



# Hindustan Foods Limited

A Vanity Case Group Company

**Registered Office:** Office No.3, Level-2, Centrium, Phoenix Market City,  
15, Lal Bahadur Shastri Road, Kurla (West), Mumbai, Maharashtra, India. 400 070.  
Email: [business@thevanitycase.com](mailto:business@thevanitycase.com) Website: [www.hindustanfoodslimited.com](http://www.hindustanfoodslimited.com)  
Tel. No. +91-22-61801700 / 01 CIN: L15139MH1984PLC316003

Company Scrip Code: 519126

Date: 10<sup>th</sup> November, 2020

To,  
The General Manager  
Department of Corporate Services  
BSE Limited  
Floor 25, P. J. Towers, Dalal Street,  
Mumbai-400 001.  
Tel : (022) 2272 1233 / 34

Through Listing Centre

Dear Sir / Madam,

Sub.: Investor Presentation November 2020

In pursuance to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the "Investor Presentation November 2020" for Q2 and H1 ended 30th September, 2020 FY 2020-21.

We request you to take the above on record.

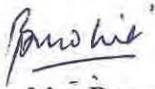
Thanking you,

We request you to take the above on record.

Thanking you,

Yours faithfully

For **HINDUSTAN FOODS LIMITED**

  
**Bankim Purohit**  
Company Secretary  
ACS: 21865



Encl.: as above

INDIA'S MOST DIVERSIFIED CONTRACT MANUFACTURER



HINDUSTAN FOODS LIMITED

INVESTOR PRESENTATION

NOVEMBER 2020

HOME CARE | FOOD & BEVERAGES | PERSONAL CARE | LEATHER



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# Q2FY21 Overview



HFL | HYDERABAD PLANT



# Key Developments



Pursuant to Board sanction of additional investment of Rs. 150 crores, project work commenced for manufacturing of Personal and Home care products

Highest Quarterly turnover and PAT in the history of the company

The Company entered into a long term contract to manufacture a national brand of Disinfectant Toilet Cleaner at its newly built Silvassa facility. The facility was built in 7 months in spite of the CoVID restrictions

Commercial production started in September 2020 and the plant has a capacity of 100KL/day

Merger of Beverage plant in Mysuru is in progress

The Company has started building another dedicated plant to manufacture a National brand of Surface Cleaner in Silvassa. Expects commercial production to start from February 2021

Merger of Malt Beverages making plant in Coimbatore is in progress

The pandemic has further reinforced our strategy for decentralized manufacturing and proven the benefits of **CONTRACT MANUFACTURING**

On the back of this vision, we have invested nearly Rs. 300 crores in the last 2 years and are expecting to invest additional Rs. 150 crores in the next one year.

