



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 Website: www.hindustanfoodslimited.com
Tel. No. +91-22-61801700 / 01 CIN: L15139MH1984PLC316003

Company Scrip Code: 519126

Date : 26th August, 2019

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 for Q1 FY 2019-20

In pursuance to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Investor Presentation for Q1 ended 30th June, 2019 FY 2019-20.

We request you to take the above on record.

Thanking you,

Yours faithfully
for **HINDUSTAN FOODS LIMITED**


Bankim Purohit
Company Secretary



Encl.: As above



HINDUSTAN FOODS LIMITED

INVESTOR PRESENTATION | August 2019



Executive Summary



- Founded in 1984, Hindustan Foods Limited (HFL) offers reliable contract manufacturing services across India to top FMCG customers who are looking to minimize cost while maximizing product quality in the post-GST environment.
- In 2013, Vanity Case Group bought a controlling stake in Hindustan Foods Ltd. from Dempo Group of Goa and since then the company has diversified across various FMCG categories with manufacturing competencies in Food & Beverages, Home & Personal Care, Fabric Care, Leather products.
- HFL has a market capitalization of INR 5,924.6 Mn as on 30th June, 2019.

Manufacturing Facilities

Goa	Jammu	Puducherry	Mumbai	Coimbatore	Hyderabad*
Key Clients: Danone, Marico, Raptakos Products: Extruded Cereals Brands: Farex, First Food, Easum	Key Client: Reckitt Benckiser Product: Pest Control (Coils, Vaporisers, Aerosols) Brand: Mortein	Key Clients: Jomos, Gabor, Hush Puppies, US Polo, Bata Products: Shoes / shoe uppers for men, women and children	Key Clients: Espirit, Saks Fifth Avenue, Dune, Myntra, Lollipop, Flipkart. Products: Shoes for women, men and children	Key Client: Hindustan Unilever Products: Tea, Coffee Brands: Tea- Taj Mahal, Lipton, 3 Roses Coffee- Bru	Key Clients: Hindustan Unilever Products: Detergent Powder and Liquid Soaps Brands: Rin, Wheel, Surf Excel

Q1-FY20 Financials (Mn)

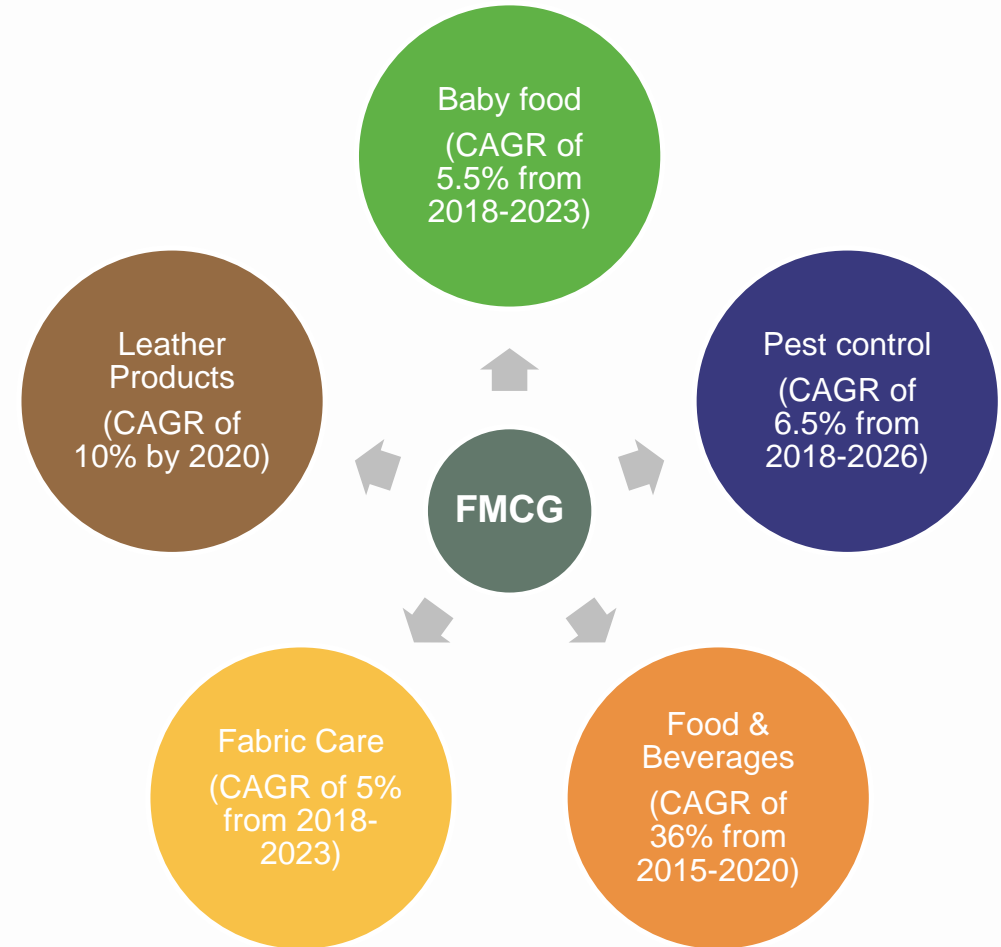
Total Income	EBITDA	PAT
Q1-FY20: INR 777 (Growth of 75.8% Y-o-Y)	Q1-FY20: INR 69 (Growth of 60.5% Y-o-Y)	Q1-FY20: INR 30 (Growth of 25.0% Y-o-Y)

