



VISIT NOTE

PARAG MILK FOODS

Milking value-added portfolio for growth

India Equity Research | Dairy



We met Parag Milk Foods' (Parag) Chairman Mr. Devendra Shah and CFO Mr. Vimal Agarwal to gain insights into its business. Key highlights: 1) Management expects the strong momentum in value-added products (VAP) such as cheese (25%-plus growth), *paneer* (>50%) and ghee (~20%) to sustain, and added that health & nutrition is being scaled up. 2) With Vector Consulting on board, supply chain is being fine-tuned, which is already generating higher same store sales, and distribution footprint is widening. 3) In FY19, the company expects to generate free cash flow (FCF) with stable working capital and declining capex (~INR0.6bn). Given robust demand for VAP and a favourable milk price scenario, we estimate Parag's sales will expand at a CAGR of about 18% to INR27.3bn (lower end of the INR27–30bn guidance) and PAT at a CAGR of ~32% over FY19–20E. Maintain 'BUY' with TP of INR434 based on 24x FY20E EPS.

Robust growth likely to sustain; pilot projects to be scaled up

In the wake of a 33% YoY jump in Q1FY19 revenue on the back of ~41% YoY surge in milk products, management reiterated its guidance for healthy growth ahead. Cheese is growing at 25%-plus led by robust demand and SKU launches such as cubes (additional 3% growth). Paneer is on track to be scaled up from ~130MT/month in FY18 to ~220MT/month in FY19, implying >50% growth. The health & nutrition segment too is being scaled up and is expected to generate sales of INR0.4–0.5bn in FY19 and INR1.2bn in FY20 led by *Avvatar* and *Go* protein. Management expects the segment's contribution to rise from 2% in FY18 to 7% by FY20. Besides, pilot projects under Vector Consultants' supervision to weed out supply-chain inefficiency has yielded impressive results with a 53% jump in average daily sales; this will be replicated across Mumbai in the next three months. Retail coverage in Mumbai will be increased from 15,000 in FY18 to 40,000 by FY19. Furthermore, the launch of fresh cow milk in north India from the Sonipat plant would rack up top line by INR1.2–1.3bn (~INR1bn from milk and the rest from curd) by FY20. Management reiterated the overall sales guidance of INR27–30bn, implying ~21% CAGR over FY18–20E and EBITDA margin of 11–12% by FY20.

Outlook and valuations: Positive; maintain 'BUY'

We build in a sales CAGR of 18% for FY18–20E in light of healthy demand growth, robust portfolio of VAP and product launches. This along with a favourable milk price scenario drives our ~32% PAT CAGR for FY19–20E. Furthermore, we expect FCF of INR0.7bn in FY19 on lower capex and stable working capital. Maintain 'BUY' with TP of INR434.

Financials

Year to March	FY17	FY18	FY19E	FY20E
Net Revenues (INR mn)	17,307	19,545	23,450	27,276
EBITDA (INR mn)	877	1,933	2,638	3,136
Adjusted PAT (INR mn)	183	871	1,180	1,516
Adjusted Diluted EPS (INR)	2.2	10.4	14.1	18.1
Diluted P/E (x)	133.9	28.1	20.7	16.2
EV/EBITDA (x)	30.0	14.2	10.3	8.5
RoE (%)	3.7	13.0	15.3	17.1

EDELWEISS RATINGS

Absolute Rating	BUY
Investment Characteristics	Growth

MARKET DATA (R: PAMF BO, B: PARAG IN)

CMP	: INR 291
Target Price	: INR 434
52-week range (INR)	: 415 / 226
Share in issue (mn)	: 84.1
M cap (INR bn/USD mn)	: 25 / 341
Avg. Daily Vol. BSE/NSE ('000)	: 755.9

SHARE HOLDING PATTERN (%)

	Current	Q4FY18	Q3FY18
Promoters *	48.7	48.7	48.7
MF's, FI's & BKs	13.4	13.4	13.0
FII's	15.1	15.1	16.0
Others	22.9	22.9	22.4
* Promoters pledged shares (% of share in issue)	:		NIL

PRICE PERFORMANCE (%)

	BSE Midcap Index	Stock	Stock over Index
1 month	5.4	4.8	(0.6)
3 months	(2.6)	3.9	6.5
12 months	4.0	29.7	25.7

