



Sarveshwar Foods Limited

Investor Presentation | September 2018



Executive Summary

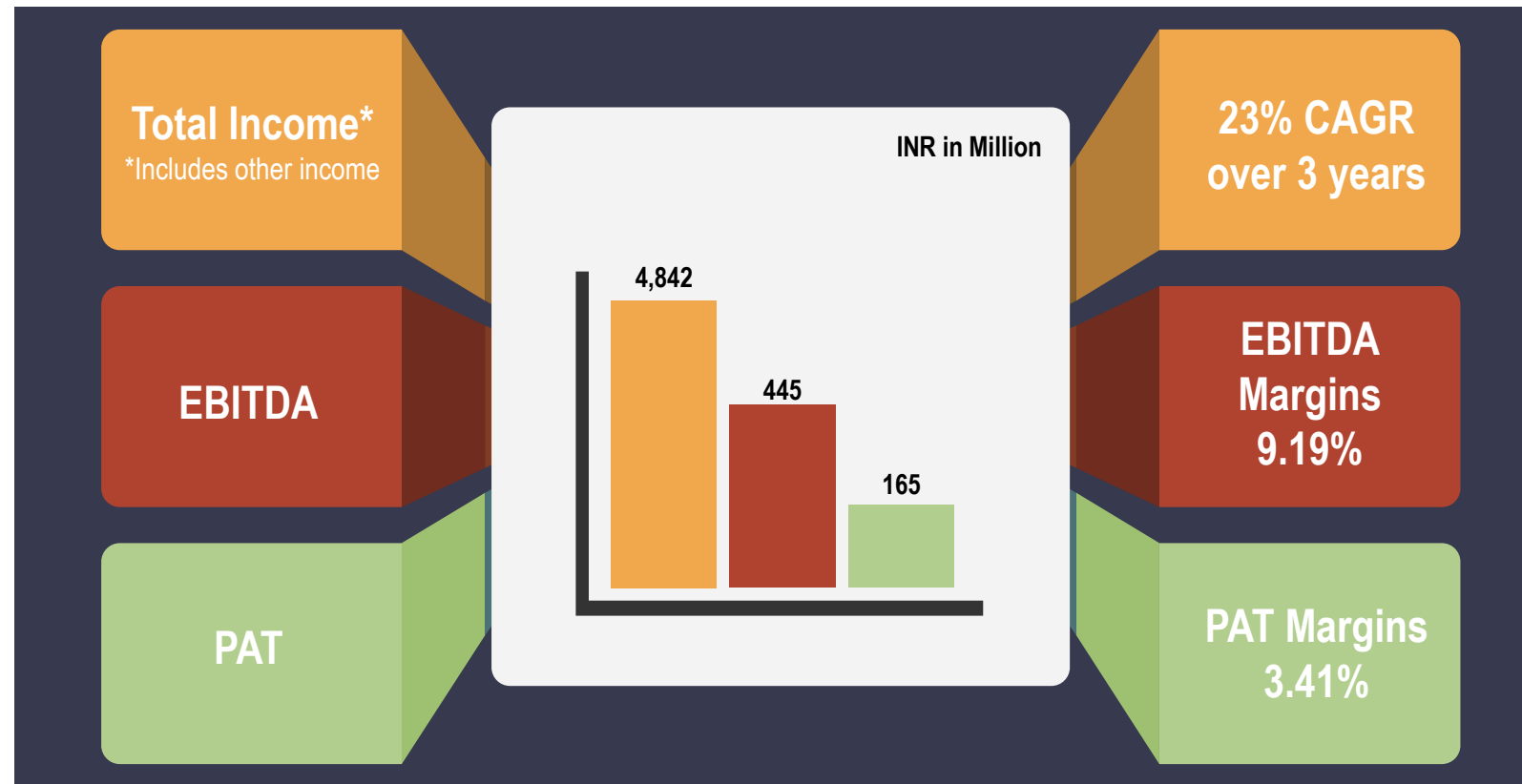


Company Overview

- Incorporated in 2004, Sarveshwar Foods Ltd (SFL) is primarily engaged in the business of processing and marketing various types of Basmati and non-Basmati rice in the domestic and international markets. The operations are based out of the Jammu Region in the State of Jammu and Kashmir.
- The latest venture of the Company has been into organic farming where the Company does contract farming for rice, dry fruits, cereals, pulses in addition to a variety of superfoods and has 22,000 acres of certified organic farming land with the company.
- The Company has a burgeoning presence in export markets such as the USA, Europe, Middle East, Australia etc.
- SFL was listed on the NSE Emerge platform in March, 2018 and has a market cap of INR 1,106 Mn as on 30th June, 2018.

Business Mix (Revenue Share %)

- Organic Products (10%) – The Company participates in the contract farming and marketing of rice along with a multitude of other products including super foods, cereals, pulses etc.
- Conventional (Non-Organic) Products (90%) – The Company processes and markets various grades of rice for domestic and export markets.





Company Overview

Heritage of Sarveshwar



1

Founded in 1890 and based out of the Himalayan foothills, Sarveshwar Foods Ltd has established itself as a household name in Jammu and Kashmir as the dominating rice supplier in the region.

2

A family-run business for over a century and food suppliers to the erstwhile royal family of J&K, the Company has since been catering to the needs of the J&K Army pre-independence.

3

Focalizing the Company's philosophy to the Himalayas, Sarveshwar delivers the finest produce from the lap of the Himalayas grown in the mineral rich soils of the J&K region, nurtured by the snow melted waters of the River Chenab.

4

With over 100 years of experience in sourcing and processing of traditional Basmati and Non-Basmati rice, Sarveshwar is an amalgam of centuries old values and traditional farming, modern manufacturing processes, and state-of-the-art quality systems.

5

Our farmers have been part of the Sarveshwar family for generations and the Company believes in a symbiotic relationship to achieve sustainable, lasting growth.



Heritage of Basmati Rice



Company Overview



1

Sarveshwar Foods Ltd (SFL) is one of the companies in India with a presence across the entire rice value chain: right from procurement, storage, milling, and sorting to packaging, branding, and distribution.

2

SFL markets its rice products under the brand name of “Sarveshwar”, which offers the highest quality Traditional Basmati and Non-Basmati rice and markets its organic products under the brand name of “Nimbark”.

3

The Company has a strong presence in Jammu and Kashmir and supplies to domestic markets in various states, such as J&K, Delhi, Telangana, Andhra Pradesh through it's 64 distributors across 30 districts with an access to 1,843 retailers.

4

SFL operates 5 exclusive outlets in prime locations in the state of Jammu and Kashmir, and has also entered into agreements with leading retail chains such as The Future Group and Walmart to enhance their distribution network for the sale of various rice products.