* On-going Merger

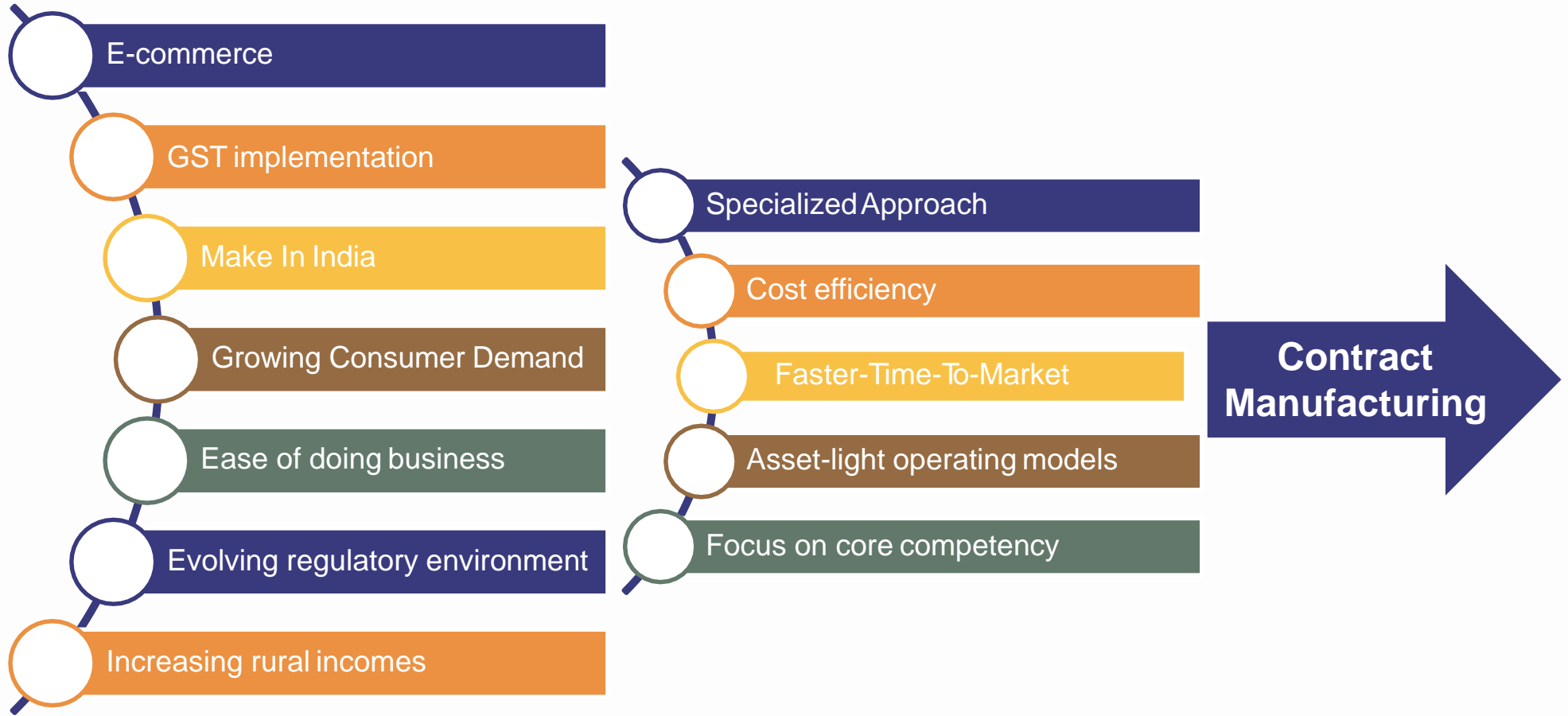


**The age of contract manufacturing as a distinctive sector has arrived.
Hindustan Foods is very well placed to continue leveraging India's consumption story.**