Our goal for FY2022 continues to be **Topline of Rs. 2,000 crores**





# Key Parameters



Rs. **332** crore

GROSS BLOCK  
as on 30<sup>th</sup> September 2020

Rs. **522** crore  
64% growth YoY

TOTAL INCOME  
for H1FY21



**29.6%**

RETURN ON CAPITAL  
EMPLOYED (RoCE)  
as on 30<sup>th</sup> September 2020



Rs. **200** crore

NETWORTH  
as on 30<sup>th</sup> September 2020



Rs. **12.6** crore  
37% growth YoY

PROFIT AFTER TAX  
for H1FY21



Rs. **5.96**  
19% growth YoY

EARNINGS PER SHARE  
for H1FY21



Rs. **37.1** crore  
54% growth YoY

EBITDA for H1FY21



Rs. **13.4** crore  
24% growth YoY

OPERATING CASH FLOW  
(w/o TAX)  
for H1FY21



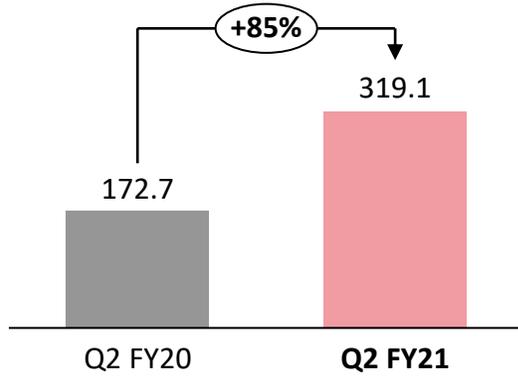


# Q2 & H1 FY20 Result Highlights

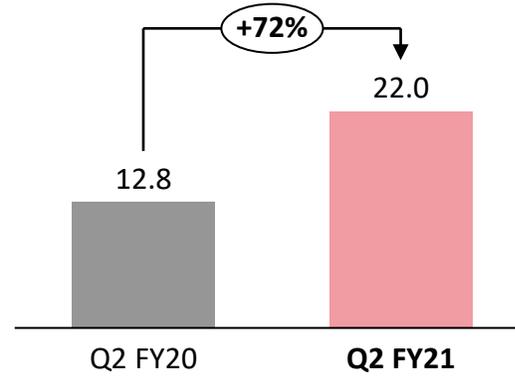


Q2 FY21

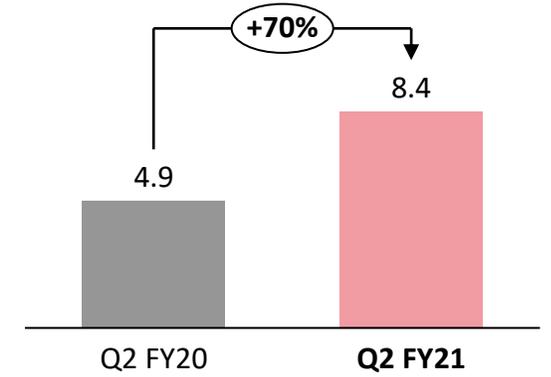
Income (Rs. Crs.)



EBITDA (Rs. Crs.)

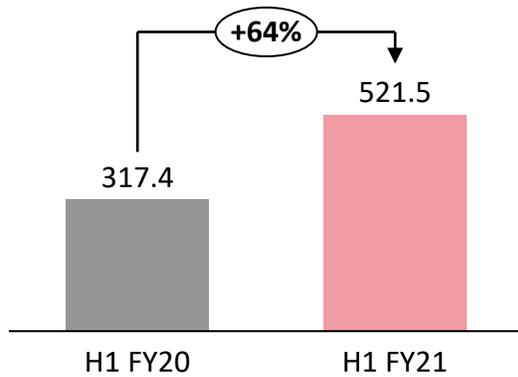


Profit after Tax (Rs. Crs.)

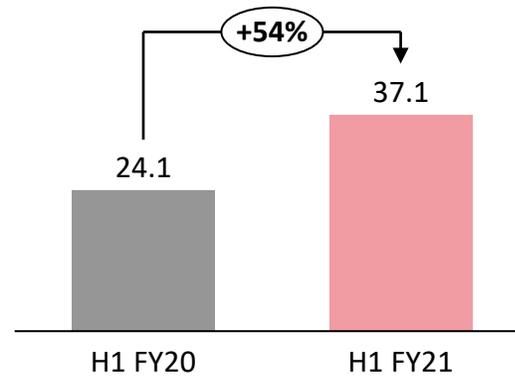


H1 FY21

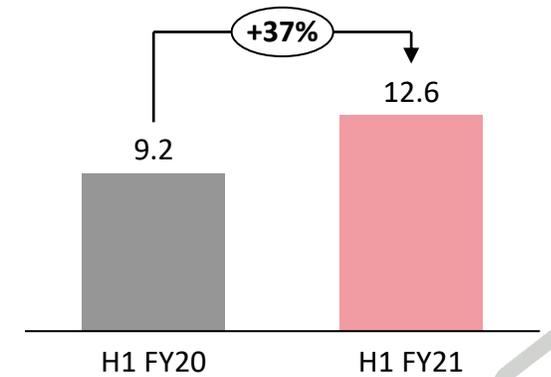
Income (Rs. Crs.)



EBITDA (Rs. Crs.)



Profit after Tax (Rs. Crs.)

