<td></td>
<td>836.5</td>
<td>892.1</td>
<td></td>
</tr>
</tbody>
</table>

**Amounts in Rs. Million**
Marketing Campaigns & Consumer Engagement Initiatives

**GO Cheese**

- **Launched GO Cheese Blends**
  - The product is a mix of two types of cheese - Cheddar & Mozzarella
  - Available in diced form for “Out of Home” consumption segment i.e. HORECA in 1 kg & 2 kgs sizes
  - Shelf Life - ~9 Months

**Gowardhan Ghee & Paneer**

- Several TV & Social Media Campaigns on Top Regional, Entertainment, Movies, News and Music Channels

**Avvatar**

- Brand Promotions at FITEXPO Kolkata & Sunit Jadhav Brand Tour and Trainers and Dealer’s Conference - Delhi and Haryana

**Pride of Cows**

- Digital and Innovative Campaigns during the Festive Season
Parag at a Glance

**Strong Relationships**
Established Strong Relationships with over 2 lakh farmers and over 3.5 lakh retail touch points

**State-of-the-art Facilities**
Aggregate milk processing capacity of 2.9 mn litres per day with the largest Cheese production capacity in India of 60 MT / day and a Paneer Capacity of 20MT / day

**Strong Distribution**
Pan-India Distribution Network of 19 Depots, over 140 Super Stockists and 3,000+ Distributors

**170+ SKU’s**
Diversified product portfolio with 170+ SKU’s that cater to a wide range of customers

**7 Brands**
- Gowardhan
- Go
- Pride Of Cows
- Topp Up
- Milkrich
- Avvatar
- Slurp

**Ranked #1**
Parag Milk Foods was ranked #1 in Fortune India’s ‘Next 500’ from #67 last year
Evolution of the Company

1992
Parag Milk Foods Ltd founded in 1992 with one purpose: To deliver Fresh Milk and Diary Products

1998
 commissioned Manchar plant and began manufacturing Traditional products like Butter and Ghee under the brand, ‘Gowardhan’

2005
Birth of Bhagyalaxmi Dairy Farm - India’s most modern dairy farm with the finest International Equipments

2008
Commissioned “Go Cheese World” - India’s largest cheese manufacturing plant with a capacity of 40 MT per day

2010
Palamaner plant was established with a world-class UHT facility

2011
Birth of ‘Pride of Cows’, a First-of-its-kind premium farm-to-home milk brand

2014
Realising the needs of our institutional clients, we launched B2B Whey Protein

2015
Relaunched the brand Parag with a new identity

2016
Got listed on the bourses, thus becoming a Publicly branded and owned entity

2017
Launched a 100% Whey protein under the brand Avvatar

2018
Extended the Health & Nutrition Product Portfolio by adding Go Protein Power & Avvatar Advance Mass Gainer

2018
Established our third manufacturing facility in North India in Sonipat, Haryana on acquiring Danone’s manufacturing facility
Our Diverse Product Portfolio catering to all segments of customers

- Household consumers seeking premium quality cow’s milk
- Health enthusiasts
- Children and the youth primarily for direct consumption
- On-the-go consumption as source of instant nourishment
- Traditional Indian recipes and cooking ingredients
- Indian households
Our Brand Power

2nd Largest Player in Cheese in the India with 35% Market Share

Pioneers of Fresh Paneer with a 75 Day Shelf Life

Leaders & Pioneers of Cow Ghee category under Brand ‘Gowardhan’ Ghee

Own one of the Largest Cow Farms in India

India’s First Company to launch a truly made in India B2C Whey protein powder under Brand ‘Avvatar’

Leading private player in UHT Category under the Brand ‘GO’

Introduced the concept of Farm-to-Home milk under the brand ‘Pride of Cows’

Converted waste into value-added products like organic fertilizers from cow manure and urine under brand ‘Bhagyalaxmi Dairy Farms’
Last mile availability from ‘Farm to Fork’

- **19 Depots**
- **140+ Super Stockists**
- **3,000+ Distributors**
- **3.5 lakhs Retail Touch points**

**Dedicated Sales and Marketing team comprising of over 800 personnel**

**Sales force Automation –Better visibility of Supply Chain Management**

**Disclaimer:** Maps not to scale. All data, information, and maps are provided “as is” without warranty or any representation of accuracy, timeliness or completeness.
Partner with Leading Institutions and Quick Service Restaurants

- **Interact** with Customers at the Inception Phase of the Product and even help them to curate a menu.

