

HINDUSTAN FOODS LIMITED

INVESTOR PRESENTATION

NOVEMBER 2022

NSE Ticker: **HNDFDS**

BSE Ticker: **519126**

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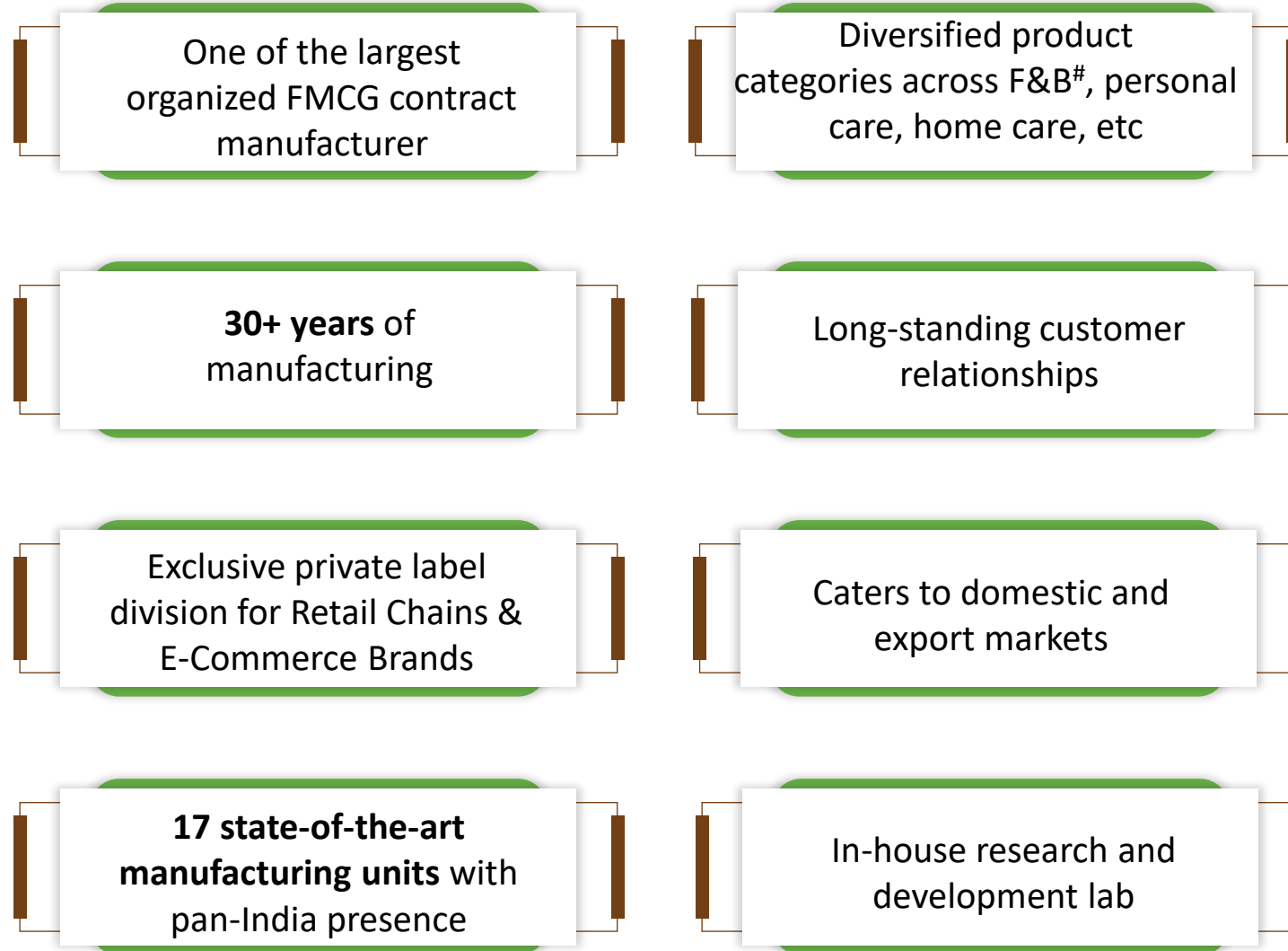
Past Financial Performance



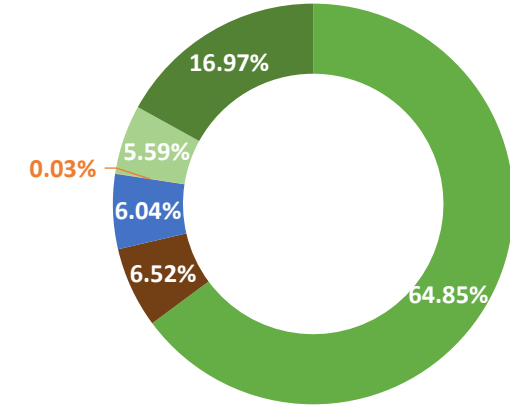
Annexures

PIONEER IN THE FMCG CONTRACT MANUFACTURING SPACE

We have positioned ourselves as a diversified FMCG contract manufacturer



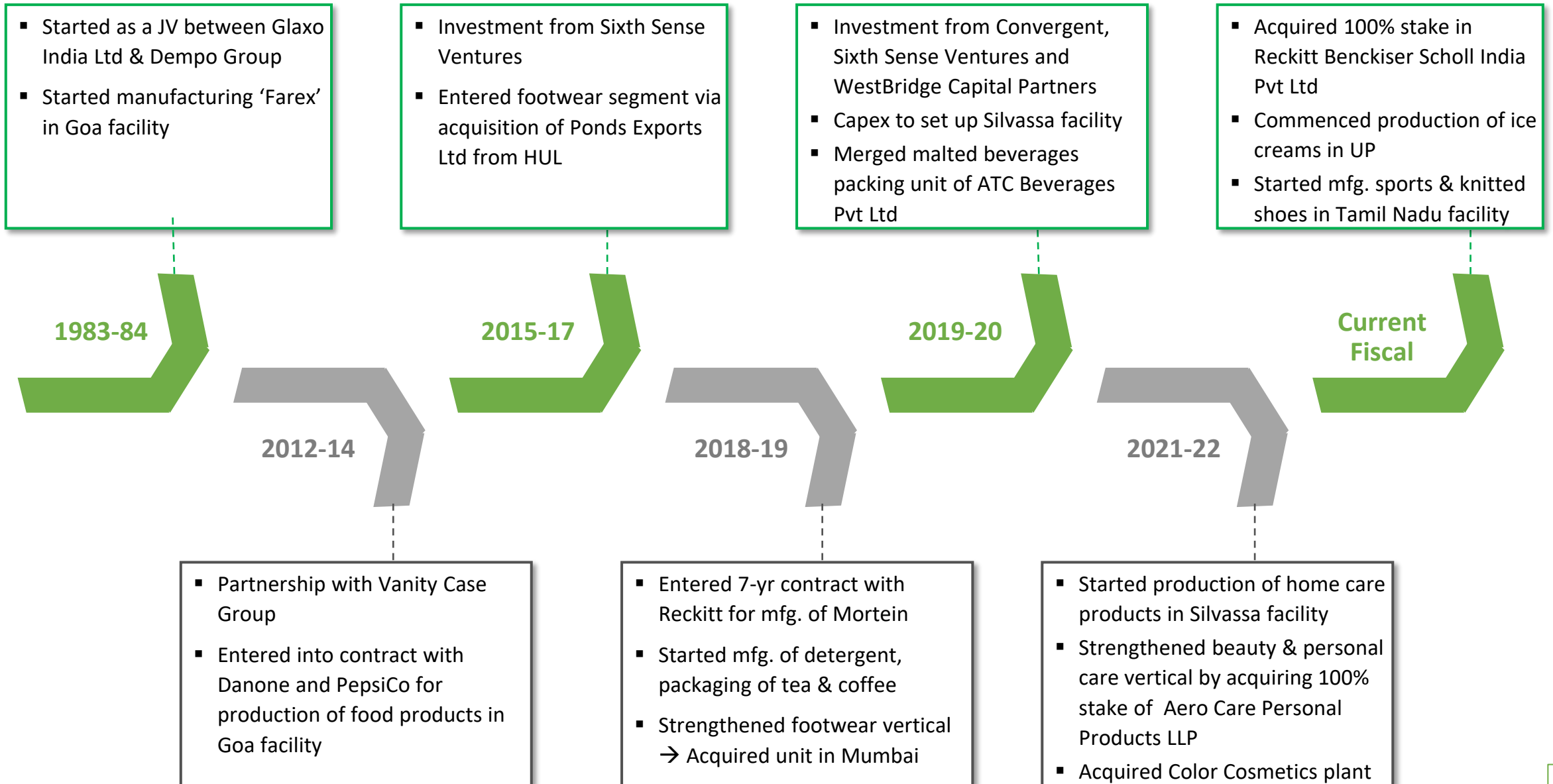
SHAREHOLDING PATTERN*



- Promoters and members of promoter group
- Alternate Investment Funds (AIF)
- Investors (FIIs)
- Insurance
- Bodies Corporate
- Public

Backed by long-term institutional investors

EVOLUTION OF HFL AS ONE OF INDIA'S LARGEST FMCG CONTRACT MANUFACTURER



LONG-STANDING RELATIONSHIPS WITH MARQUEE CLIENTELE...