5

The Company owns 2 USFDA and BRC approved manufacturing facilities in Jammu and Kashmir for the processing of rice that have recently also got requisite approvals from Chinese authorities.

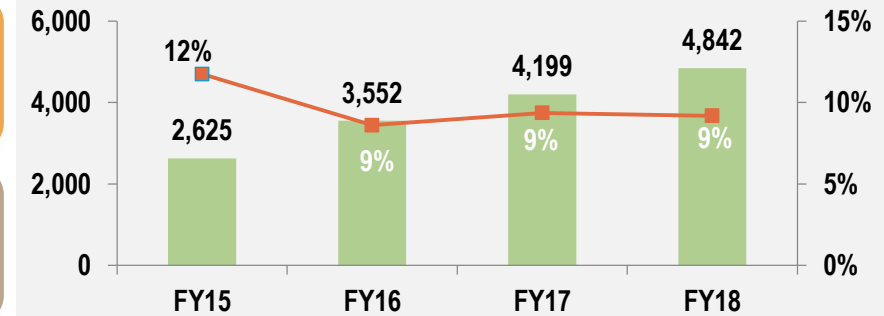
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Sarveshwar has 4 warehouses of which 2 are exclusively used to store paddy and the remainder for storage of rice.

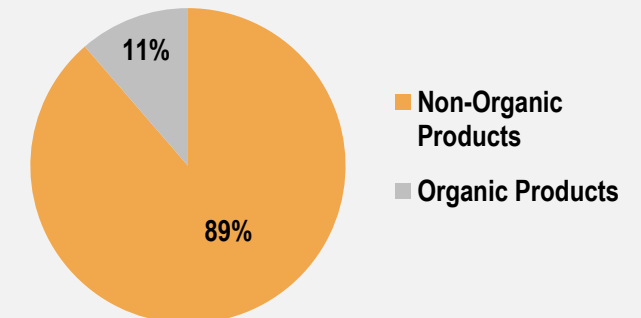
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The Company's products are also exported to large institutional customers in more than 8 countries including key export destinations such as USA, Europe, and the Middle East.

Revenue (INR Mn) and EBITDA %



Revenue Break up (Organic V/s. Non-Organic) FY18



Milestones



2007

Set up plant at Seora (6 TPH milling capacity).

2010-12

Set up plant at SIDCO (8 THP milling capacity).

2013

Certification from APEDA for certain products.

Canadian Intellectual Property Office registers "Sarveshwar" trademark.

2014

United States Office registers "Sarveshwar" trademark.

2015

The Company began selling products in North America through COSTCO.

Seora unit verified and granted registration for export of rice to China.

2016

Hazard Analysis and Critical Control Point (HACCP) accredited by the British Standards Institution.

British Retail Consortium certification for both production facilities.

2017

Launch of flagship store – "Nimbark Organic Store"

Global Food Safety Initiative (GFSI) Certification from Costco Wholesale, USA

Board of Directors and Key Management Personnel



Suraj Prakash Gupta – Honorary Chairman

More than 40 years of rich experience in the basmati rice industry and been instrumental in forming of Sarveshwar Group and the source of inspiration behind Company's goals and ideals.

Rohit Gupta – Promoter and Managing Director

Commerce graduate having experience of more than 2 decades in the rice industry. Handles day to day operations and execution of Export sales and responsible for maintaining client relationships.

Anil Kumar – Executive Director

Has over a decade of experience in purchase and sale of paddy and rice.

Looks into the general management of SFL.

Gayatri Tandon – Executive Director

Has more than 10 years of experience in organic farming and related sector. Contributed to the development of organic farming projects, good agricultural practices for growth of promoting organic produce of SFL.

Dr. Tej Partap – Independent Director

Ph.D in Cultivated Grain Chenopods of Himachal Pradesh: Distributions, Variations and Ethno botany from Himachal Pradesh University.

Received various awards in India and China, including Himachal Ratna Award during August 2001.

Jagdish Lal Sharma – Independent Director

Is a Retired IPS DIG (J&K Police).

Completed his BA & LLB, course on combating PAK offensive for IB and State Police Officers(1994), Training Programme on Narcotic Drugs and Psychotropic Substance Act(2006).

Mr. Adarsh Gupta – Independent Director

Has done Bachelor of Science from Jammu University and have over 32 years of experience in the banking sector

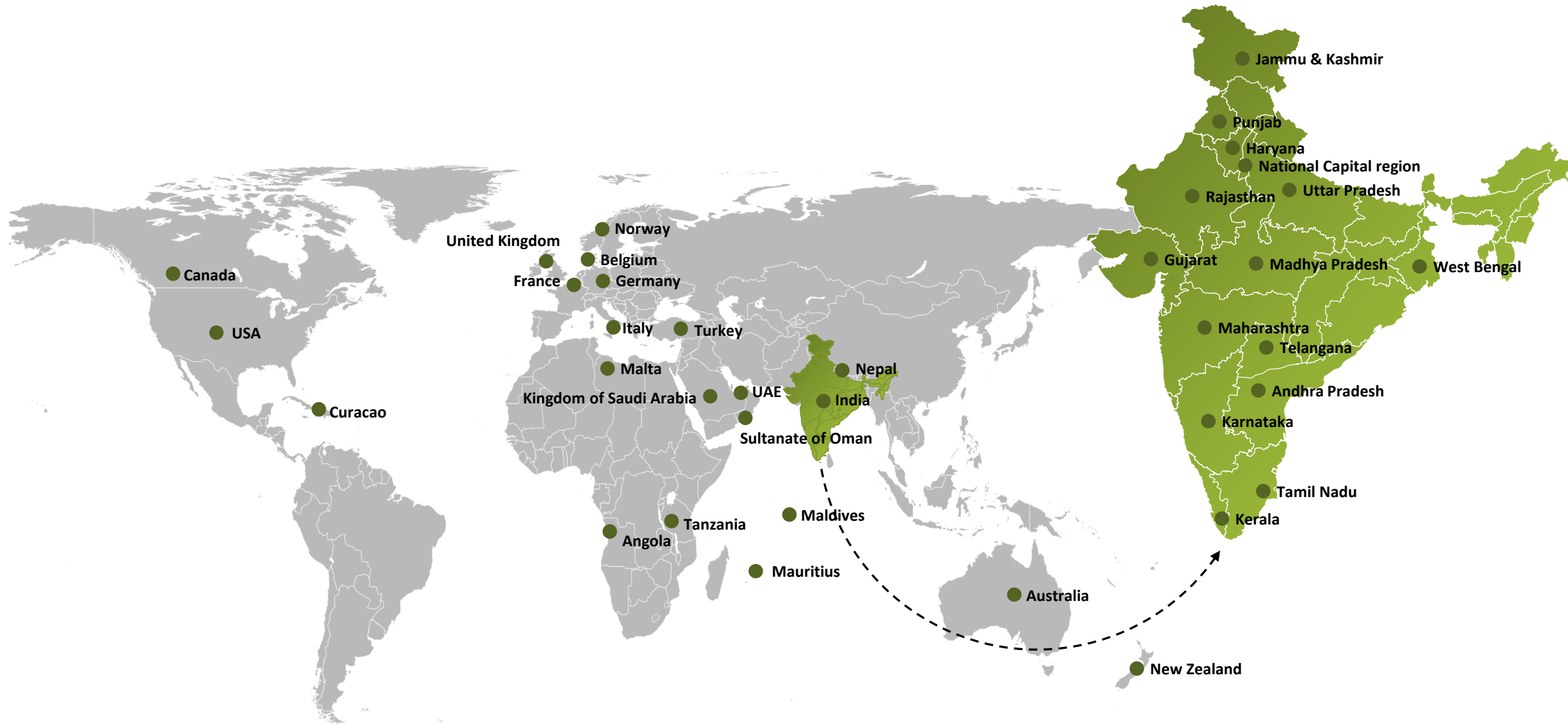
Retired as Assistant VP of J&K Bank in 2011

