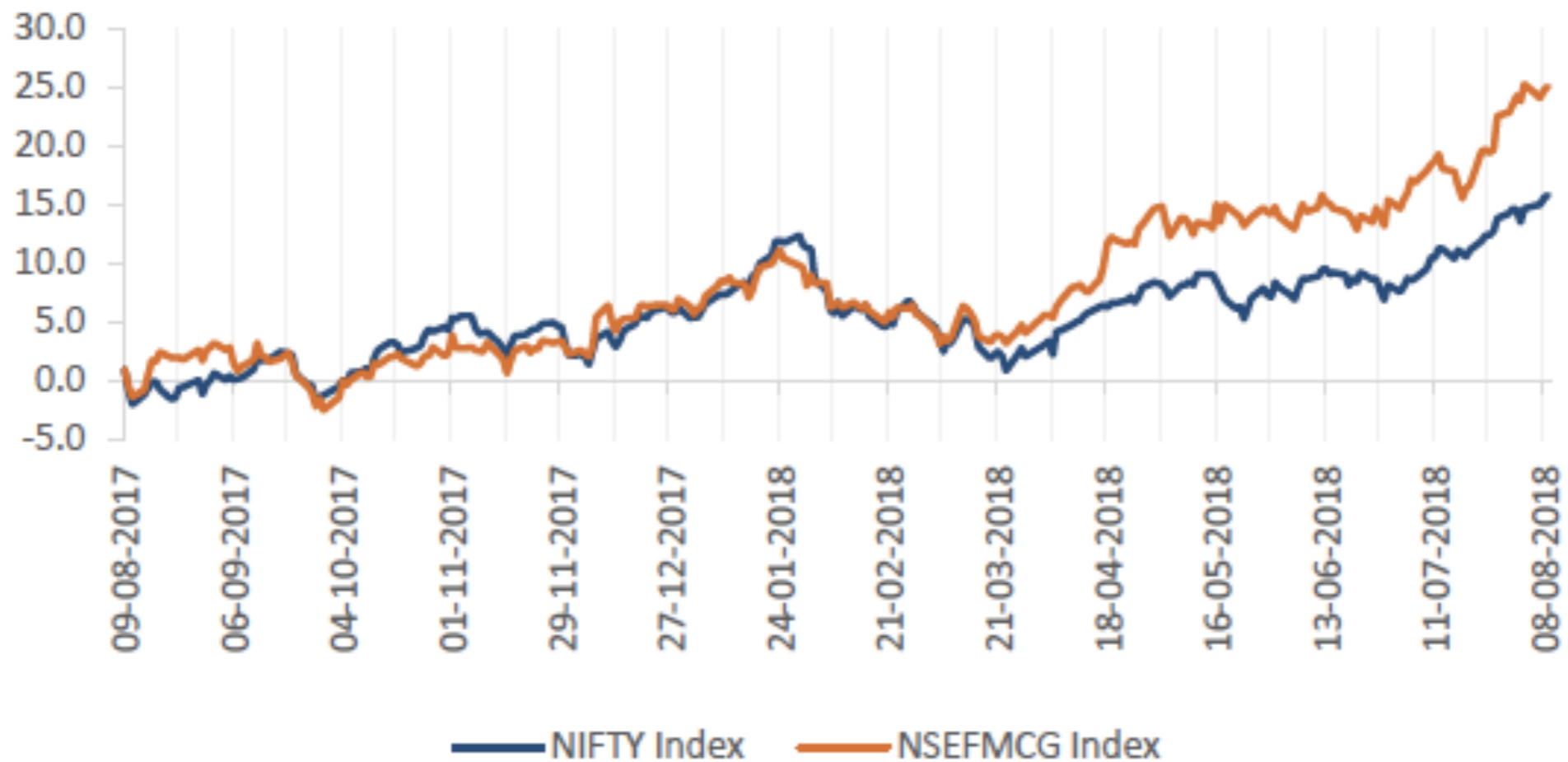


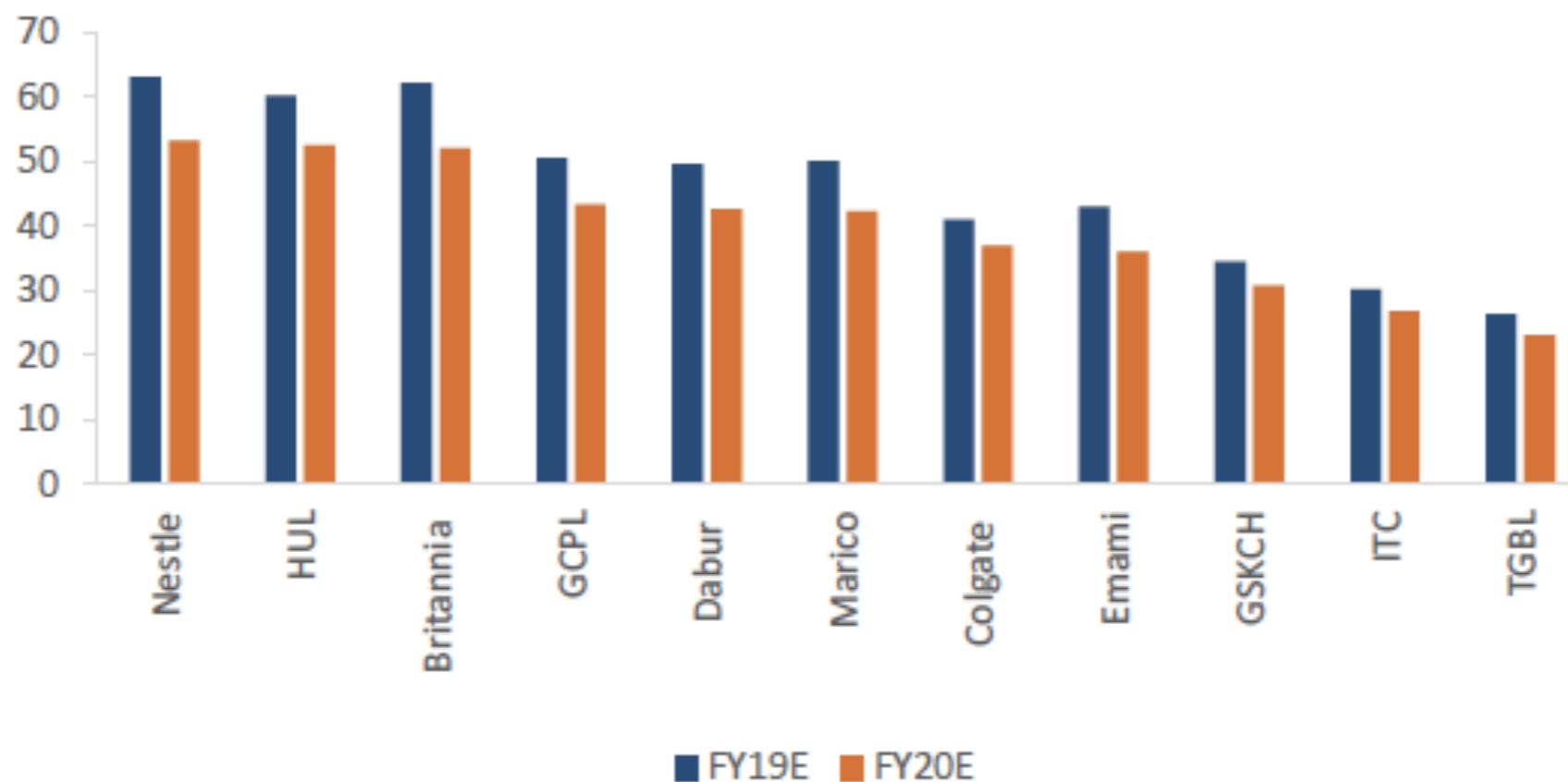
FMCG - INDIA

FMCG VS Nifty

Exhibit 1: FMCG index has outpaced the NIFTY over past year



Valuation Gap

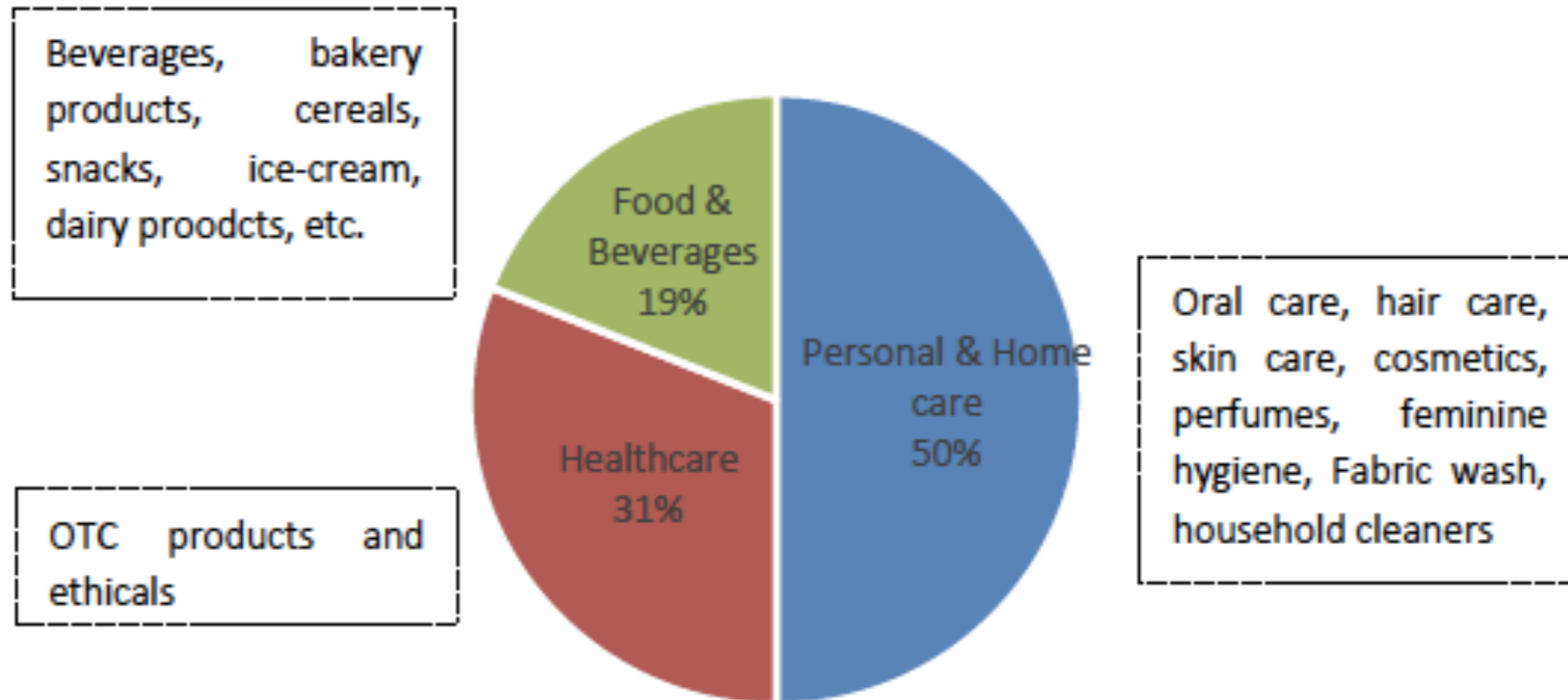


Forward PE (x) chart

Key Data Points

- ✧ **FMCG is the 4th largest sector in the Indian economy**
- ✧ **Expected to reach \$103.70bn (current size - \$52.75bn); growing at a CAGR of 27.9% over FY18-20E**
