



# 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: 27<sup>th</sup> February, 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,

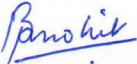
**Sub.: Earnings Presentation for Q3 FY 2019-20**

In pursuance to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Earnings Presentation for Q3 ended 31<sup>st</sup> December, 2019 of FY 2019-20.

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



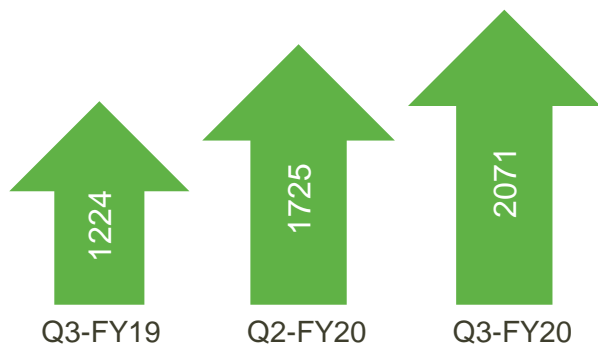
# HINDUSTAN FOODS LIMITED

EARNINGS PRESENTATION | Q3-FY19-20

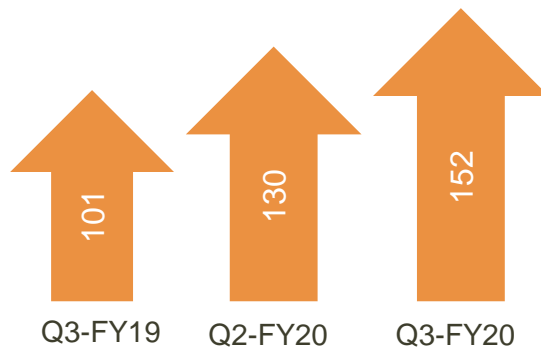


# Q3-FY20 Consolidated Performance Highlights

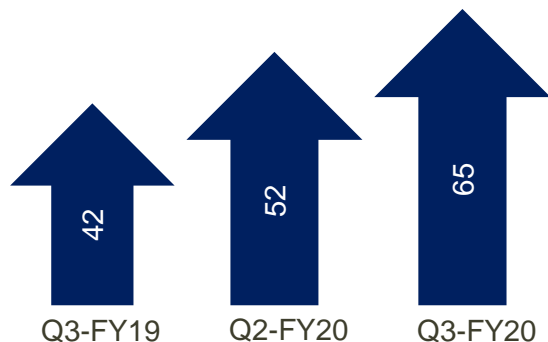
## OPERATIONAL INCOME [INR MN]



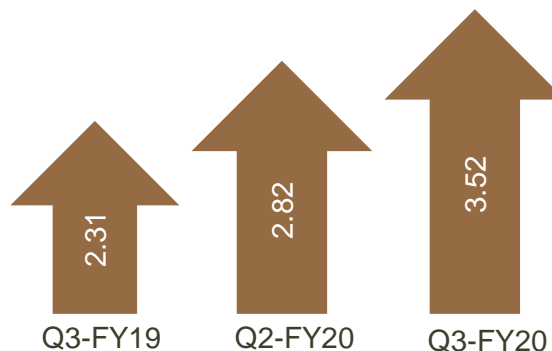
## EBITDA [INR MN]



## PAT [INR MN]



## BASIC EPS [INR]



- Operational Revenue for Q3-FY20 grew by 68% YoY.
- EBITDA grew by more than 50%.
- PAT for the quarter grew by 68% YoY.
- The process of demerger of the Hyderabad facility of Avalon Cosmetics Private Limited with the company has been successfully accomplished.
- ATC Beverages Private Limited, an associate of the company, has successfully ramped up production and is expected to reach its optimal capacity utilization in Q4FY20.
- The Company has effectively enhanced production at its green-field project in Coimbatore for packing of tea, coffee and other beverages.

*\*The above financials reflect merger of the Hyderabad unit, and the comparatives have been restated for current and previous financial year.*

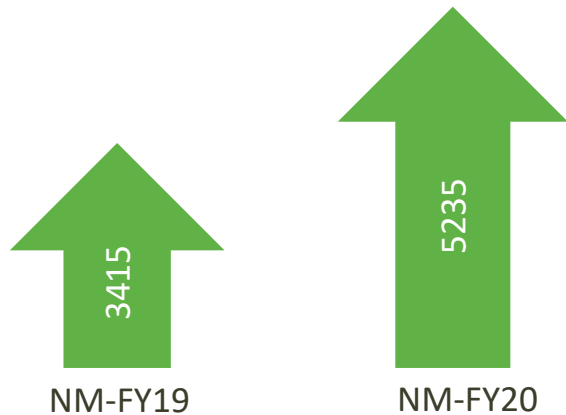
# Consolidated Quarterly Income Statements (Ind-As)