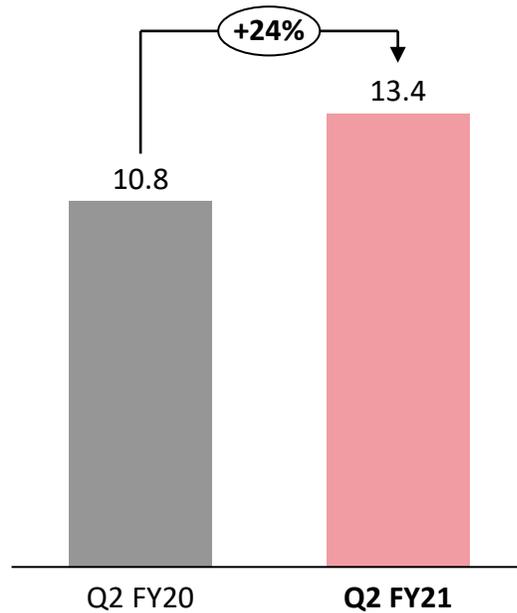




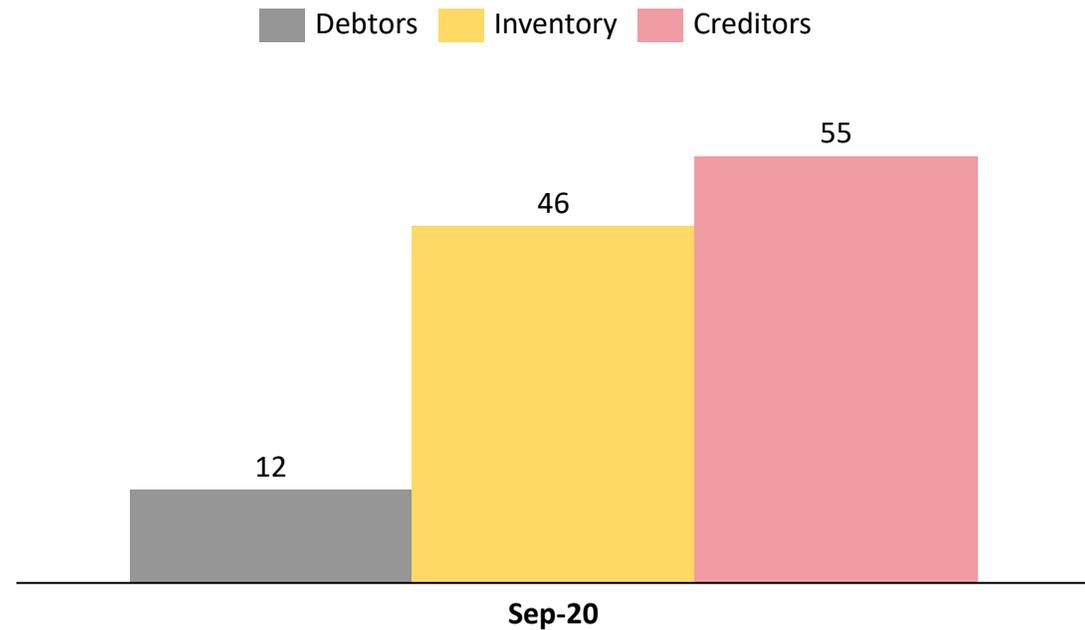
# Focus on Operational Efficiencies



## Operating Cash Flows (w/o tax) (Rs. Crs.)



## Working Capital Cycle (Days)



- Strict Value Creation on all Capital Options
- Higher Capital Efficiency and reallocation of Capital to Growth Opportunities & Building New Factories



# Profit & Loss Statement (Standalone) - Q2 & H1FY21



Particulars (Rs. Crs.)	Q2 FY21	Q2 FY20	Y-o-Y	H1 FY21	H1 FY20	Y-o-Y
<b>Total Revenue</b>	<b>319.14</b>	<b>172.66</b>	85%	<b>521.48</b>	<b>317.35</b>	64%
Cost of Goods Sold	265.63	135.91		431.95	247.00	
<b>Manufacturing &amp; Operating Costs</b>	<b>17.20</b>	<b>13.40</b>		<b>27.19</b>	<b>25.61</b>	
<b>Gross Profit</b>	<b>36.31</b>	<b>23.35</b>		<b>62.34</b>	<b>44.74</b>	
Employee Expenses	7.15	6.13		14.03	11.79	
Other Expenses	7.13	4.43		11.22	8.86	
<b>EBITDA</b>	<b>22.03</b>	<b>12.79</b>	72%	<b>37.09</b>	<b>24.09</b>	54%
Depreciation	4.22	2.51		8.33	4.84	
<b>EBIT</b>	<b>17.81</b>	<b>10.28</b>	73%	<b>28.76</b>	<b>19.25</b>	49%
Finance Cost	5.10	2.47		9.45	4.91	
<b>Profit Before Tax</b>	<b>12.71</b>	<b>7.81</b>	63%	<b>19.31</b>	<b>14.34</b>	35%
Tax	<b>4.37</b>	<b>2.90</b>		<b>6.68</b>	<b>5.12</b>	
<b>Profit After Tax</b>	<b>8.34</b>	<b>4.91</b>	70%	<b>12.63</b>	<b>9.22</b>	37%



*Commenting on the Results, Mr. Sameer R. Kothari, Managing Director said, “After having taken a conscious decision in the last quarter to prioritize customers and employees at the expense of shareholders, I am pleased to now report that in this quarter, the company has been able to do justice to all the stakeholders – customers, employees and shareholders.*

*This quarter saw us being able to service demand from our customers in face of continuing localized lockdowns and a wider spread of the pandemic. I am pleased that all of our factories have delivered record production in this quarter ensuring that our service levels to the customers were unmatched. We were happy to enable our customers to cater to the increased demand for their Foods, Health & Hygiene products by ramping up production as required.*

*Additionally, as I had communicated in my previous quarterly message, no employee faced a pay cut, and we were able to retain all the employees without any layoffs. In fact, the management was able to give out increments to our team as a small token of our appreciation of the super-human efforts put in during the CoVID times.*

*And I am especially proud and pleased to inform the shareholders that this quarter was the highest turnover and profit that the company has ever achieved. The numbers are a vindication of the team’s effort in building a resilient business capable of performing even in the most adverse conditions.*

*I am confident that we should be able to sustain this performance and are working hard towards our goal of achieving the milestone of Rs. 2,000 crores by FY2022.*