- ✧ **Rise in *Rural Consumption* to drive this growth (registered 9.7% growth in FY18)**
- ✧ **Urban: Rural contribution stands at 55%:45%**
- ✧ **Rural FMCG market is expected to grow to \$220bn by 2025**
- ✧ **Low penetration in rural India offers a huge opportunity**
- ✧ **The middle income class population to double by 2020E, growing at a CAGR of 10.8%**

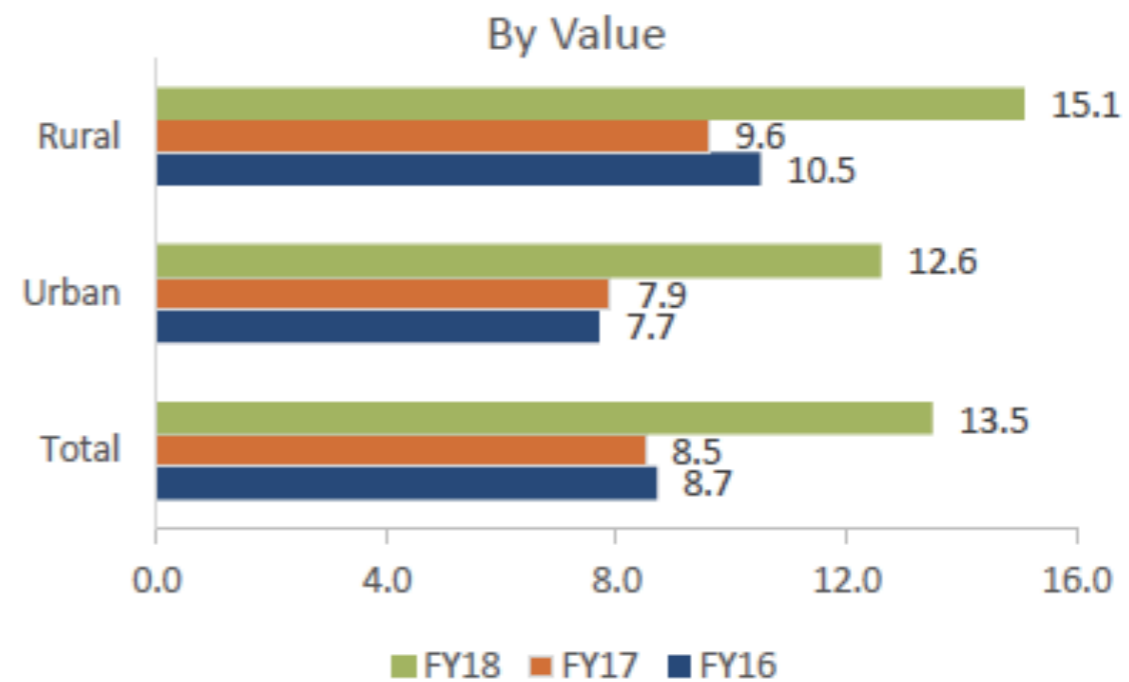
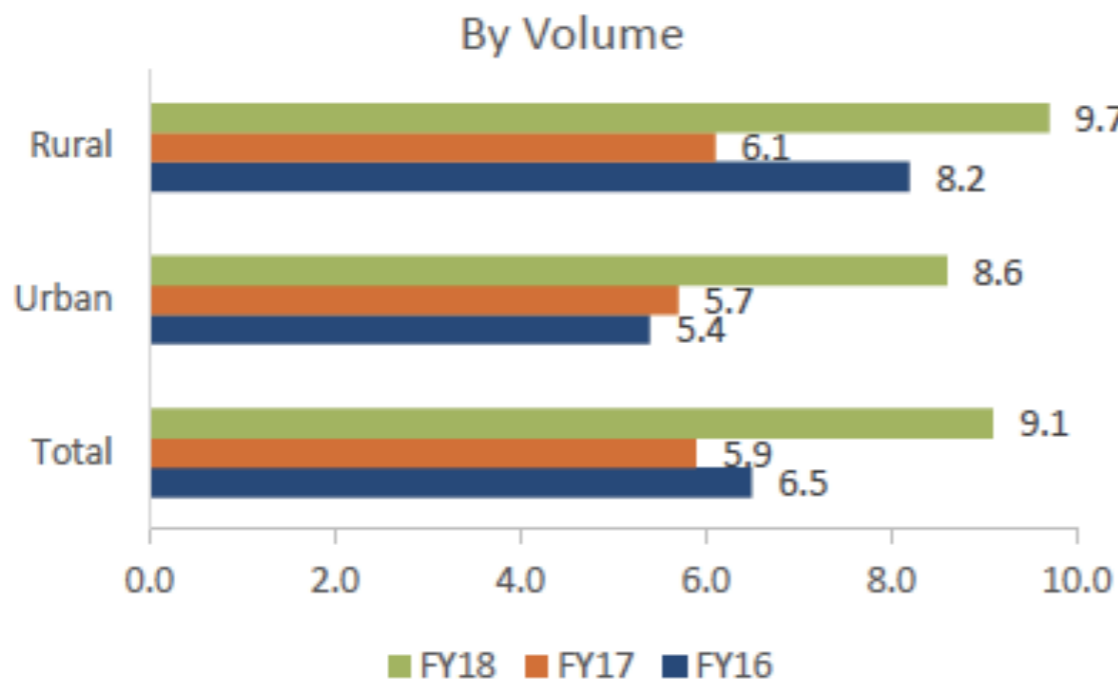
Industry Break Up