- According to a report by IBEF, India's FMCG market is expected to grow at a CAGR of 27.86% to reach USD 103.7 Bn by 2020 from USD 53.8 Bn in FY18. **Contract manufacturers are expected to aid this growth.**
- Rising cost of raw materials, logistics and labour have become a global concern, and in order to reduce costs across the value chain, FMCG companies continue to look for organized partners for outsourcing their production.
- New evolving brands may not have the necessary expertise or ability to setup manufacturing facilities and would prefer contract manufacturing.
- Due to the US-China trade war, India's exports of consumer goods to the US are increasing, leading to more companies turning towards India for contract manufacturing.
- GST implementation has led to decentralization of manufacturing facilities and has given more opportunities to this sector to cater to the needs of the FMCG companies looking forward for expansion.



Growth Drivers



IT'S AN AGE OF CHANGE

NEED OF THE HOUR

WE ARE THE SOLUTION



COMPANY OVERVIEW

Company Overview

Introduction

- Hindustan Foods Ltd. (HFL) was founded in 1984 and was promoted by the Dempo Group.
- In 2013, the Vanity Case Group acquired a controlling stake in the company.
- The Vanity Case Group was founded in the year 2001 and is one of the largest and most diversified FMCG contract manufacturers in India, under the visionary leadership of Mr. Sameer Kothari.
- Since then HFL has transformed into a scalable, profitable, diversified contract manufacturer catering to various marquee customers.
- The company has a vision of growing 20x by 2020 to reach a turnover of INR 1,000 Crores, through various organic and inorganic strategies.

Business Models

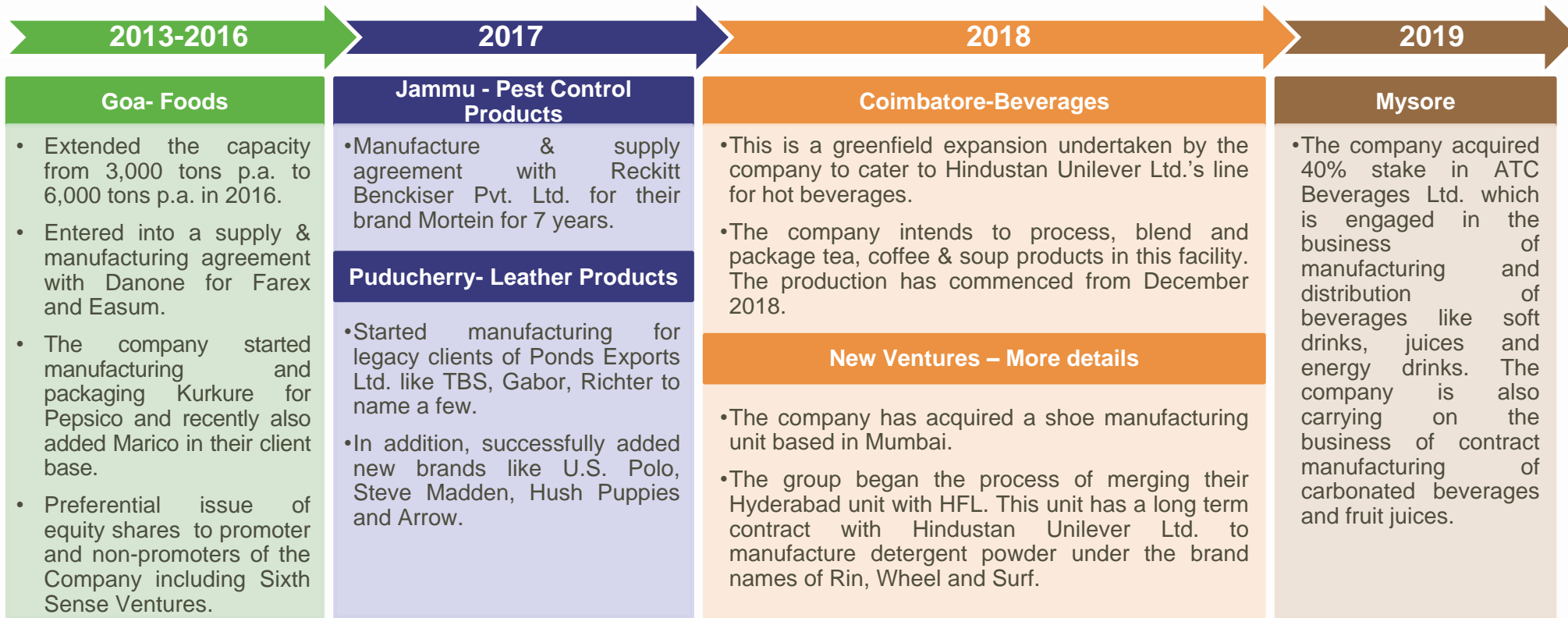
Contract Manufacturing	<ul style="list-style-type: none"> • Many products for multiple clients manufactured at one facility • Contracts are typically for seasonal clients and are flexible in nature.
OEM Manufacturing	<ul style="list-style-type: none"> • Sets up or acquires the manufacturing facility for the principal. • Contracts are long term in nature. • Categories under this model: <ul style="list-style-type: none"> • Dedicated manufacturing • Anchor-tenant manufacturing
Private Labels	<ul style="list-style-type: none"> • Developed by the company will be based on extensive research and testing methods. • Provides specialised formulations, packaging and brand styling solutions