- **Customization** of the product according to the Need.

- **Maintaining the Exclusivity of the Product**.

- **Strong/Long term Relations** with Customers.

**Supplies To:**

- Prominent Burger Chains
- Major FMCG companies
- Leading Pizza Chains
- Hotels, Restaurants and Food Chains
A Pan-India Manufacturing Footprint

### Key Categories & Capacity

<table>
<thead>
<tr>
<th>Key Categories</th>
<th>Capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Milk Processing</td>
<td>2.9 mn litres per day</td>
</tr>
<tr>
<td>Cheese</td>
<td>60MT per day</td>
</tr>
<tr>
<td>Paneer</td>
<td>20MT per day</td>
</tr>
<tr>
<td>Ghee</td>
<td>110 MT per day</td>
</tr>
<tr>
<td>Whey Processing</td>
<td>6 lakh litres per day</td>
</tr>
</tbody>
</table>

### Key Features: Parag’s Manufacturing Footprint

- One of the **Largest Cheese Plants** in India
- India’s 1st state-of-the-art fully integrated **Whey Protein Plant**
- Fully automated **Paneer Plant**
- World-class **UHT facility**
- India’s most **Modern Dairy Farm**
  - Houses Over 2,500 Holstein Friesian Cows
  - With an **Average yield of 20-25 litres per cow** vs India’s Average of 4-5 litres per cow
- Newly **Acquired Sonipat Facility** & Infrastructure
  - Currently has a Milk & Curd Processing Unit
  - Future Plans to install processing units for pouch milk, flavoured milk, pouch butter milk, cup curd, misthi doi as well as expand the existing yoghurt facility

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Disclaimer: Maps not to scale. All data, information, and maps are provided “as is” without warranty or any representation of accuracy, timeliness or completeness
Farmer Relationship is an Integral part of our Business

3-tier Milk Procurement Process

Tier 1
Village collection centres procure milk from over 2 lakh farmers in 29 districts

Tier 2
Milk is then transported to nearby Bulk Milk Coolers (BMC) and chilled

Tier 3
The chilled milk is then transported in tanks to our dairy plant

Procurement Network

Farmer Services

Never Say No for Milk
Correct Quantity & Quality
Supplying Cattle feed at subsidized rates
Transparent Milk Pricing
Building Relationship with Farmers
Improving the Productivity of Cows
Free Vaccinations for Cattles
Free Health Camps for Cattles

Future Sourcing States post Danone’s plant Acquisition
Current Sourcing States

Disclaimer: Maps not to scale. All data, information, and maps are provided “as is” without warranty or any representation of accuracy, timeliness or completeness.
The Board consists of well qualified personnel with a strong understanding on the Procurement & Production Processes with a wide gamut of Industry experience in the Dairy and Consumer Space backed by innovative abilities to make the company a successful Dairy FMCG company.
Our Management Team