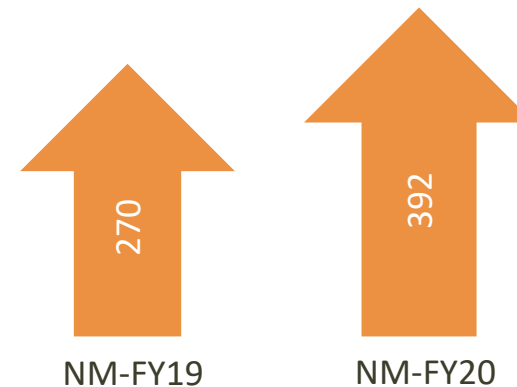
Income Statement (INR Mn)	Q3-FY20	Q3-FY19	Y-o-Y	Q2-FY20	Q-o-Q
			% Change		% Change
Operational Income	2,071.36	1,224.24	69.20%	1,724.98	20.08%
Total Expenses	1,972.68	1,164.08	69.46%	16,457.48	19.87%
EBITDA	151.72	100.91	50%	130.60	16.17%
Depreciation	26.46	17.72	49.34%	25.03	5.72%
Interest	23.78	18.03	31.90%	24.72	-3.79%
Other Income	2.80	5.00	-43.98%	1.63	72%
Share of profit/loss from associate	(5.50)	-	NA	(1.66)	230.81%
PBT	95.98	65.16	47.31%	79.19	21.20%
Tax	36.59	22.65	61.59%	29.00	26.21%
Profit After tax	59.38	42.51	39.69%	50.20	18.30%
PAT Margins(%)	2.87%	3.47%		2.91%	-1.48%
Other Comprehensive Income	-	-	NA	-	NA
Total Comprehensive Income	59.38	42.51	39.69%	49.93	18.93%
Basic EPS (INR)	3.22	2.31	39.69%	2.73	18.30%

# Nine Months-FY20 Consolidated Performance Highlights

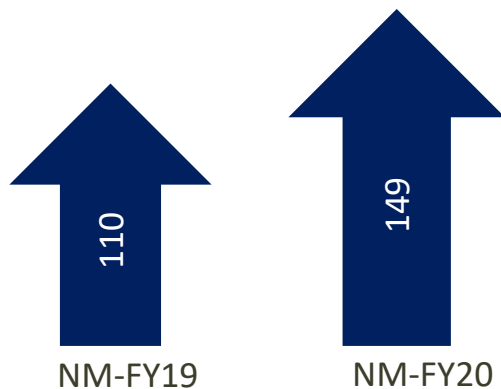
## OPERATIONAL INCOME (INR MN)



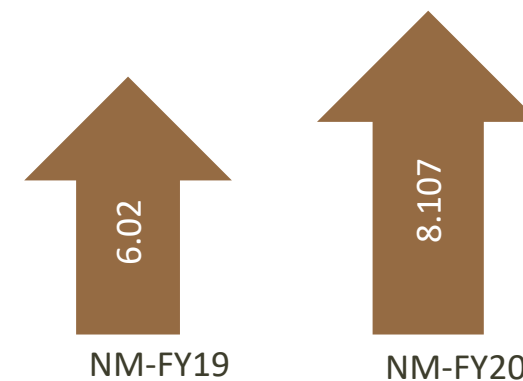
## EBITDA (INR MN)



## PAT (INR MN)



## BASIC EPS (INR)



# Consolidated Nine Months Income Statement



Income Statement (INR Mn)	9m-FY20	9m-FY19	Y-o-Y % change
Operational Income	5,235.26	3,414.67	53.32%
Total Expenses	4,996.37	3,252.84	53.60%
EBITDA	391.83	269.78	45.24%
Depreciation	74.70	51.79	44.24%
Interest	72.92	49.90	46.13%
Other Income	5.33	6.26	-14.94%
Share of profit/loss from associate	(7.16)	-	NA
PBT	237.05	168.09	41.03%
Tax	149.27	109.67	36.11%
Profit After tax	148.45	109.50	35.56%
PAT Margins(%)	2.84%	3.21%	-11.58%
Other Comprehensive Income	-	-	NA
Total Comprehensive Income	148.4	109.5	35.56%
Basic EPS (INR)	8.1	6.0	34.53%

## YoY Financial Performance [Q3-FY20 vs Q3-FY19]

- With addition of new product categories and increase in existing capacities and merger of the Hyderabad unit, the Company has posted its highest ever turnover and profits.
- Depreciation increased primarily due to the capitalization of the Coimbatore tea plant.
- Increase in interest cost was due to term loan taken for Coimbatore plant and also increase in working capital facilities
- The share of profit/loss from associate of INR 5.50 Mn is related to the associate company ATC Beverages Ltd in which the company holds 45.40%
- Tax expense is increased due to deferred tax due to increased depreciation because of rapid expansion.