Key Clients



Company Transformation

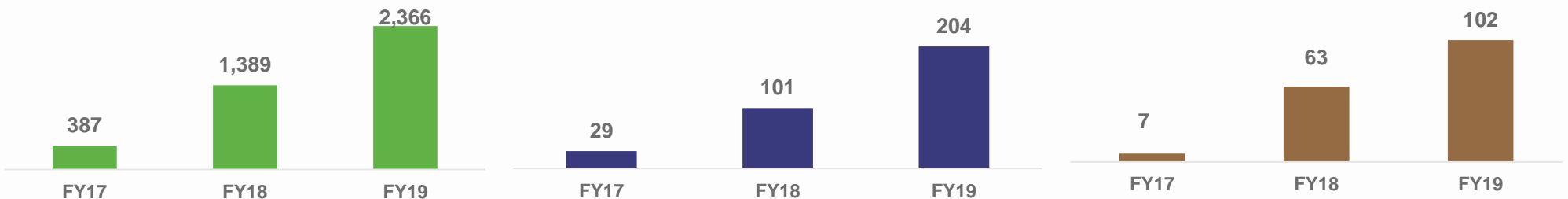
HFL has a vision of growing 20x by 2020 and reach a turnover of INR 1,000 Cr.



Operational Income (INR Mn)

EBITDA (INR Mn)

PAT (INR Mn)



Board of Directors



Shrinivas Dempo, Chairman

- 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.

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.



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).



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 - Additional Director [Non-Executive, Non-Independent]

- 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.

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.



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.



Adv. Sudin Usgaonkar, Independent Director

- Sudin Usgaonkar has been an Independent Non-Executive Director for Hindustan Foods Limited since October 31, 2002.
- He holds BA, LLB degree and is a Senior Advocate in the Bombay High Court.



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.



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.

Scale of Operations

Goa

- Hindustan Foods Ltd. plant is located at Usgaon, Ponda, that is spread across 52,625 square meters of area.
- The company manufactures food products such as cereals, porridges and snacks.
- The facility is equipped with the state-of-the-art twin-screw extruder technology to manufacture superior quality cereal-based food products.

Extrusion Capacity: **6,000 Tons p.a.**
Dry-Mix Blending Capacity: **1,000 Tons p.a**



Puducherry

- Located at Puducherry, the facility was an acquisition by HFL of Ponds Exports Ltd. which is a subsidiary of Hindustan Unilever Ltd. in 2016-2017.
- The company manufactures Leather shoes.
- 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: **5 Lakh pairs**
Shoes Uppers Production Capacity: **7 Lakh pairs**



Scale of Operations

Jammu

- The unit is spread across 35,143 square meters of area at IGC II, SIDCO Samba, Jammu.
- The company manufactures pest control products such as coil, aerosols and vaporisers.
- The unit was acquired from Reckitt Benckiser (India) Pvt. Ltd. by the end of 2017 and commenced commercial production from 2nd January, 2018.

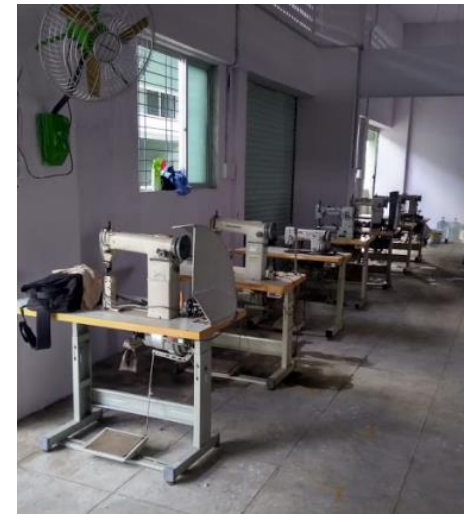
Aggregate Capacity: Coils: 1,200 Mn.p.a
Vaporizers: 43.2 Mn.p.a - Aerosols: 7.2 Mn p.a.