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Key takeaways

Key observations in annual report and explanations

- Trade payables remain stable at INR3.0bn (versus INR3.1bn in FY17), out of which ~INR1bn is outstanding to farmers and the remaining to suppliers of butter and other ingredients, packaging materials, etc. While milk price was softer in FY18, it was offset by relatively high usage of butter, which has a higher credit period, to manufacture *ghee*.
- The outstanding cash balance (including bank balance) has decreased from ~INR1bn to ~INR0.5bn on account of capital expenditure and working capital from the IPO proceeds.
- **Significant increase in trade receivables (up ~44% YoY from INR1.7bn to INR2.5bn)**
 - The increase was due to relatively favourable credit terms for distributors as the company entered new geographies (North and East).
 - The transition from GAAP to IND-AS led to a restatement of the FY17 balance sheet and income statement. On a consolidated basis, key adjustments include expected credit loss adjustment of ~INR400mn (trade receivables fell by ~INR400mn in FY17) on the balance sheet. Management highlighted that it expects to recover the amount over the medium term.
- **Significant jump in other current assets (up ~37% YoY from INR1.2bn to INR1.7bn)**
 - The spike was largely led by higher PSI incentives (from INR0.4bn to INR0.6bn in FY18) and higher advances to farmers (from INR0.7bn to INR0.9bn in FY18).
 - Management highlighted that there was a slippage of PSI incentives to Q1FY19 and the outstanding amount corresponded to equivalent of six quarters. Furthermore, the company has received around INR200mn in Q1FY19. With GST in place, the annual run-rate of PSI incentives has decreased from INR0.3–0.4bn to INR0.25bn.
 - Higher advances to farmers were made with the objective to ensure uninterrupted supply/procurement in newer geographies. However, going forward, such advances should decrease ahead as the company establishes strong relationships with farmers.
- **Moderate increase of 2% YoY in inventory** despite a significant increase in revenue and working capital is largely attributable to soft milk prices.

Table 1: Sources and uses of cash

Sources of cash	(INR mn)	Uses of cash	(INR mn)
Opening cash balance - including bank balance	1,009	Cash out-flow from working capital changes	
Cash flow from operations before working capital changes	2,146	Increase in inventories	94
Increase in short term borrowing	561	Increase in trade receivables	937
Cash in-flow from working capital changes		Increase in other current and non-current assets	394
Decrease in non-current and current financial assets	36	Decrease in other current and non-current liabilities	434
Decrease in non-current and current financial liabilities	217	Decrease in trade payable	86
Decrease in provisions	18	Total	1,945
Total	272	Direct taxes paid	129
Cash in-flow from sale of livestock/fixed assets	11	Investments in PPE/Intangible assets	781
Interest income	42	Investments in FD/MF	5
		Net long term loan repayment	274
		Dividend payment	51
		Interest payment	359
		Closing cash balance - including bank balance	496
Total	4,040	Total	4,040

Source: Company, Edelweiss research

- The overall operating working capital, as a % of revenue, rose from 17% in FY17 to 20% in FY18. Management highlighted this should decrease to ~17% in FY19 as operations in new geographies stabilize. The company has guided for a capex of INR0.6bn (including acquisition cost of Danone's facility at Sonipat) and with stable working capital, it should be able to generate free cash flow in FY19.

Key takeaways by product

- **Cheese (~21% of overall FY18 sales)**
 - Cheese contributed ~INR3.9bn in FY18 (up ~20% YoY). The company targets to grow the product 25–30% YoY (implied volume growth from the current ~1,100 MT/month to ~1,400 MT/month) led by strong demand, launch of innovative products in both the B2B and B2C channels (currently, within cheese, B2B:B2C stands at 50:50) and increased trade promotions.
 - The recently launched chocolate cheese has received a good response. The company also plans to launch sauces such as Mexican cheese sauce – which was well very received by QSRs – in the B2C channel. Newly launched cheese cubes could add incremental 30MT/month, ~3% overall growth, as this is a 300–400MT/month market.
- **Ghee (~24% of overall FY18 sales)**
 - Having grown 12–14% in FY18, the company is targeting ~20% growth in FY19 on the back of heavier promotions. Furthermore, the company is expanding distribution in North and North East and running promotions of Ghee plus Kohinoor rice.
- **Paneer(~2% of overall FY18 sales)**
 - In FY18, the company sold about 130MT/month of *paneer*. Parag is currently clocking ~200MT/month and is targeting INR600–700mn of sales (>50% growth) with around 220MT/month of volumes.