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Rural Vs Urban

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Trends - Upgrading

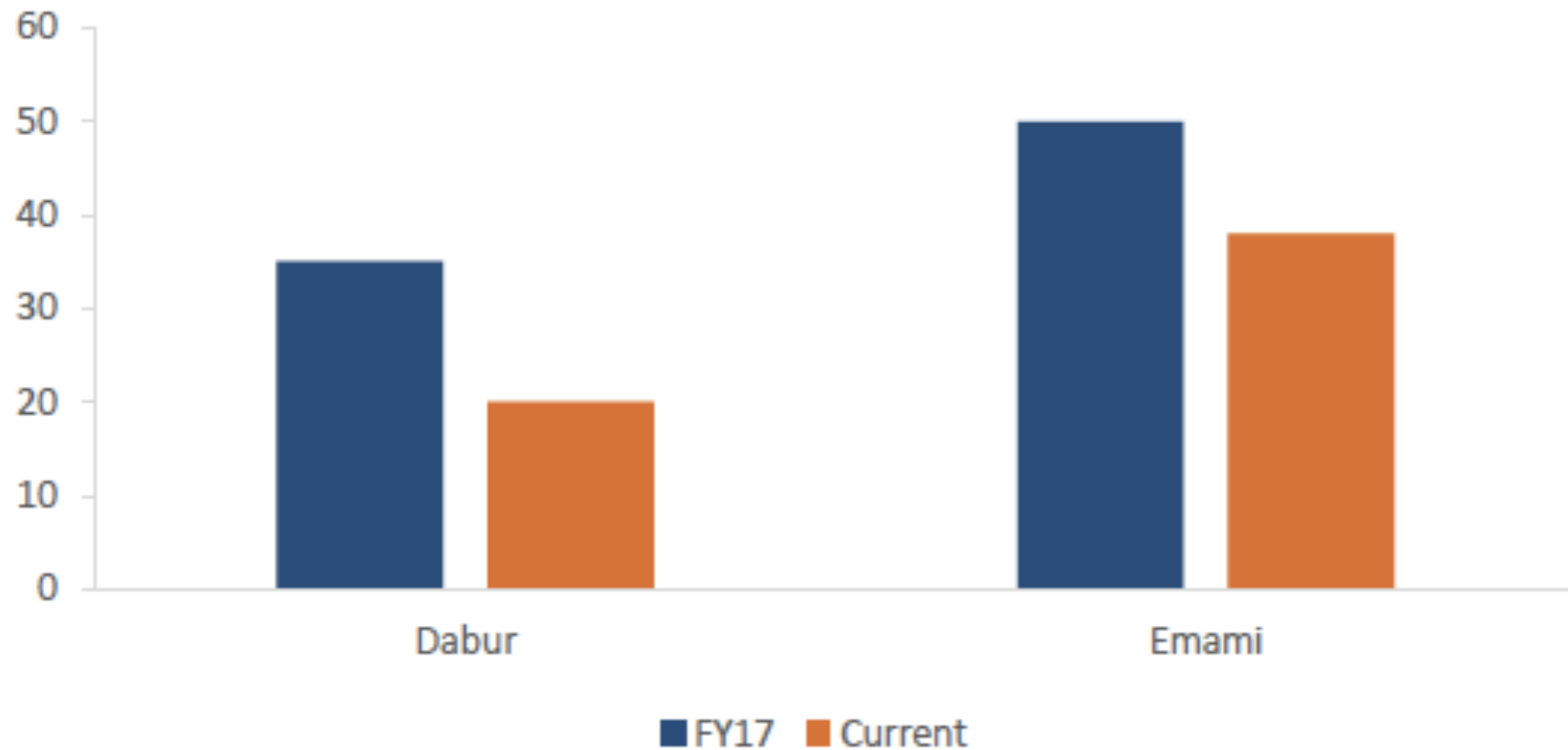
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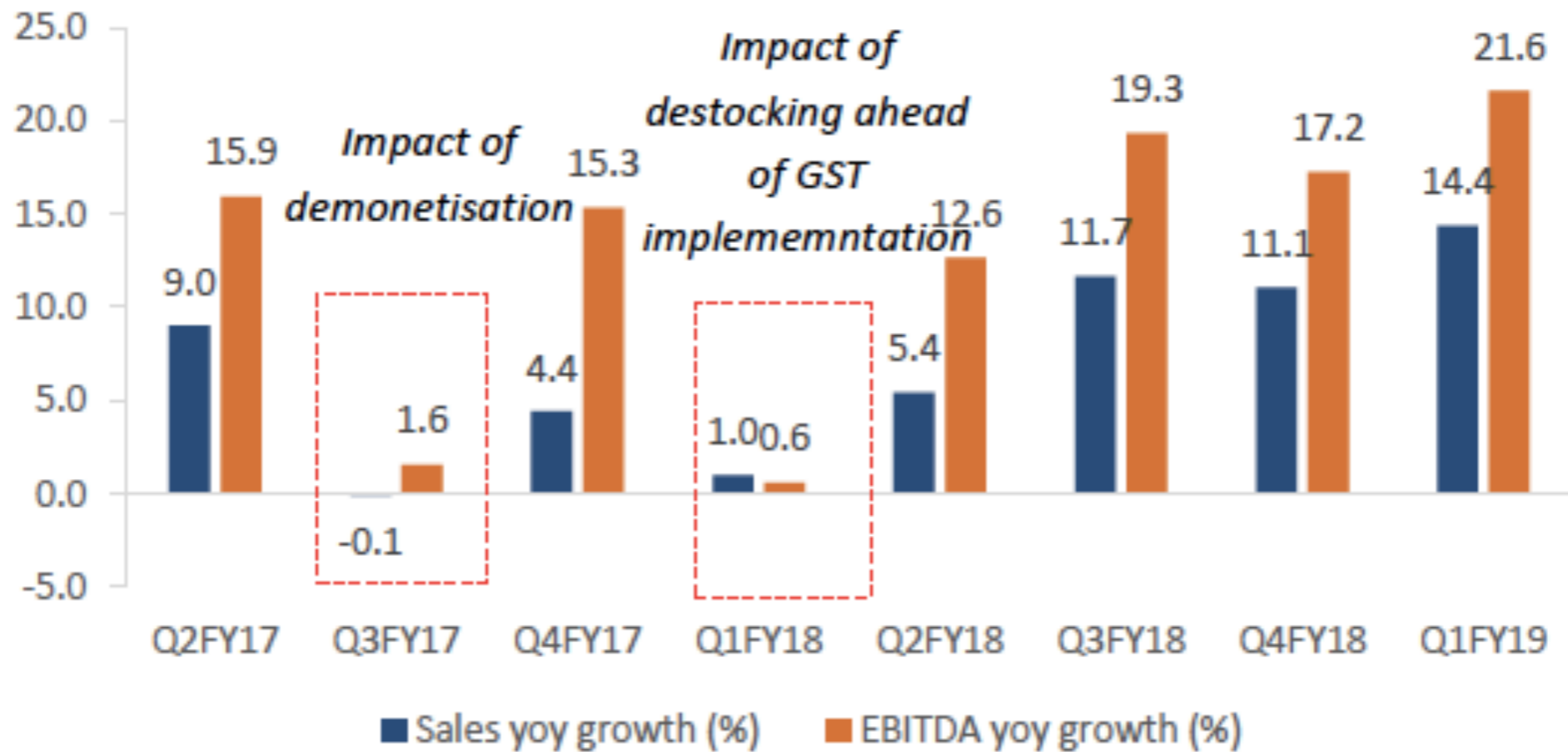


