



Ref No.: PSL/2020-21/CS/SE/32  
Date: 12<sup>th</sup> August, 2020

To, Listing Department <b>National Stock Exchange of India Limited</b> Exchange Plaza, 5 <sup>th</sup> Floor Plot No. C/1, G Block Bandra Kurla Complex Bandra ( E), Mumbai -400 051  Symbol: DIAMONDYD	To, Corporate Relationship Department <b>BSE Limited</b> P.J. Towers, Dalal Street Mumbai- 400 001  Security Code: 540724 Security ID : DIAMONDYD
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**Sub.: Corporate Presentation of the Company for the quarter ended 30<sup>th</sup> June, 2020**

Dear Sir/Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached herewith Corporate Presentation of the Company for the quarter ended 30<sup>th</sup> June, 2020.


The aforesaid presentation is also available on the Company's website [www.yellowdiamond.in](http://www.yellowdiamond.in)

This is for your information and records.

Thanking you,

Yours faithfully,

For Prataap Snacks Limited

  
**Om Prakash Pandey**  
Company Secretary & Compliance Officer



Encl: As above

**Prataap Snacks Limited**  
(Formerly known as Prataap Snacks Pvt. Ltd.)

Regd. Office : Khasra No. 378/2, Nemawar Road, Near Makrand House, Gram : Palda, Dist. : Indore (M.P.) - 452 020 India  
Phone : 91-731-2439999 E-mail : [info@yellowdiamond.in](mailto:info@yellowdiamond.in) CIN No. [REDACTED]

CIN No. L15311MP2009PLC021746

# PRATAAP SNACKS LIMITED

## Q1 FY21 - Results Presentation



August 2020

# Disclaimer



Certain statements in this document may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties, like regulatory changes, local political or economic developments, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward-looking statements. Prataap Snacks Limited (PSL) will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward looking statements to reflect subsequent events or circumstances.



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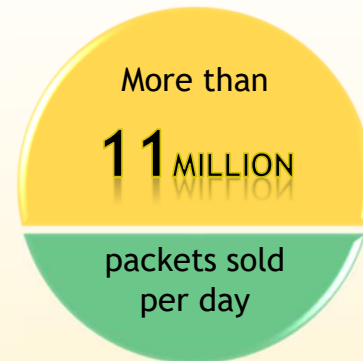
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Company Overview

# Prataap Snacks at a Glance



*\*[5 Inhouse plants and 9 contract manufacturing units (3P)]*

# Diverse Product Portfolio



POTATO CHIPS

- Potato based snack
- SKUs: 7 flavors
- Target group: All



CHULBULE

- Rice grit & Corn grit based snack
- SKUs: 8 flavours
- Target group: Youth & Children



RINGS, KURVES & PUFF

- Corn grit based snack
- Market leader in Rings
- SKUs: 8 flavours
- Target group: Children



NAMKEEN

- Gram based
- SKUs: 22 varieties
- Target group: All



PELLET SNACKS

- Wheat based
- SKUs: 4 flavours
- Target group: Children



CUP CAKE, TIFFIN CAKE & SANDWICH CAKE

- Cake variations with Chocolate fillings
- SKUs: 5 flavour
- Target group: Children and Youth



NAMKEEN & FRYUMS

- Namkeen and Fryums catering to local tastes
- SKUs: 55 varieties
- Target group: All

*Diverse product portfolio at strategic price points and pack sizes*

# Avadh Snacks



Fastest growing and fourth largest snacks player in Gujarat



~6% market share in Gujarat, one of the largest market



22% revenue CAGR over the past 3 years



Avadh Snacks delivered a robust topline performance for FY '20

## Product Portfolio

### Namkeen



**Key Products:** Bhavnagri Gathiya, Sada Mamra, Papdi Gathiya, Chavanu, Lasaniya Mamra

**Price Point:** Rs. 5, 10, 30, 50

**SKUs:** 34 varieties

**Target group:** Adults

### Fryums



**Key Products:** Tomato Cup, Salted reffil, Masala cup, Chiji Noodles, Salli, White crunchy papad

**Price Point:** Rs. 5, 10,

**SKUs:** 21 varieties

**Target group:** Children



# Avadh Snacks - Unique Business model & Expansion plans



## Business Model

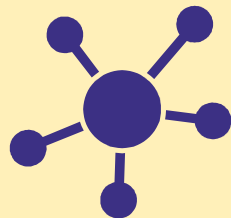


### Avadh has a Unique Business model

- Super Value Player offering higher value for Money to consumers.

### Direct Distribution model

- Manufacturing facility at Rajkot and a well-oiled distribution network in Gujarat
- Established facility in close proximity to markets to reduce distribution costs
- Direct supplies to distributors without any C&F / super stockist