WIDE ASSORTMENT CATERING TO FMCG & D2C BRANDS, E-COMMERCE PLAYERS AND START-UPS

...AND TOUCHING MILLIONS OF LIVES EVERYDAY

Hot Beverages

Energising
4 Mn+
tea/coffee lovers daily

Baby Food

Delivering healthy baby
food to
50,000
infants daily

Carbonated Drinks & Juices

Refreshing
100,000
families per day

Beauty & Personal Care

Making
2Mn
women & men look and
feel good everyday

Ice Cream

Pleasuring
1Mn
Ice cream lovers
everyday

Foot Care

Protecting
33K
pairs of feet from
discomfort and
ache everyday

Home Care

Providing cleaning
solutions to
1.5 Mn
people everyday

Protein Health Drinks

Providing nutrition to
1 Mn
families per day

Leather & Sports Shoes

Delighting
8K
customers across
the world each day

Pest Control

Protecting
4 Mn
families daily from deadly
insect-borne diseases

NUMBERS DEFINING OUR EXPERTISE

Rs. 2,040 cr

Revenue from ops
FY22

62.6%

Revenue CAGR
(FY20-FY22)

Rs. 113 cr

EBITDA
(FY22)

5.5%

EBITDA Margin
(FY22)

Rs. 45 cr

PAT
(FY22)

2.2%

PAT Margin
(FY22)

Rs. 633 cr

Gross Block
(FY22)

5,580*

Total Manpower
(November 2022)

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KEY INVESTMENT HIGHLIGHTS



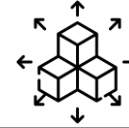
1



Attractive industry dynamics presents huge headroom for growth



2



India's largest FMCG contract manufacturer with diversified and predictable business model



3



Long standing relationships with a growing client base



4



Manufacturing capabilities making it a one stop solution for diversified product needs



5



Acquisitions leading to margin expansion and further scale

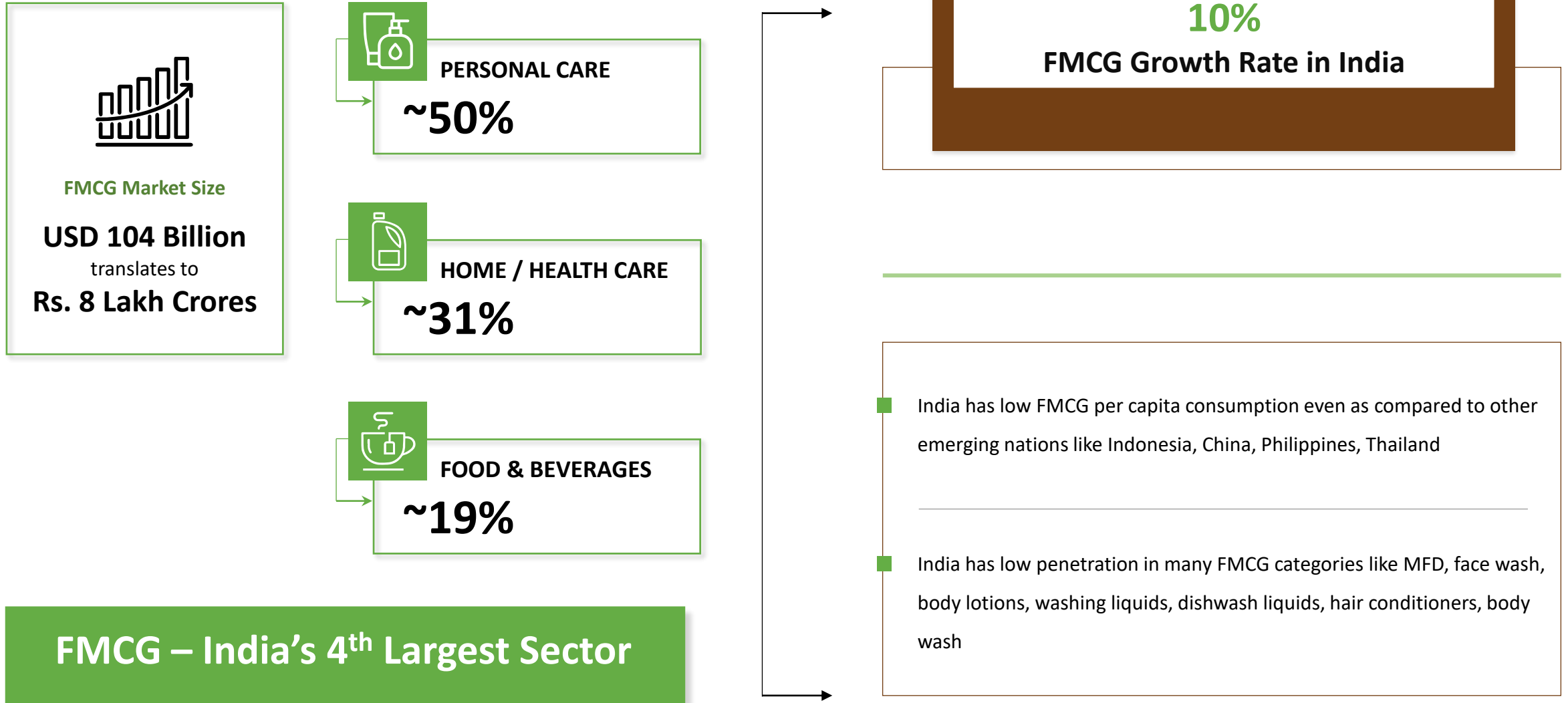


6



Experienced promoters supported by a competent management team and backed by board of directors comprising of industry veterans

1 UNEARTHING THE POTENTIAL OF THE FMCG INDUSTRY'S OPPORTUNITY & SIZE



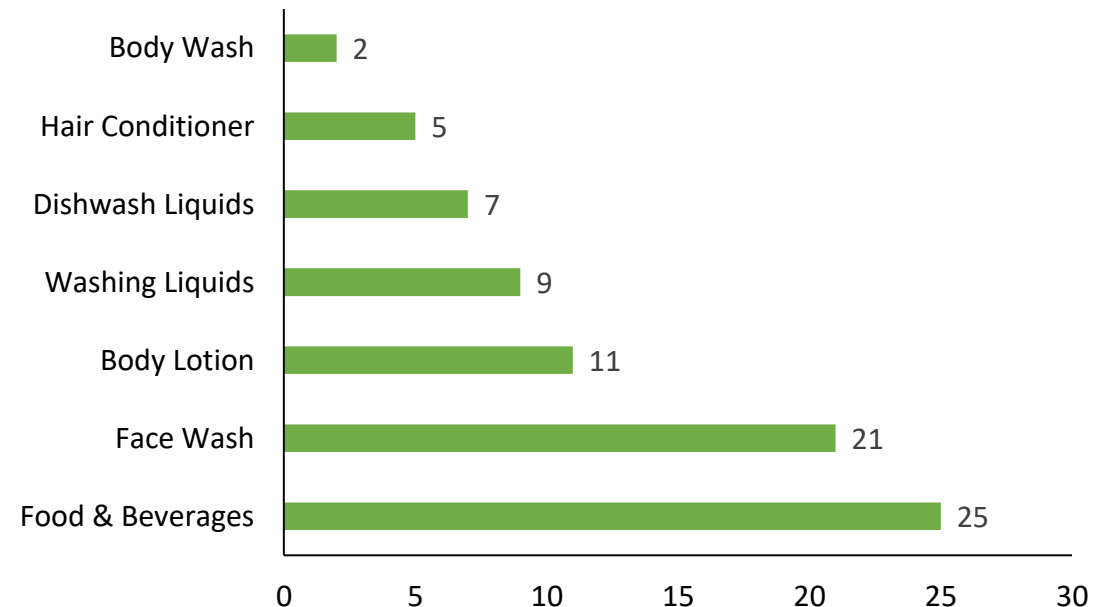
1 CONTRACT MANUFACTURING – ALL SET FOR EXPONENTIAL GROWTH AHEAD

- India has low FMCG per capita consumption even as compared to other emerging nations like Indonesia, China, Philippines, Thailand
- India has low penetration in many FMCG categories like MFD, face wash, body lotions, washing liquids, dishwash liquids, hair conditioners, body wash

FMCG Per Capita Consumption

India	X
Indonesia	2X
China	3X
Philippines	6X
Thailand	10X

Penetration of Few FMCG Categories in India (%)



2 OUR DIFFERENTIATED BUSINESS MODELS DEFINING OUR CAPABILITIES



Dedicated Manufacturing

The entire manufacturing facility, under this model, is built-to-suit and is exclusively utilized for the Principal company.



1 Unit



1 Client



1 or more Brands or Categories



Anchor-Tenant Manufacturing & Shared Manufacturing

The manufacturing facility, under this model, is not entirely dedicated to a single Principal company, but the capacity is shared by various companies for a longer period of the agreement. It offers competitive products made in the same facility with strong secrecy codes.



1 Unit



1 Anchor Client



Few Small Clients



Multiple Brands / Products



Private Label Manufacturing

Under this model, HFL owns the product formula made for private labels and ensures that Customers are provided with complete turnkey private labelling solutions. Based on extensive research and testing methods, HFL offers customisable options at competitive prices. The Company utilises its design team to conceptualise the products' unique brand identities.