<table>
<thead>
<tr>
<th>Mr. Venkat Shankar</th>
<th>Mr. Shashikant Dalmia</th>
<th>Ms. Akshali Shah</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief Executive Officer</td>
<td>Chief Financial Officer</td>
<td>VP – Strategy (Sales &amp; Marketing)</td>
</tr>
<tr>
<td>He has more than 15+ years of experience in the FMCG (Food) space with his most recent stint with Britannia Industries Ltd as the VP &amp; Head of the Dairy Business. Prior to that he has spent 14 years in Pepsico Sales &amp; Marketing and 9 years in Private Equity across numerous regions of India which has helped him gain the experience of various trade and consumer behaviours. He has also managed multi-functional and P&amp;L responsibilities. He has a PGDM degree from IIM Ahmedabad and an Engineering degree from IIT Kanpur.</td>
<td>He has been with the group for the last 7 years and has handled various functions which include Direct Taxation, Costing, Treasury &amp; Risk Management, Corporate Finance &amp; Accounts, Budget Planning, and Liaising with Government authorities as well as various accounting functions at Plant level. He is also involved in the strategic initiatives of the Group’s International business and Long-range planning. He is a qualified Chartered Accountant.</td>
<td>An MBA in Family Managed Business from S.P. Jain Institute of Management &amp; Research, she is actively involved in branding, marketing &amp; advertising strategy, category intelligence &amp; competitive analysis. She has also played a key role in the revamping the corporate identity of company.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Mr. Shirish Upadhyay</th>
<th>Mr. H.S. Oberoi</th>
<th>Mrs. Rachana Sanganeria</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior VP Strategy</td>
<td>President - Cheese Manufacturing</td>
<td>Company Secretary &amp; Compliance Officer</td>
</tr>
<tr>
<td>He has 20+ years of experience in dairy and has spent 12 years with GCMMFL (Amul). He has been associated with our company since 2010 during which he was responsible for strategic planning &amp; operations. For a brief time, he advised the management on Company strategy and operations, and is joining the Company full-time from July 2019. He has a Bachelor’s degree in Science from Sardar Patel University and a Master’s degree in Business Administration from Bhavnagar University.</td>
<td>A Mozzarella Cheese manufacturing expert, he has a B. Tech degree and over 52 years of extensive experience in the dairy industry.</td>
<td>Qualified Company Secretary and an Associate Member of the Institute of Company Secretaries of India. She also holds a Bachelor’s degree in Commerce and LL.B. degree from the University of Mumbai. She has over 18 years of experience as a Company Secretary.</td>
</tr>
</tbody>
</table>
Integration of Technology across all verticals

- **Business intelligence and Analytics** captured through SAP
- **Seamless integration** of our manufacturing facilities, cold chain and our distribution network of super-stockists & retailers
- **Theory of Constraints (Vector) Dashboard** for live monitoring of order taking and past trends of retailers
- **Sales Force Automation** helps to **increase productivity** and enhance the time spent on **driving sales**
- **Distribution Management System** helps with **inventory management** and provides us with **secondary sales data** in real-time
- **Our systems provide real-time analysis** of the quality and quantity of milk procured
Our Strategy for Value Creation

**Increase Operational Efficiencies**
Leverage in-house technological, R&D capabilities to:
- Maintain strict operational controls
- Enhance customer services levels
- Develop customised systems & processes

**Strengthen Our Brands**
- Enhance brand recall through strategic branding initiatives
- Increase Ad spend on diverse channels including television, newsprint, digital media

**Increase Milk Procurement**
- Strengthening existing farmer relations
- Offer quality & quantity based incentives
- Set up new collection centres & reach new districts
- To add 75 new bulk coolers, 100 automated collection systems

**Focus on Health & Nutrition**
Introduce healthy & nutritious product variants like
- Whey protein powder for mass consumption and in different formats
- Colostrum products – as daily supplements
- High protein, low fat cheese products

**Increase Value-added Product Portfolio**
- Offer wider range of farm-to-home products under ‘Pride of Cows’
- Focus on health & nutritional aspect in developing premium products
- Sell whey protein directly to consumers in the form of a branded product

**Enhance Product Reach**
- Strengthen distributor & stockists base to achieve higher retail penetration
- Introduce low unit price products in Tier III cities
- Identify specific states and regions in India to increase sales volumes
Industry Dynamics
Indian Dairy Market

Indian Dairy Market (US$ 107 Bn)

Organised Dairy Market (US$ 15 Bn)

Unorganised Dairy Market (US$ 92 Bn)

Cooperatives (US$ 7 Bn)

Private Dairies (US$ 8 Bn)

Traditional Milkmen / Vendors (US$ 34 Bn)

Self Consumption at Home (US$ 58 Bn)

Milk production volume break-up by Marketability

Marketable Milk volume break-up by Segment

Organized Marketable Milk volume break-up by Segment

54% 46%

70% 30%

45% 55%

Self Consumption Marketable Milk

Unorganised Organised

Cooperatives Private Players

Source: IMARC Report – Industry size is as per market realizations
Amounts in US$ Billion, 1US$ = INR 67
Tremendous Growth Potential across Product Segments