## Expansion plans

Increased capacity of Rajkot facility by 50% from Q1FY21

To expand Avadh's products in neighboring markets initially

Pan India expansion using Prataap's existing distribution

# Sweet Snacks Portfolio



## Cookie-Cake

- SKU's - 3
- Target group - Youth and Children



## Center Filled Cup Cake

- SKU's - 2
- Target group - Youth and Children



## Choco Vanilla Cake

- SKU's - 1
- Target group - Youth and Children



## Yum Cake

- SKU's - 1
- Target group - Youth and Children



## Tiffin Cake

- SKU's - 1
- Target group - Youth and Children

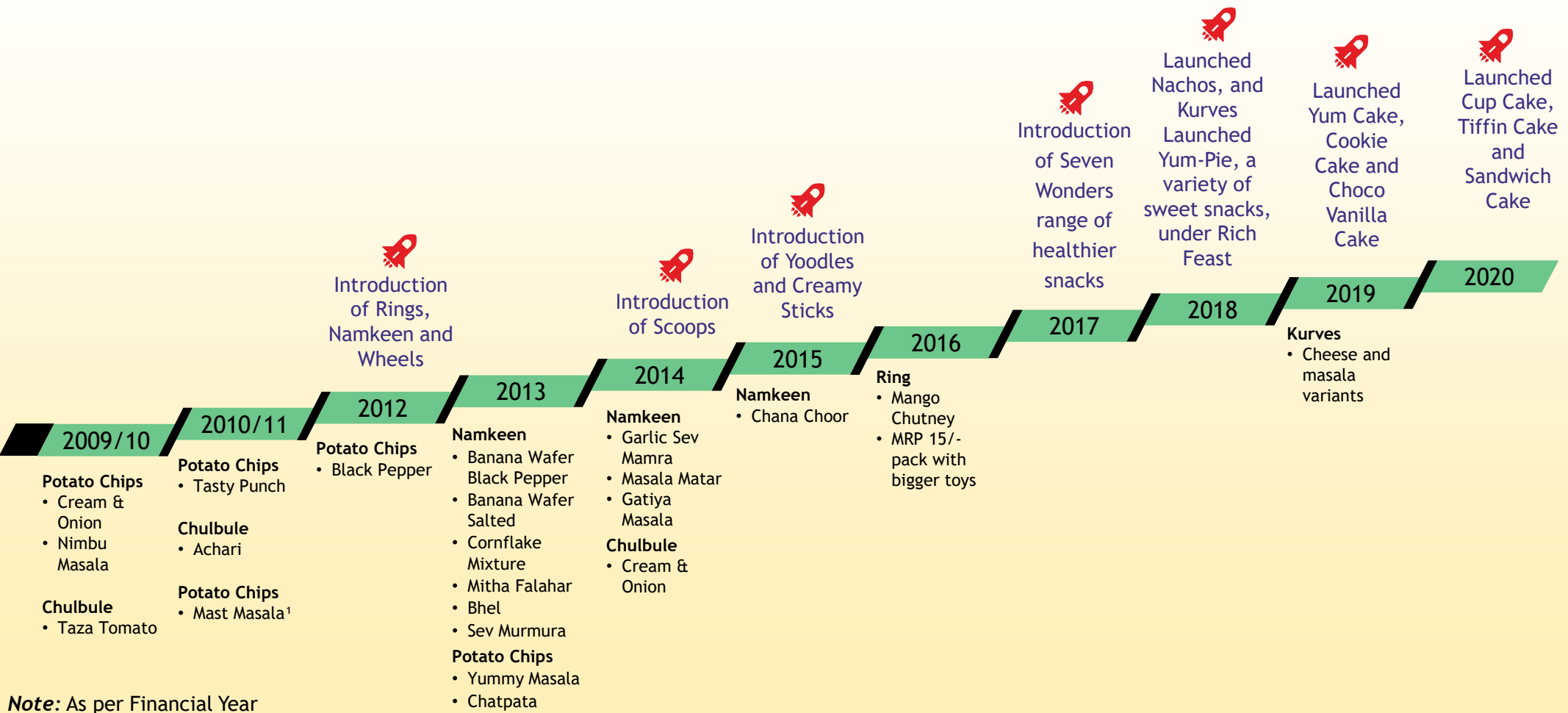


## Sandwich Cake

- SKU's - 3
- Target group - Youth and Children

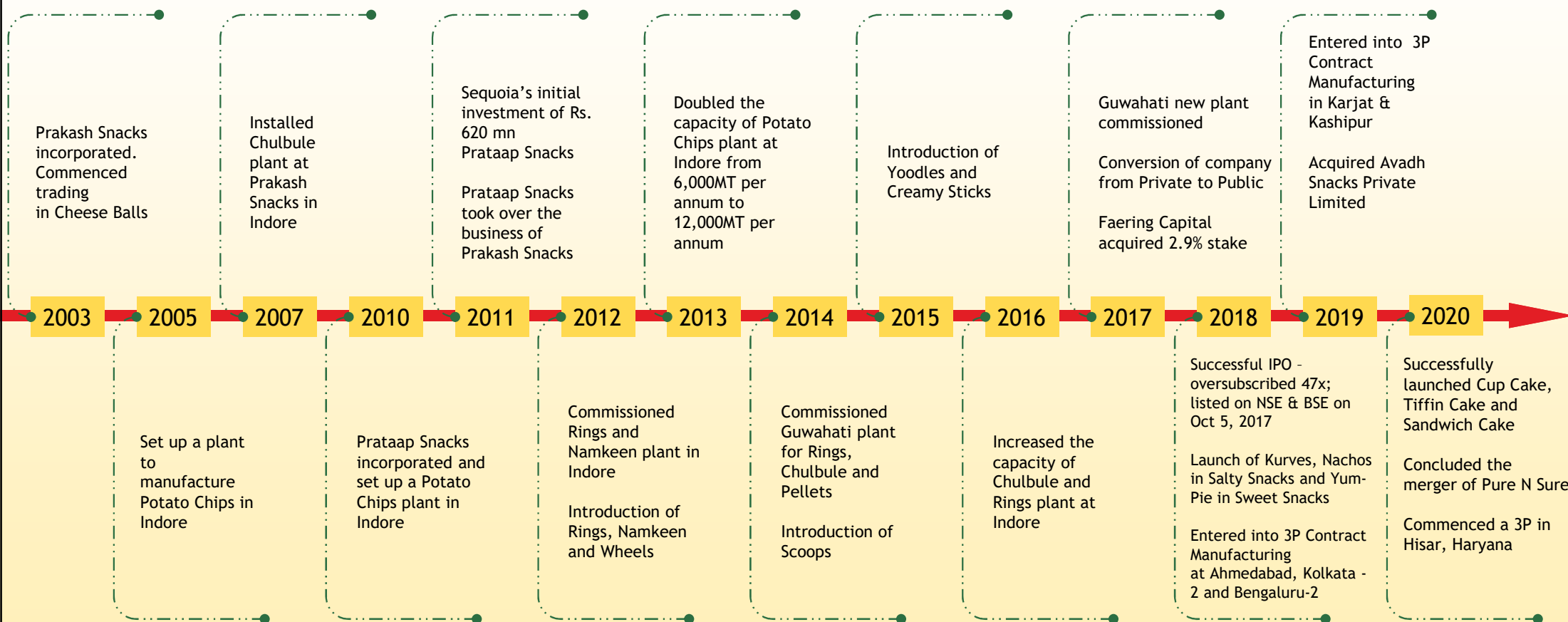
*Diverse product portfolio at strategic price points and pack sizes*