Wholesale Dependence

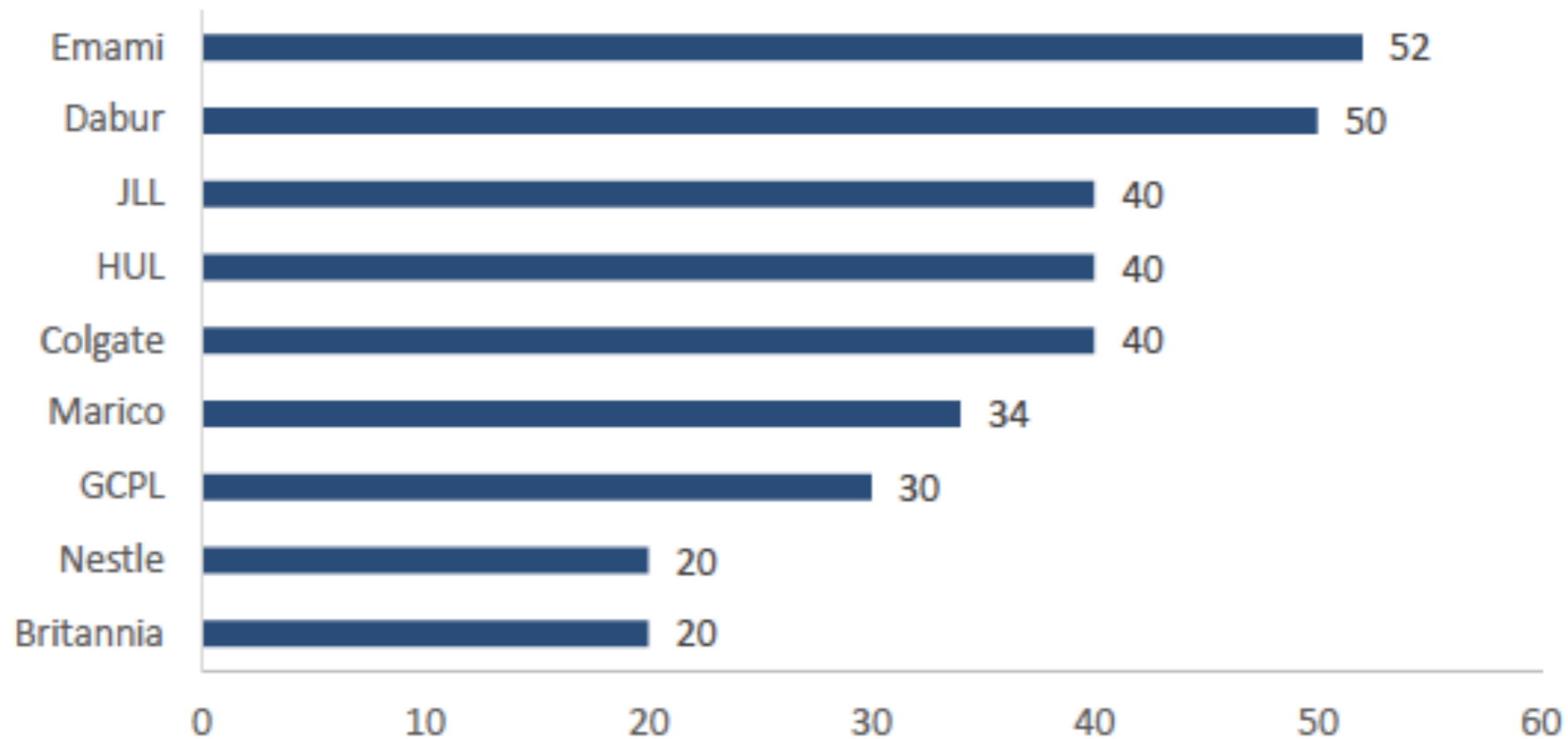
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Adverse Years



Q1 '19 - Rural Growth



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Average Wage Rates



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Farm Loan Waiver

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State	₹ cr
Uttar Pradesh	36,000
Maharashtra	34,000
Rajasthan	8,000
Punjab	9,500
Karnataka	34,000
Total	1,21,500

MSP Hike

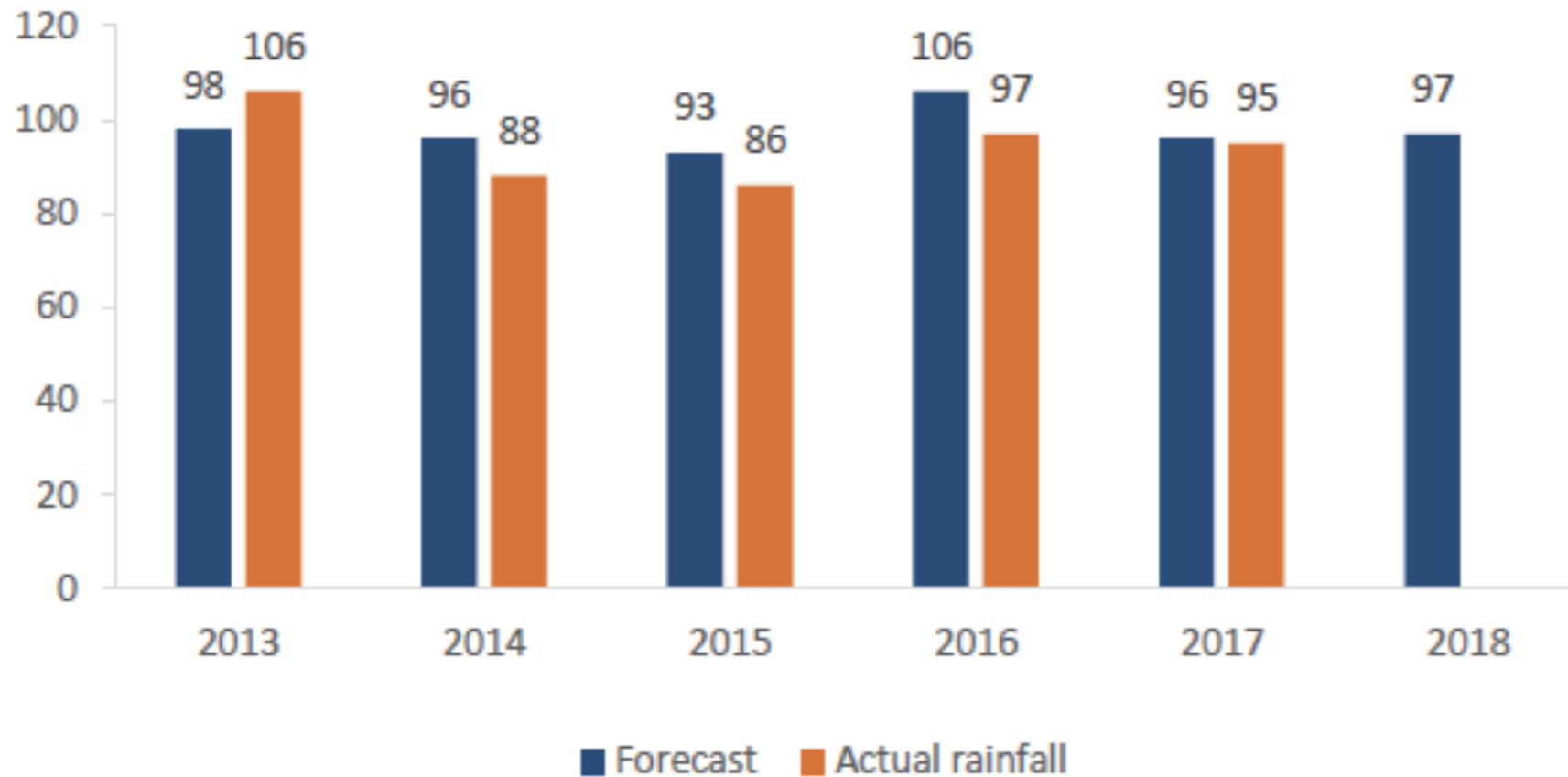
Commodity	Variety	2017-18	2018-19	yoy (%)	Avg. Market price
		₹/quintal	₹/quintal		₹/quintal
Paddy	Common	1,550	1,750	12.9	1,726
	Grade-A	1,590	1,770	11.3	
Jowar	Hybrid	1,700	2,430	42.9	1,754
	Maldandi	1,725	2,450	42.0	
Bajra		1,425	1,950	36.8	1,238
Maize		1,425	1,700	19.3	1,287
Ragi		1,900	2,897	52.5	2,064
Tur (Arhar)		5,450	5,675	4.1	5,903
Moong		5,575	6,975	25.1	6,275
Urad		5,400	5,600	3.7	5,830
Cotton	Medium Staple	4,020	5,150	28.1	5,564
	Long Staple	4,320	5,450	26.2	
Groundnut		4,450	4,890	9.9	3,673
Sunflower seed		4,100	5,388	31.4	3,061
Soyabean	Yellow	3,050	3,399	11.4	3,274
Sesamum		5,300	6,249	17.9	7,696
Nigerseed		4,050	5,877	45.1	4,108