**Traditional Products Growth**

- **CAGR of 15%**

**Liquid Milk**
- 2010: 22,403
- 2014: 39,119
- 2020E: 90,567
- CAGR: +15.0%

**Ghee**
- 2010: 2,448
- 2014: 4,373
- 2020E: 9,761
- CAGR: +14.8%

**Paneer**
- 2010: 1,851
- 2014: 3,239
- 2020E: 7,358
- CAGR: +14.8%

**Curd**
- 2010: 5,149
- 2014: 9,224
- 2020E: 20,403
- CAGR: +14.8%

---

**Modern Products Growth**

- **CAGR of 26%**

**UHT Milk**
- 2010: 149
- 2014: 388
- 2020E: 1,552
- CAGR: +26.4%

**Flavoured Milk**
- 2010: 75
- 2014: 194
- 2020E: 716
- CAGR: +25.3%

**Cheese**
- 2010: 75
- 2014: 179
- 2020E: 881
- CAGR: +27.9%

**Whey (Powder)**
- 2010: 15
- 2014: 45
- 2020E: 149
- CAGR: +25.8%

---

Source: IMARC Report
Amounts in US$ Million, 1US$ = INR 67
Key Financial Highlights

**Revenue (Rs. Mn)**
- FY15: 14,441
- FY18: 19,545
- FY19: 23,957

**EBITDA (Rs. Mn)**
- FY15: 1,072
- FY18: 1,933
- FY19: 2,235

**PAT (Rs. Mn)**
- FY15: 322
- FY18: 871
- FY19: 1,207

**Margins (%)**
- EBITDA%
  - FY15: 12.1%
  - FY18: 15.4%
  - FY19: 17.2%
- PAT%
  - FY15: 7.4%
  - FY18: 9.9%
  - FY19: 9.3%
- ROCE%
  - FY15: 2.2%
  - FY18: 4.5%
  - FY19: 5.0%
Key Financial Highlights

### Working Capital (In Days)

- **FY18**: 72 days
- **FY19**: 68 days
- **Change**: -5.6%

### Operating Cash Flows (Rs. Mn)

- **FY18**: 613 Mn
- **FY19**: 1,591 Mn
- **Change**: +159.5%

### Fixed Assets Turnover Ratio

- **FY18**: 5.0
- **FY19**: 6.0
- **Change**: +19.5%

### Debt to Equity

- **FY18**: 0.4
- **FY19**: 0.3

On Consolidated Basis
## Consolidated Profit & Loss Statement

<table>
<thead>
<tr>
<th>Particulars</th>
<th>FY19</th>
<th>FY18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue from Operations</td>
<td>23,956.6</td>
<td>19,545.1</td>
</tr>
<tr>
<td>Raw Material Costs</td>
<td>16,573.6</td>
<td>13,678.9</td>
</tr>
<tr>
<td><strong>GROSS PROFIT</strong></td>
<td>7,383.0</td>
<td>5,866.2</td>
</tr>
<tr>
<td><strong>Gross Margins</strong></td>
<td>30.8%</td>
<td>30.0%</td>
</tr>
<tr>
<td>Employee Expenses</td>
<td>949.9</td>
<td>735.2</td>
</tr>
<tr>
<td>Other Expenses</td>
<td>4,198.1</td>
<td>3,198.1</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>2,235.0</td>
<td>1,932.9</td>
</tr>
<tr>
<td><strong>EBITDA Margin %</strong></td>
<td>9.3%</td>
<td>9.9%</td>
</tr>
<tr>
<td>Other Income</td>
<td>102.6</td>
<td>120.0</td>
</tr>
<tr>
<td>Depreciation</td>
<td>501.9</td>
<td>506.0</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>1,835.7</td>
<td>1,546.9</td>
</tr>
<tr>
<td>Finance Cost</td>
<td>357.9</td>
<td>357.3</td>
</tr>
<tr>
<td>Exceptional Items</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>PBT</strong></td>
<td>1,477.9</td>
<td>1,189.6</td>
</tr>
<tr>
<td>Tax Expense</td>
<td>270.7</td>
<td>319.0</td>
</tr>
<tr>
<td><strong>PAT</strong></td>
<td>1,207.2</td>
<td>870.56</td>
</tr>
<tr>
<td><strong>PAT Margin %</strong></td>
<td>5.0%</td>
<td>4.5%</td>
</tr>
<tr>
<td>Other Comprehensive Income</td>
<td>1.0</td>
<td>-3.1</td>
</tr>
<tr>
<td><strong>Total Comprehensive Income</strong></td>
<td>1,208.2</td>
<td>867.5</td>
</tr>
</tbody>
</table>