Your Concept



Our Expertise

2 PREDICTABLE BUSINESS MODEL ENSURING SUSTAINABLE GROWTH



Key Factors

Hindustan Foods' positioning

Predictability

1

Multiple Business Models with Focus on Dedicated Manufacturing

- **Currently majority of revenues** come from dedicated manufacturing
- Typically, it involves **greater dependency on manufacturing partner and huge demand and volume commitments**

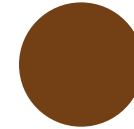


Predictable business model that emerged out stronger from the pandemic

2

Long Term Nature of Agreements

- Long tenure **contractual agreements** with most clients
- Ensures demand momentum and predictable growth path

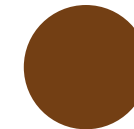


Revenue visibility leading to better growth forecasts and minimal surprises

3

High Client Stickiness

- Due to **high quality control, stringent regulatory compliances and track record of impeccable execution** it is very difficult for a client to switch from HFL, leading to a long-lasting partnership

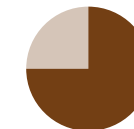


Growth potential on back of favorable tailwinds and market dominance

4

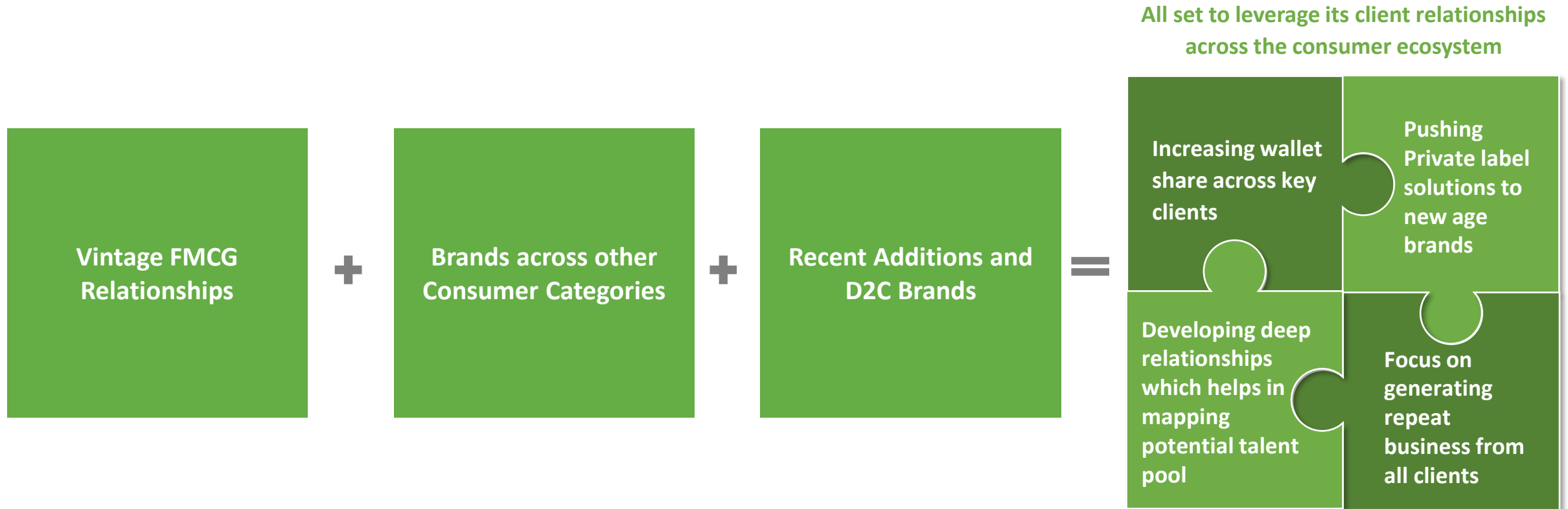
Diversified Product Portfolio

- **No dependency on particular category** and thus insulated from demand slowdown in any particular product

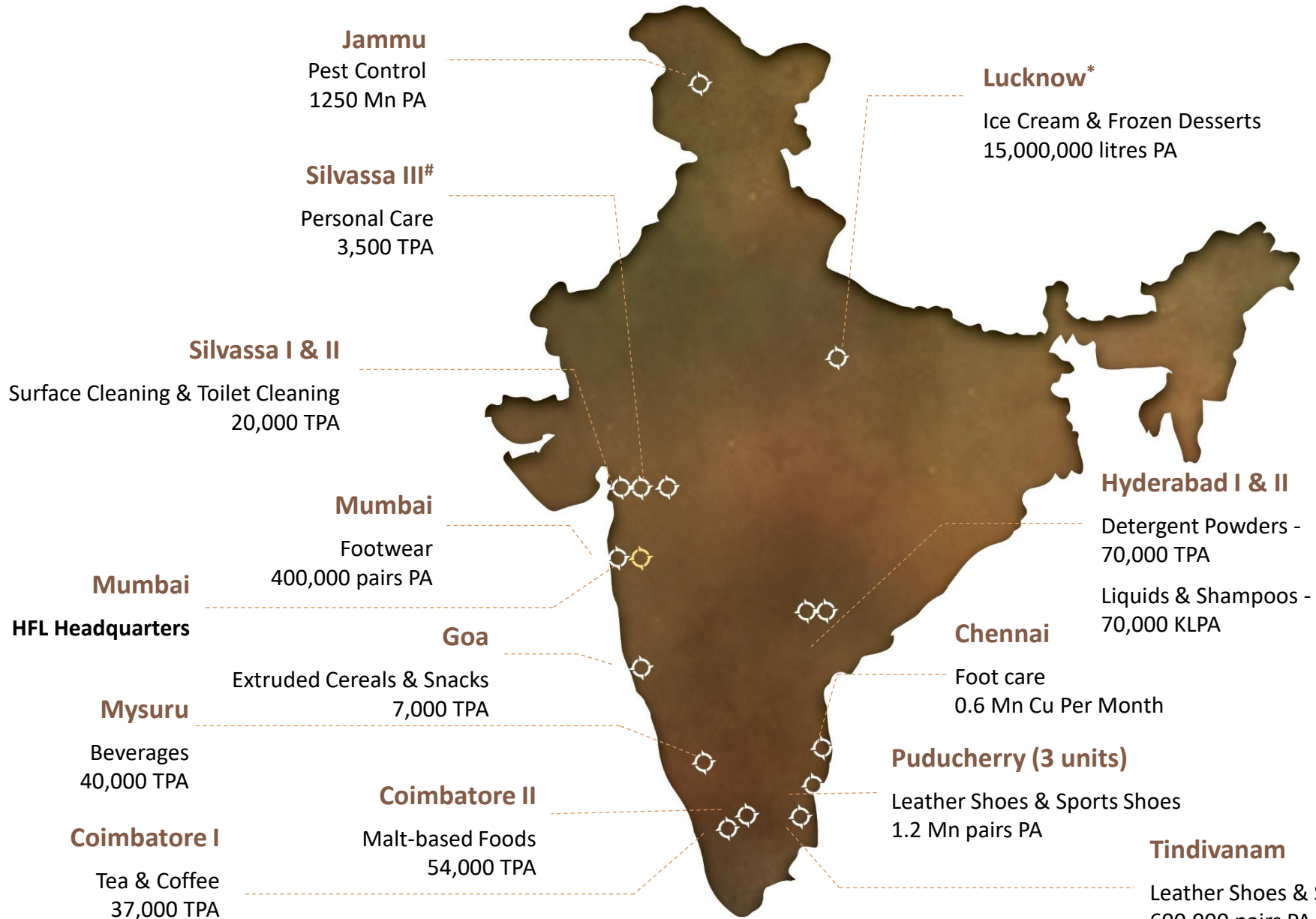


We believe this is one of a kind business model with minimal correlation to seasonality and business cycles