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Monsoon

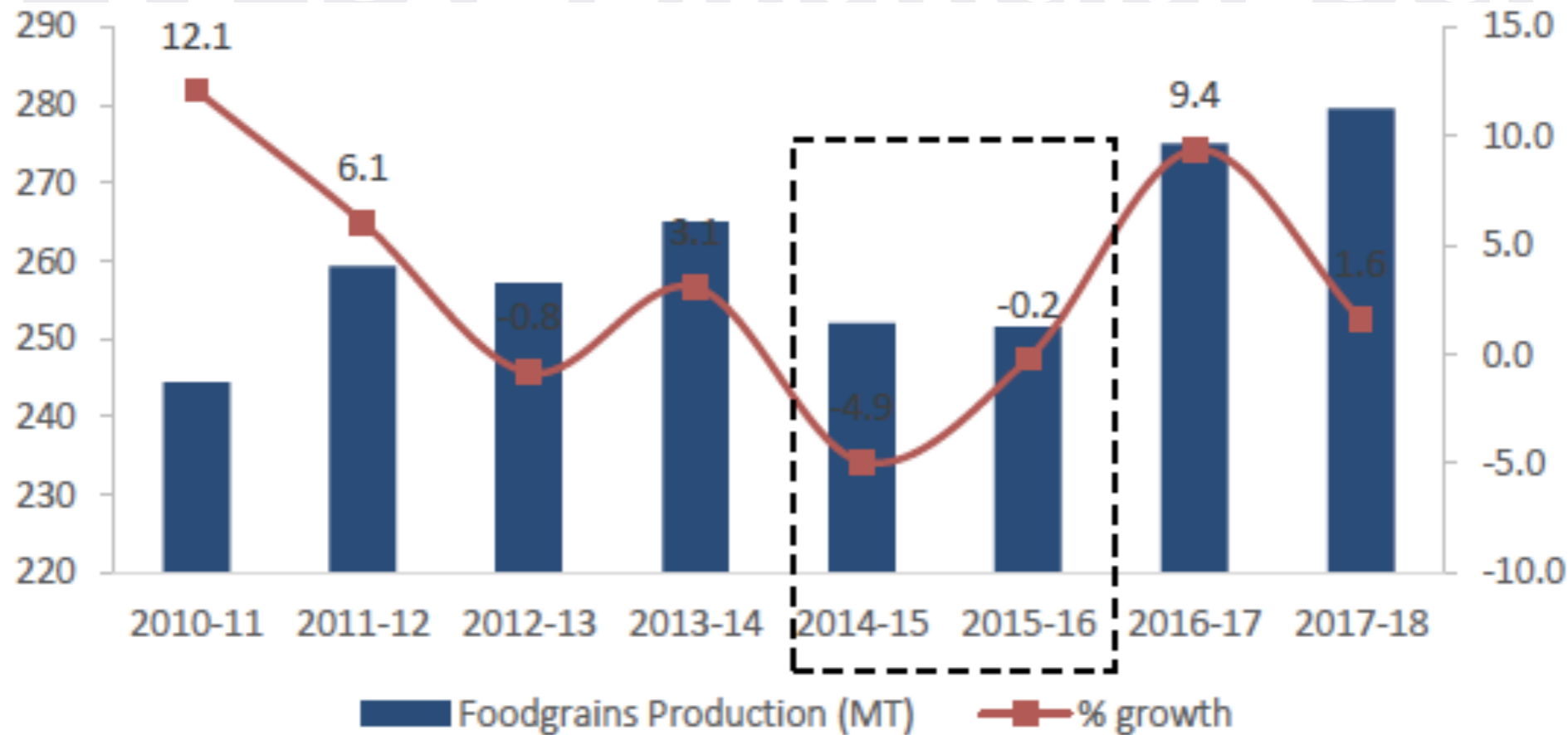
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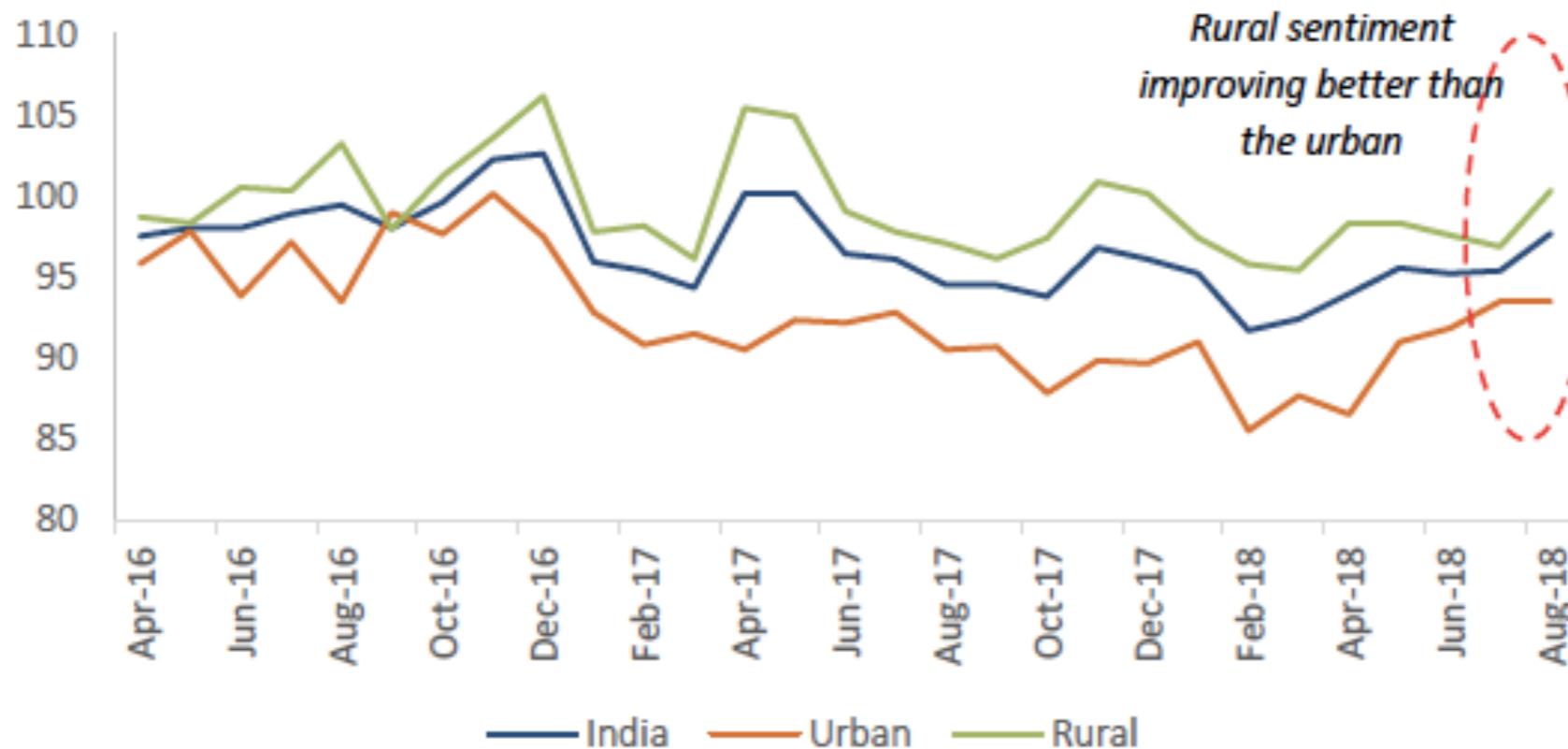
Foodgrain Production