# HFL at a Glance

HFL | GOA PLANT





## THE BRAWN BEHIND YOUR BRANDS

**Pioneers in FMCG Contract Manufacturing**

**[Product + Service]** One-stop contract manufacturing solutions & consistently deliver quality products

**Most Diversified and Trusted** FMCG contract manufacturers for marquee brands

**Flexible Business Model** suitable for any size of customer and across product categories

11

SITES

30+

YEARS OF EXPERIENCE

3Mn+

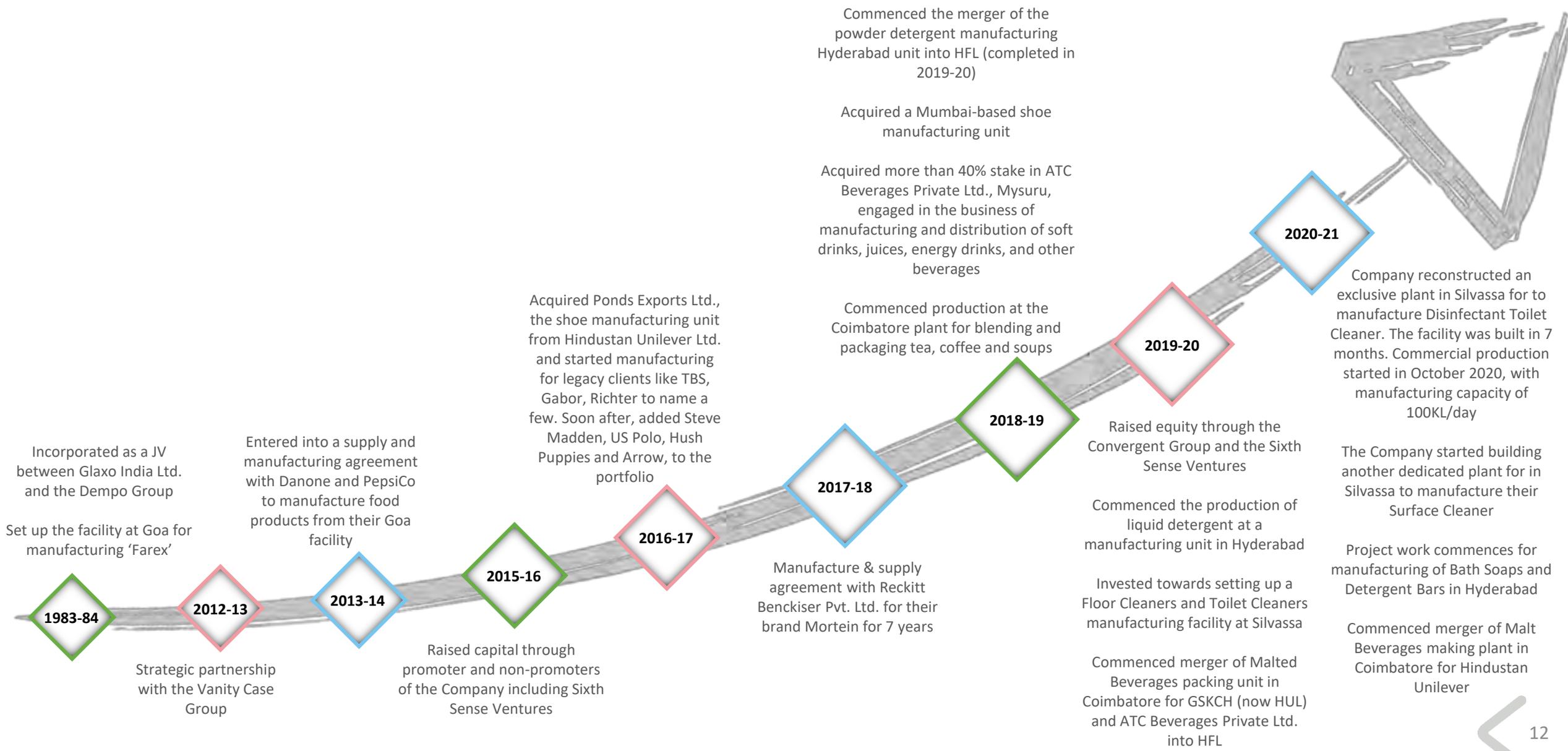
LIVES TOUCHED DAILY

1200+

TEAM MEMBERS



# Our Journey



## Most Diversified Contract Manufacturing Company in the Country

### Food & Beverages



#### Extruded Cereals & Snacks

- Breakfast Cereals
- Instant Porridges
- Rice Crispies

#### Hot & Cold Beverages & Energy Drink Concentrates

- Carbonated Soft Drinks
- Tea
- Coffee
- Malt based foods
- Soups
- Glucose Powder
- Dry Mix Powder

### Home Care



#### Fabric Care

- Liquid Detergent
- Powder Detergent
- Fabric Conditioner

#### Home Care

- Surface Cleaner
- Glass Cleaner
- Toilet Cleaner
- Liquid Dish Wash

#### Pest Control

- Coils
- Aerosols
- Liquid Vaporizer
- Mosquito Mats
- Activ Cards

### Personal Care



#### Hair Care

- Shampoo, Hair Oil & Hair Foods
- Hair Gel & Hair Cream

#### Toiletries & Fragrances

- Talcs, Shaving Cream
- Hand Wash

#### Baby Care

- Creams, Shampoo & Lotions
- Hair Oil & Powder

#### Skin Care

- Body Lotion, Moisturisers, Cream
- Petroleum Jelly
- Shower Gel, Face Wash & Scrubs
- Body Scrubs & Wipes
- Dusting Powder