Mr. Deepak Singhvi – CFO

Prior to SFL, he was associated with Mirage Entertainment Limited as General Manager, Finance.

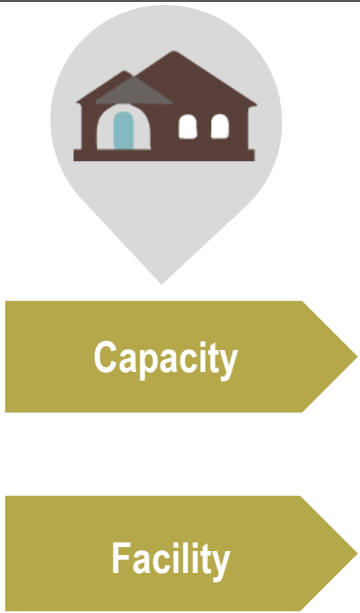
He has more than fifteen (15) years of experience in finance and accounts.

Geographical Presence (International and Domestic)



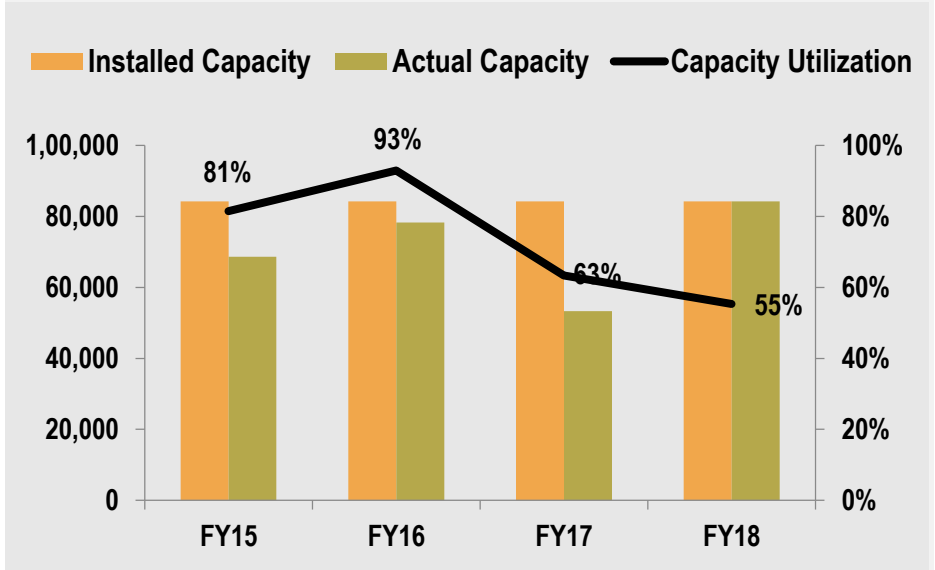


Production Facilities



	Capacity Unit I (Seora, J&K)	Facility Unit II (SIDCO, J&K)	
Capacity	36,000 TPA	TPA (Grading Plant Capacity)	48,000 TPA + 24,000
Facility	Rice milling and processing facility	Plant 1: Rice milling and processing facility	Plant 2: Cleaning, polishing, grading and sorting facility

2 USFDA & BRC Registered Facilities



Process across value chain



Rice Paddy

Storage of paddy to naturally reduce moisture content

Storage

Mitigate scope of fermentation and bacterial/ fungal infections, while simultaneously preserving natural aroma

Drying for Moisture Loss

Impurities and unfilled grains are removed

Cleaning & Shelling

Only outer husk is removed, germ & bran is retained

Dehusking



Basmati Rice



Broken Rice



Brown Rice

Whitening
Polishing of rice to remove the bran layer

Packing

Finished Basmati and Non-Basmati rice is packed in bags

Thickness and length grading

Small and large broken are separated from the head rice

Colour Sorting

Define the shade of color of the grain

Polishing

White rice sent to fine polishers where the loose bran layers are removed to get clean white rice.

Warehousing & Ageing

Storage of paddy to eliminate moisture and enhance fragrance.



SFL

Distributors

Focus on distributors through yearly sales targets in terms of value and quantity

Wholesalers / Retailers

Wholesaler or direct retailers who are available for supply of products

Hypermarkets

Supply of Basmati and non-Basmati rice such as Wal-Mart, Big-Bazaar, Easyday having their stores at Jammu.

HORECA

Supply of products directly to hotels, restaurants and caterers.

Institutions

Shri Mata Vaishno Devi Shrine Board, Katra
Indian Army and Paramilitary

Exclusive Company Outlets

5 outlets located at prime locations in Jammu and Kashmir.

Domestic Distribution Channels

The domestic distribution network consists of 64 distributors across 30 districts who have access to 1,843 retailers.

Entered into agreements with retail chains to distribute their branded products, including the Future Group.



Overseas Distribution Channels

The Company enjoys strong relationships with many of the world's largest buyers of basmati and non-basmati rice, including those in key export destinations such as USA, Europe and the Middle East.

In the process of launching branded export distribution channels in the USA.