- **Health & nutrition (~2% of overall FY18 sales)**

- **Avvatar** – With import policy tightening (higher duties), rupee depreciation and price rationalization, the company is confident of posting strong sales. In FY19, the company has been generating INR30–35mn per month in top line.
- **Go Protein** – The company targets to launch *Go protein*, a protein-based supplement, shortly. This is an INR17.5bn category led by Protinex (INR6bn sales) and Ensure (INR3bn sales). Management plans to launch the product with much higher protein content that currently offered in the category. The company is targeting ~INR0.1bn in FY19 sales.
- In FY20, the company targets INR1.3–1.5bn of top line from Avvatar and Go Protein combined.

- **Sonipat facility**

- The facility was commercialised in July. For this, Parag has earmarked INR300mn of capex, out of which ~INR140mn has been incurred as acquisition cost; the rest will be incurred on expansion depending on demand. The plant's current processing capacity is ~75MT per day of milk and ~15MT per day of curd.
- The company launched fresh cow milk in the region. Mother Dairy is the only major competitor in this region with top line of ~INR6bn in cow milk sales with volumes of 7–8 lakh litres per day (LLPD). Parag sees a demand for fresh cow milk in the region and is confident of clocking volume of ~1LLPD. The fresh cow milk market is estimated to be ~INR10bn in the region. The company expects to garner a 10% market share and top line of ~INR1.2bn (~INR1bn from fresh milk and the rest from curd) by FY20.
- Parag is currently expanding its distribution network in the region by appointing distributors.

- **Scaling up pilot conducted via Vector Consulting**

- Parag hired an external agency, Vector Consulting, to improve its supply-chain processes with focus on driving up sales at limited additional capex.
- A key operational drag identified by the consultant was small and frequent replenishment (according to consumption) with no forecasts and sales-push. Besides, the consultant advised on improving availability at lower inventory, improvement in freshness of products and increasing the ROI.
- Pilot project in some areas of Mumbai such as Borivali showed impressive results with 53% growth in average daily sales, 170% in repeat orders, 31% in the number of unique SKUs and 200% in the number of outlets billed. The company plans to deploy Vector's inputs on a larger scale by covering entire Mumbai over the next three–four months and then focus on execution in Delhi.

- **Distribution expansion**

- The company was able to expand distribution aggressively in the first few months of FY19, largely on the back of its forays in North and East. The company is focusing on geographical diversification and targeting pan-India distribution, and has hence appointed separate heads for each region.
- Management guided to expansion of retail network by 8,000–9,000 per month (currently has around 2,60,000 outlets) and expects its retail coverage in Mumbai to expand from 15,000 currently to 40,000 in FY19.

Subsidy from Maharashtra Government

- Parag has benefitted from the Maharashtra government's recent initiatives such as the increase in milk procurement price to INR25 per litre and subsidy of INR5 per litre to manufacturers of value-added dairy products.
- The company will receive refund from the government once in 15 days. Parag does not see any risk of accumulation of receivables as it might lead to disruption in cash flow from private dairies to farmers. The company has already produced its first bill cycle and expects cash inflow from the government shortly.
- The Government has roped in ICICI bank to provide the online platform for claiming refund. The company will get a refund of INR5 per litre commensurate with the proportion of total procurement that has been converted into value added products. The company claims refund once in 15 days and verification will be based on GST filing.

Launches

- **Avvatar Advanced Muscle Gainer:** The product is India's first Muscle Gainer to be certified by Informed Sports from a WADA-approved lab in the UK. Competitor brands in the segment include ON Serious Mass and Muscle Blaze Weight Gainer. Based on our channel checks, Parag's product is priced on a par with ON and at a premium to Muscle Blaze.
- **Premium ghee and mishti doi:** Other launches (in the pipeline) include Aurum (expected launch 2018), which has a distinct aroma, contains good fat and positioned as super premium ghee; *Sishit doi*, targeted at all major metros, will be sold through modern and general trade, and online.
- Parag collaborated with ColoPlus, a Sweden-based biotech company active in research & development of colostrum-based innovative products and applications. The company has launched its first 100% colostrum-based natural immunity booster called GO Colo Power in India.