### Leather



#### Leather Shoes & Accessories

- Men's footwear
- Women's footwear
- Footwear for Juniors
- Uppers
- Accessories



# Business Models



## Dedicated Manufacturing

The entire manufacturing facility/plant is exclusively utilised for the Principal Company



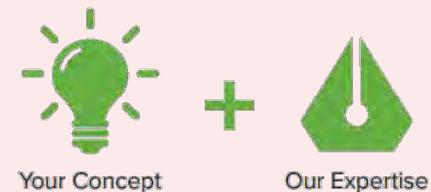
## Shared Manufacturing

The manufacturing facility is not entirely dedicated to a single Principal Company, but the capacity is shared by various companies for a longer period of agreement. Competitive products made in the same facility with strong secrecy codes



## 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 skilled team of designers in conceptualising the products' unique brand identity



# We have Long term Relationships with major FMCG Brands



Hindustan Unilever Limited



Reckitt Benckiser



DANONE  
ONE PLANET. ONE HEALTH

**Bata**



GlaxoSmithKline



Gabor



**JOMOS**



**PEPSICO**



marico



BOMBAY SHAVING COMPANY



ARVIND  
FASHIONING POSSIBILITIES



Zydus Wellness

amazon



## Shrinivas Dempo | Chairman, Non-Executive

- Shrinivas Dempo is the third-generation entrepreneur and chairman of Goa's Leading business House, Dempo
- He received a Postgraduate Management Education in Industrial Administration from Carnegie Mellon university, USA



## Sameer Kothari | Managing Director

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



## Ganesh Argekar | Executive Director

- Ganesh Argekar has received B.Sc. (Chemistry) and PGDMM(IIMM) and is the Head-Supply Chain of Vanity Case Group of Companies
- He has over 22 years of work experience, during which time he has held various managerial positions



## Neeraj Chandra | Independent Director

- Neeraj Chandra was previously associated with Emami Limited as the CEO of their Consumer Care Division and has earlier worked with Britannia and HUL
- He has 30 years of invaluable experience and is an alumnus of IIM Ahmedabad and IIT Kanpur



## Harsha Raghavan | Add. Director [Non-Ex., Non-Ind.]

- Harsha Raghavan is the managing partner of Convergent Finance. He was a founding MD of Fairbridge Capital (a Fairfax Company).
- He is an MBA and MSc in Industrial Engineering both from Stanford University



## Nikhil Vora | Non-Executive Director

- Nikhil Vora is the founder and CEO of Sixth Sense Ventures
- Nikhil was earlier the Managing Director and Head of Research at IDFC Securities



## Shashi Kalathil | Independent Director

- He has over 28 years of operating experience across consumer products, telecom, media and entertainment industries
- He is an M.B.A. from the Indian Institute of Management, Bangalore, India and an engineer from Delhi College of Engineering



## Honey Vazirani | Independent Woman Director

- Honey Vazirani served as the Vice President of Labels & International Business Division at Huhtamaki PPL Limited
- She has over 27 years of working experience and holds an MBA in Marketing from Chetana College



## Sarvjit Singh Bedi | Non-Executive Director

- Sarvjit Singh Bedi is an Audit and financial consultant with over 16 years of experience across India & USA
- He is a Chartered Accountant (all India 39th rank) and is an MBA from Cornell University



## Sandeep Mehta | Independent Director

- Sandeep Mehta is a solicitor with a rich legal experience of over 24 years projects and has expertise in foreign investments, M&A
- He has been a partner of J Sagar and Associates since 2008 and was a partner with Little & Co, Advocates and Solicitors for over 6 years

# Professional Management Team



**Mayank Samdani**  
Group CFO

Chartered Accountant with expertise in the area of Finance, Accounts, Audit, Legal & Compliance

**Previous experience** – Future Group & Ashok Piramal Group



**Ravindar Rathi**  
GM, Operations North

An Ops. & Mfg. professional with expertise in developing new set-ups & restructuring ops. for last 22 Years

**Previous experience** – ITC Limited and Moser Bear



**Govind Singh Rawat**  
GM, Operations South

A Mechanical Engineer with 30 years of experience in operations, projects and strategic planning

**Previous experience** – PepsiCo, Parle Agro, Dukes and The Indian Navy



**Prasad Kali**  
GM, Projects

A chemical engineer with 23 years in Mfg. operations, maintenance, business strategy, project execution, erection, commissioning safety, Quality WCM/TPM .