3 LONG TERM PARTNERSHIPS WITH STABLE YET GROWING MARQUEE CLIENT BASE



4 GEOGRAPHICALLY DISTRIBUTED → DECENTRALISED MANUFACTURING FACILITIES

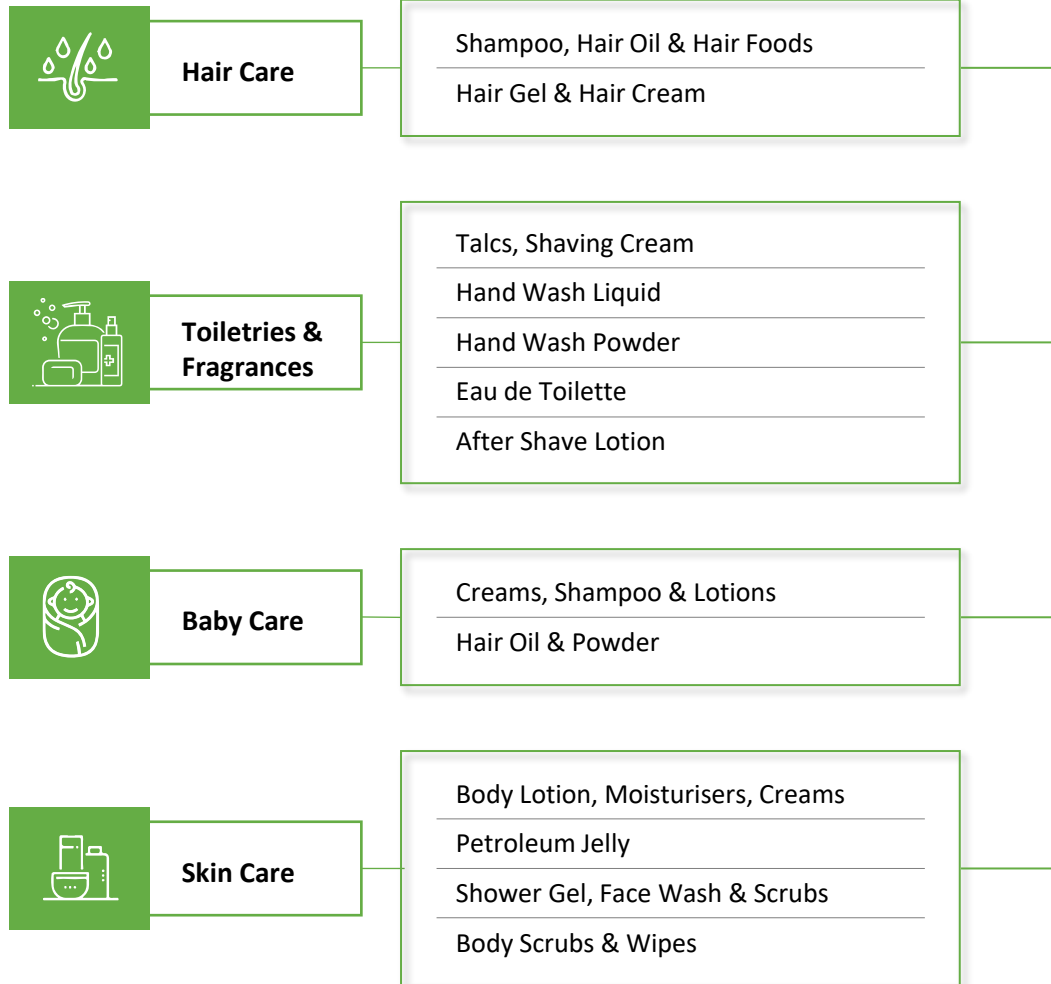


OUR CERTIFICATIONS DEFINING OUR QUALITY

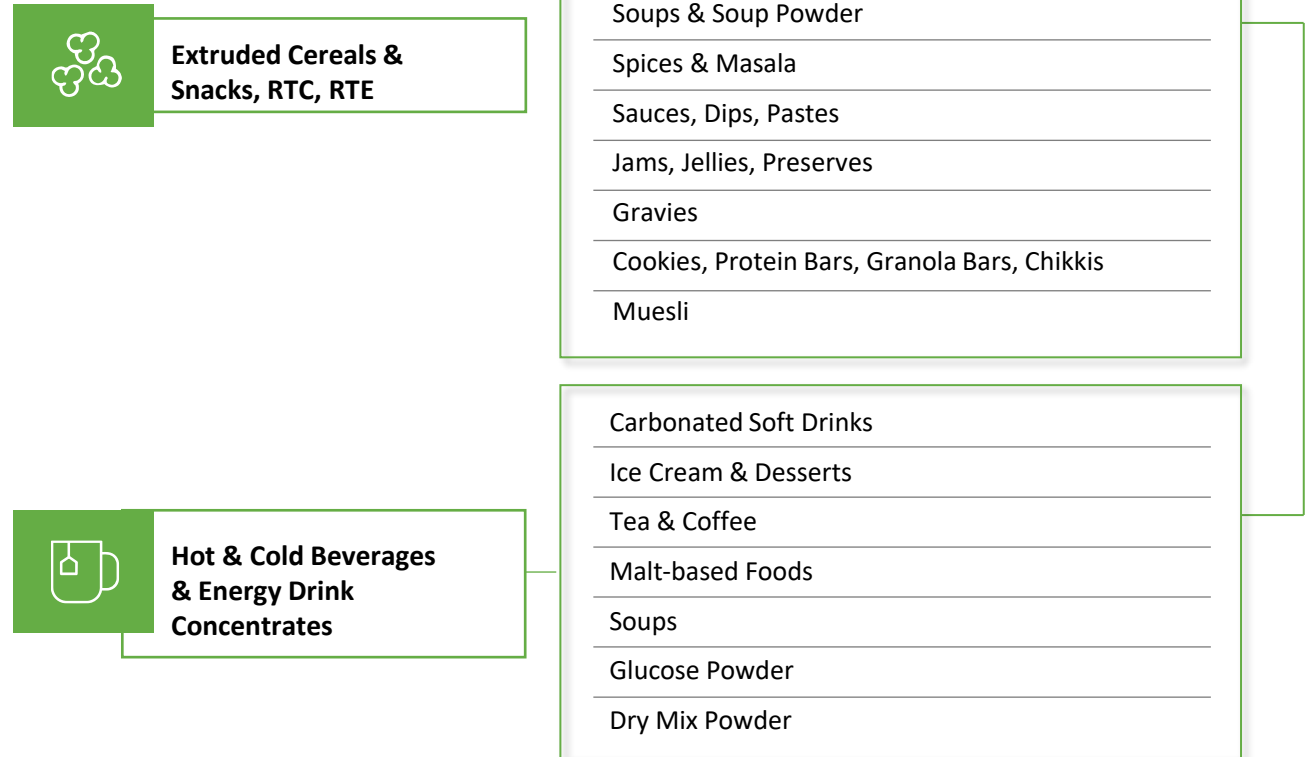


4 OUR WIDE-RANGE OF OFFERINGS DEFINING OUR ABILITIES (1/2)

PERSONAL CARE



FOOD & BEVERAGES



4 OUR WIDE-RANGE OF OFFERINGS DEFINING OUR ABILITIES (2/2)

BEAUTY & MAKE UP



Beauty & Makeup

Lipstick, Lip Colour
Lip Crayon, Lip Paint
Chap Stick
Pressed/Compact Powders
Eye Makeup
Blush-on
Compacts
Sindoor
Kajal

HOME CARE



Home Care

Surface Cleaner
Glass Cleaner
Toilet Cleaner
Liquid Dish Wash



Fabric Care

Liquid Detergent
Powder Detergent
Fabric Conditioner

PEST CONTROL



Pest Control

Coils
Aerosols
Liquid Vaporizer
Mosquito Mats
Activ Cards

HEALTH & WELLNESS



Healthcare & Wellness

Vitamins, Minerals & Nutraceuticals
Nutrition - Super Foods, Plant-based, Organic Foods
Medicated Lozenges & Digestive Remedies
Gels & Ointments
Dusting & Cosmetic Powders
Cosmeceutical & Skincare - Allopathic, Herbal & Ayurvedic
Foot Care - Medicated and Non-medicated Plasters
Oral Liquids
Allopathic Tablets

LEATHER & SPORTS SHOES



Leather, Sports & Knitted Shoes and Accessories

Men's Footwear
Women's Footwear
Sports Shoes
Slippers & Flip-flops
Footwear for Juniors
Uppers
Accessories

4 FOR CATERING THE COMPLEX PRODUCT CATEGORIES

LET US LOOK AT A FEW CASES IN CONTENTION

Supply Chain & Procurement Complexities



E.g. Cosmetics

- Handling **250+** Stock Keeping Units (SKUs)
- Each SKU comprising different colour codes, batches and categories
- Complex handling, procurement, and distribution of raw material and packaging material
- Distribution of finished goods



E.g. Footwear

- Complex integrated supply chain – entailing various SFGs / components – much higher compared to other product categories that we offer
- Mix of manual + semi-automatic manufacturing based on type/shape/raw material/stitching etc. – owing to large no. of SKUs and product categories
- Different requirements for different markets
- Seasonal orders
- Challenging procurement and inventory management
- Full Shoes Production Capacity is 0.5 Mn pairs while Uppers Shoes Production Capacity: 0.7 Mn pairs

Manufacturing & Process Complexities



E.g. Ice-Cream

Complexities of manufacturing this category:

- Each SKU comprises different flavours, formats, shapes and sizes
- Process-related complexities