Amounts in Rs. Million
## Consolidated Balance Sheet

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Mar-19</th>
<th>Mar-18</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-current assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>4,023.4</td>
<td>3,922.7</td>
</tr>
<tr>
<td>Capital work-in-progress</td>
<td>290.3</td>
<td>204.0</td>
</tr>
<tr>
<td>Other intangible assets</td>
<td>34.5</td>
<td>47.5</td>
</tr>
<tr>
<td>Biological assets other than bearer plants</td>
<td>337.6</td>
<td>290.9</td>
</tr>
<tr>
<td>Financial assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments</td>
<td>5.3</td>
<td>5.1</td>
</tr>
<tr>
<td>Loans</td>
<td>3.5</td>
<td>3.5</td>
</tr>
<tr>
<td>Other financial assets</td>
<td>130.0</td>
<td>95.6</td>
</tr>
<tr>
<td>Deferred tax assets (net)</td>
<td>166.7</td>
<td>75.2</td>
</tr>
<tr>
<td>Other non-current assets</td>
<td>219.2</td>
<td>119.7</td>
</tr>
<tr>
<td><strong>Sub-total - Non-Current Assets</strong></td>
<td>5,210.4</td>
<td>4,764.0</td>
</tr>
<tr>
<td>Current assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inventories</td>
<td>4,628.8</td>
<td>4,379.3</td>
</tr>
<tr>
<td>Financial assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade receivables</td>
<td>2,786.5</td>
<td>2,517.2</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>73.5</td>
<td>310.0</td>
</tr>
<tr>
<td>Other Bank balances</td>
<td>46.9</td>
<td>186.0</td>
</tr>
<tr>
<td>Other current assets</td>
<td>1,674.3</td>
<td>1,658.7</td>
</tr>
<tr>
<td><strong>Sub-total - Current Assets</strong></td>
<td>9,209.9</td>
<td>9,051.3</td>
</tr>
<tr>
<td><strong>TOTAL - ASSETS</strong></td>
<td>14,420.4</td>
<td>13,815.3</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Mar-19</th>
<th>Mar-18</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EQUITY AND LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity Share capital</td>
<td>839.4</td>
<td>838.9</td>
</tr>
<tr>
<td>Other equity</td>
<td>7,432.0</td>
<td>6,282.8</td>
</tr>
<tr>
<td><strong>Sub-total - Shareholders' funds</strong></td>
<td>8,271.4</td>
<td>7,121.6</td>
</tr>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Borrowings</td>
<td>646.2</td>
<td>635.2</td>
</tr>
<tr>
<td>Provisions</td>
<td>40.8</td>
<td>35.5</td>
</tr>
<tr>
<td>Other non-current liabilities</td>
<td>0.0</td>
<td>58.2</td>
</tr>
<tr>
<td><strong>Sub-total - Non-current liabilities</strong></td>
<td>799.8</td>
<td>728.8</td>
</tr>
<tr>
<td>Current liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Borrowings</td>
<td>1,497.5</td>
<td>2,001.5</td>
</tr>
<tr>
<td>Trade payables</td>
<td>2,971.0</td>
<td>3,032.6</td>
</tr>
<tr>
<td>Other financial liabilities</td>
<td>725.7</td>
<td>742.5</td>
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<tr>
<td>Other current liabilities</td>
<td>75.7</td>
<td>113.0</td>
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<tr>
<td>Provisions</td>
<td>13.9</td>
<td>13.8</td>
</tr>
<tr>
<td>Current tax liabilities (net)</td>
<td>178.4</td>
<td>61.5</td>
</tr>
<tr>
<td><strong>Sub-total - Current liabilities</strong></td>
<td>5,462.0</td>
<td>5,964.8</td>
</tr>
<tr>
<td><strong>TOTAL - EQUITY AND LIABILITIES</strong></td>
<td>14,420.4</td>
<td>13,815.3</td>
</tr>
</tbody>
</table>

*Amounts in Rs. Million*
Annexures
India’s Favourable Dynamics offer Huge Opportunities

- **Rising Middle Class Population & Income Levels**
  - Middle class households to grow from 255 million in 2015 to 586 million in 2025 at a CAGR of 8.7%
  - Rising income & disposable income to drive consumption of milk & dairy products