**Previous experience** – Hindustan Unilever



**Ashish Vyawahare**  
AGM, Projects

A B.Tech in food technology with 23 years in project management , Supply chain, RD, QA and 3P management across FB domain in India & abroad

**Previous experience** – Associated with HUL



**K. Shivaram Prasad**  
AGM, Projects

Energy (Electrical Engineer) from IIT Kharagpur with 25 years in plant operations, maintenance, project management, training and development

**Previous experience** – AB in beverages, Modelez, Dabur and Maruti



**Rajiv Bahadur**  
President, Leather Business

Footwear specialist with 32 years of operations, buying, product development and sales

**Previous experience** – Bata, Tata Exports & AU Thomson, 3 years offshore assignment with Yanko/Pielsen in Spain



**Ashwini Agrawal**  
GM, Operations West

A Mechanical engineer and MBA in Finance with 28 years of experience in leading industries

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



**Manish Kumar**  
GM, Operations West

A Mechanical engineer with rich experience of 22 years in Factory Operations and Project Management across India

**Previous experience** – Emami, Greenlam & Bisleri



**Suryakant Mishra**  
GM, QA & R&D

A QA and Regulatory affairs expert with 27 years in food and cosmetic and pharmaceuticals in India and abroad

**Previous experience** – GSK, Reckitt Benckiser, familiar with MHRA, TGA, MCC, WHO and ISO



**Robin D'Souza**  
GM, BD & Customer Service

A Commerce graduate with 25 years of experience in New Product and Packaging development, Business development in contract manufacturing and private labels



**Vimal Solanki**  
Head, Emerging Business & Corporate Communications

A Management Graduate with 28 years in launching and managing FMCG brands in India and abroad

**Previous experience** – Shoppers Stop, Reliance Retail





# Manufacturing Facilities



## JAMMU



- Spread across 35,143 square meters of area at IGC II, SIDCO Samba
- Unit was acquired from Reckitt Benckiser (India) Pvt. Ltd. by the end of 2017 and commenced commercial production from 2<sup>nd</sup> January 2018
- Manufactures pest control products such as coil, aerosols and vaporisers

**Aggregate Capacity: Coils: 1,200 Mn. P.a**

**Vaporizers: 43.2 Mn. P.a - Aerosols: 7.2 Mn p.a.**

## COIMBATORE



- Spread across 85,000 square feet and the facility commenced production in December 2018
- Intends to process, blend and pack tea, coffee & soup products
- High speed single-track and multi-track packing line, Completely automated end-to-end pneumatic material handling

**Tea Production Capacity: 700 Tons a week**

**Coffee Production Capacity: 30 Tons a week**

## HYDERABAD I



- This facility is engaged in the manufacturing of detergent powders
- Unit boasts of a fully automated end-to-end material handling where we manufacture 70,000 tonnes of detergent powder for national brands

**Capacity: Powder: 70,000 TPA**

## HYDERABAD II



- Facility is engaged in the manufacturing of Liquid Detergent, Fabric Conditioner & Softener, Liquid Soaps and Shampoos

**Capacity (Liquids)  
60,000 KL PA**

## SILVASSA I & II



- Set up floor cleaner and toilet cleaner manufacturing facility in Silvassa for leading home care brands with an **investment of Rs. 30 crores in this facility** which includes buying out the existing factory of the promoter group and additional investments
- The factories will have a **capacity to manufacture around 20,000 KI of liquids**

## PUDUCHERRY



- Facility was an acquisition by HFL of Ponds Exports Ltd. which is a subsidiary of Hindustan Unilever Ltd. in 2016-2017
- Manufactures Leather shoes and accessories
- Robust quality assurance system, excellent manufacturing practices with the use of KPIs to measure and monitor performance
- Well equipped design studio with CAD-CAM facility

**Full Shoes Production Capacity : 0.5 Mn pairs**

**Shoes Uppers Production Capacity : 0.7 Mn pairs**

## MUMBAI



- Unit was acquired as an on-going concern
- Commenced production in June 2018
- Manufactures leather products for women, men and children – slippers, sandals, open toe, high heels, huarache and mules.

**Shoes & Sandals Capacity : 0.37 Mn pairs p.a.**

## GOA



- Plant is located at Usgaon, Ponda, that is spread across 52,625 square meters of area
- Manufactures food products such as cereals, porridges and snacks
- Facility is equipped with the state-of-the-art twin-screw extruder technology to manufacture superior quality cereal-based food products
- Certification: Factory BIS, ISO 9001 and ISO 22000:2005

**Extrusion Capacity : 6,000 Tons p.a.**

**Dry-Mix Blending Capacity : 1,000 Tons p.a.**

## MYSURU\*



- HFL acquired 44.5% stake in ATC Beverages Ltd.
- The facility is spread across 15.5 Acres of land and produces, manufactures and distributes beverages like Carbonated Soft Drinks, Energy Drinks, Active Water and Fruit Drinks
- The facility has fully automated filling and packing lines