Mumbai

- This unit is located in Mumbai and was acquired as an on-going concern.
- The company commenced production in June 2018.
- The company is manufacturing leather products for women, men and children – slippers, sandals, open toe, high heels, huarache and mules.

Capacity: Sandals 1 Mn pairs p.a
Shoes 0.37 Mn pairs p.a



Scale of Operations

Coimbatore

- Located in Coimbatore, the plant is spread across 85,000 square feet and the facility commenced production in December 2018
- The company 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.



Mysore

- The company acquired 40% stake in ATC Beverages Ltd. In January 2019
- The facility is spread across 15.5 Acres of land and is engaged in the business of manufacturing and distribution of beverages like soft drinks, juices and energy drinks
- The facility has fully automated filling and packing lines



Capacity : 5.84 Mn Cs p.a

Hyderabad Facility (On-going Merger)

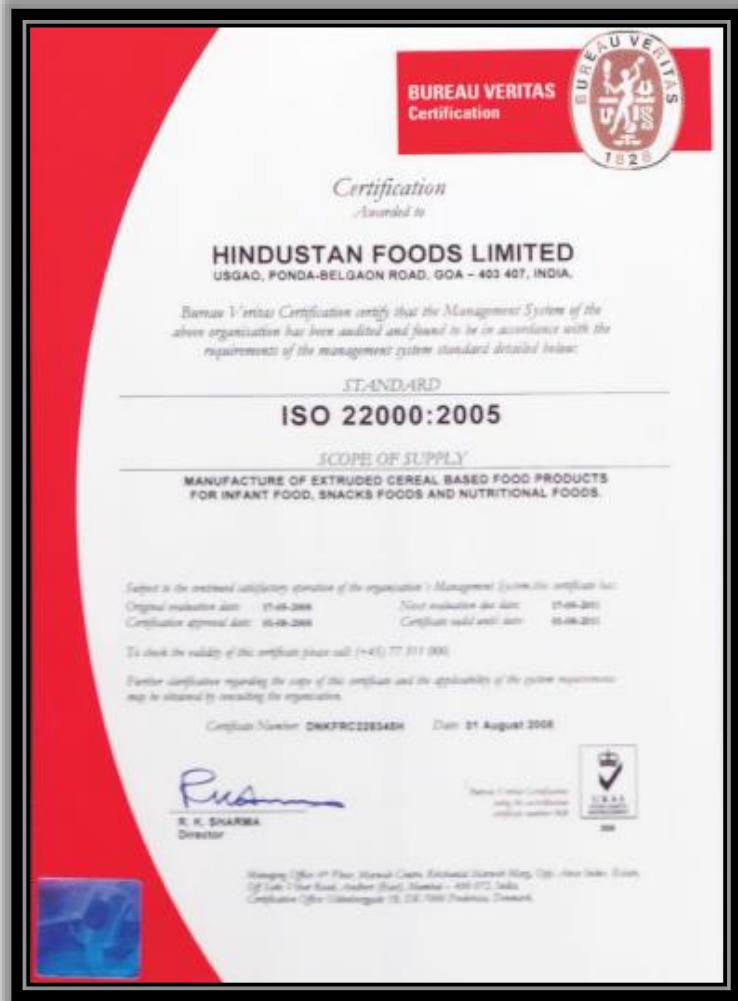
- The legal process for the merger of the Hyderabad Unit (HUL Detergent factory) has progressed and the process will be concluded by Q2-FY20.
- As soon as the Hyderabad factory is merged into the company, its turnover of INR 252 Cr of FY19 will reflect in the books of HFL as per the statutory process. In Q1-FY20, the Hyderabad unit has achieved a turnover of INR 78 Cr.
- The company is also planning to invest up to INR 150 Cr in building up a state of art Home care Liquid and Shampoo Manufacturing facility for HUL in addition to the existing detergent powder facility. This would be one of the largest detergents facilities in India for the said principal.
- Phase I of this new project is under progress with the civil work near completion and Phase II is expected to be concluded by Q2-FY20 and the company expects to kick-off commercial production by Q3-FY20.