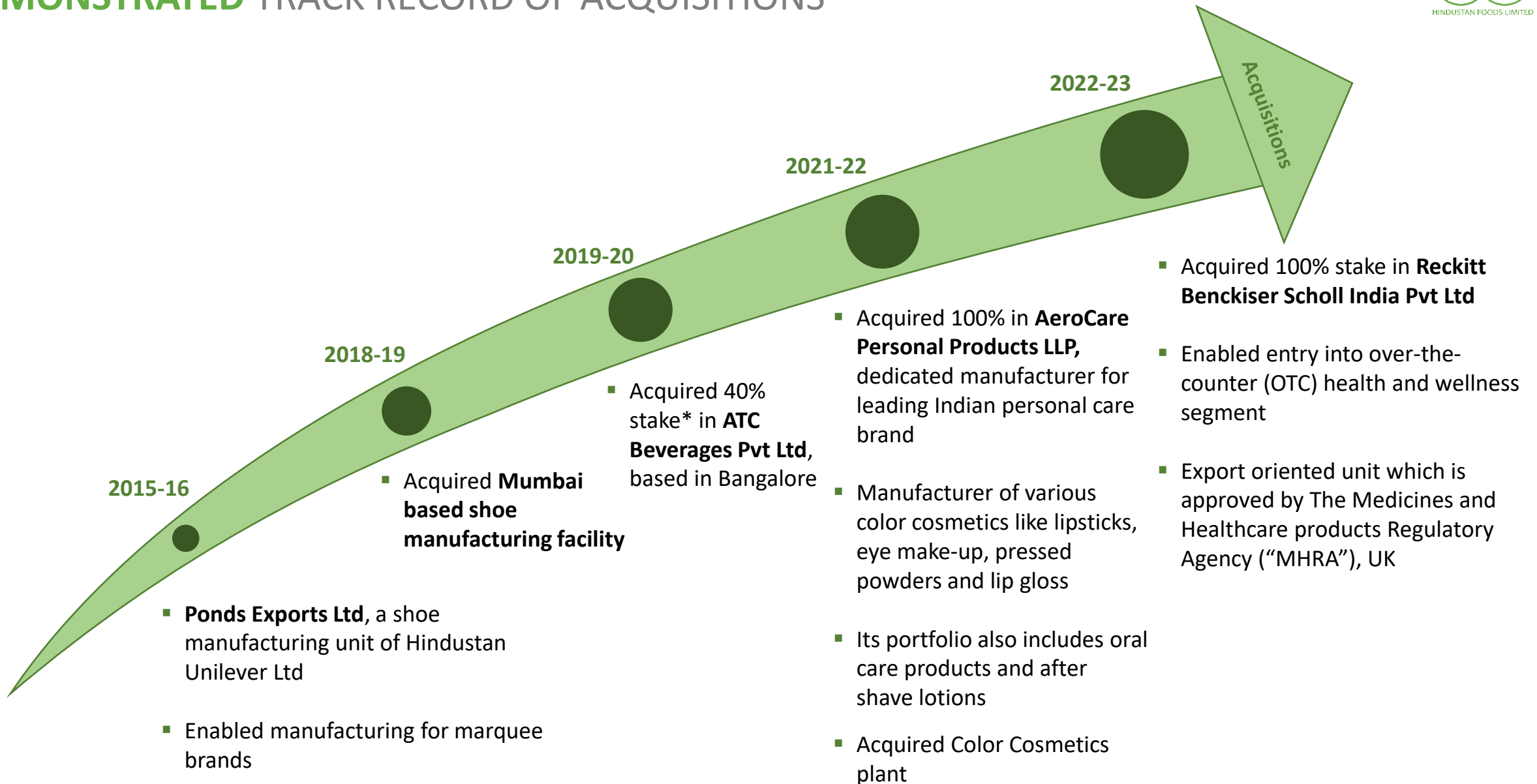


E.g. During the Covid-induced lockdowns

- Smaller production batch size and huge inventory added to costs
- Decentralised business models enabled us to successfully switch between product categories
- Showcasing flexibility by switching our factories to start producing more essential items.
- Long-gestation manufacturing process – multiple processes even for similar product categories

And we believe that we have adapted well on all these counts handling the complexities

5 DEMONSTRATED TRACK RECORD OF ACQUISITIONS



6 OUR COMPETENT & PROFICIENT TEAM | BOARD OF DIRECTORS



SHASHI KALATHIL

Chairman, Independent Director

28+ years of operating experience across consumer products, telecom, media and entertainment industries
MBA. from IIM, Bangalore, and B.Sc. (mechanical engineering) Delhi College of Engineering



SAMEER KOTHARI

Managing Director

Professional with over 20 years of manufacturing experience and promoter of Vanity Case Group
He is a Chartered Accountant and holds an MBA from Cornell University (USA)



GANESH ARGEKAR

Executive Director

Received a degree in B.Sc. (Chemistry) from University of Bombay and a graduate diploma in Indian Institute of Materials Management and is the Head-Supply Chain of Vanity Case Group of Companies
22+ years of work experience and has held various managerial positions



NEERAJ CHANDRA

Independent Director

Previously associated with the Emami Ltd. as the CEO of their Consumer Care Division and has earlier worked with Britannia and HUL
30 years of experience and is an alumnus of IIM Ahmedabad and IIT Kanpur



HARSHA RAGHAVAN

Non-Executive Director

Managing partner of Convergent Finance. He was a founding MD of Fairbridge Capital (a Fairfax Company)
Bachelor's degree in arts from University of California, Berkeley, MBA from the Leland Stanford Junior University

6 OUR COMPETENT & PROFICIENT TEAM | BOARD OF DIRECTORS



NIKHIL VORA
Non-Executive Director

Founder and CEO of Sixth Sense Ventures
He was earlier the Managing Director and Head of Research at IDFC Securities



SHRINIVAS DEMPO
Non-Executive Director

Third-generation entrepreneur & Chairman of Goa's leading business house - Dempo
Received degree in master of science in industrial administration from Carnegie Mellon University, Pennsylvania, USA



HONEY VAZIRANI
Woman Independent Director

Served as the Vice President of Labels & International Business Division at Huhtamaki PPL Limited
27+ years of working experience; holds MBA in Marketing from University of Bombay



SARVJIT SINGH BEDI
Non-Executive Director

An Audit and financial consultant with over 16 years of experience across India & USA
Chartered Accountant (all India 39th rank) and is an MBA from the Cornell University



SANDEEP MEHTA
Independent Director

A solicitor with a rich legal experience of over 24 years and has expertise in foreign investments, M&A, PE, JVs
He has been a partner of J Sagar and Associates since 2008

6 OUR COMPETENT & PROFICIENT TEAM | KEY MANAGEMENT

DEMONSTRATING EXECUTION AGAINST THE KEY STRATEGIC PRIORITIES



MAYANK SAMDANI

CFO

A Chartered Accountant with 19 years of experience

Previous experience: Future Group & Ashok Piramal Group



SANJAY SEHGAL

President, Healthcare and Wellness

A B.Tech Graduate in Chemical Engineering from IIT Delhi, with 41 years of diverse industry experience. Has served on the board of Indian companies along with a global experience in APAC countries and Brazil

Previous experience: HUL, Sandoz & Hindalco with global experience



RAVINDER RATHI

GM, Operations (North)

He has over 23 years of experience in operations and manufacturing

Previous experience: ITC Limited & Moser Baer



GOVIND SINGH RAWAT

GM, Operations (South)

A Mechanical Engineer with 31 years of experience in Operations, Projects and Strategic Planning

Previous experience: Pearl Bottling Pvt Ltd, Parle Agro Pvt Ltd, Flex Foods Ltd. and Disha Foods Pvt Ltd



RAJIV BAHADUR

President, Leather Business

He has over 33 years of experience in Operations, Buying, Product Development and Sales

Previous experience: Bata, Tata Exports & AU Thomson & three years offshore assignment with Yanko/Pielsa in Spain



BN PRASAD

GM, Operations (South)

He has a B.Sc. degree in dairy technology from Andhra Pradesh Agricultural University and has over 30 years of experience in manufacturing and production of FMCG, Dairy & Health Care

Previous experience: EID Parry, Loctalis India, CavinKare, Glaxo Smith Kline Consumer Healthcare

6 OUR COMPETENT & PROFICIENT TEAM | KEY MANAGEMENT

DEMONSTRATING EXECUTION AGAINST THE KEY STRATEGIC PRIORITIES



ASHWINI AGRAWAL

GM, Operations (West)

Has a degree in mechanical engineering and MBA in Finance with 29 years of experience in leading industries

Previous experience: Sun Pharmaceuticals, Teva API, Cipla, Lupin & Piramal Healthcare



PRASAD KALI

GM, Projects

Has a degree in chemical engineering with 24 years in Manufacturing Operations, Maintenance, Business Strategy, Project Execution, Erection, Commissioning Safety, Quality WCM/TPM

Previous experience: Hindustan Unilever Limited



ROBIN D'SOUZA

GM, Business Development

A Commerce Graduate with 26 years of experience in New Product and Packaging Development, Business Development in Contract Manufacturing and Private Labels



NALINI KALRA

GM, Private Labels

A Graduate in Political Science with 22 years experience in Personal Care

Previous experience: diploma in International Cosmetology from Christine Valmy International School, New York, USA



ASHISH VYAWAHARE

GM, Quality Assurance

Has 26 years of experience in Project Management, R&D and QA across F&B domain in India and abroad