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Improving Consumer Sentiments

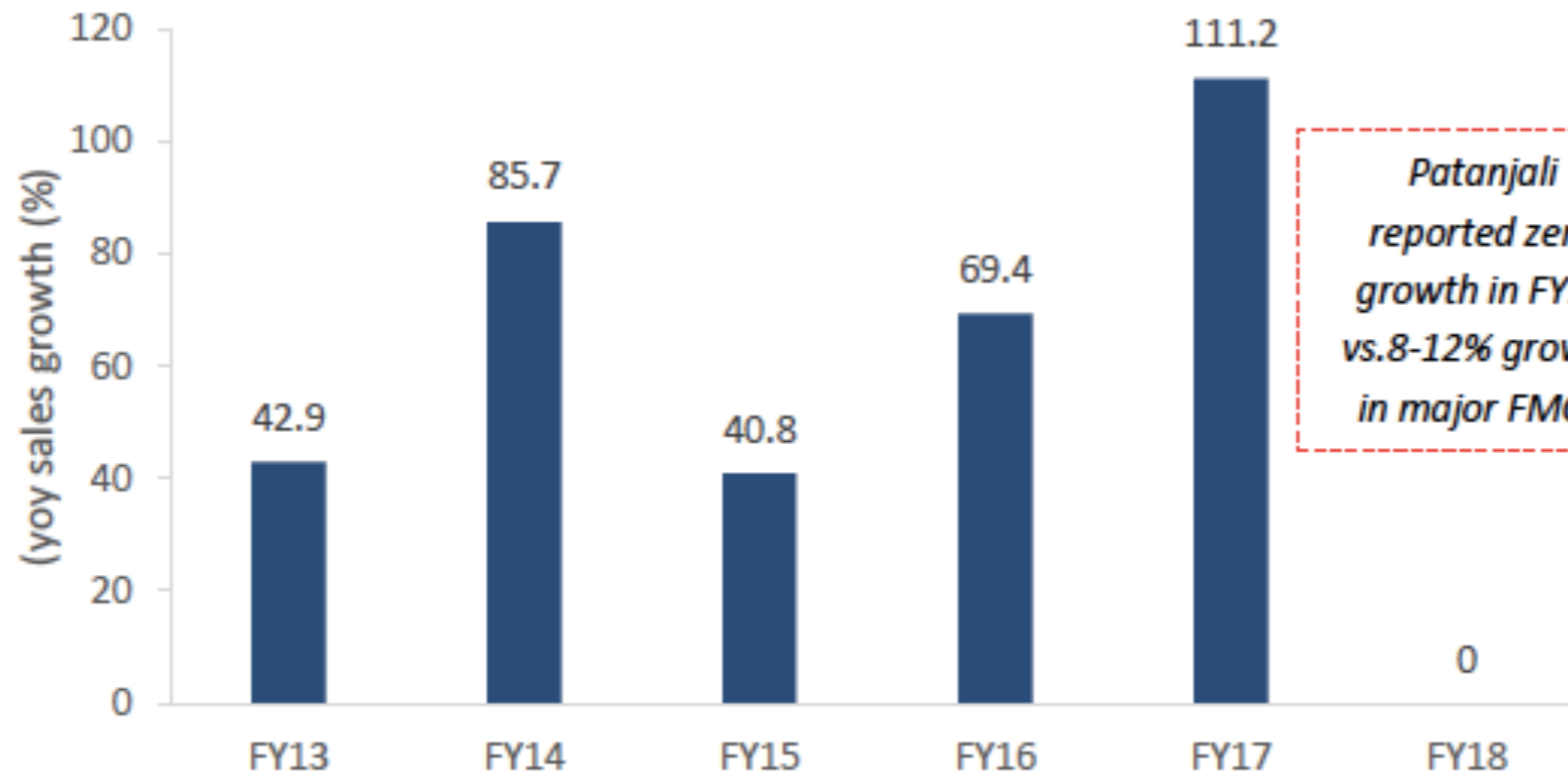
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Patanjali

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New Products - Ayurveda



Services
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Patanjali - Discount