## Sequential Financial Performance (Q3-FY20 vs. Q2-FY20)

- Besides the Hyderabad merger, increase in revenue was also due to the ramp up of tea and coffee production in the Coimbatore plant.
- EBITDA increase was due to ramping up of the new factory and resultant operational efficiencies.

## Capitalization and Borrowings

- Long term borrowings have increased to finance the expansion.

## Future CAPEX Plans

- The company is proposing to set up a liquid manufacturing facility in Silvassa for a leading home care liquid brand. The board has authorized an investment of up to INR 30 Cr 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 Kl of liquids and the company hopes to enter into a multi-year contract for the same.



## Hyderabad Facility:

- The legal process for the merger of the Hyderabad Unit (HUL Detergent factory) has been accomplished.
- Financials have been consolidated in HFL books.
- Since it is a common control transaction, the financials of last year is also restated since the appointed date was 1<sup>st</sup> April 2018.
- The new facility for HUL manufacturing Liquid Detergent and Shampoo started trial production towards the end of Q3FY20. The next quarter will see commercialization and ramp-up of production.





# ABOUT HFL

## Introduction

- Hindustan Foods Ltd. was founded in 1984, promoted by the Dempo Group.
- The company offers **Dedicated and Shared Manufacturing** services to top FMCG corporates 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. and since then the company has diversified across various FMCG categories with manufacturing competencies in **Food & Beverages, Home Care, Personal Care, Fabric Care, Leather products and Pest Control.**
- 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.
- Over the years, HFL has transformed into a scalable, profitable, and the most 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.
- HFL has a market capitalization of INR 9281.6 Mn as on 31<sup>st</sup> December, 2019.

## Key Clients



## Goa



- **Key Clients:** Danone, Pepsico, Marico
- **Products:** Baby Food Products & Snacks
- **Brands:** Farex, First Food, Easum, Kurkure Puff-corn.

## Pondicherry



- **Key Clients:**  
**International:** TBS, Jomos, Gabor  
**Indian:** Bata, Hush Puppies, US Polo, Arrow
- **Products:** Shoes for Men, Women and Juniors & Uppers

## Mumbai



- **Key Clients:** Espirit, Saks Fifth Avenue, Dune, Myntra, Lollipop, Flipkart.
- **Products:** Primarily Shoes for Women & Men

## Jammu



- **Key Client:** Reckitt Benckiser
- **Products:** Coils, Vaporizers, Aerosols
- **Brands:** Mortein

## Coimbatore



- **Key Client:** Hindustan Unilever
- **Products:** Tea, Coffee
- **Brands:** Tea: Taj Mahal, Lipton, 3 Roses  
Coffee: Bru

## Hyderabad



- **Key Client:** Hindustan Unilever
- **Products:** Detergent Powder, Liquid Detergent, Shampoo
- **Brands:** Surf, Surf Excel, Rin, Wheel, Comfort, etc



# HISTORICAL FINANCIALS

# Consolidated Historical Income Statement (Ind-As)-\*

Income Statement (INR Mn)	FY17	FY18	FY19*	9M-FY20*
Operational Income	387	1,389	4,891.58	5,235
Total Expenses	357	1,288	4,716.53	4,996
EBITDA	30	101	329.36	392
Depreciation	14	12	74.29	75
Interest	10	13	73.53	73
Other Income	2	11	6.49	5
Share of profit/loss from associate	-	-	-	-7
PBT	8	87	181.54	237
Tax	2	24	63.10	149
Profit After tax	7	63	118.44	148
PAT Margins(%)	1.81%	4.54%	2.42%	2.84%
Other Comprehensive Income	-2	-	-	0
Total Comprehensive Income	5	63	117.63	148.45
Basic EPS (INR)	0.65	4.81	6.49	8.10

\* Post merger (FY19 and 9M FY20 is with merger effect)