Previous experience: Hindustan Unilever Limited



VIMAL SOLANKI

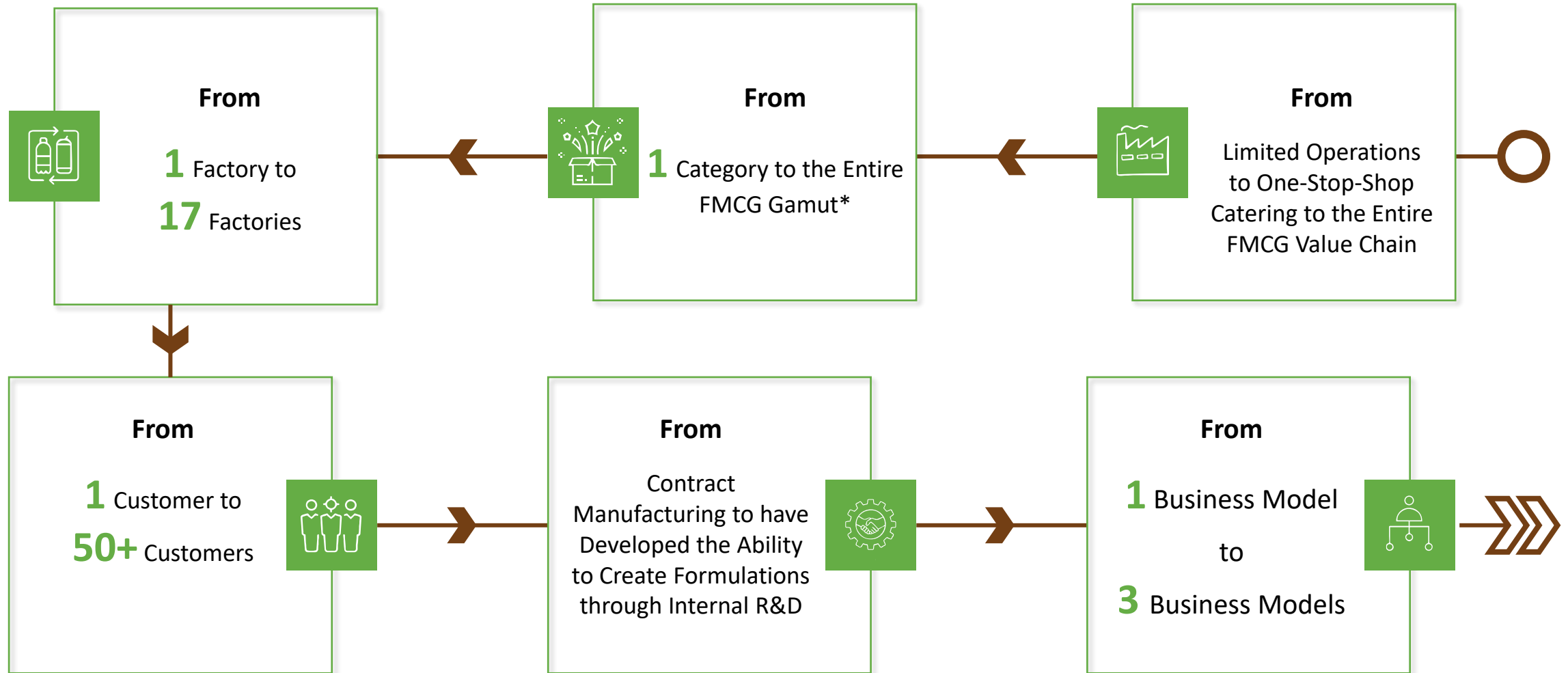
Head, Emerging Business

Received a diploma in business management from Institute of Management Development and Research, Poona and has 15 years of experience in marketing services

Previous experience: Shoppers Stop & Reliance Retail



Resulting Into....



CREATED A STRONG MOAT TO STAY AHEAD OF COMPETITION

Capital Intensive Nature

Huge Capex required to set up modern manufacturing and research facilities coupled with high quality control and focus on compliance

High Switching Costs

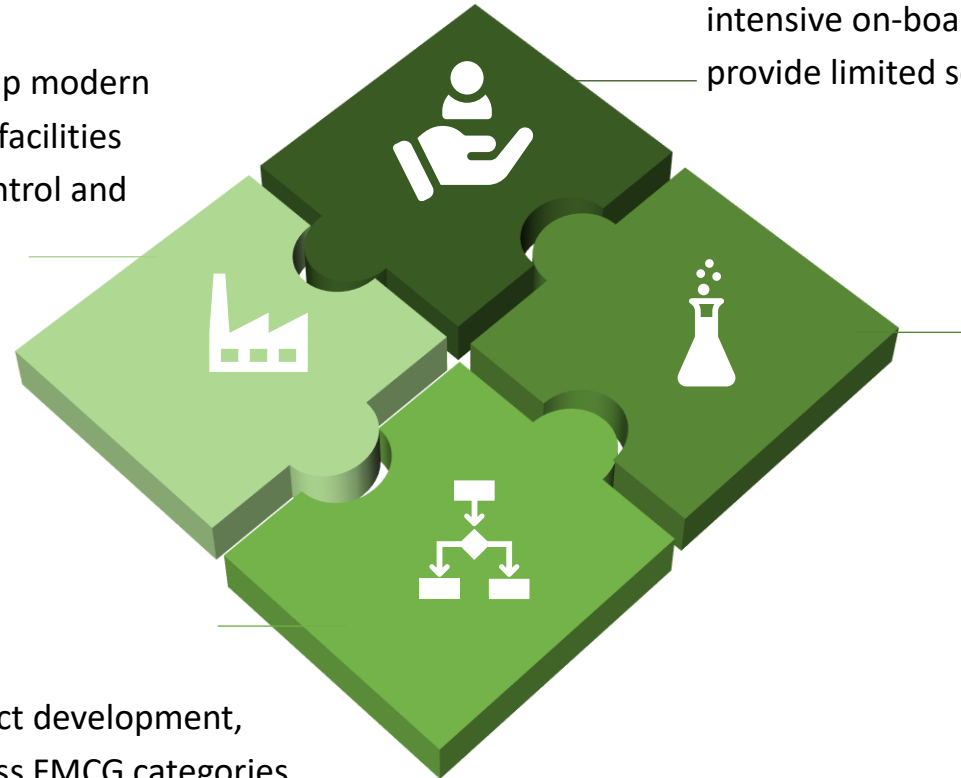
Long Term agreements with domestic & international clients coupled with time intensive on-boarding procedures provide limited scope to switch vendors

Strong R&D Capabilities

Ability to create own formulation of any FMCG product backed by 30+ years of experience in FMCG industry

Flexible Business Model

One stop solution for product development, testing, manufacturing across FMCG categories
→ creating contract manufacturing solutions suitable for any FMCG customer



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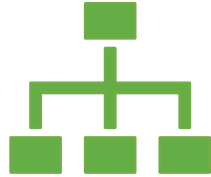
STRATEGY FOR NEXT PHASE OF GROWTH

1



Pursue strategic acquisitions to develop scale and capabilities

2



Expanding into new product segments

3



Focus on scaling exports → India well placed to cater to global demand

4



Focus on expanding higher margin business models → Private Label & Anchor Tenant

5



Channelising the benefits of backward integration

STRING OF PEARLS ACQUISITION STRATEGY

TO DIVERSIFY OUR PORTFOLIO THROUGH M&A AND LEVERAGE THE CONSOLIDATION PHASE

Rationale for acquisitions



- Acquiring smaller units with limited management bandwidth & high-growth potential
- Acquiring our MNC clients' existing manufacturing units and continuing to manufacture for them



Acquisition of loss-making and sick units (turnaround possible owing to HFL's execution capabilities)