# Track Record of Innovation



**Note:** As per Financial Year

# Key Milestones

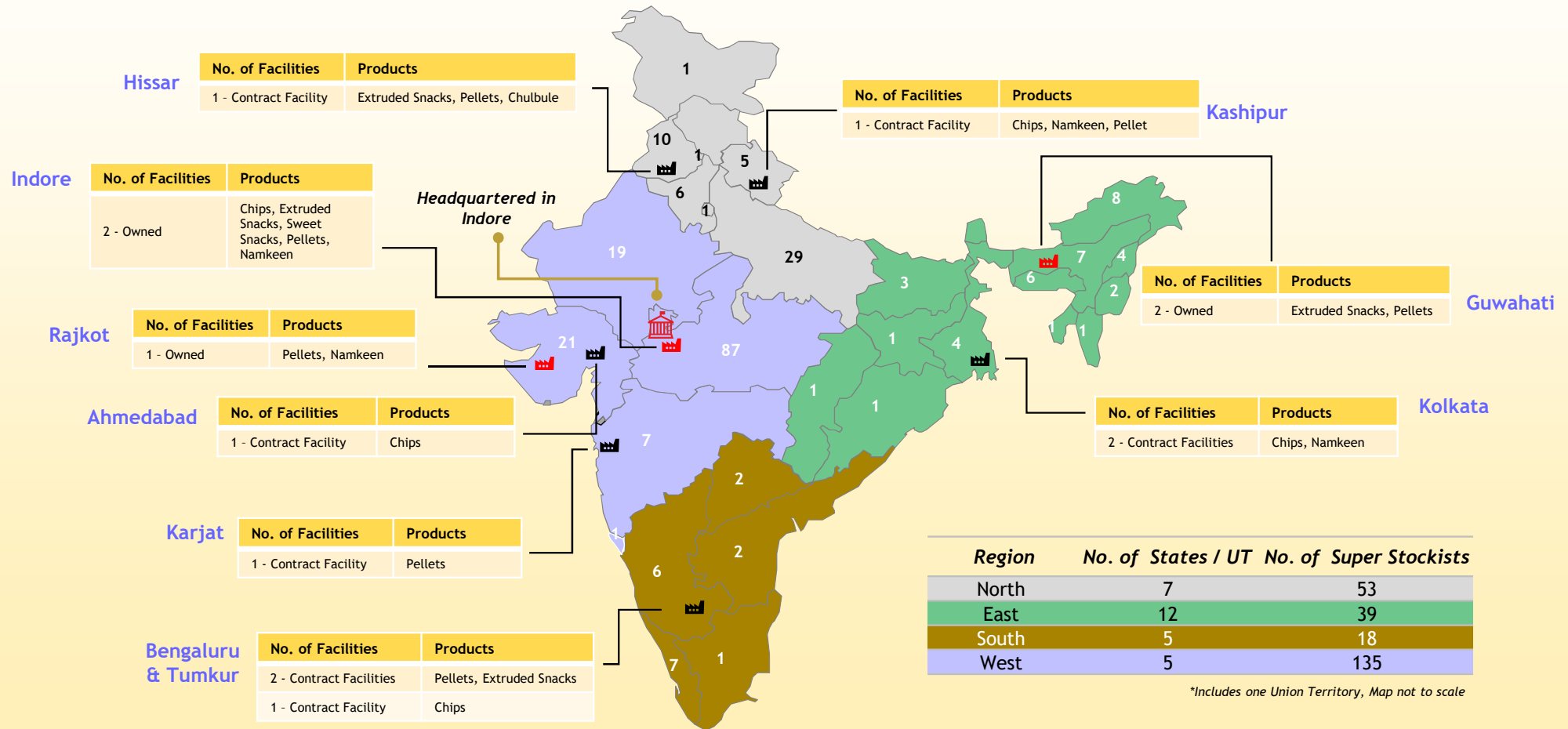


**Note:** As per Financial Year

# Pan India Presence



Strategically located Manufacturing facilities to cater the regional demand



# Guided by an Accomplished Board



**Arvind Mehta**

*Chairman & Executive Director*

Over 30 years of experience in real estate business along with over 16 years in the snacks food industry and in the financing business



**Amit Kumar**

*Managing Director & CEO*

Managing Director and Chief Executive Officer  
Over 23 years in the snacks food industry



**Apoorva Kumar**

*Executive Director (Operations)*

Over 23 years of experience in the snacks food industry



**G.V. Ravishankar**

*Non-Executive / Non-Independent Director MD (Sequoia Capital)*

Over 18 years in management consultancy & PE investments. Previously worked at McKinsey & Company and Wipro Technologies



**Vineet Kumar Kapila**

*Independent Director*

Ex-COO (RPC North of United Spirits) & earlier MD (Spencer's Retail)



**Haresh Ram Chawla**

*Independent Director*

Partner (India Value Fund) & earlier CEO (TV18)



**Chetan Kumar Mathur**

*Independent Director*

Ex-CFO PepsiCo India (Snacks)  
30 years of experience in F&B industry, worked with PepsiCo India for 23 years



**Mr. V.T. Bharadwaj**

*Independent Director*

General Partner at A91 Partners  
Over 18 years in management consultancy & PE investments. Previously worked with Sequoia Capital and McKinsey & Company



**Anisha Motwani**

*Independent Director*

Partner (Storm the Norm Ventures)  
Earlier with General Motors India & Max Life Insurance Company