Company Description

Parag, incorporated in 1992 with operations in just collection and distribution of milk, has now developed into a FMCG dairy company. It has diversified its product portfolio with 170 plus SKUs to cater to a wide range of customers via 6 brands—Gowardhan, Go, Pride Of Cows, ToppUp, Milkrich and Avvatar. The company has recently ventured into the whey consumer protein powder segment with Avvatar brand and fruit beverages category with Slurp brand.

The company's aggregate milk processing capacity stands at 2mn ltr per day. Its cheese plant boasts of one of the largest production capacities in India with raw cheese capacity of 60MT per day.

Investment Theme

Parag Milk Foods (Parag) has made a commendable leap in a short span by capturing leading market share in high-margin value-added products (VADP)—No. 2 in cheese (32% market share) and largest cow ghee brand in India. Parag boasts of strongest value-added portfolio contributing 64% to sales, way ahead industry's 34%, with strong 170 plus SKUs. This has resulted in it gaining leading market share in VADP (cheese, ghee) in record time. Further, we estimate its VADP sales share to jump to 70% spearheaded by: a) sustained focus on innovation—introducing 3-4 products per year; b) overall 53% capacity expansion. The company's biggest competitive advantage is the scale created—invested INR3.5 bn over FY08-17 on high-margin cheese and whey. This has enabled Parag move up value chain, hence, we estimate the already strong gross margin (27%) to surge 303bps to 30.3% and EBIDTA margin by 335bps to 9.6% over FY17-20.

Key Risks

Volatility in raw milk prices

Any material and sudden rise in milk prices may impact Parag's margin. Milk procurement prices jumped 27% in FY17, which Parag was able to absorb due to premiumisation as demonstrated by 39bps rise in gross margin.

Competitive pressure

The domestic dairy products industry is highly competitive with presence of large multinational companies as well as regional and local players. The company also competes with large dairy cooperatives; incentives offered by central or state governments to these could benefit such entities. Any steep increase in competitive pressure—Amul getting aggressive in the HORECA segment—may impact Parag's revenue growth prospects.

Failure of launches

Parag is steadily launching new products. If these products are not successful it may lead to increased expenses with no proportionate sales.

Financial Statements

Key Assumptions

Year to March	FY17	FY18	FY19E	FY20E
Macro				
GDP(Y-o-Y %)	7.1	6.5	7.1	7.6
Inflation (Avg)	4.5	3.6	4.5	5.0
Repo rate (exit rate)	6.3	6.0	6.3	6.5
USD/INR (Avg)	67.1	64.5	68.0	69.0
Company				
B2C Share (% of revenue)	67.3	69.3	70.9	74.4
VADP Share (% of revenue)	64.4	64.8	66.8	69.7
Expenses (% of sales)				
Carriage & Transport	4.4	4.2	4.0	4.0
Ad Spends	3.0	3.6	4.0	4.4
Other Variable Costs	2.9	2.9	2.7	2.7
Fixed Costs	6.1	5.8	5.3	5.1
Financial assumptions				
Tax rate (%)	543.7	26.8	32.5	33.0
Capex (INR mn)	247	1,137	600	600
Ghee (%)	13.1	16.1	18.0	14.2
Butter (%)	(41.5)	(34.5)	-	(11.3)
Procurement price (INR/litre)	26.8	25.9	25.7	26.6
Procurement price increase (%)	26.8	(3.5)	(0.5)	3.5
Procurement (mn litres/day)	1.2	1.3	1.6	1.8
Growth (%)	14.4	8.0	21.2	14.9
Sales growth (%)				
UHT+lassi+buttermilk (%)	4.9	17.8	20.0	20.4
Curd (%)	27.5	17.8	39.0	27.5
Whey Processing (%)	(18.2)	(25.0)	8.2	12.2
Whey Consumer (%)	-	-	280.0	120.8
Pride of Cows (%)	29.2	25.0	28.0	20.0
Paneer (%)	11.0	51.0	65.0	42.8
Milkpowder (SMP) (%)	20.3	20.8	18.0	(5.1)
Fresh milk (%)	13.7	6.7	10.0	14.2
Flavoured Milk (%)	9.0	15.8	18.0	19.3
Revenue Share (%)				
Curd (% of sales)	5.0	5.3	6.1	6.7
Whey Processing (% of Sales)	2.7	1.8	1.6	1.6
Whey Consumer (% of Sales)	-	0.7	2.3	4.3
Cheese (%)	11.7	20.0	15.9	16.5
Ghee (% of sales)	22.0	22.6	22.2	21.8
Butter (% of sales)	5.1	2.9	2.5	1.9
Others (% of sales)	1.6	1.2	1.4	1.7
Pride of Cows (% of Sales)	1.6	1.8	1.9	1.9
UHT+lassi+buttermilk+cream (% of Sales)	5.0	5.2	5.2	5.4
Fresh milk (% of Sales)	19.9	18.8	17.2	16.9
Dep. (% gross block)	8.8	7.6	7.8	7.7
Interest (% of total borrowings) (Assumptions)	11.6	10.6	12.6	12.6