- **Urbanisation**
  - Urban population expected to increase from 31.2% in 2011 to 34.5% in 2021
  - Preference for clean, hygienic & ready-to-eat milk & dairy products to boost organised dairy industry

- **Changing Dietary Patterns with focus on Milk**
  - Milk being important source of vital nutrients especially for vegetarians, consumers are shifting away from cereals to milk & dairy products
  - 31% Indian population is vegetarian, ensuring continuous demand for milk & dairy products

- **Shift to Packaged Food to drive Organised Market**
  - Increasing quality & safety concerns increasing demand for packaged food, in particular pasteurised packaged milk
  - Organised market share to also increase to 26%, in value terms, by 2020

Source: IMARC Report

* As per World Bank report on Global Economic Prospects – January 2018
India Contributes > 20% of Global Milk Production

### Top Milk Producing Countries (Million MT)

<table>
<thead>
<tr>
<th>Countries</th>
<th>2017</th>
<th>2018E</th>
<th>2019E</th>
<th>2020E</th>
<th>2027E</th>
<th>CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>India</td>
<td>169</td>
<td>174</td>
<td>181</td>
<td>188</td>
<td>244</td>
<td>3.7%</td>
</tr>
<tr>
<td>EU – 28</td>
<td>164</td>
<td>167</td>
<td>167</td>
<td>169</td>
<td>177</td>
<td>0.8%</td>
</tr>
<tr>
<td>USA</td>
<td>98</td>
<td>98</td>
<td>99</td>
<td>100</td>
<td>105</td>
<td>0.7%</td>
</tr>
<tr>
<td>Pakistan</td>
<td>54</td>
<td>56</td>
<td>58</td>
<td>59</td>
<td>70</td>
<td>2.8%</td>
</tr>
<tr>
<td>China</td>
<td>40</td>
<td>43</td>
<td>44</td>
<td>45</td>
<td>50</td>
<td>2.3%</td>
</tr>
<tr>
<td>Russia</td>
<td>31</td>
<td>31</td>
<td>31</td>
<td>31</td>
<td>31</td>
<td>0.0%</td>
</tr>
<tr>
<td>Brazil</td>
<td>29</td>
<td>30</td>
<td>30</td>
<td>31</td>
<td>36</td>
<td>2.1%</td>
</tr>
<tr>
<td>New Zealand</td>
<td>21</td>
<td>22</td>
<td>22</td>
<td>23</td>
<td>25</td>
<td>1.5%</td>
</tr>
<tr>
<td><strong>World</strong></td>
<td>823</td>
<td>844</td>
<td>859</td>
<td>875</td>
<td>994</td>
<td>1.9%</td>
</tr>
</tbody>
</table>

### Global - Animal Wise Milk Production - 2017

- **Cow**: 85.0%
- **Buffalo**: 11.5%
- **Goat & Others**: 3.5%

### India - Animal Wise Milk Production - 2017

- **Cow**: 45.0%
- **Buffalo**: 55.0%

Source: IMARC Report, Ministry of Animal Husbandry, Dairy & Fisheries and FAO
Milk Production in India

Dr. Verghese Kurien initiated operation Flood to increase Milk Production.

Liberalization of the sector in 1991 led to entry of private players.

Source: Ministry of Animal Husbandry, Dairy and Fisheries
Ghee Market (Butter Oil/Cooking Oil/Clarified Butter)

India’s Ghee Market Size (in US$ Million)

Key Highlights

- Ghee is traditionally used as cooking oil in Indian households
- It is the 2nd largest category in the Indian dairy industry after Liquid Milk
- The organized market is currently 20% of total, and is growing rapidly at a CAGR of 17%
- Parag is present in the “Cow Ghee” category and are not only pioneers of the category but also the most sought after brand in the segment
- The Cow Ghee segment is growing faster than the overall Ghee market and has higher margins
Cheese Market

India’s Cheese Market Size (in US$ Million)

Key Highlights

• Cheese is one of the fastest growing segments among dairy products in India

• Rise in food service outlets and changing food habits are major drivers

• Earlier, the cheese market in India was dominated by block cheese, slices and cubes

• Through innovation Parag has achieved a leadership position with a 1/3rd market share