**PSL has high standards of Corporate Governance and sound internal control policies**

# Helmed by a Professional Management Team



Corporate functions



**Mr. Arvind Mehta**  
*Chairman & Executive Director*

Over 30 years of experience in real estate business along with over 16 years in the snacks food industry and in the financing business



**Mr. Amit Kumat**  
*Managing Director and Chief Executive Officer*

Over 23 years in the snacks food industry



**Mr. Apoorva Kumat**  
*Executive Director*

Over 23 years of experience in the snacks food industry



**Mr. Sumit Sharma**  
*Chief Financial Officer*

Member of Institute of Chartered Accountants of India. He has over 17 years of experience in accounting, finance, banking and taxation and worked with Crompton Greaves, L&T and New Holland Group

# Helmed by a Professional Management Team



Corporate functions



**Mr. Subhashis Basu**  
*Chief Operating Officer*

He holds bachelor degree in Science (Economics). He has over 27 years of experience in the FMCG industry and worked with Parle, PepsiCo India and Mother Dairy



**Mr. Subhash Bhatt**  
*Vice President - Production*

He holds bachelor degree in Technology. He has over 23 years of experience in the snacks food industry and worked with Prakash Snacks and Hello Agro



**Mr. Deepak Brahme**  
*Vice President - Production*

He holds bachelor degree in Science. He has over 23 years of experience in the snacks food industry and worked with Prakash Snacks and Hello Agro



**Mr. Raj Kumar Kalra**  
*General Manager Sales - North*

He holds bachelor degree in Arts. He has around 31 years of experience in the FMCG industry and worked with Moon Beverages, Aqua Minerals, Super Cassettes and Paras Aqua



# Helmed by a Professional Management Team



Corporate functions



**Mr. Awadh B. Singh**  
*General Manager Sales - East*

He holds bachelor degree in Science. He has over 31 years of experience in the FMCG industry and worked with Prakash Snacks and Hello Agro



**Mr. Mahesh Purohit**  
*General Manager Sales - West*

He holds bachelor degree in Commerce. He has over 22 years of experience in the FMCG industry and worked with Parke-Davis, BPL Synergy and Candico



**Mr. D.V. Praveen Kumar**  
*General Manager Sales - South*

He holds bachelor degree in Commerce. He has over 31 years of experience in the field of beverages & food, FMCG, dairy, confectionaries, cosmetics and edible and worked with PepsiCo for more than 21 years



**Mr. Om Prakash Pandey**  
*Company Secretary and Compliance Officer*

Fellow Member of the Institute of Company Secretaries of India. He has over 12 years of experience in corporate laws and secretarial matters and worked with NSE, Great Offshore, Avantika Gas and Universal Cables