Type and Number of Distribution Channels

Type	J&K	Rest of India
Company Outlets	5	-
Distributors	24	40
Wholesalers	51	40
Retailers	327	1,516
HORECA	31	-
Modern Retail Shops	26	-
Institutions	6	-
Hypermarkets	3	4
Total	473	1,600

Marquee Distributors and Clients



Walmart 

Ebro

BIG BAZAAR[™]
Making India Beautiful

COSTCO[®]
WHOLESALE

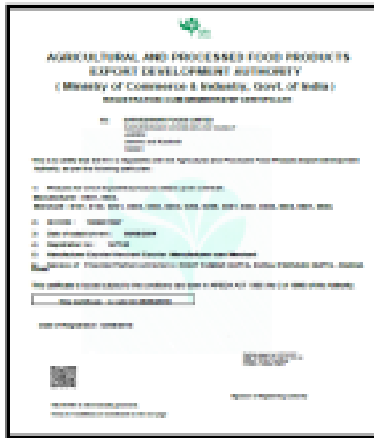


VeeTee[®]

isifol

Otis McAllister

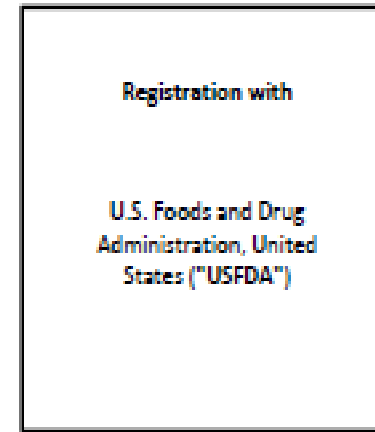
Awards and Certifications



Registration with APEDA



BRC & UKAS
certification



USFDA



ISO 22000: 2005



Socio-economic development

- We have initiated agriculture projects with people living in regions with various socio-economic difficulties.
- Rice procurement from the areas of Ranbir Singh Pura sector and Pallanwala sector helps farmers with unstable earnings and scarce employment opportunities build a stable livelihood.
- Rice, saffron and walnut is bought from areas in the Kashmir region to provide farmers with regular and premium returns on their produce.
- We source red kidney beans from the Bhandarwah region which is far flung and has hilly terrain and lacks irrigation facilities, with the crops being only rain-fed.
- Some parts of Himachal Pradesh have very small land holdings and the farmers have limited sources of income. From here we procure non-Basmati rice, wheat, and maize.

Training

- Crop rotations, soil testing, awareness about sustainable environments, selection of high yielding varieties.
- Vermicompost unit development as a source of home-grown bio inputs to replace chemical fertilizers.
- Post-harvest training.
- Exposure visits to various agricultural institutions (at our cost)

Socio-cultural development

- We are contributing to keeping the cultural values and age-old practices of the Himalayan region intact by supporting the revival of ancient grains and eating habits.
- We are running a program along with local agricultural institutions to promote age-old traditional seeds like Ranbir Basmati, an authentic ancient Basmati grain.
- We are proud to contribute to the revival of two ancient rice varieties of the Kashmir region through a program along with SKAUST-Kashmir. These are the Mushkbudji and Kamad varieties which are highly aromatic and are cooked for special occasions like marriages.
- Our red kidney bean programme in the Bhandarwah region is an effort towards keeping alive the age-old local delicacy

Services

- We have opened farmer service centres, which serve as a point of interface with farmers of a designated area. Here they are imparted training, and can have their farming and other queries redressed.
- We facilitate procurement of their produce with doorstep service, thus saving transportation costs for the farmers.
- We also procure the produce at premium rates compared to market



Key Strengths

Geographical Location

The Company operates out of J&K, which has diverse physiographic features, agro-climatic variations and existence of cold arid temperature, inter-mediate and sub-tropical zones that are naturally conducive for cultivating Basmati and Non-Basmati rice.

Experienced Management Team

4th generation of the family to be in the rice business and together with the management team, they have significant experience across the entire rice value chain.

Integrated Operations

With a presence across the entire basmati and non-basmati rice value chain, it allows the Company to benefit from economies of scale, maintain greater control on the quality of the products, ensure smooth supply chain and inventory management.

Strong Culture For Research And Development

A research driven company with their R&D efforts focused on innovating and improving the processing methods to enhance the output of Basmati and non-Basmati rice .

Strong procurement capabilities for conventional Basmati and non- Basmati paddy

Procurement capabilities through the long-standing association of the company's promoter and management with the basmati and non-basmati rice business, resulting in a widespread geographic reach and relationships with procurement agents and farmers.

Access to and procurement of organic food products

Developed strong relationships with Basmati and non-basmati paddy farmers including the farmers from whom the company procure organic Basmati and non-basmati paddy for development and growth of the organic business by using advanced payments, upfront payments and consistent purchases to inspire the faith and confidence of these farmers.

Focus on Processing and Quality Control

A well-established quality control system that spans the procurement, processing and delivery of rice

Modern Equipment & Technology

The Company operates through two USDA approved plants using imported equipment

Competitive Advantage



Business Model





Organic Products

Organic Business – Nimbark Foods



Sarveshwar Foods Ltd has forayed into organic products through its wholly owned subsidiary, Himalayan Bio-Organic Foods Pvt. Ltd. under the brand name of “Nimbark”.

Nimbark Foods produces high-quality natural, organic ingredients and materials in socially responsible, environmentally sustainable conditions.

The Company markets various food products such as dry fruits and nuts, pulses, lentil, flours, porridge, spices, condiments, and super foods like chia seeds, flax seeds, quinoa seeds, etc.

In May 2017, The Company launched its flagship retail store in the name of "Nimbark - Living the Satvik Way" for organic products at Channi Himmat, Jammu.

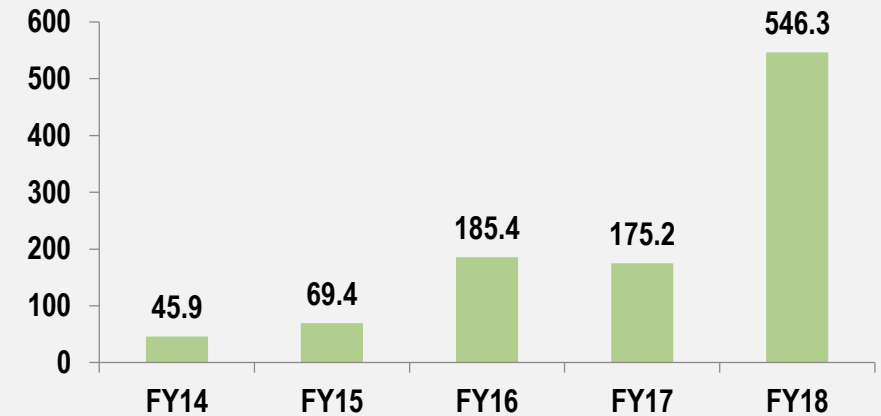
Currently, The Company has 3 exclusive brand outlets for its Nimbark brand located in Jammu and Kashmir.

The Company, through its century long association with local farmers, has successfully converted over 22,000 acres of land into organic farming land.