• Parag dominates the Institutional & HoReCa segment

• Maharashtra is the biggest market for cheese consumption, followed by Gujarat, Delhi, Tamil Nadu and Uttar Pradesh

Source: IMARC Report
1US$ = INR 67
Paneer (Cottage cheese)

**Key Highlights**

- Paneer is to India what cheese is to the Western world and is an integral part of many Indian recipes.
- Paneer is the third largest segment in the milk products category.
- Paneer is consumed like vegetables in Indian households and therefore purchased fresh on a daily basis.
- With innovation in manufacturing & packaging, Parag has created a long-shelf life Fresh Paneer made from 100% cow milk.
- Due to hygiene and consistency in taste, the trend towards branded packaged paneer is gaining momentum.

**India’s Paneer Market Size (in US$ Million)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Organized</th>
<th>Unorganized</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>1,358</td>
<td>98.4%</td>
</tr>
<tr>
<td>2009</td>
<td>1,940</td>
<td>98.1%</td>
</tr>
<tr>
<td>2011</td>
<td>2,896</td>
<td>98.0%</td>
</tr>
<tr>
<td>2013</td>
<td>3,806</td>
<td>97.7%</td>
</tr>
<tr>
<td>2015</td>
<td>5,030</td>
<td>97.4%</td>
</tr>
<tr>
<td>2017</td>
<td>6,597</td>
<td>97.1%</td>
</tr>
<tr>
<td>2018</td>
<td>7,522</td>
<td>96.9%</td>
</tr>
<tr>
<td>2019E</td>
<td>8,582</td>
<td>96.7%</td>
</tr>
<tr>
<td>2020E</td>
<td>9,761</td>
<td>96.5%</td>
</tr>
</tbody>
</table>

**Organized vs Unorganized Sales**

- Source: IMARC Report
- 1US$ = INR 67
Curd (Dahi)

India’s Curd Market Size (in US$ Million)

Key Highlights

- Curd industry has transformed from being a product that was traditionally made at home to a branded & packaged product.

- The organized curd market is growing rapidly at a CAGR of 20%+ with even higher growth in metros.

- With a distinctive home-made recipe and made of pure Cow milk, our curd is well-positioned to dominate this category in major markets.

- Parag has significant presence in major metros like Mumbai, Pune, Nagpur, Hyderabad, Bangalore & Chennai and is now expanding into Delhi NCR and nearby markets of North & East.

Organized vs Unorganized Sales

Source: IMARC Report
1US$ = INR 67
UHT & Beverages

India's UHT Market Size (in US$ Million)

Key Highlights

• In 2014, the UHT milk market accounted for less than 1% of the total milk market and ~5% of the organized milk market
• However, with benefits like safety, convenience and longer shelf life, usage of UHT milk is increasing at a fast pace in major metros
• Milk deficit areas are switching from milk powders to UHT milk
• Parag has established itself as a the largest private player in this segment

Source: IMARC Report
1US$ = INR 67
Whey Protein

Source: IMARC Report
1US$ = INR 67

Key Highlights

- Whey Protein market is estimated at 35,000 MT, translating into business potential of US$ 450 Million, growing upwards of 25%
- Parag has the most integrated & largest whey processing facility in the country and intends to dominate this market
- We have introduced ‘Avvatar’ whey protein in the sports nutrition category and are in process of launching various products under the Health & Nutrition segment as well
- Parag intends to not only have the Health & Nutrition business as 7% of its portfolio in the medium term, but more importantly, intends to drive its profitability and growth for both Cheese & Whey businesses
Key Highlights

- A majority (77%) of the milk sold in India is unorganized and in the form of loose milk sold by milkmen.

- The organized sector in liquid milk is highly fragmented with several regional players and cooperatives.

- Consumers are shifting from loose liquid milk to branded packaged milk due to safety and quality concerns.

- The organized liquid milk market is growing faster than the unorganized market.