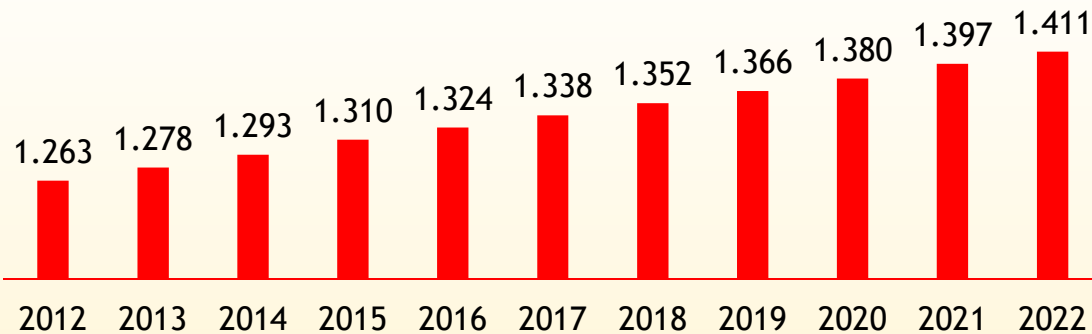


Industry Overview

# Favourable Demographics Supporting Industry Growth

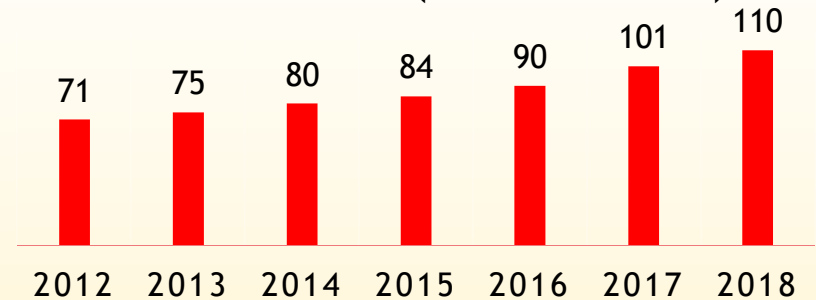


## POPULATION TREND (BILLIONS)



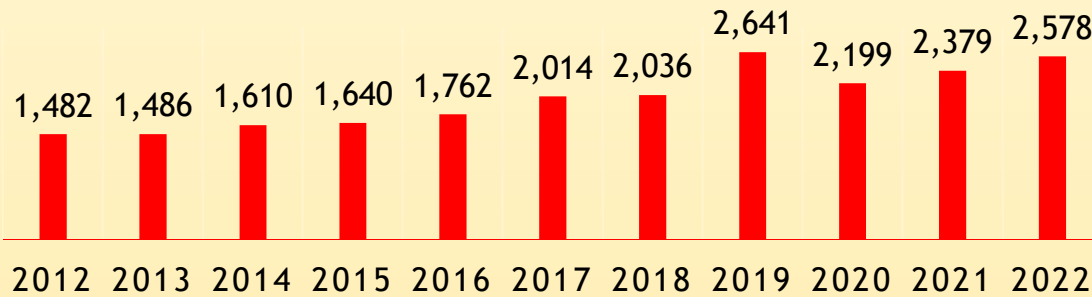
Source: World Population Review

## INDIA'S ANNUAL CONSUMER EXPENDITURE (RS. TRILLION)



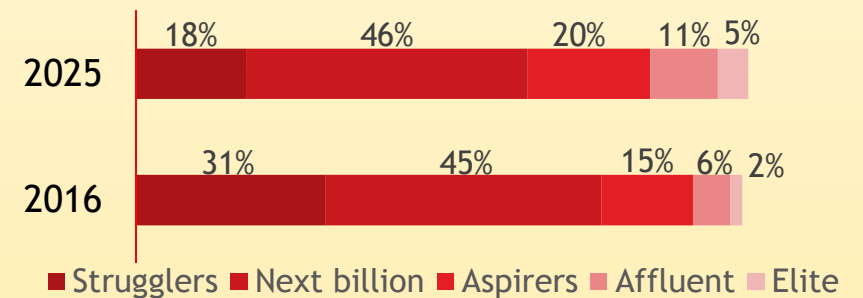
Source: World Bank, IMF, OECD, CIA World Factbook, BCG Group

## GDP PER CAPITA AT CURRENT PRICES (US\$)



Source: IBEF - May 2019

## RISING AFFLUENCE AND DISPOSABLE INCOME

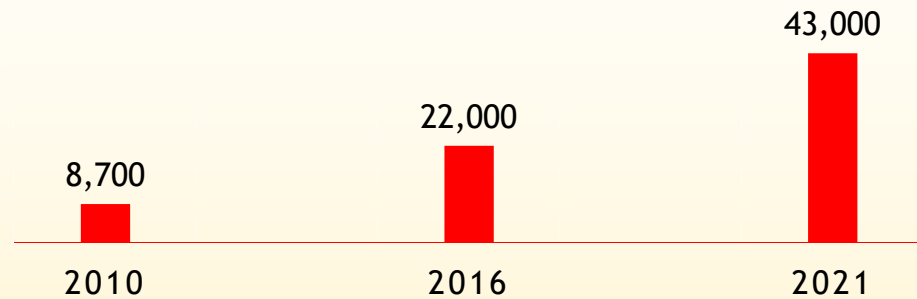


Source: World Economic Forum Report: Future of Consumption in Fast-Growth Consumer Markets - India

# Salty Snacks - Poised for Strong Growth

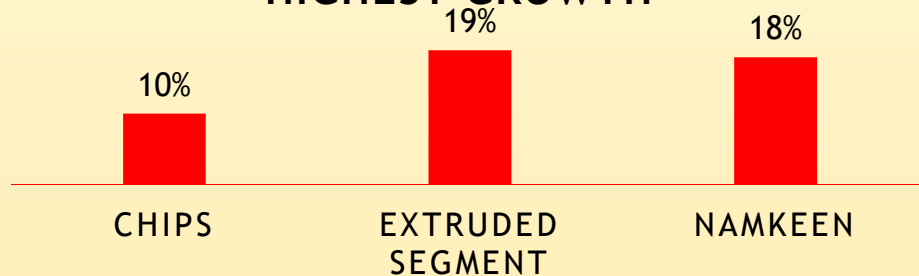


## ORGANISED MARKET TO GROW AT A CAGR OF 14.3% OVER 5 YEARS



Source: Systematix Research Report March 2019

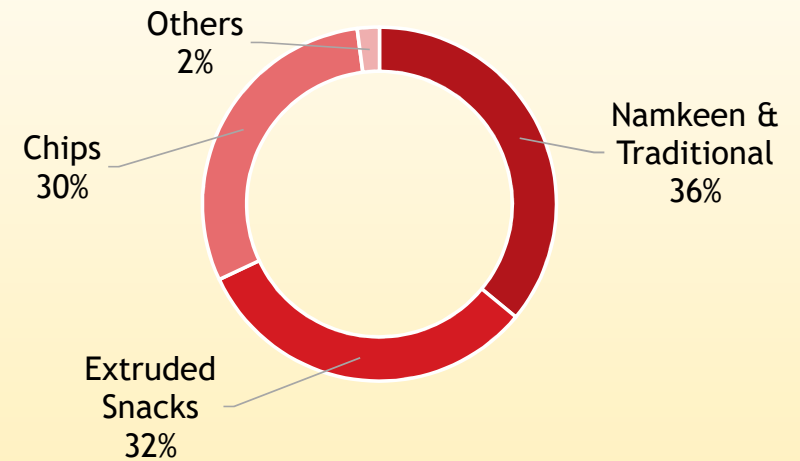
## EXTRUDED SNACKS TO POST THE HIGHEST GROWTH\*