- **Key Clients:** Hindustan Unilever
- **Products:** Detergent Powder and Liquid Soaps
- **Brands:** Rin, Wheel, Surf Excel



Food Safety and Certifications



BRC (British Retail Consortium), an industry wide benchmark for quality and food safety

BIS (Bureau of Indian Standards) | ISO 9001:2008 | ISO 9001, ISO 22000:2005 | GMP | Halal certification



BUSINESS MODEL

Contract Manufacturing



1 unit



many clients



Multiple products

Introduction

- Contract Manufacturing is a process of outsourcing a part or the whole manufacturing process of a product to a third party. For the company under this model, the manufacturing units are utilized for various client companies in order to manufacture part of their requirements.
- The company's prime objective is to provide contract manufacturing solutions for MNCs and emerging businesses. With our experience in manufacturing, we have excelled in reducing production costs while maintaining premium quality as per the specifications.
- These contracts are typically for seasonal clients, product testing and smaller companies without manufacturing capabilities. The contracts are not long term and are flexible in nature, in terms of volume, product categories and size. Competitive products are made in the same facility.



Your Brand



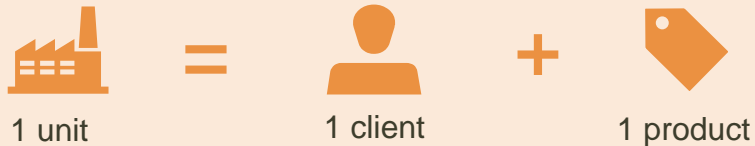
Our Expertise

Advantages



- Under this model, the company either does the greenfield expansion of the manufacturing facility for the principal or acquires the facility from the principal.
- The company ensures that there are long-term contracts in place before acquiring or setting up such manufacturing units.
- This model can be categorized: Entire Dedicated Model & Anchor Tenant Model.

Entire Dedicated Manufacturing



- In this model, the entire manufacturing facility is exclusively utilized for the principal company.
- The location, layout, design, machinery, capacity and all other parameters of the unit are finalized and executed in complete concurrence with the principal in this case.
- The investment, project execution and management of the facility is done by the company.
- The principal guarantees the business for a minimum number of years and returns on investments (ROI).
- Jammu, Coimbatore and Hyderabad plants are dedicated manufacturing units.



Anchor Tenant Model



- In this model, 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.
- The anchor tenant enjoys all the privileges of a principal, however there will be a few minor partners sharing the facility. This helps to spread the overheads and bring down the costs.
- The Goa unit of the company manufactures various extruded food products for various companies.



Introduction

- Private label is the process of taking a manufacturer's formulation and designing and adding your name and logo to it.
- Private labels are developed based on extensive research and testing methods which can be similar but not a replication of any other product. Efficacy, quality and value are key factors in all the procedures.
- Hindustan Foods Ltd. is responsible right from procurement of raw materials, development to packaging of the products. The company owns the product formula made for these private labels.
- Private-label services offer a number of customizable options and requirement levels at competitive prices. The focus is to ensure that customers are provided with complete turnkey private labelling solutions.
- The company has expertise in developing foods, beverages, leather products and pest control products for private labels.
- The company utilizes their skilled team of designers in conceptualizing the product's unique corporate identity.