- Parag has a strong presence in urban parts of West and South India and is currently the largest private player in Mumbai.
We are present in all key Cow milk procuring States

In Million MT

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>States</th>
<th>Milk Production (2016-17)</th>
<th>% Share of Total Milk Produced</th>
<th>CAGR for last 2 years</th>
<th>Cow Milk Production (2016-17)</th>
<th>% Share of Cow Milk</th>
<th>CAGR for last 2 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Tamil Nadu</td>
<td>7.6</td>
<td>4.6%</td>
<td>2.9%</td>
<td>7.1</td>
<td>93%</td>
<td>3.1%</td>
</tr>
<tr>
<td>2</td>
<td>Karnataka</td>
<td>6.6</td>
<td>4.0%</td>
<td>3.5%</td>
<td>4.6</td>
<td>70%</td>
<td>2.6%</td>
</tr>
<tr>
<td>3</td>
<td>Maharashtra</td>
<td>10.4</td>
<td>6.4%</td>
<td>4.4%</td>
<td>6.2</td>
<td>60%</td>
<td>8.2%</td>
</tr>
<tr>
<td>4</td>
<td>Bihar</td>
<td>8.7</td>
<td>5.3%</td>
<td>5.8%</td>
<td>5.2</td>
<td>60%</td>
<td>9.2%</td>
</tr>
<tr>
<td>5</td>
<td>Madhya Pradesh</td>
<td>13.4</td>
<td>8.2%</td>
<td>11.7%</td>
<td>6.6</td>
<td>49%</td>
<td>14.7%</td>
</tr>
<tr>
<td>6</td>
<td>Gujarat</td>
<td>12.8</td>
<td>7.8%</td>
<td>4.6%</td>
<td>5.8</td>
<td>45%</td>
<td>7.7%</td>
</tr>
<tr>
<td>7</td>
<td>Rajasthan</td>
<td>19.4</td>
<td>11.9%</td>
<td>6.9%</td>
<td>7.1</td>
<td>37%</td>
<td>7.9%</td>
</tr>
<tr>
<td>8</td>
<td>Andhra Pradesh*</td>
<td>16.9</td>
<td>10.3%</td>
<td>12.3%</td>
<td>5.3</td>
<td>31%</td>
<td>12.1%</td>
</tr>
<tr>
<td>9</td>
<td>Uttar Pradesh</td>
<td>27.6</td>
<td>16.9%</td>
<td>4.6%</td>
<td>8.6</td>
<td>31%</td>
<td>16.2%</td>
</tr>
<tr>
<td>10</td>
<td>Punjab</td>
<td>11.3</td>
<td>6.9%</td>
<td>4.4%</td>
<td>3.2</td>
<td>28%</td>
<td>3.1%</td>
</tr>
<tr>
<td>11</td>
<td>Haryana</td>
<td>9.0</td>
<td>5.5%</td>
<td>6.6%</td>
<td>1.7</td>
<td>19%</td>
<td>17.8%</td>
</tr>
<tr>
<td></td>
<td>India Total</td>
<td>163.7</td>
<td>100.0%</td>
<td>5.8%</td>
<td>70.2</td>
<td>43%</td>
<td>8.2%</td>
</tr>
</tbody>
</table>

*Including Telangana

Disclaimer: Maps not to scale. All data, information, and maps are provided “as is” without warranty or any representation of accuracy, timeliness or completeness.

Source: Ministry of Animal Husbandry, Dairy and Fisheries
## Contact Us

<table>
<thead>
<tr>
<th>Company:</th>
<th>Investor Relations Advisors:</th>
</tr>
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<tbody>
<tr>
<td>Parag Milk Foods Limited</td>
<td>Strategic Growth Advisors Pvt. Ltd.</td>
</tr>
<tr>
<td><strong>CIN:</strong> L15204PN1992PLC070209</td>
<td><strong>CIN:</strong> U74140MH2010PTC204285</td>
</tr>
<tr>
<td>Name: Natasha Kedia</td>
<td>Varun Divadkar / Deven Dhruva</td>
</tr>
<tr>
<td>Email: <a href="mailto:natasha.kedia@paragmilkfoods.com">natasha.kedia@paragmilkfoods.com</a></td>
<td><a href="mailto:varun.divadkar@sgapl.net">varun.divadkar@sgapl.net</a> / <a href="mailto:deven.dhruva@sgapl.net">deven.dhruva@sgapl.net</a></td>
</tr>
<tr>
<td>Phone: +91 22 4300 5555/ Ext: 631</td>
<td>+91-9763702204 / +91-9833373300</td>
</tr>
</tbody>
</table>