Source: Systematix Research Report March 2019

\*CAGR FY16-FY21

## ORGANISED SNACK MARKET BY TYPE OF CATEGORIES

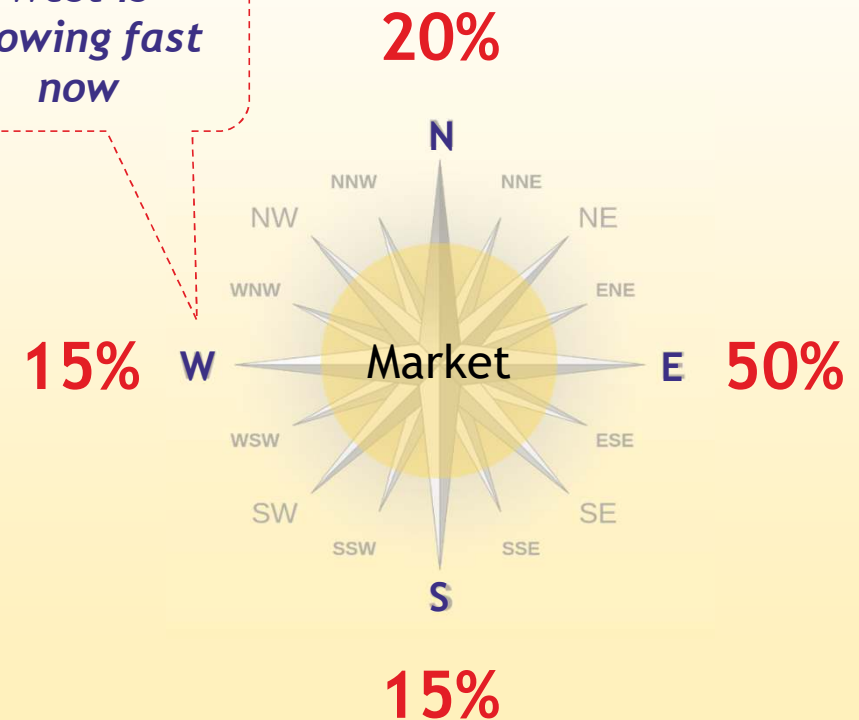


Source: Systematix Research Report March 2019

# Sweet Snacks Industry - Size, Growth, Key Players



*West is growing fast now*





Impact of COVID19 and  
Initiatives taken

# Q1FY21 - Normalcy resuming post Unlocking



## Growth revival after nationwide reopening beings

- Q1FY21 began on a cautious note with a steady revival in operations across facilities
- Improved inventory levels with distributors/ shops and resolved supply chain issues to ensure faster replenishment
- As the lockdown restrictions began to ease out, customers began to increase impulse purchases

## But impact of Regional/City lockdowns continues to impact performance

- Increase in cases across cities / districts prompted places to be under lockdown restrictions
- Sales in these cities were hit as lockdown caused complete closure of establishments
- Also irregular operations (odd/even days of function) of retail outlets and grocery stores in certain regions further impacted sales



# Gradually turning the tide



- Various initiatives taken to ramp up production at owned and 3P facilities, currently at ~ 85% of pre-Covid levels on an overall basis
  - Carried out necessary changes at manufacturing facilities to ensure appropriate compliance of Covid guidelines
  - The operational challenges that emerged at start of lockdown have now abated and production has largely been stabilised towards the end of the quarter
  - Developing various alternative channels for go-to-market which will help recover volumes
  - Continuing to implement its 4-pillar growth strategy to return to targeted revenue growth
  - Amidst the turbulence, teams remained committed to continued innovation
    - Launching “Omega fortified Potato Chips” in Q2FY21, an exciting and healthier snacking alternative in an immensely popular category
- In these uncertain times, the Company will leverage its robust financial position to rebuild operations
  - Concluded Avadh capacity enhancement during Q1FY21, no major Capex planned in the pipeline
  - Currently Company is debt free and no requirement of capital infusion either by equity or debt





Q1 FY'21 Results  
Performance

# Operational Overview



- Began FY21 on a challenging note while reporting a topline de-growth, performance was affected due to the disruptions caused due to plant closures, constraints on movement of manpower and material
  - Mother plant, in Indore, comprising 50% of capacity faced elongated shutdown due to its location in a containment zone
  - Quick turnaround in 3P manufacturing facilities increased its contribution to sales to 35%
- Lower levels of operations adversely affected the margins
  - Persistent fluctuations in key raw materials like palm oil also impacted the margins, partially mitigated the impact through process re-engineering and cost optimization
  - Focus on enhancing efficiencies and reducing fixed costs further helped to mitigate the effects of these unprecedented times
- Despite facing a volatile operating environment, plan to launch “Omega fortified Potato chips” which poses as an exciting and healthier snacking alternative in an immensely popular category

# Financial Overview



## Q1 FY'21:

- Revenue of Rs. 1,957.4 million, registering de-growth of 40.9% yoy due to operating constraints on account of nationwide lockdown
- Operating EBITDA of Rs. 82.4 million, translating to a margin of 4.2% was impacted by operating deleverage
- PAT stood at Rs. (59.6) million
- EPS (Diluted) stood at Rs. (2.54) per share

## MD & CEO's Message



### *Commenting on Q1 FY'21 performance, Mr. Amit Kumat - Managing Director & CEO, Prataap Snacks Limited said:*

*"It has been a quarter of unprecedented challenges due to the COVID19 pandemic and consequent nationwide lockdown which has impacted operations in all geographies. Though we moved quickly to stabilise operations and ensure business continuity it took relatively longer to re-commence operations at our mother plant, comprising over 50% of total capacity, since Indore was a designated hot spot and containment zone. However, our Guwahati plants and network of 3P facilities served us well enabling us to resume production at these locations in end of April itself. In this backdrop, we witnessed significant loss of production in April, a gradual ramp up in May and production returning to ~80% of Pre-Covid level in June. The operational challenges that emerged at start of lockdown have now abated and production has largely been stabilised towards the end of the quarter. The local lockdowns at various parts of the country are presenting some challenges. However, we continue to focus on bringing back the business at normalcy while positioning ourselves to capitalise on increased customer acceptance of alternate channels for go-to-market.*

*There has been reduction in fixed costs to strengthen the business while variable costs, especially inputs such as palm oil, have remained stubbornly high. We have partially mitigated the impact through process re-engineering and cost optimisation and are working on additional measures to enhance efficiencies. In these unpredictable times, we continue to maintain a high quality of operations and a robust financial position."*

*Amidst the turbulence, our teams have remained committed to continued innovation and we are on the cusp of launching "Omega fortified Potato Chips" - an exciting and healthier snacking alternative in an immensely popular category."*