Clientele



U.S. POLO ASSN.
SINCE 1890

G GROFERS



Your Concept Our Expertise

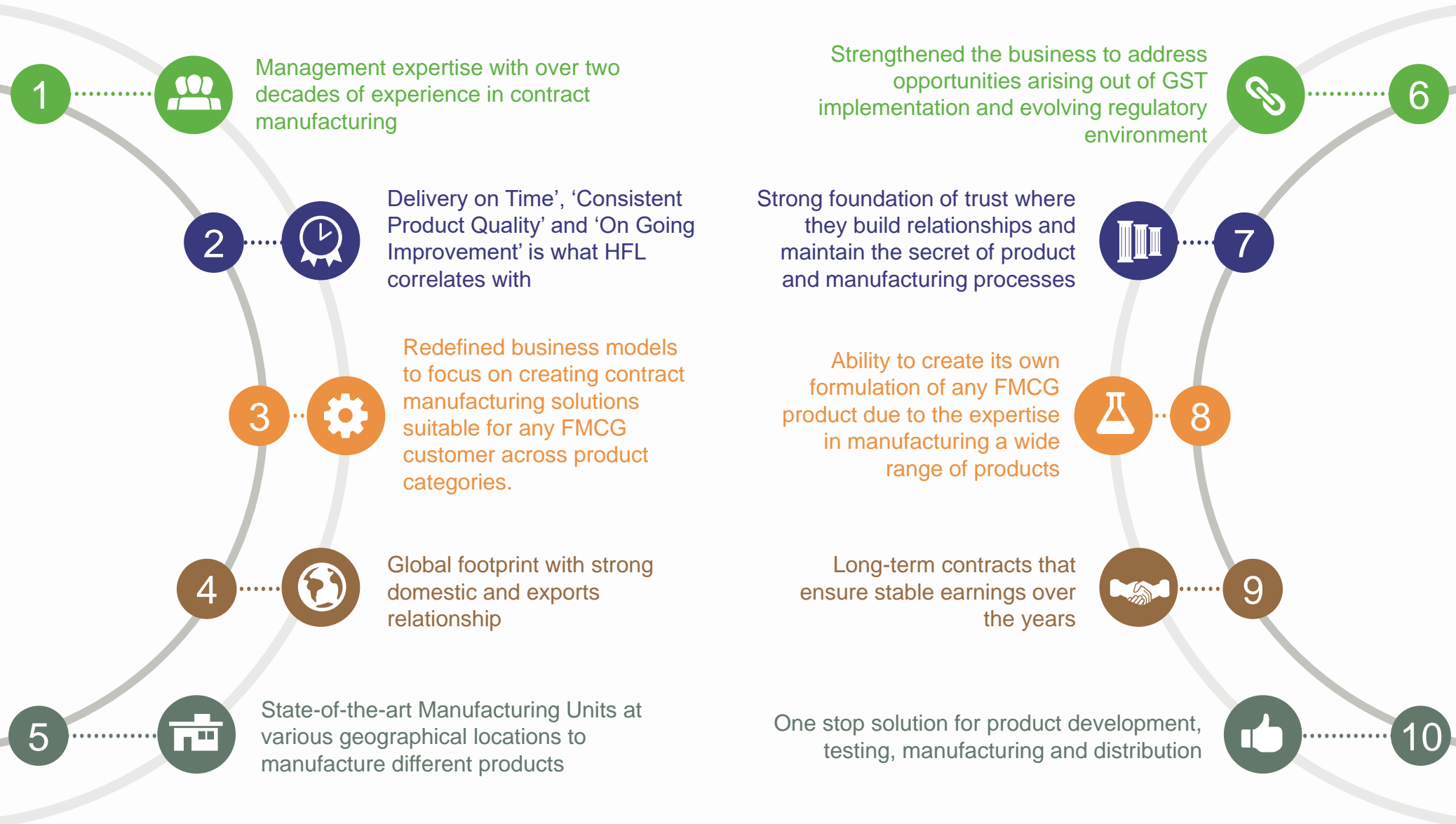
Advantages





STRATEGIC OVERVIEW

WHY HFL?





There is a growing opportunity in the contract manufacturing space in India as the space is not marked by a large number of organised players with access to financial resources, execution capability, ability to manage multi-locational facilities or possessing diversified business across verticals, products, customers and locations.



The company possesses the ability to address product complexity on one hand and the ability to respond to small volumes needed by fledging customers on the other.



HFL represents an attractive gateway for international brands seeking to prospect marketing opportunities in India without spending extensively in setting up manufacturing facilities.



The company has strengthened its capital structure by raising equity to capitalise on emerging opportunities.



GST implementation also opens up the opportunity for setting up manufacturing units across India and not just in tax-exempt zones.



The company 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.





CORPORATE SOCIAL RESPONSIBILITY

Social Initiatives

We all have a social responsibility and have to be mindful of what we do and say.

Our Small Steps

Blood Donation Camp

School building restoration

Tree Plantation

Food & grocery distribution

Water Cooler Donation

Umang Foundation Trust

Girl Child Welfare
(Hygiene, Sports, Education)