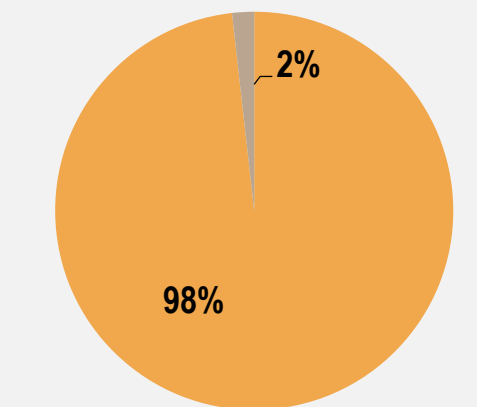
SFL has also collaborated with the Department of Agriculture, Jammu and Kashmir for organic certification from Control Union Certification Private Limited, Netherlands.

Participating farmers are issued NPOP and NOP registrations, which are the technical standards of APEDA, India, and the United States Department of Agriculture (USDA) respectively. NPOP standards are also compliant with the standards of organic farming in the European Union thereby providing a competitive edge.

Revenue From Organic Business (INR Mn)



FY18 Revenue Breakup



Product Portfolio of Organic Business

Non-Rice Products



Rice Products



Products offered: Rice, Brown Rice, Flours, Pulses, Nuts & Dry Fruits, Spices & Condiments, Breakfast Cereals, Edible Oils, Saffron, Super Food, Etc.

Procurement of Organic Products



The Company, using its age-old associations with local farmers, has started servicing farmers for its organic farming initiatives.

SFL organizes willing farmers to form clusters, enrolls them with APEDA, and trains them in nutrient and disease management.

SFL develops strong relationships with organic farmers by using advanced payments, upfront payments, and consistent purchases to inspire faith and confidence in these farmers.

Maintaining healthy relationships with farmers enables SFL to procure a consistent supply of quality organic basmati and non-basmati paddy during the procurement season.

The Company encourages adherence by the farmers to the standards of organic agricultural methods that are set and regulated by the International Federation of Organic Agriculture Movements (IFOAM), an international umbrella organization for organic farming organizations.

The Company has obtained registration from APEDA, which certifies an organic food product conforms to the National Standards of Organic Products. This also ensures that the product or the raw materials used in the product have been grown through organic farming.

District	Number of Farmers	Area Converted (Hectares)
Jammu	4,221	5,844
Kathua	651	1,112
Bahraich	888	1,913
Kangra	842	315
Kulgam	497	310
Doda	492	245
Una	397	180
Total	7,998	9,199

Organic Farming – Upliftment to the environment and farmers



Conventional agriculture is environmentally unsustainable and it is a misnomer that organic farming is economically unviable. Improved soil fertility, plant nutrient uptake, GMO-free foods, biodiversity and ecosystem conservation are amongst the several benefits of organic farming.

As on 31st March 2018, total area under organic certification process (registered under National Programme for Organic Production) is 3.56 million Hectare (2017-18). This includes 1.78 million ha (50%) cultivable area and another 1.78 million Hectare (50%) for wild harvest collection.

India produced around 1.70 million MT (2017-18) of certified organic products which includes all varieties of food products namely Oil Seeds, Sugar cane, Cereals & Millets, Cotton, Pulses, Medicinal Plants, Tea, Fruits, Spices, Dry Fruits, Vegetables, Coffee etc.

Areas that have been subject to intensive agriculture and excessive use of chemical substances present a scope for expansion of organic agriculture.

This would help improve and preserve the soil quality and thereby increase production in the long run. The rise in per capita purchasing power, has not only increased the demand for such products but also incentivized the development of the organic value chain.

Sikkim became India's first fully organic state in 2016 with 75,000 ha under organic cultivation, thereby providing impetus to other states to pursue similar objectives.

The Government has allocated INR 2 Bn for the cultivation of high-value major agricultural produce and INR 5 Bn to promote farmer-producer organizations for Operation Green.

With all these initiatives, it is expected that the cost of cultivation will come down and productivity will improve significantly. This will result in lowering the prices of organic products for mass consumers to switch over to organic products and create further demand.

Budget allocation of INR 200 Crore was set aside for organized cultivation of highly specialized medicinal and aromatic plants in the 2018-19 Budget.

Organic farming by Farmer Producer Organizations (FPOs) and Village Producers Organizations (VPOs) in large clusters, preferably of 1000 hectares each will be encouraged.



Conventional Products

Conventional Products – Sarveshwar Foods



SFL sells whole grain and broken basmati and non-basmati rice in branded and unbranded form, and is present across all price points with packaging ranging from 200 gram bags to 1,000 kg jumbo-bags.

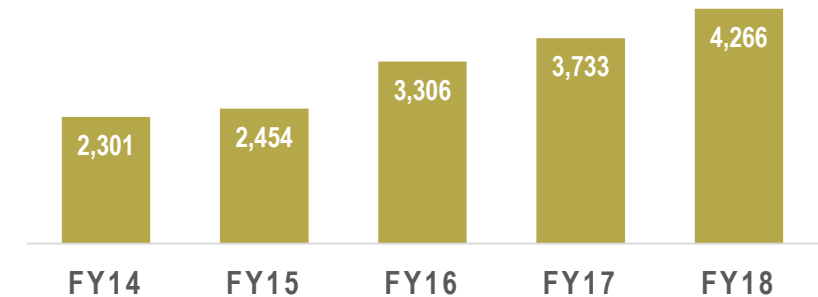
SFL has a market base of 24 distributors located in 10 districts across the Jammu Region and 40 distributors located in 20 districts across the rest of India, which in turn have access to 1,843 retailers.

Currently, the Company has 5 retail stores in Jammu and Kashmir through which it sells varied grades of rice across all price points.

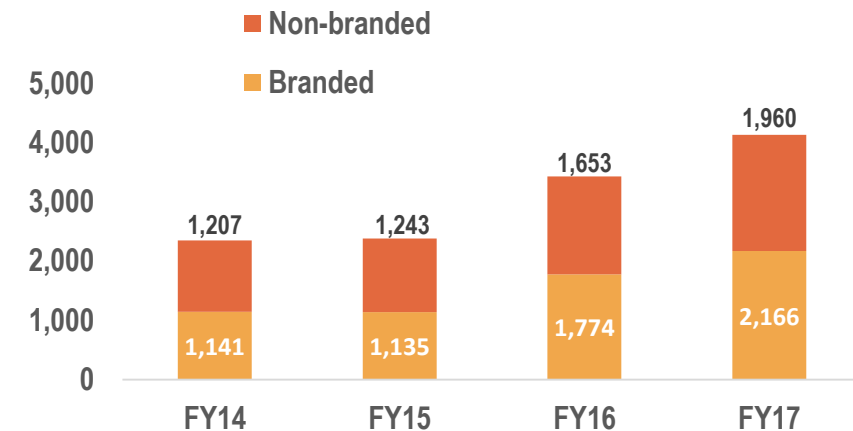
In addition to a quality assurance department, SFL has established a research and development centre at its plants to ensure the procurement of quality rice paddy leading to higher yield on processing.