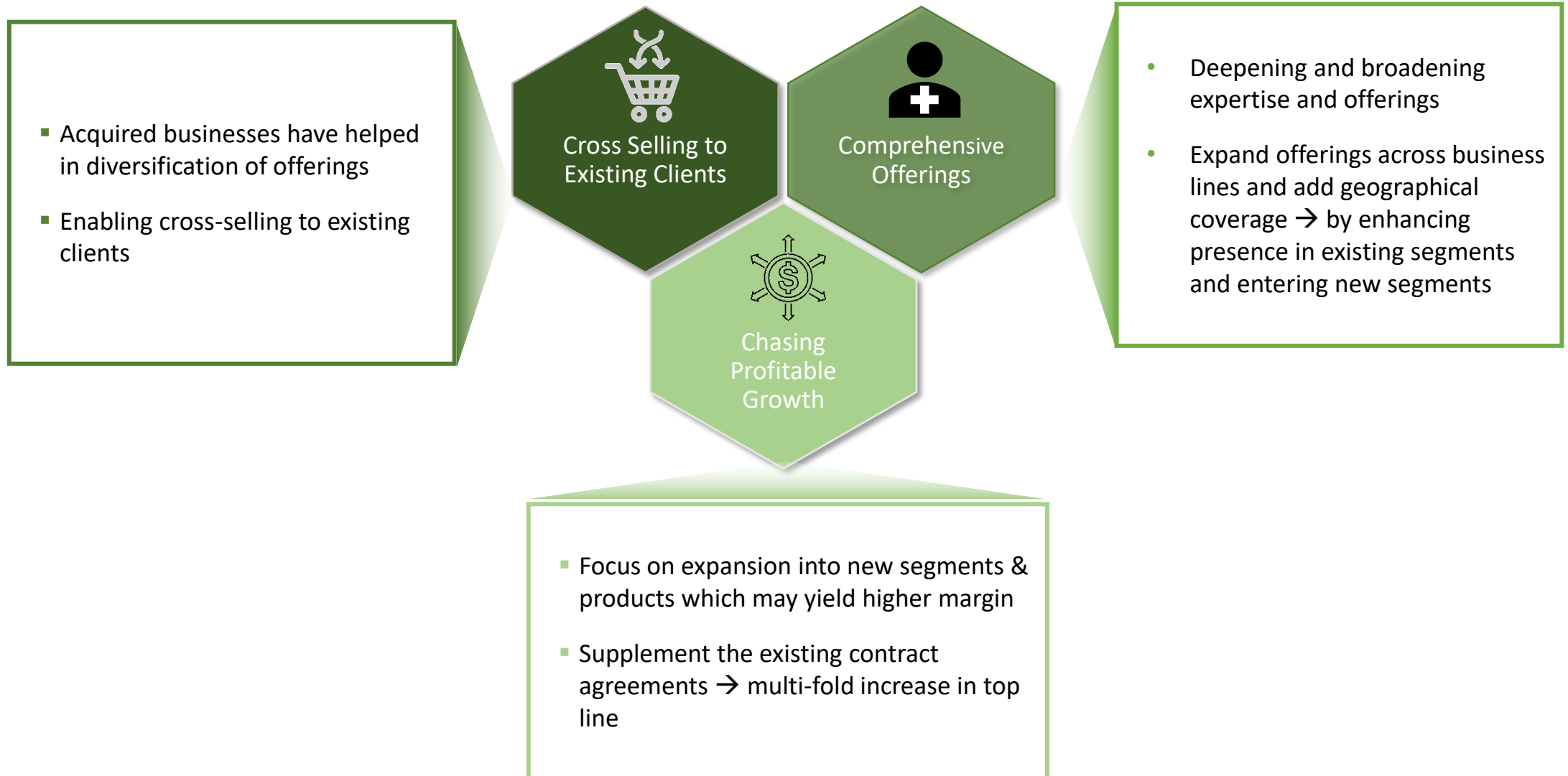


Facilitating consolidation of manufacturers



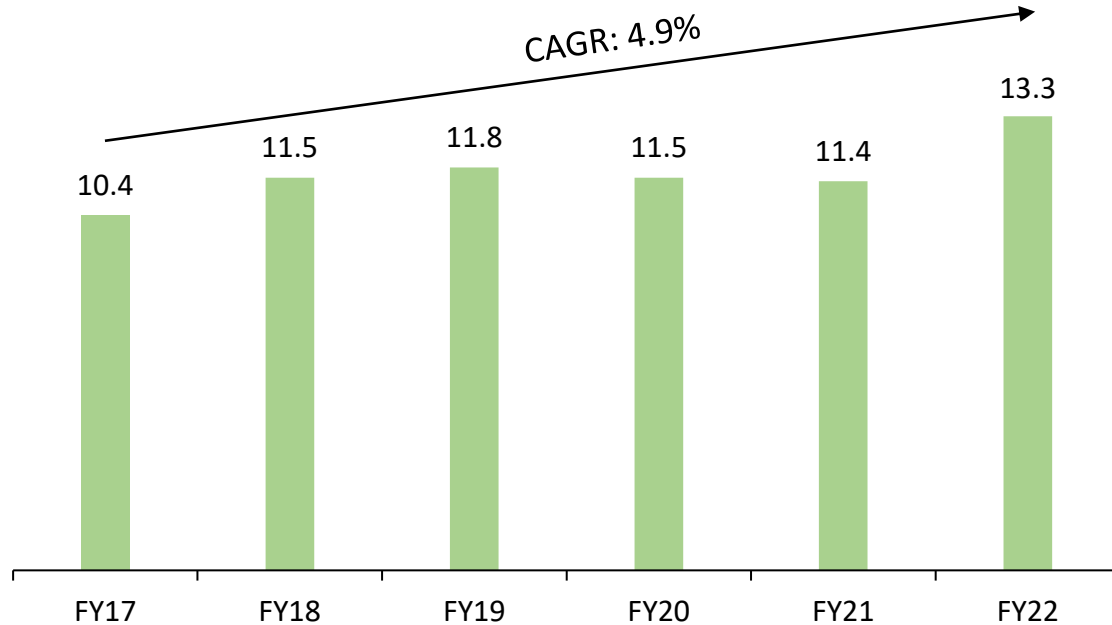
Providing entry into new product

STRATEGIC ACQUISITIONS AND EXPANDING INTO NEW SEGMENTS



■ FOCUS ON SCALING EXPORTS → INDIA WELL-PLACED TO CATER GLOBAL DEMAND

India FMCG Export Trend (USD bn)



Macro-level Growth Drivers

Make in India

- Initiative is to attract investments from across the globe and strengthen India's manufacturing sector
- As a part of the policy, various sectors have been opened-up for FDI
- One of the sectors to get a Production Linked Incentive (PLI) scheme approval was food processing

China Plus One

- Top consumer product brands in the have started replacing the Chinese raw materials with the indigenous ones
- India stands out as an attractive option because of its strategic location, a large domestic market, skilled labour, low labour costs, along with the policy offers such as PLI scheme

FOCUS ON EXPANDING HIGHER MARGIN BUSINESS MODELS



Anchor-Tenant Manufacturing & Shared Manufacturing

- Not entirely dedicated to 1 principal and facilities are shared by various companies
- Competitive Products are made in the same facility with strong secrecy codes



Minimal Client Dependency leading to diversified revenue base



Ability to serve multiple clients at a single point in time



Better Utilisation of Resources



Private Label Manufacturing

- Company owns the product formula and customers are provided with end-to-end private labelling solutions
- Utilizes its skilled team of designers in conceptualizing the products' unique brand identity



Private Labels focuses on providing end to end solutions for smaller brands and D2C companies – leading to further expansion of our client base



Better bargaining power with the customer as the product formula is owned by the company – potential of Higher margins



Provides a one stop platform for retail giants to devise their in-house brand strategy

Currently, HFL procures raw materials like Oleo chemicals, Surfactants etc. from outside.

In the packaging material space, plastic containers, flexible laminates, corrugated boxes, printed cartons etc. are procured from outside.



This will help us save costs



Backward integrate



Self consumption used as Just in Time (JIT) or surplus quantity sold as products

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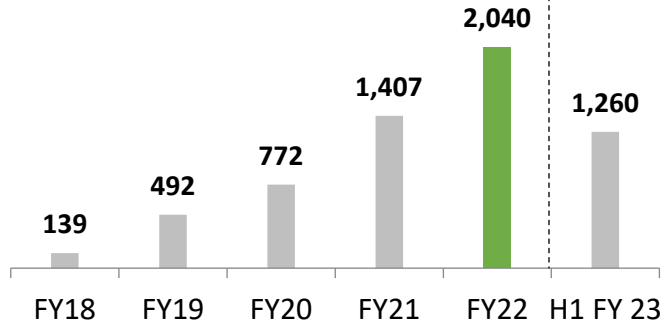


Annexures

OUR GROWTH TRAJECTORY DEFINING OUR STRENGTHS

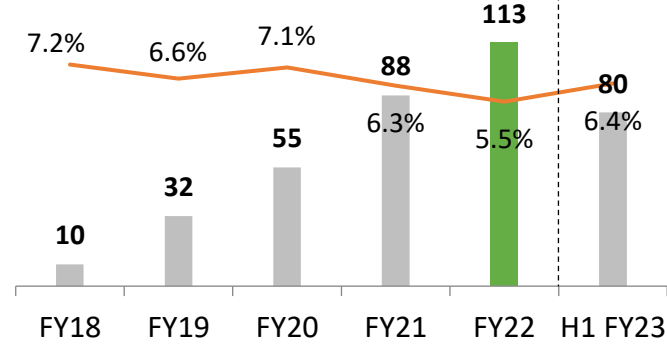
Revenue From Operations

(Rs. in Crore)



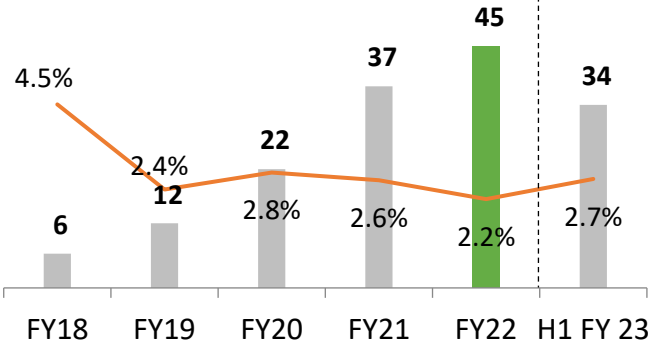
EBITDA & EBITDA Margin

(Rs. in Crore)



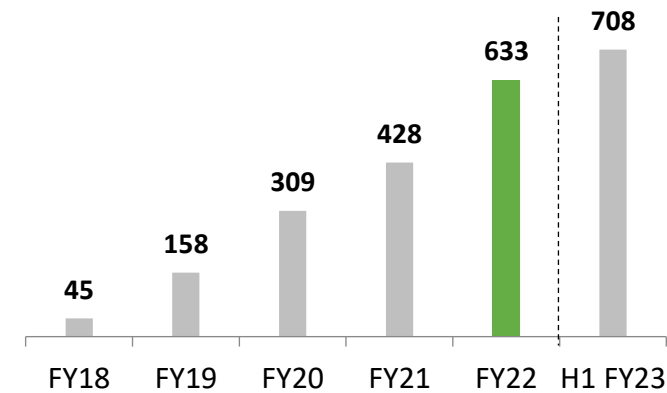
PAT & PAT Margin

(Rs. in Crore)



Gross Block

(Rs. in Crore)



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BEING RESPONSIBLE TOWARDS THE ENVIRONMENT



Installing solar power plants overhead and rainwater harvesting at new factories



Installing briquette boilers to replace the traditional coal-fired ones



Focusing on the usage of smart lights and air-conditioning, digital payments and signatures, and ensuring minimal paper usage



Working with our Principals on environment-friendly and minimal product packaging



Employing local labour as factories are located in rural or semi-urban locations



Ensuring a mandatory cover of trees and plants, in and around the plant, across all our factories

FULFILLING THROUGH SOCIALLY IMPACTFUL INITIATIVES

1

The CSR vision of the Company is to become the most admired company of the region by doing business the ethical way and embed the ethos of a socially and environmentally responsible corporate citizen in its strategy and activities. Coupling its regular business with innovative and creative choices in CSR, the Company endeavours to contribute meaningfully to nation-building

2

We aim to address education, health & sanitation, environment & sustainable development, sports, art & culture. We continued touching a number of lives through our social initiatives entailing health and education for the girl child, support to schools, providing medical support to the needy.

3

We have pledged to channel our CSR towards the Girl Child, focusing on her health, hygiene and education, and making studying better at Government schools.