Supporting Differently Abled

Towards a big change

Environment

Society

Workplace

Market
Place



Tree Plantation



Girl Child Welfare Program



Supporting Differently Abled



School Restoration Program



Donation of Water Cooler





FINANCIAL OVERVIEW

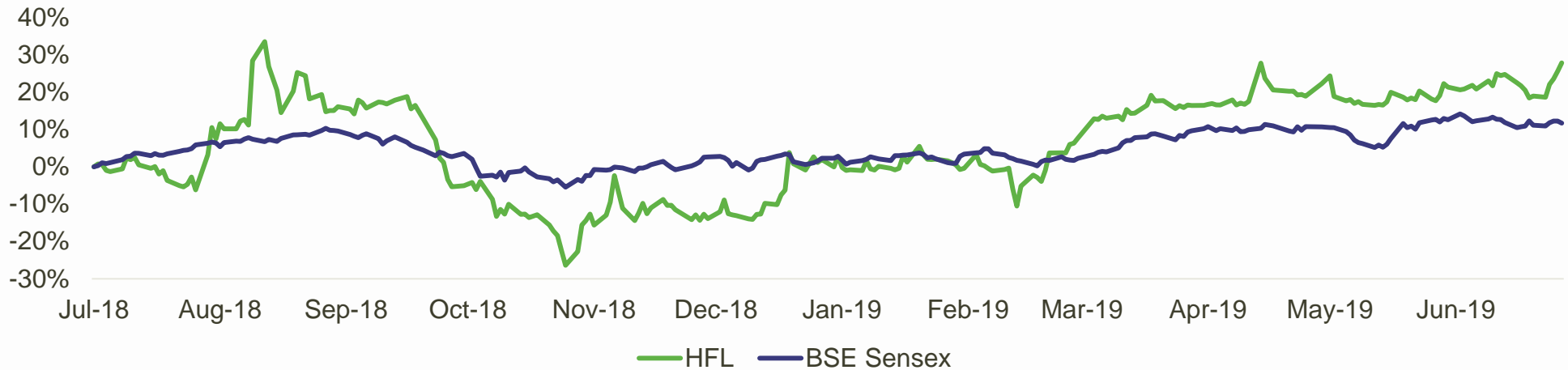
Income Statement

Income Statement (INR Mn)	FY17	FY18	FY19	Q1-FY20
Operational Income	387	1,389	2,366	777
Total Expenses	357	1,288	2,162	708
EBITDA	30	101	204	69
Depreciation	14	12	31	12
Interest	10	13	40	17
Other Income	2	11	6	1
PBT	8	87	139	41
Tax	2	24	37	11
Profit After tax	7	63	102	30
PAT Margins(%)	1.81%	4.54%	4.31%	3.86%
Other Comprehensive Income	(2)	-	(1)	-
Total Comprehensive Income	5	63	101	30
EPS Basic (INR)	0.65	4.81	7.65	2.24

Balance Sheet (As per IND-AS)

Particulars (INR Mn)	FY18	FY19	Particulars (INR Mn)	FY18	FY19
EQUITIES & LIABILITIES			ASSETS		
Shareholder Funds			Non Current Assets		
Share Capital	130	135	Property, Plant and equipment	390	725
Other Equity	253	493	Capital Work in Progress	30	3
			Intangible Assets	1	18
Non Current Liabilities			Deferred Tax Asset (Net)	2	-
Long Term Borrowings	297	478	Long Term Loans & Advances	2	4
Other Long Term Liabilities	-	9	Other Non-Current Assets	27	104
Other Financial Liabilities	3	8	Other Financial Assets	1	2
Long Term Provisions	4	4	Non-Current tax assets	6	3
Deferred tax liabilities (Net)	-	5			
Current Liabilities			Current Assets		
Short term Borrowings	31	152	Inventories	244	348
Trade Payables	415	443	Trade Receivables	291	355
Other Current Liabilities	14	11	Cash & Bank Balances	66	44
Other Financial Liabilities	12	71	Short-term loans & advances	-	13
Provisions	2	7	Other Financial Assets	45	37
Current Income Tax	14	14	Other Current Assets	70	174
GRAND TOTAL - EQUITIES & LIABILITES	1,175	1,830	GRAND TOTAL – ASSETS	1,175	1,830

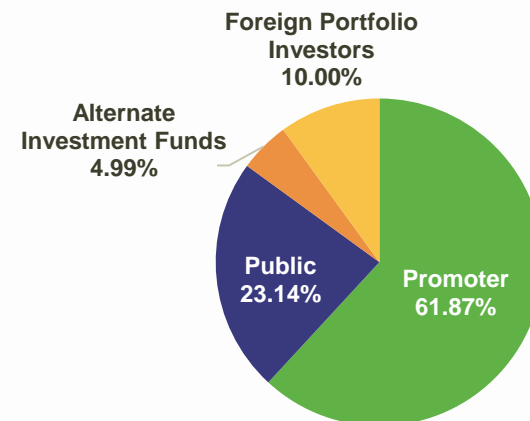
Share Price Performance (As on 30th June, 2019)



Market Data (INR) (As on 30th June, 2019)

Face Value	10.0
CMP	439.1
52 Week H/L	484.0 / 252.9
MCAP (Mn)	5,924.6
Shares O/S (Mn)	13.5
1 Yr Avg. Vol. ('000)	14.2
1 Yr Avg. T/O (Mn)	5.3

Shareholding Pattern (As on 30th June, 2019)



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THANK YOU