# Abridged P&L Statement

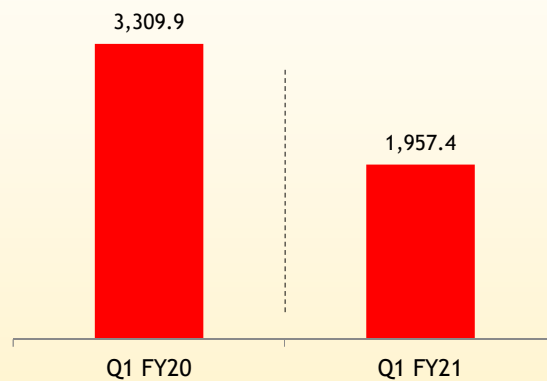


Particulars	Q1 FY'21	Q1 FY'20	Y-o-Y Change (%)
<b>Income from Operations</b>	1,957.4	3,309.9	-40.9%
Raw Material Cost	1,405.2	2,333.5	-39.8%
Gross Profit	552.2	976.4	-43.5%
<i>Gross Margins</i>	28.2%	29.5%	-129 Bps
<b>EBITDA</b>	<b>82.4</b>	<b>272.1</b>	<b>-69.7%</b>
<i>EBITDA Margins</i>	4.2%	8.2%	-401 Bps
Depreciation	159.5	152.8	4.4%
Interest	17.4	20.8	-16.4%
<b>Profit After Tax</b>	<b>(59.6)</b>	<b>96.5</b>	<b>-161.8%</b>
EPS (Diluted) in Rs.	(2.54)	4.12	

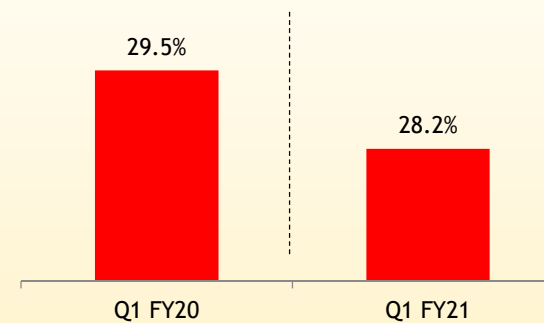
# Financials - Q1 FY'21 Performance



## SALES / INCOME FROM OPERATIONS



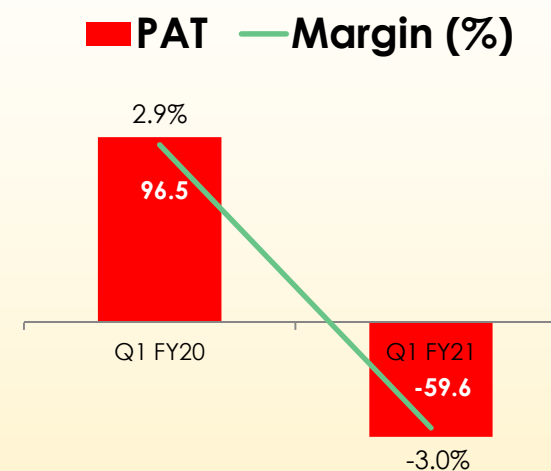
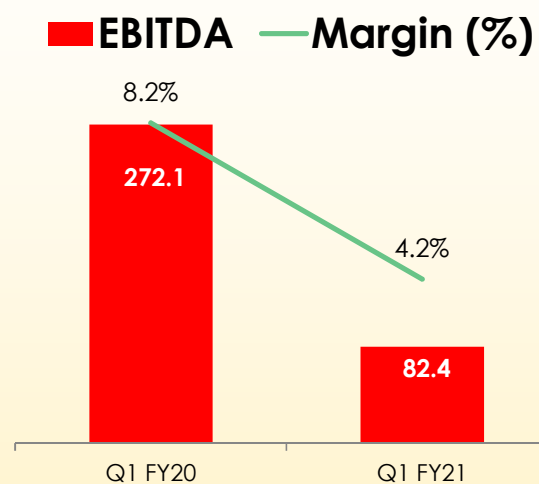
## Gross Margin (%)



- Income from operations in Q1 FY'21 de-grew by 41% to Rs.1,957 mn, due to operating constraints on account of nationwide lockdown
- Gross margins contracted by 129 Bps to 28.2% in Q1 FY'21, primarily due to raw material price inflation
  - Partially mitigated the impact through various cost optimization and process re-engineering initiatives

CONSOLIDATED FINANCIALS, IN RS. MILLION

# Financials - Q1 FY'21 Performance



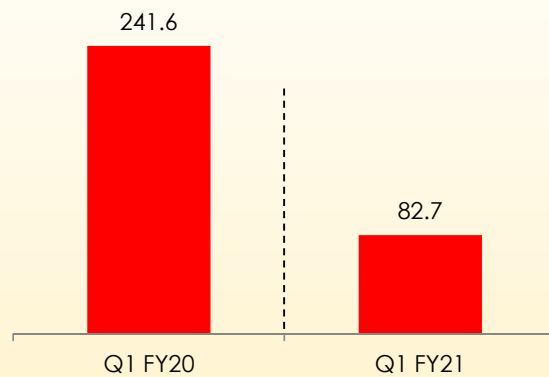
- EBITDA for Q1 FY'21 was lower by 70% YOY at Rs. 82.4 mn, due to operating deleverage as fixed cost for the entire quarter were absorbed by lower revenues
- Loss after Tax for Q1 FY'21 stood at Rs. 59.6 million at a margin of (3.0%)

CONSOLIDATED FINANCIALS, IN RS. MILLION

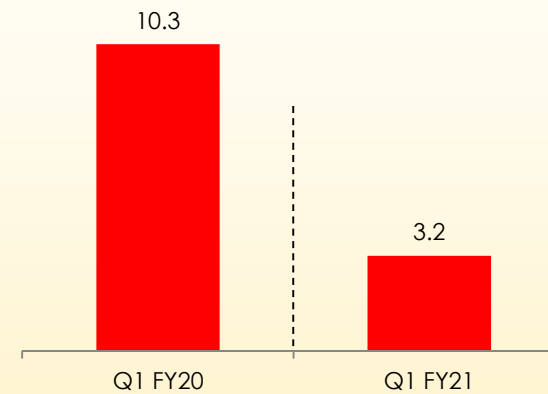
# Financials - Q1 FY'21 Performance



## Cash Profit



## Cash EPS



- The Company follows a conservative accounting policy and is amortizing intangible assets of Avadh Snacks
  - A lateral benefit has been contained tax outflow

CONSOLIDATED FINANCIALS, IN RS. MILLION



# About Prataap Snacks Ltd.



Prataap Snacks Ltd. (PSL) is a leading Indian Snack Foods Company. It offers multiple variants of products across categories of Potato Chips, Extruded Snacks, Namkeen (traditional Indian snacks) under the popular and vibrant Yellow Diamond brand. It has recently launched a range of sweet snacks under the distinctive Rich Feast brand. PSL is focused on offering deep value to consumers through a variety of pack sizes at attractive price points. Its products are present across 27 states in India and it is one of the fastest growing companies in the organized snacks industry.