As a part of the marketing strategy, SFL takes part in various national and international trade fairs to promote its products in local and global markets.

Revenue Contribution From Non-organic Products (INR Mn)



Revenue Breakup Between Branded And Non-branded (INR Mn)



Vast Product Portfolio

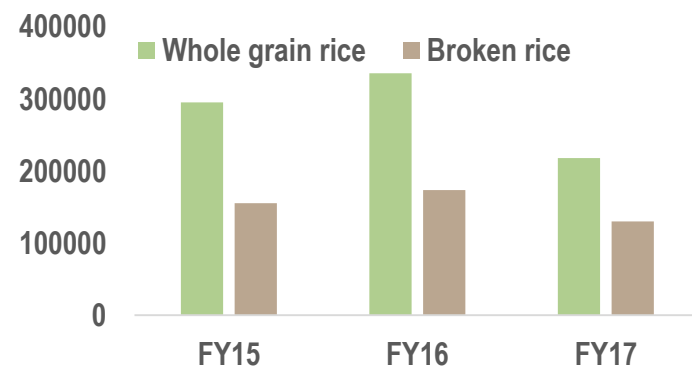
59 Products

63 Products

Branded

Unbranded

Revenue Breakup Between Whole Grain And Broken Rice



Product Portfolio of Conventional Business



Product range includes the complete range of Indian traditional Basmati Rice –

- Pure, Traditional Basmati Rice
- 1121 Basmati Rice
- Pusa Basmati Rice
- Sharbati Rice
- PR 11 rice
- IR 8 Rice

Products are available in numerous packaging sizes from –

- 1 Kg, 2 Kg, 5 Kg an 10 Kg, to larger packs of 20 Kg and 25 Kg as well.

Types of Basmati Rice –

- Brown Rice
- Raw Rice
- Steam Rice
- Silky raw rice
- White parboiled rice
- Golden parboiled rice

Types of Non-Basmati Rice –

- Indian long / medium / short grain white raw rice
- Indian long / medium / short grain white parboiled rice
- Indian long / medium / short grain golden parboiled rice
- Indian long / medium / short grain brown rice

Premium Basmati Products



Procurement of Paddy



The Company procures basmati and non-basmati paddy from J&K, Punjab, Haryana, Himachal Pradesh, Uttar Pradesh.

Prior to procuring basmati and non-basmati paddy, pre-harvest surveys are conducted through visual and quality checks.

Procurement capabilities include a presence in 9 procurement centers across approximately 2 organized government monitored agricultural produce markets known as "mandis", except from J&K where the company procures basmati paddy directly from farmers.

The company has relationships with approximately 132 procurement agents through which it is able to procure basmati and non-basmati paddy at lower prices from mandis in villages in which many of the smaller competitors are not present.

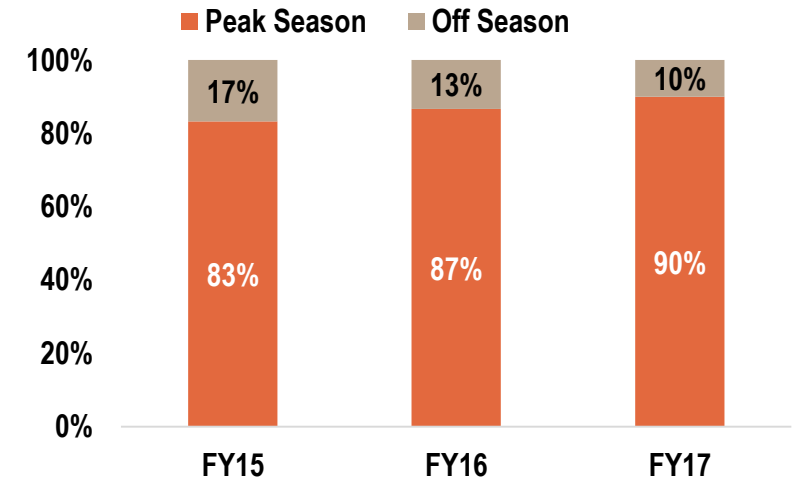
The large size of the company's operations provides the financial strength to compete effectively, especially in the State of J&K, in the sourcing of basmati paddy with other basmati rice processors.

Since the mandi system is not prevalent in the State of J&K, rice paddy is directly acquired from farmers – the company has entered into arrangements with farmers for the sale and purchase of their produce.

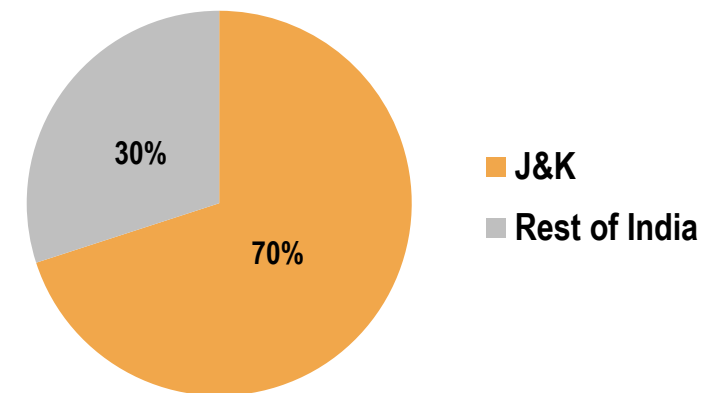
Their relations with basmati paddy farmers and procurement agents enable an uninterrupted supply of quality Basmati and non-Basmati paddy during the procurement season.

In order to reduce the effect of pesticides and other additives on the finished products, the ageing process of basmati and non-basmati rice ranges between 6 to 18 months.