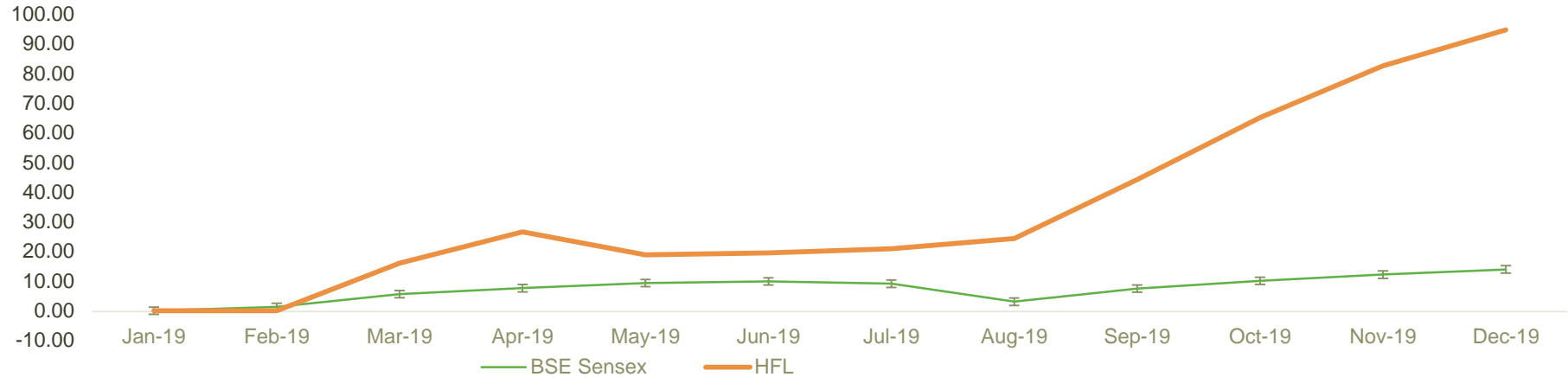
# Consolidated Balance Sheet (Ind-As)\*



Particulars (INR Mn)	FY19	H1-FY20	Particulars (INR Mn)	FY19	H1-FY20
<b>EQUITIES &amp; LIABILITIES</b>			<b>ASSETS</b>		
Shareholder Funds			Non Current Assets		
Share Capital	134.93	134.93	Property, Plant and equipment	1,310.3	1,450.3
Other Equity	583.46	1,015.07	Capital Work in Progress	3.4	1,030.8
Non Current Liabilities		-	Intangible Assets	17.6	14.2
Long Term Borrowings	652.77	1,570.70	Investments		31.8
Other Financial Liabilities	8.15	193.35	Long Term Loans & Advances	7.3	13.3
Employee benefits obligations	4.07	9.11	Other Non-Current Assets	103.6	20.1
Long Term Provisions			Other Financial Assets	5.0	102.1
Deferred tax liabilities (Net)	65.05	110.52	Non-Current tax assets	22.2	3.2
Other non current Liabilities	8.47	8.47	Deferred Tax Asset (Net)	-	-
<b>Current Liabilities</b>			<b>Current Assets</b>		
Short term Borrowings	197.8	167.1	Inventories	490.4	725.8
Trade Payables	765.3	1,167.3	Trade Receivables	422.4	445.2
Other Current Liabilities	16.1	7.9	Cash & Bank Balances	45.3	125.7
Other Financial Liabilities	171.7	99.2	Short-term loans & advances	12.5	48.1
Provisions			Other Financial Assets	37.5	77.0
Employee benefits obligations	6.5	8.8	Other Current Assets	177.3	416.5
Current Income Tax	40.5	11.5			
<b>GRAND TOTAL - EQUITIES &amp; LIABILITIES</b>	<b>2,654.9</b>	<b>4,504.0</b>	<b>GRAND TOTAL – ASSETS</b>	<b>2,654.9</b>	<b>4,504.0</b>

\* Above numbers after taking merger effect of Hyderabad.

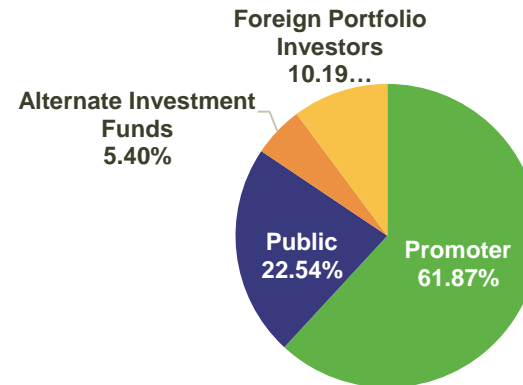
## Share Price Performance (As on 31st December, 2019)



## Market Data (INR) (As on 31 st December, 2019)

Face Value	10.0
CMP	687.90
52 Week H/L	720.00/298.40
MCAP (Mn)	9281.62
Shares O/S (Mn)	13.49
1 Yr Avg. Vol. ('000)	30.13
1 Yr Avg. T/O (Mn)	97.44

## Shareholding Pattern (As on 31<sup>st</sup> December, 2019)





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THANK YOU