Headquartered in Indore, India; PSL operates 14 manufacturing facilities of which 5 facilities (Indore 1&2, Assam 1&2 and Gujarat) are owned and 9 facilities [located in (2) Ahmedabad, (2) Kolkata, (2) Bangalore, Kashipur, Karjat and Hissar) are on contract manufacturing basis. Its distribution network includes more than 240 super stockists and more than 4,100 distributors allowing it extensive reach across the country. PSL has a wide presence that is equally spread in metro cities and urban clusters as well as in rural areas and Tier 2 and 3 cities and towns. Its products are available at independent grocers and small retail stores in the lanes and bylanes of its key markets and it is now building up its presence in supermarkets, hypermarkets and modern trade outlets.

Led by an able and experienced leadership and guided by an accomplished Board of Directors, PSL is a socially responsible corporate citizen with a strong focus on Corporate Governance and Internal controls. Following a successful IPO in September 2017, PSL is now listed on the Bombay Stock Exchange (BSE:540724) and National Stock Exchange (NSE:DIAMONDYD) in India.

**Sumit Sharma**

Prataap Snacks Ltd

Tel: +91 731 2439 999

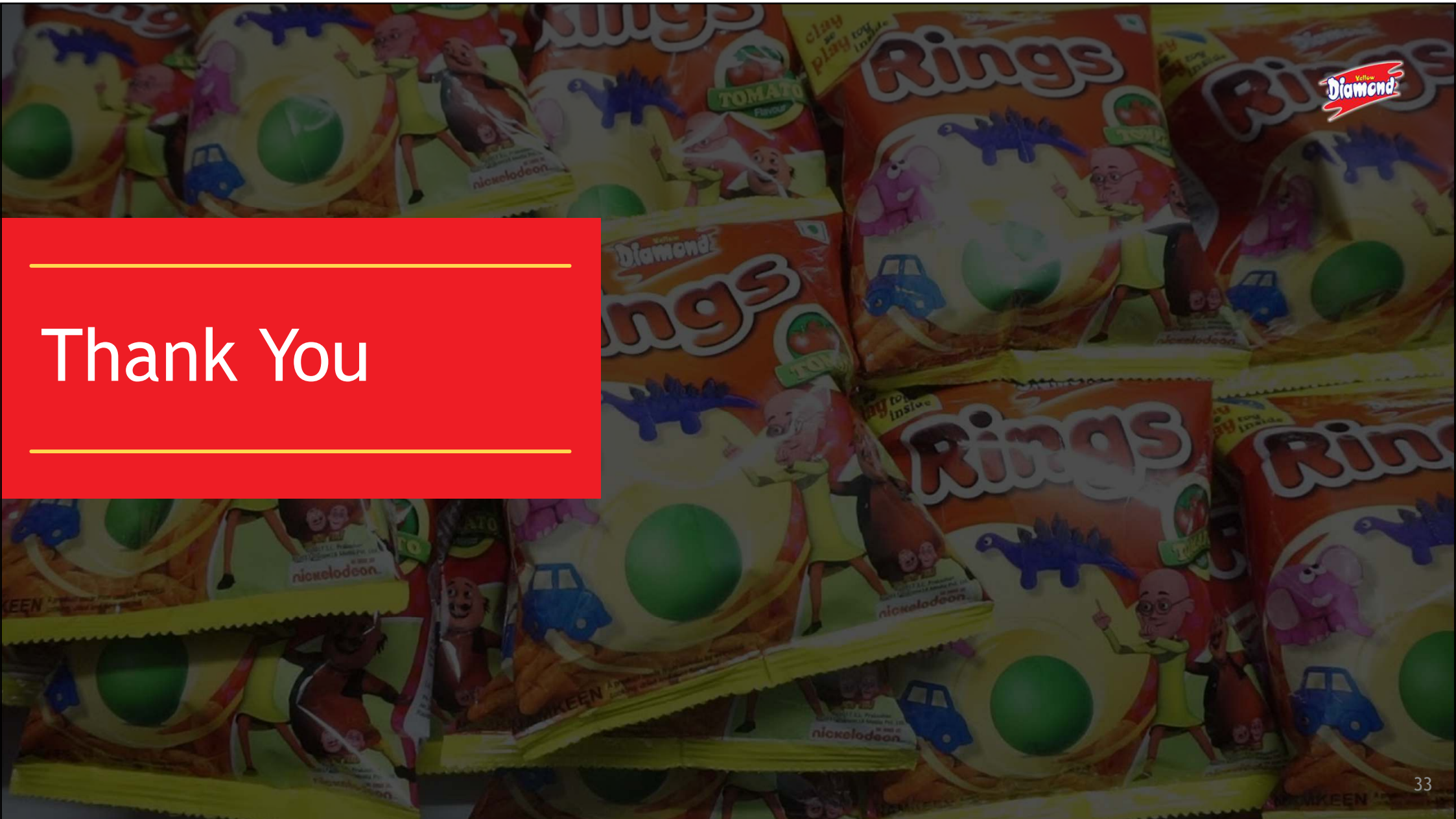
Email: [cfo@yellowdiamond.in](mailto:cfo@yellowdiamond.in)

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Thank You