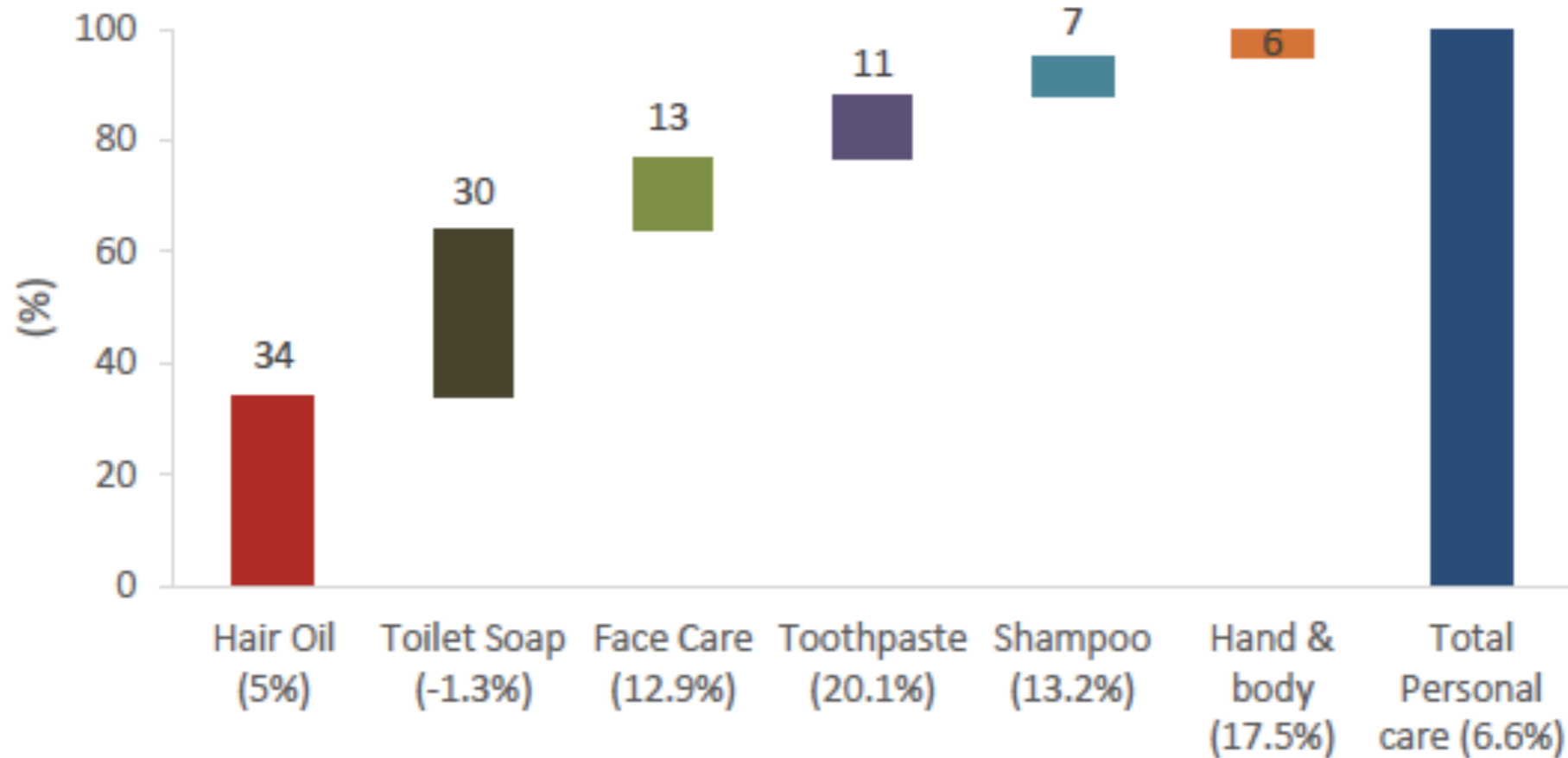
Categories	Product		Unit	Price (Rs)		Difference*
	Patanjali	Competition		Patanjali	Competition	
Oral care	<i>Dantkanti</i>	<i>Colgate Active Salt Neem Toothpaste</i>	100gm	40	56	-29
Hair oil	<i>Patanjali Kesh Kanti Hair Oil</i>	<i>Emami Kesh King Hair Care</i>	120ml	130	119	9
Honey	<i>Patanjali Honey</i>	<i>Dabur Honey</i>	500gm	135	189	-29
Shampoo	<i>Patanjali Kesh Kanti Anti-Dandruff Shampoo</i>	<i>Head & Shoulder Anti-Dandruff Shampoo</i>	200ml	110	161	-32
Chyawanprash	<i>Patanjali Chyawanprash</i>	<i>Himani Chyawanprash & Dabur Chyawanprash</i>	1kg	250	300	-17
Instant Noodles	<i>Patanjali Atta Noodles</i>	<i>Maggi Atta Noodles</i>	60gm	12	12	0
Cow Ghee	<i>Patanjali Cow Ghee</i>	<i>Gowardhan Ghee</i>	500gm	260	268	-3

Source: Bigbasket.com, Company, IIFL Research; * Patanjali vs. competition price

Ayurveda - Natural

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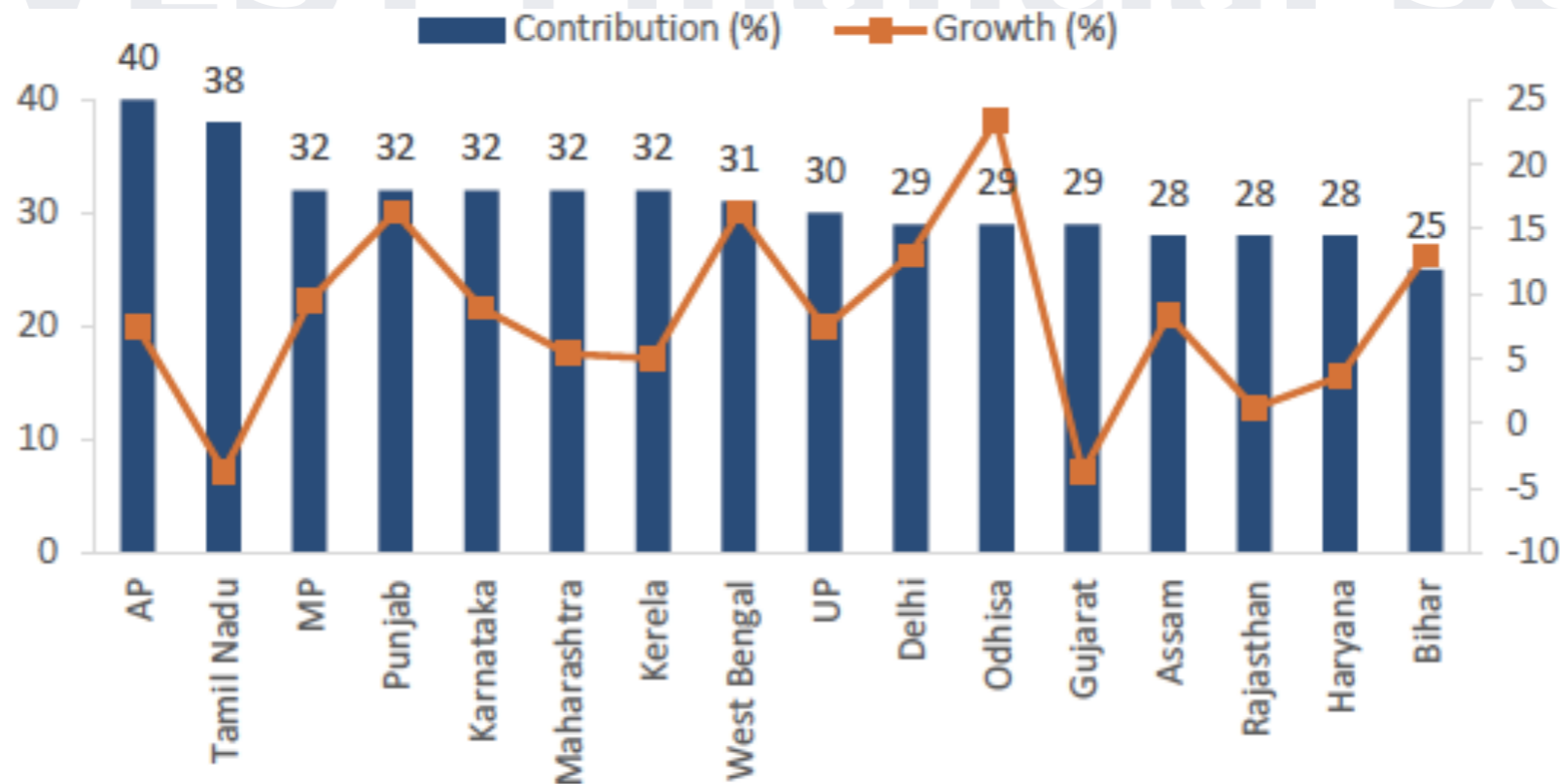
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Natural Market