**Capacity : 5.84 Mn Cs p.a.**



# Future Growth Strategy





# Industry Opportunity is huge



**FMCG Market Size**



**\$103.70 Billion**

translates to

**Rs. 8,00,000 Crores**

**Personal Care**

**~50%**



**Home / Health Care\***



**~31%**

**Food & Beverages**

**~19%**



**FMCG 4<sup>th</sup> Largest Sector in India**



**Outsourced Manufacturing Opportunity**

**Rs. 50,000 Crores - Rs. 1,00,000 Crores**

Company Estimates

- ✓ **HFL** is the most diversified and versatile contract manufacturing company in India
- ✓ HFL plans to add value by growing organically and inorganically through bolt-on acquisitions, which is the need of the hour in the contract manufacturing sector



# Multiple Levers for Growth



**Favourable Macro Factors**

<b>E – Commerce</b>	<b>GST Implementation</b>	<b>Make in India</b>
<b>Growing Consumer Demand</b>	<b>Ease of Doing Business</b>	
<b>Evolving Regulatory Environment</b>		<b>Increasing Rural Incomes</b>

**Business approach by Brands**

**Specialized Business Approach**  
Strategy to engage into core business activities and outsource manufacturing

**Cost Efficiencies**  
Strategy to contain cost while providing best quality products

Outsourcing services is no longer a question of

**Asset-light Operating Models**  
Strategy to pass on the operational complexities and costs of capital-intensive equipment

**Faster Time to Market**  
Strategy to engage with Partners that can assist in rolling out & speed up your time to market

**should we, or shouldn't we?**

but more a question of

**Focus on Core Competency**  
Expand and Focus on Core Competencies with increased share of Outsourcing

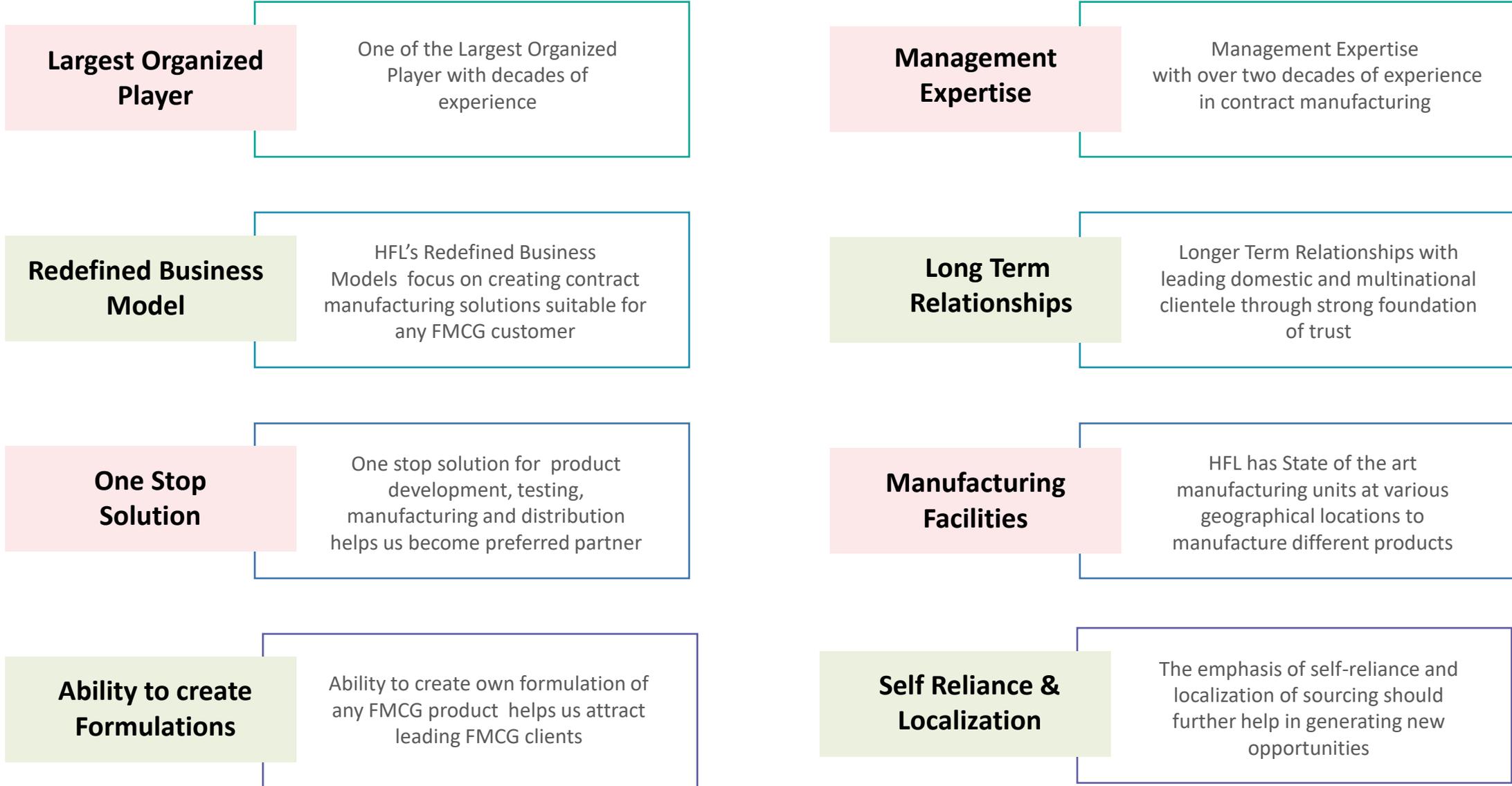
**Foster Innovation**  
Customers & Outsourcing Partners work together to develop Innovative Products