Income statement

(INR mn)

Year to March	FY17	FY18	FY19E	FY20E
Net revenue	17,307	19,545	23,450	27,276
Materials costs	12,588	13,679	16,277	18,867
Gross profit	4,719	5,866	7,173	8,409
Employee costs	669	719	775	840
Other Expenses	3,173	3,214	3,760	4,433
Operating expenses	3,842	3,933	4,535	5,273
Total operating expenses	16,430	17,612	20,811	24,140
EBITDA	877	1,933	2,638	3,136
Depreciation	490	506	544	580
EBIT	387	1,427	2,094	2,556
Less: Interest Expense	333	357	413	400
Add: Other income	128.9	119.99	67.59	106.82
Profit Before Tax	(11)	1,190	1,749	2,263
Less: Provision for Tax	(58)	319	568	747
Add: Exceptional items	(194)	-	-	-
Reported Profit	47	871	1,180	1,516
Exceptional Items	(136)	-	-	-
Adjusted Profit	183	871	1,180	1,516
Shares o /s (mn)	84	84	84	84
Adjusted Basic EPS	2.2	10.4	14.1	18.1
Diluted shares o/s (mn)	84	84	84	84
Adjusted Diluted EPS	2.2	10.4	14.1	18.1
Adjusted Cash EPS	8.0	16.4	20.6	25.0
Dividend per share (DPS)	-	0.8	1.2	2.0
Dividend Payout Ratio(%)	-	7.2	8.5	11.1

Common size metrics

Year to March	FY17	FY18	FY19E	FY20E
Gross margin	27.3	30.0	30.6	30.8
Operating expenses	22.2	20.1	19.3	19.3
Interest Expense	1.9	1.8	1.8	1.5
EBITDA margins	5.1	9.9	11.3	11.5
EBIT margins	2.2	7.3	8.9	9.4
Net Profit margins	1.1	4.5	5.0	5.6

Growth ratios (%)

Year to March	FY17	FY18	FY19E	FY20E
Revenues	5.2	12.9	20.0	16.3
EBITDA	(40.8)	120.4	36.5	18.9
PBT	(101.6)	(11,304.0)	47.0	29.4
Adjusted Profit	(61.4)	376.4	35.5	28.4
EPS	(67.6)	376.4	35.5	28.4