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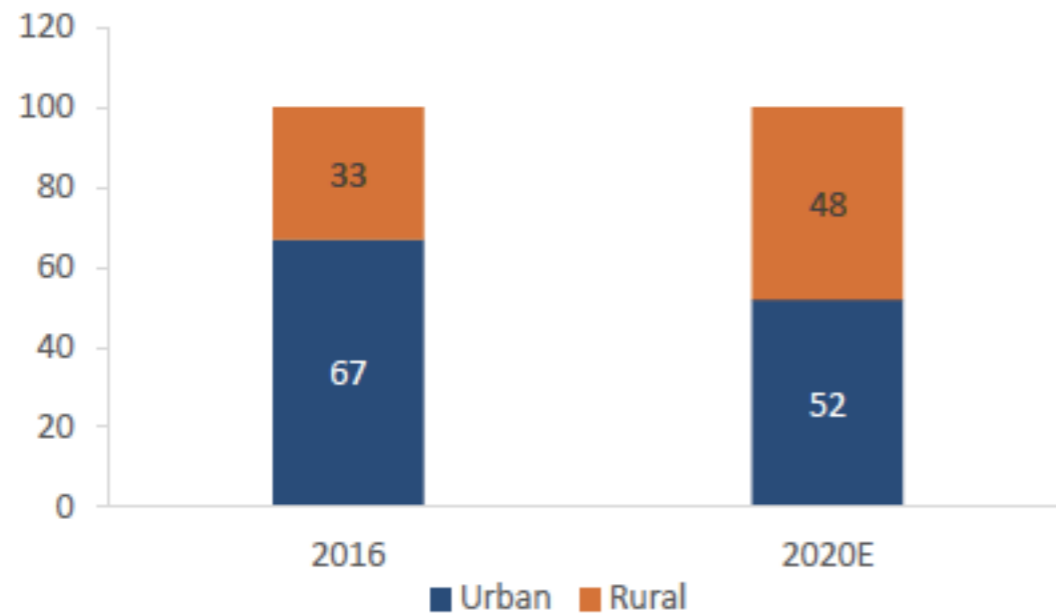
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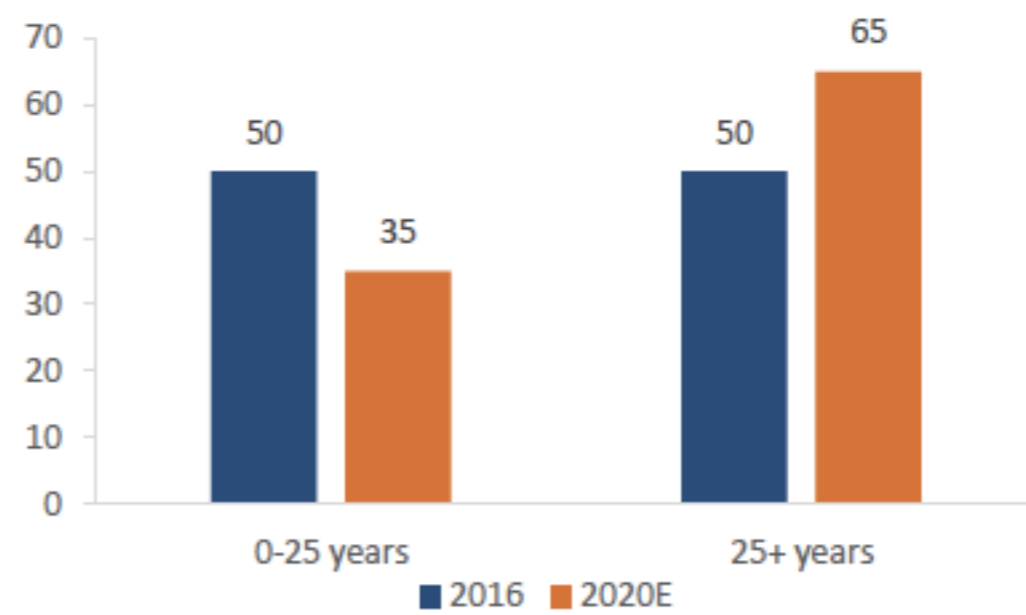
Digital

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India's digital divide - the rise in rural consumers



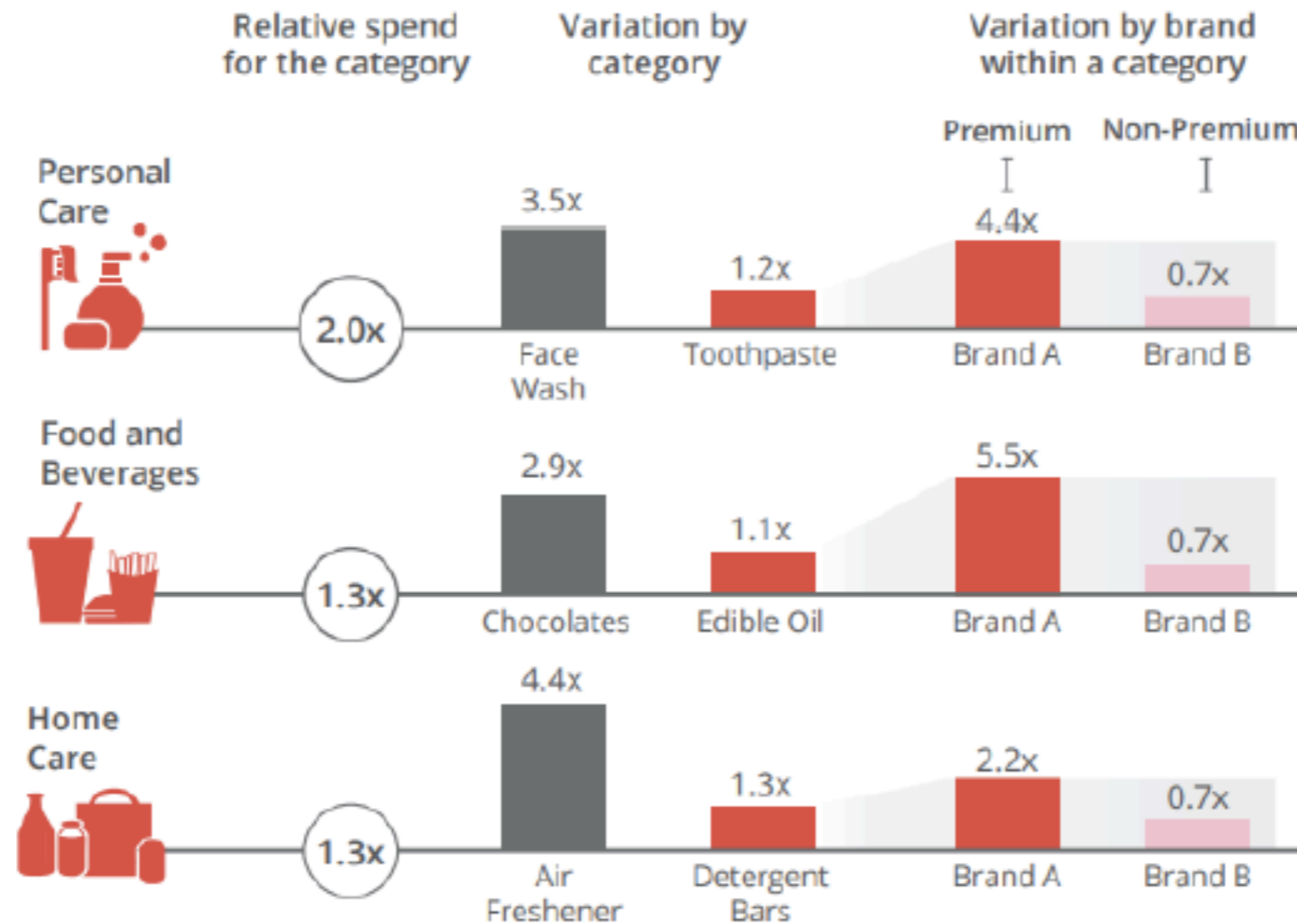
More Indians to make internet based purchase



Impact Of Online Spend

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Digital

- ✧ Marico proposed to step up launch of digital brands as the market for premium and niche products grow, especially in areas such as male grooming and female hair nourishment. It plans to launch 5-6 digital brands per year.
- ✧ HUL had launched digital-only portfolio of *Brylcream*, a male grooming brand in June 2018.
- ✧ In December 2017, Emami had acquired 30% in *The Man Company*, premium grooming products for bath & body, beard, shaving and perfume sold online.
- ✧ Last year Dabur and Amazon jointly set up an online marketplace exclusively for *Ayurveda* products.
- ✧ GCPL is shifting its e-commerce business as a separate P&L unit from September 2018, with its own innovation, marketing and digital team along with new product development pipeline.

Thank You