**how much should we outsource to improve performance, and with whom?**



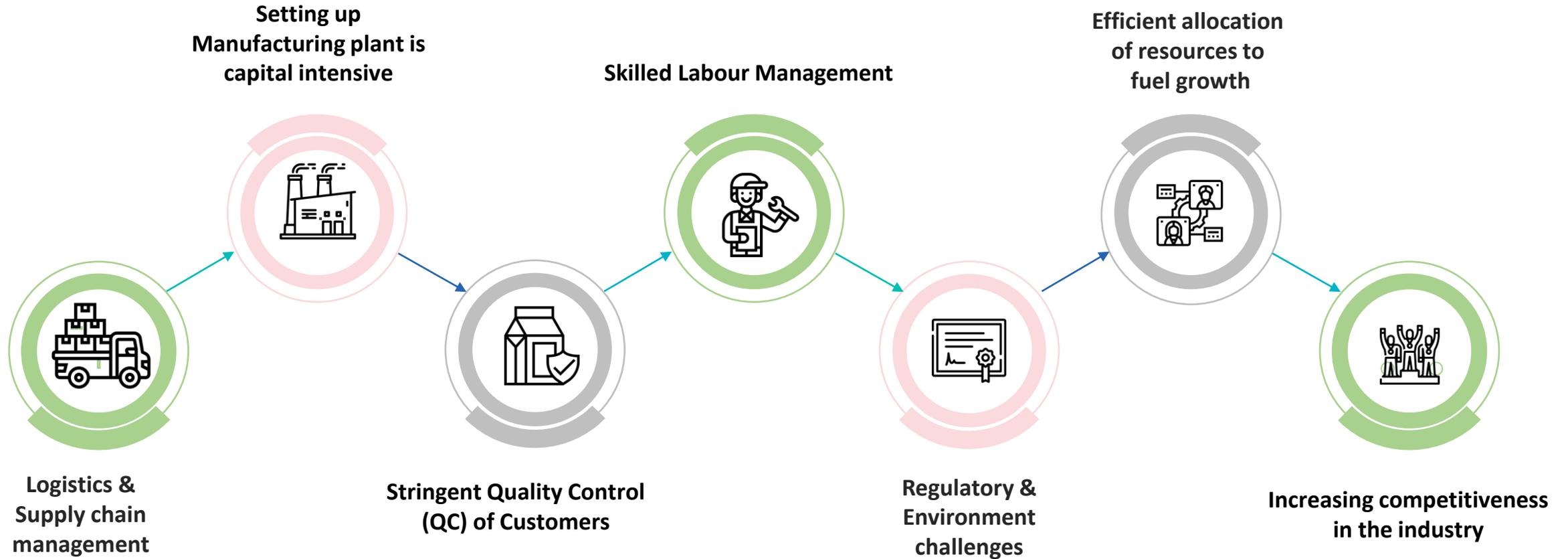


# HFL is best placed to capitalize on the Growth Story





# Barriers to Entry makes us even more Competitive



**HFL has overcome all the barriers over the years**



## There is nothing more rewarding than giving back to the society and making a difference

As a responsible Corporate Entity, we are committed towards the upliftment and development of the local communities we work with. We leverage our resources, experience and geographic spread, to undertake initiatives with lasting results, benefiting the communities around.

Our goal is to address social, environmental, and ethical aspects responsibly. This helps us coexist sustainably and in harmony with the environment and communities. We continued touching a number of lives through our social initiatives entailing:

- Health, Hygiene and Education of the Girl Child
- Books, benches, uniforms and sport-kits to schools
- Rebuilding and renovating classrooms and washrooms
- Ensuring clean drinking water
- Contribution towards PM Cares Fund
- Contribution towards CM Relief Fund



# Thank You

**Company :**

**Hindustan Foods Limited**

CIN: L15139MH1984PLC316003

**Mr. Vimal Solanki**

E: [vimal.solanki@thevanitycase.com](mailto:vimal.solanki@thevanitycase.com)

[www.hindustanfoodslimited.com](http://www.hindustanfoodslimited.com)

**Investor Relations Advisor :**

**Strategic Growth Advisors Private Limited**

CIN: U74140MH2010PTC204285

**Mr. Shogun Jain / Mr. Jigar Kavaia**

E: [shogun.jain@sgapl.net](mailto:shogun.jain@sgapl.net) / [jigar.Kavaia@sgapl.net](mailto:jigar.Kavaia@sgapl.net)

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