Balance sheet		(INR mn)			
As on 31st March	FY17	FY18	FY19E	FY20E	
Share capital	839	839	839	839	
Reserves & Surplus	5,399	6,328	7,387	8,702	
Shareholders' funds	6,238	7,167	8,226	9,541	
Long term borrowings	703	635	585	535	
Short term borrowings	2,160	2,741	2,691	2,641	
Total Borrowings	2,863	3,376	3,276	3,176	
Long Term Liabilities	136	94	112	131	
Def. Tax Liability (net)	(81)	(96)	(96)	(96)	
Sources of funds	9,156	10,541	11,520	12,752	
Gross Block	5,581	6,679	7,279	7,879	
Net Block	3,331	3,923	3,978	3,999	
Capital work in progress	207	204	204	204	
Intangible Assets	5	47	47	47	
Total Fixed Assets	3,542	4,174	4,230	4,250	
Non-current investments	-	-	-	-	
Cash and Equivalents	1,008	476	651	1,129	
Inventories	4,285	4,379	4,771	5,169	
Sundry Debtors	1,750	2,517	3,020	3,363	
Loans & Advances	135	149	149	149	
Other Current Assets	2,058	2,069	2,228	2,318	
Current Assets (ex cash)	8,228	9,115	10,168	11,000	
Trade payable	3,119	3,033	3,300	3,360	
Other Current Liab	504	191	229	267	
Total Current Liab	3,623	3,224	3,529	3,627	
Net Curr Assets-ex cash	4,605	5,891	6,639	7,373	
Uses of funds	9,156	10,541	11,520	12,752	
BVPS (INR)	74.4	85.4	98.1	113.7	

Free cash flow		(INR mn)			
Year to March	FY17	FY18	FY19E	FY20E	
Reported Profit	47	871	1,180	1,516	
Add: Depreciation	490	506	544	580	
Interest (Net of Tax)	333	357	413	400	
Others	(30)	(120)	(68)	(107)	
Less: Changes in WC	(200)	(1,286)	(747)	(734)	
Operating cash flow	641	328	1,323	1,655	
Less: Capex	983	781	600	600	
Free Cash Flow	(342)	(453)	723	1,055	

Peer comparison valuation

Name	Market cap (USD mn)	Diluted P/E (X)		EV / EBITDA (X)		ROAE (%)	
		FY19E	FY20E	FY19E	FY20E	FY19E	FY20E
Parag Milk Foods Limited	341	20.7	16.1	10.3	8.4	15.3	17.1
Heritage Foods Limited	376	28.3	21.7	14.2	11.3	11.6	13.7
Prabhat Dairy Ltd	215	23.9	18.1	10.5	8.4	9.4	11.4
Median	-	23.9	18.1	10.5	8.4	11.6	13.7
AVERAGE	-	24.3	18.6	11.6	9.4	12.1	14.0

Source: Edelweiss research

Cash flow metrics		FY17	FY18	FY19E	FY20E
Year to March					
Operating cash flow		641	328	1,323	1,655
Financing cash flow		1,225	198	(566)	(595)
Investing cash flow		(1,506)	(823)	(600)	(600)
Net cash Flow		360	(297)	157	460
Capex		(983)	(781)	(600)	(600)
Dividend paid		-	(63)	(121)	(201)

Profitability and efficiency ratios

Year to March	FY17	FY18	FY19E	FY20E
ROAE (%)	3.7	13.0	15.3	17.1
ROACE (%)	6.2	15.8	19.6	22.0
Inventory Days	102	116	103	96
ROA	2.2	8.8	10.7	12.5
Debtors Days	43	40	43	43
Payable Days	70	82	71	64
Cash Conversion Cycle	75	73	75	74
Current Ratio	2.5	3.0	3.1	3.3
Gross Debt/EBITDA	3.3	1.7	1.2	1.0
Gross Debt/Equity	0.5	0.5	0.4	0.3
Adjusted Debt/Equity	0.5	0.5	0.4	0.3
Interest Coverage Ratio	1.2	4.0	5.1	6.4
LT debt /Cap empl. (%)	31.3	32.0	28.4	24.9
Debt / Cap employed (%)	70.0	61.7	58.2	52.6

Operating ratios

Year to March	FY17	FY18	FY19E	FY20E
Total Asset Turnover	2.0	2.0	2.1	2.2
Fixed Asset Turnover	5.1	5.4	5.9	6.8
Equity Turnover	3.5	2.9	3.0	3.1

Valuation parameters

Year to March	FY17	FY18	FY19E	FY20E
Adj. Diluted EPS (INR)	2.2	10.4	14.1	18.1
Y-o-Y growth (%)	(67.6)	376.4	35.5	28.4
Adjusted Cash EPS (INR)	8.0	16.4	20.6	25.0
Diluted P/E (x)	133.7	28.1	20.7	16.1
P/B (x)	3.9	3.4	3.0	2.6
EV / Sales (x)	1.5	1.4	1.2	1.0
EV / EBITDA (x)	30.0	14.1	10.3	8.4
Dividend Yield (%)	-	0.3	0.4	0.7