Procurement of Paddy



Geographical Split Of Paddy Procurement





Strategic Overview

The Company has undertaken various initiatives and projects on Organic Farming & Certification across India –

- Organic superfoods cultivation in 9,000 hectares of area in J&K and Himachal Pradesh.
- Organic walnut and saffron cultivation in Kashmir and red kidney beans cultivation in Jammu.
- Organic herbs and spices cultivation in Rajasthan and UP.
- Implementation of Government backed projects funded by the Department of Agriculture, Himachal Pradesh, and Department of Agriculture, Jammu and Kashmir.
- Reviving various ancient cereals / foods available in Northern India especially in the Himalayan belt –
 - Successful revival of ancient rice Muskhidji & Kamad along with Sher-e-Kashmir at the University of Agricultural Sciences and Technology with the assistance of Dr. Tej Pratap, member of Board of Directors.
 - Procuring and selling of ‘SuperFoods’: Sarveshwar proposes to procure and sell special foods (generally termed as ‘SuperFoods’) having enormous health benefits, that are available locally in the Himalayan region. Some of the ‘SuperFoods’ that are already sold as follows:
 - Amaranthus: Known as the King’s Grain. It is high in fiber (three times that of wheat), protein, lysine and essential amino acid. Popped, amaranth is gluten-free.
 - Finger Millet (Eleusine Coracana): Is a rich source of calcium among cereals and grains. It has 189 times more calcium and 175 times more iron than some of the major food grain crops. It also is high in protein, fat, and minerals and is recommended for diabetic patients as it slows digestion and helps lower blood sugar levels.
 - Buckwheat (Fagopyrum tataricum): Glutens Free, Good source of manganese / magnesium and dietary fiber. It reduces the risks of developing high cholesterol diabetes and high blood pressure.

Amaranthus



Finger Millet



Buckwheat





Future Strategy of The Company

1

Increasing domestic market penetration by entering high demand markets such as Maharashtra, Gujarat, Rajasthan, Karnataka, Madhya Pradesh, and Goa.

2

Leverage long term international presence by establishing a firm presence in international markets such as Europe, USA, and The Middle East.

3

Key vertical for growth going forward by providing a variety of urban-centric products through promotion and marketing of organic products under “Nimbark”.

4

High degree of vertical integration & diverse distribution channels will allow for higher control and better management of costs and revenue.

5

Maintaining and expanding farmer relationships to ensure adequate and quality supply of crops.



Industry Overview

Overview on Organic Products

1

In the organic food and beverages segment alone, India has witnessed a market growth rate of 25% growing to ~INR 40 Bn in 2016-2017 from INR 6,750 Mn in 2009-10, which is likely to increase by INR 100 Bn — INR 120 Bn by 2020.

2

Organic packaged food and beverages is an emerging niche market in India and its primary consumers are high-income urbanites. The total market size for organic packaged food in India in 2016 was INR 533 Mn, growing at 17%, and is expected to reach INR 871 Mn by 2021.

3

The Directorate General of Foreign Trade (DGFT) has liberalized the quantitative restrictions on the export of organic products. The export of organic wheat, non-basmati rice, edible oils, and sugar have been exempted from all annual quantitative ceiling limits.

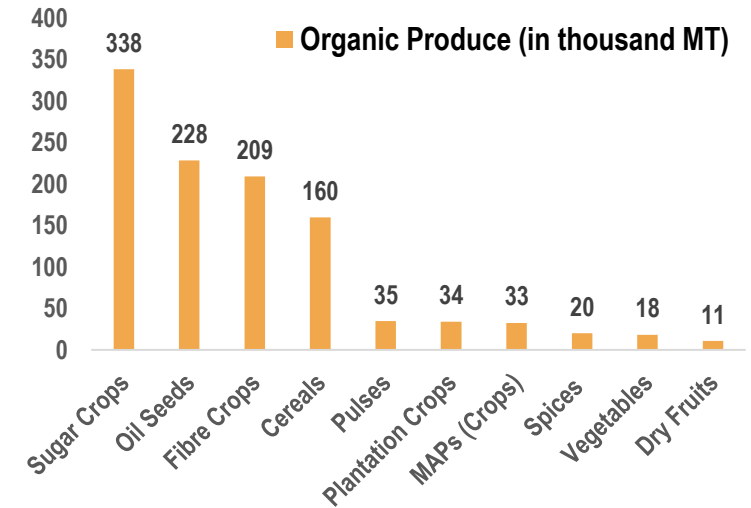
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The consumers are increasingly becoming aware of food safety issues and environmental issues because of their increased concern about health, the environment's health, and its global implications. Now, organic food has become a viable alternative for an increasing number of consumers.

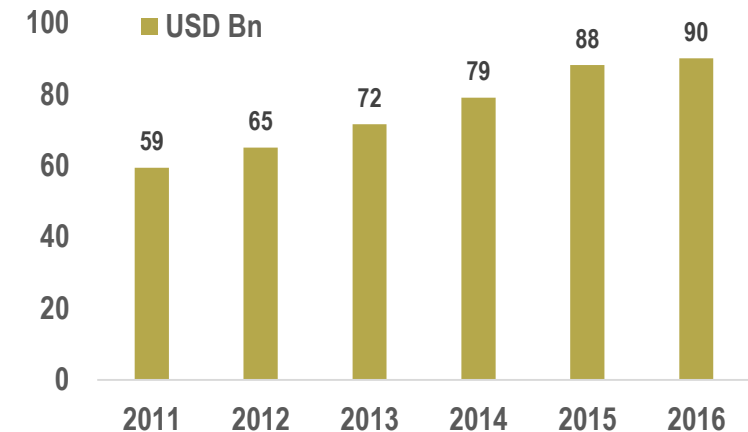
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Certified organic foods fetch higher prices in comparison to conventional foods as most of the organic produce is directly procured by companies thereby excluding the middlemen. The retail price of organic food is high and eventually organic production will lead to reduced costs.

Production Of Organic Crops In India



Size of Global Organic Market



Overview on Rice Industry

1

Over 90% of the global rice output and consumption is centered in Asia, wherein the world's largest rice producers, China and India, are also the world's largest rice consumers, providing ample scope for rice based products going ahead.

2

By volume, the share of Basmati in total rice production is around 6% (as of FY16), but by value, Basmati exports account for 60% (as of FY16) of India's total rice exports; exports have increased at a CAGR of 13% from INR 10,890 Cr in FY10 to INR 22,718 Cr in FY16.

3

Indian basmati rice exports are expected to have a strong growth in FY19 on the back of improved demand in the international markets and transference of higher paddy prices over the last few procurement seasons .

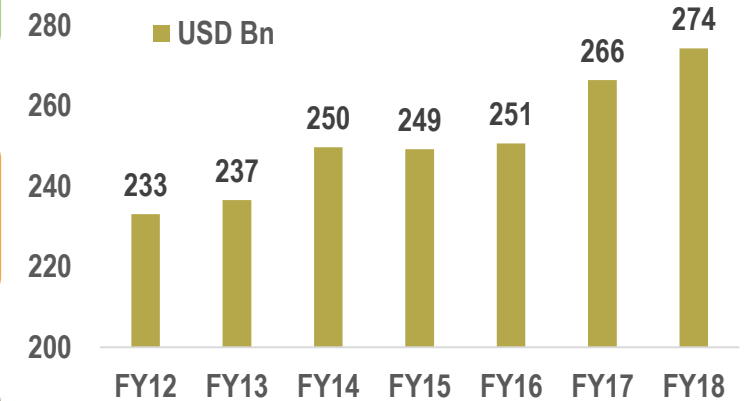
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Weak output levels of rice in Vietnam and other parts of South Asia have resulted in a sharp spike in international prices in calendar year 2018, primarily on the back of increased demand from exporters to deliver forward export orders.