4

We continue touching several lives through our social initiatives entailing building/renovating classrooms and toilets in Government schools. We also contribute towards laptops, books, uniforms, desks, sports kits, hygienic drinking water, and streetlights, among others.

5

We are contributing towards cancer care, eye surgeries and cataract, prosthetic limbs and wheelchairs for the underprivileged and specially challenged.

BALANCE SHEET SUMMARY (1/2)

Particulars (INR crs)	As at 30 September, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Non-current assets				
Property, plant and equipment	514.9	394.6	300.4	248.7
Capital work-in-progress	22.9	87.2	53.5	25.6
Right of Use assets	32.4	32.3	6.9	-
Goodwill	4.4	-	-	-
Other Intangible assets	0.1	0.1	0.5	1.0
Financial assets				
(i) Investments	-	-	-	-
(ii) Loans	-	-	-	2.2
(iii) Other financial assets	7.2	6.7	3.7	0.2
Deferred tax asset (net)	-	-	-	-
Non-current tax assets (net)	22.8	17.4	10.6	3.5
Other non-current assets	19.4	7.9	11.2	4.7
Total non-current assets	624.1	546.1	386.8	286.0
Current assets				
Inventories	327.7	237.8	169.1	109.7
Financial assets				
(i) Investments	-	-	0.4	2.4
(ii) Trade receivables	95.7	72.2	49.9	37.5
(iii) Cash and cash equivalents	27.0	32.6	44.5	28.8
(iv) Bank balances	6.9	10.8	14.1	10.2
(v) Loans	-	-	9.0	5.4
(vi) Other financial assets	40.9	32.7	16.8	14.2
Other current assets	59.8	54.2	46.8	45.0
Total current assets	558.0	440.2	350.5	253.2
Total assets	1182.1	986.4	737.3	539.1

BALANCE SHEET SUMMARY (2/2)

Particulars (INR crs)	As at 30 September, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Equity And Liabilities				
Equity				
Equity share capital	22.5	22.5	21.2	21.2
Other equity	315.5	281.6	233.2	165.8
Total equity	338.0	304.1	254.4	187.0
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	305.9	254.3	185.1	138.1
Lease Liabilities	21.1	22.6	1.4	-
Employee benefits obligations	3.4	2.8	2.3	1.5
Deferred tax liability (net)	42.4	26.7	22.0	14.0
Other non-current liabilities	-	-	0.8	0.8
Total non-current liabilities	372.8	306.4	211.7	154.4
Current liabilities				
Financial liabilities				
Borrowings	93.1	73.0	29.6	8.2
Trade payables				
(i) outstanding dues of micro enterprises and small enterprises	0.7	0.9	0.8	0.0
(ii) outstanding dues of creditors other than micro enterprises and small enterprises	329.3	270.3	214.4	139.6
Lease liabilities	2.0	1.4	0.9	
Other financial liabilities	19.1	19.8	20.8	46.3
Other current liabilities	23.8	7.8	2.2	1.0
Employee benefits obligation	1.1	0.8	0.6	0.5
Deferred tax liabilities (net)	-	-	-	-
Current tax liabilities (net)	2.2	1.9	1.9	1.9
Total current liabilities	471.3	375.8	271.1	197.7
Total liabilities	844.1	682.2	482.8	352.1
Total equity and liabilities	1,182.1	986.4	737.3	539.1

PROFIT & LOSS STATEMENT SUMMARY

Particulars (INR crs)	FY2023 (6M)	FY2022	FY2021	FY2020
Income				
Revenue from operations	1,259.8	2,040.1	1,407.2	771.9
Other income	2.5	3.7	2.6	1.2
Total Income	1,262.3	2,043.8	1,409.8	773.1
Expenses				
Cost of material consumed	1,081.3	1,802.5	1,199.9	648.6
Purchase of stock-in-trade	1.6	11.4		0.5
Changes in inventories of finished goods, stock-in-trade and work-in-progress	5.8	(35.7)	(9.3)	(30.4)
Employee benefits expenses	25.4	40.8	34.7	24.2
Finance cost	16.3	20.2	18.9	11.0
Depreciation & amortization expense	18.1	24.5	19.4	11.3
Manufacturing and operating costs	50.4	79.6	66.4	55.6
Other expenses	15.1	26.7	25.3	17.7
Total expenses	1,214.1	1,970.0	1,355.4	738.5
Share of loss from associate and joint venture	-	(2.3)	(2.0)	(0.8)
Profit/ (Loss) before tax	48.2	71.5	52.4	33.8
Tax Expenses				
Current tax	9.2	13.4	9.6	6.0
Add: MAT credit utilisation	4.5	6.0	1.1	(0.1)
Deferred tax (excluding MAT credit utilisation)	2.6	7.4	8.4	6.0
Tax adjustments pertaining to previous years	(1.8)	-	(3.9)	
Total tax expenses	14.4	26.8	15.2	11.9
Profit/ (Loss) for the period	33.8	44.7	37.3	21.9
Other Comprehensive Income	0.1	0.8	0.1	(0.1)
Total comprehensive income / (loss) for the period	33.9	45.5	37.4	21.8

CASH FLOW STATEMENT SUMMARY

Particulars (INR crs)	FY2023 (6M)	FY2022	FY2021	FY2020
Cashflows from operating activities				
Restated Profit/ (Loss) before tax	48.2	71.5	52.4	33.8
Adjustments for :				
Depreciation and amortization expense	18.1	24.5	19.4	11.3
Interest on borrowing	13.2	19.6	18.2	10.9
Interest on redeemable non-cumulative non-convertible preference shares	0.0	0.1	0.1	0.0
Other finance charge	0.3	0.5	0.7	0.1
Interest Income	(1.3)	(2.1)	(1.7)	(1.2)
Share of loss from associate	-	2.7	2.0	0.8
Liabilities no longer required written back	(0.1)	-	(0.4)	0.1
Provision for doubtful debts written back	(0.6)	-	-	-
Bad debts written-off	-	-	-	-
Advances written off	0.1	-	-	-
Provision for doubtful debts	-	0.2	0.7	0.1
Provision for doubtful advances	-	-	-	(1)
Other receivable written off	0.0	1.2	0.2	0.3
Re-measurement gains on defined benefit plans reclassified to OCI	0.1	0.7	0.1	(0.1)
Unrealised foreign exchange translation loss	0.1	0.1	0.3	0.1
Operating profit before working capital changes	78.1	118.6	91.9	56.3
Changes in working capital				
Increase in inventories	(75.1)	61.8)	(59.4)	-60.7
Increase in trade receivables	(12.9)	(15.6)	(13.0)	5.0
(Increase) / decrease in other assets	(5.5)	(8.3)	3.0	-27.2
Increase in financial assets	(6.9)	(20.2)	(2.7)	-11.1
Increase in trade payables	49.0	45.1	73.7	63.1
Increase in other liabilities	16.0	4.7	1.2	-0.9
Increase in financial liabilities	0.6	1.7	(6.2)	-0.7
Increase in provisions	0.4	0.7	0.9	0.9
Cash generated from operations	43.8	65.1	89.6	24.8
Income tax paid (net)	(12.3)	(28.7)	(17.6)	-7.7
Net cash generated from operating activities (A)	31.5	36.4	72.0	17.0

CASH FLOW STATEMENT SUMMARY

Particulars (INR crs)	FY2023 (6M)	FY2022	FY2021	FY2020
Cashflows from investing activities				
Acquisition of property plant and equipment (net of capital creditors and including capital advances)	(51.4)	(140.1)	(80.3)	(128.1)
Bank balances other than cash and cash equivalents	3.9	3.3	(3.9)	(10.0)
Investment in Associates	-	-	-	(3.2)
Loans given to Associates	-	-	-	(4.5)
Loans given to related parties (net)	-	-	(3.6)	-
Payment for acquisition of business	(74.9)	(6.9)	(7.1)	-
Interest received	1.5	3.0	1.1	0.7
Net cash (used in)/generated from investing activities (B)	(120.9)	(140.7)	(93.8)	(145.2)
Cashflows from Financing activities				
Proceeds from issue of equity share capital	-	-	-	100.0
Proceeds from long-term borrowings	77.9	107.0	77.7	92.5
Repayment of long-term borrowings	(26.4)	(37.9)	(16.8)	(17)
Proceeds from short-term borrowings (net)	21.9	43.4	(8.1)	3.7
Repayment of short-term borrowings	(1.8)	-	-	(15.2)
Lease rentals paid against lease liability	(1.8)	(1.0)	(0.6)	(0.6)
Interest paid	(12.6)	(21.0)	(18.6)	(10.9)
Net cash (used in)/generated from financing activities (C)	57.2	90.6	33.6	152.5
Net increase/ (decrease) in cash and cash equivalents (A)+(B)+(C)	(32.2)	(13.7)	11.8	24.4
Cash and cash equivalents at the beginning of the period/year	32.6	44.5	28.8	4.4
Cash acquired pursuant to business combination	26.7	1.7	4.1	-
Exchange difference on translation of currency cash and cash equivalents	(0.1)	0.1	(0.2)	-
Cash and cash equivalents at the end of the period/year	27.0	32.6	44.5	28.8



HFL was honoured with two awards at Fortune India's ***The Next 500 Breaking New Frontiers*** event – [1] The best performing emerging company in the FMCG sector and [2] Rising Star, in 2022

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