Additional Data

Directors Data

Mr. Devendra Shah	Chairman	Mr. Pritam Shah	Managing Director
Mr. B.M. Vyas	Director	Mr. Sunil Goyal	Director
Mr. Narendra Ambwani	Director	Mr. Nitin Dhavalikar	Director
Mrs. Radhika Pereira	Director	Mr. Ramesh Chandak	Director

Auditors - Haribhakti & Co. LLP

**as per last available data*

Holding Top -10

	Perc. Holding		Perc. Holding
IDFC mutual fund	8.90	Norges bank	2.66
Nomura asset management	4.28	Canara Robeco mutual fund	2.41
Goldman Sachs asset management	2.92	Invesco Asset Management	2.27
New Horizon Opportunity fund	2.91	Abu Dhabi investment authority	2.10
Govt. Pension Fund - Global	2.66	Quantum Ltd	1.79

**as per last available data*

Bulk Deals

Data	Acquired / Seller	B/S	Qty Traded	Price
06 Nov 2017	Abu Dhabi Investment Authority - Behave	Sell	496501	282.50

**as per last available data*

Insider Trades

Reporting Data	Acquired / Seller	B/S	Qty Traded
13 Sep 2017	Mr.Devendra P.Shah	Buy	100000.00

**as per last available data*

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Aditya Narain

Head of Research

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Coverage group(s) of stocks by primary analyst(s): Dairy

Heritage Foods Limited, Parag Milk Foods Limited, Prabhat Dairy Ltd

Recent Research

Date	Company	Title	Price (INR)	Recos
14-Aug-18	Prabhat Dairy	Healthy volumes; focus on branding remains ; <i>Result Update</i>	152	Buy
07-Aug-18	Parag Milk Foods	Dairy delight: A healthy dose of value add; <i>Result Update</i>	325	Buy
30-Jul-18	Heritage Foods	Value-added products lift margin; <i>Result Update</i>	638	Buy

Distribution of Ratings / Market Cap

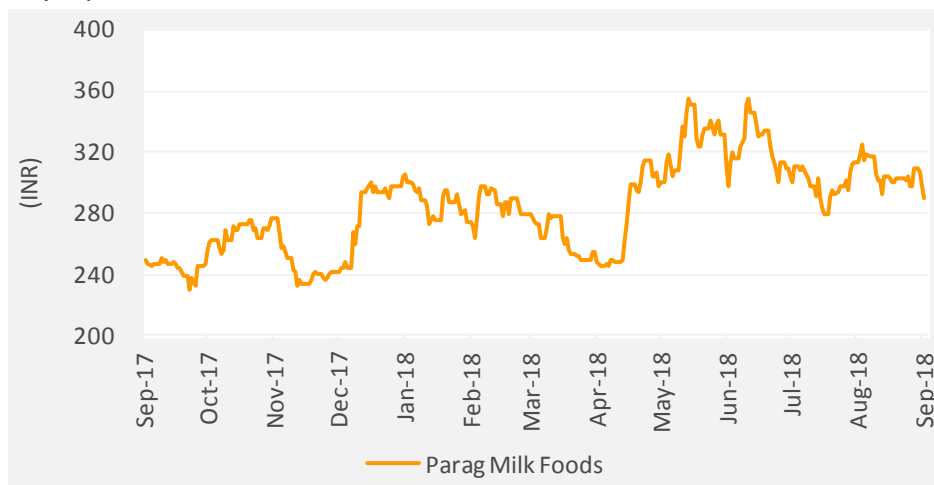
Edelweiss Research Coverage Universe

	Buy	Hold	Reduce	Total
Rating Distribution*	161	67	11	240
* 1stocks under review				
	> 50bn	Between 10bn and 50 bn	< 10bn	
Market Cap (INR)	156	62	11	

Rating Interpretation

Rating	Expected to
Buy	appreciate more than 15% over a 12-month period
Hold	appreciate up to 15% over a 12-month period
Reduce	depreciate more than 5% over a 12-month period

One year price chart



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