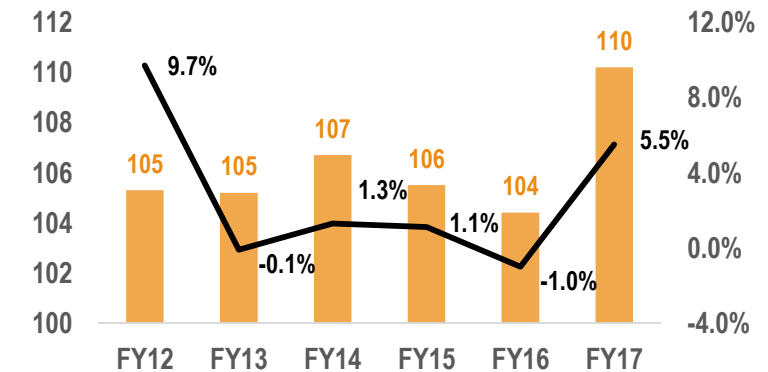
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Consumption of branded rice is growing in both southern and northern India and its share in the domestic market is expected to reach USD 3.5 Bn by the end of 2018.

Gross Value Added By Agriculture And Allied Sectors (USD Bn)



Rice Production in India (in MMT) and Rice Yield (kg/hectare)





Overview on Food Processing Industry

01

In India, the food sector has emerged as a high-growth and high-profit sector due to its immense potential for value addition, particularly within the food processing industry.

The food industry, which is currently valued at US\$ 39.71 billion, is expected to grow at a Compounded Annual Growth Rate (CAGR) of 11 per cent to US\$ 65.4 billion by 2018.

02**03**

Food and grocery account for around 31 per cent of India's consumption basket.

Accounting for about 32 per cent of the country's total food market, The Government of India has been instrumental in the growth and development of the food processing industry.

04

05 The government through the Ministry of Food Processing Industries (MoFPI) is making all efforts to encourage investments in the business. It has approved proposals for joint ventures (JV), foreign collaborations, industrial licenses, and 100 per cent export oriented units

Creating a positive image for food processing industry, removing discriminatory taxes on certain processed food items and scrapping laws enforced ostensibly to protect consumer interests are some of the measures that the government is focusing on going forward.

06

07 A government backed NBFC is likely to be named Agro-Processing Financial Institution, which would entail an investment of about INR 2,000 crore to cater to the needs of the food processing sector



Financial Overview

Standalone Income Statement



PARTICULARS (INR Mn)	FY15	FY16	FY17	FY18
Total Income*	1,432	1,610	2,080	2,180
Total Expenses	1,262	1,453	1,831	1,954
EBITDA	170	157	249	226
EBITDA Margins (%)	11.87%	9.75%	11.97%	10.37%
Depreciation	11	10	9	9
Finance Cost	67	86	82	71
Profit from Continuing Operations	0	0	0	0
PBT	92	61	158	146
Tax	12	14	42	40
PAT before Adjustment	80	47	116	106
Adjustment Net of tax	0	2	0	0
PAT after Adjustment	80	49	116	106
PAT Margins (%)	5.59%	3.04%	5.58%	4.86%
Diluted EPS	8.83	5.36	6.39	5.74

*Includes other income

Standalone Balance Sheet



PARTICULARS (INR Mn)	FY17	FY18	PARTICULARS (INR Mn)	FY17	FY18
EQUITIES & LIABILITIES			ASSETS		
Shareholder Funds			Non-current Assets		
(A) Share Capital	181	246	(A) Fixed Assets		
(B) Reserves & Surplus	279	819	(i) Tangible Assets	51	46
Non-current Liabilities			(ii) Capital Work in Progress	1	-
(A) Long-term Borrowings	1	-	(B) Loans & Advances	-	-
(B) Other Long-term Liabilities	10	1	(C) Non-Current Investments	186	150
			(C) Deferred Tax Assets (Net)	2	1
Current Liabilities			Current Assets		
(A) Short term Borrowings	741	602	(A) Inventories	919	1,231
(B) Trade Payables	307	239	(B) Trade Receivables	392	322
(C) Other Current Liabilities	23	21	(C) Cash & Cash Equivalents	2	162
(D) Short-term provisions	16	4	(D) Short-term loans & advances	-	-
			(E) Other Current Assets	5	20
GRAND TOTAL - EQUITIES & LIABILITES	1,558	1,932	GRAND TOTAL – ASSETS	1,558	1,932

Consolidated Income Statement



PARTICULARS (INR Mn)	FY15	FY16	FY17	FY18
Total Income*	2,625	3,552	4,199	4,842
Total Expenses	2,316	3,241	3,807	4,397
EBITDA	309	311	392	445
EBITDA Margins (%)	11.77%	8.76%	9.34%	9.19%
Depreciation	33	37	27	26
Finance Cost	175	204	189	202
PBT	101	70	176	217
Tax	21	16	48	52
PAT before adjustment & Minority Interest	80	54	128	165
Adjustment Net of tax	0	1	2	
PAT after Minority Interest	80	55	130	165
PAT Margins (%)	3.05%	1.55%	3.10%	3.41%
Diluted EPS	8.83	6.11	7.19	8.98

*Includes other income

*Includes other income

Consolidated Balance Sheet



PARTICULARS (INR Mn)	FY17	FY18	PARTICULARS (INR Mn)	FY17	FY18
EQUITIES & LIABILITIES			ASSETS		
Shareholder Funds			Non-current Assets		
(A) Share Capital	181	246	(A) Fixed Assets		
(B) Preference Share Capital	220	220	(i) Tangible Assets	251	237
(C) Reserves & Surplus	299	898	(ii) Capital Work in Progress	1	-
(D) Minority Interest	2	2	(B) Loans & Advances	-	-
Non-current Liabilities			(C) Non-Current Investments	82	-
(A) Long-term Borrowings	56	10	(C) Deferred Tax Assets (Net)	3	3
Current Liabilities			Current Assets		
			(A) Inventories	2,237	2,799
(A) Short term Borrowings	1,754	1,781	(B) Trade Receivables	660	975
(B) Trade Payables	627	967	(C) Cash & Cash Equivalents	2	165
(C) Other Current Liabilities	94	71	(D) Short-term loans & advances	-	-
(D) Short-term provisions	18	12	(E) Other Current Assets	15	28
GRAND TOTAL - EQUITIES & LIABILITIES	3,251	4,207	GRAND TOTAL – ASSETS	3,251	4,207

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