



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 6980 1700/01, CIN: L15139MH1984PLC316003

Company Scrip Code: 519126

Date: 22nd September, 2022

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: 37th Annual General Meeting of the Members of the Company held on 22nd September, 2022

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, enclosed herewith is the copy of the Chairman's Speech of the 37th Annual General Meeting of the Members of the Company held on Thursday, 22nd September, 2022 at 11.30 a.m. through **Video Conference facility ('VC') or Other Audio - Visual Means ('OAVM')** and the deemed venue was the Registered Office of the Company at Office no. 3, level-2, Centrium, Phoenix Market City, 15, LBS road, Kurla (West), Mumbai - 400 070.

You are requested to take the same on record.

Yours faithfully,
For HINDUSTAN FOODS LIMITED

Bankim Purohit
Company Secretary
ACS 21865

Encl.: As above



Hindustan Foods Limited

22nd September 2022

Shrinivas V. Dempo

Chairman's Speech

37th Annual General Meeting

Hindustan Foods Limited,

Mumbai

Ladies and Gentlemen,

I wish everyone a very good morning and welcome you all to the 37th AGM of your company, Hindustan Foods Limited. I hope each of you and your families continue to remain safe and healthy.

It gives me immense pleasure and privilege to share my views on the overall performance of your Company. We have seen the Director's report and the audited financial statements for FY 2021-22 and with your permission, I shall consider them as read.

India has a huge headroom for FMCG's growth due to low FMCG per capita consumption when compared to other emerging nations like Indonesia, China, the Philippines, and Thailand. Even though the sector witnessed uncertainties like disrupted supply chain and various other complexities, there are significant positives as well. The FMCG industry has been projected to grow to a market size of almost USD 220 Bn by 2025.

The FMCG industry in India has seen a remarkable transformation over the last two decades. Revenue growth is expected to surge owing to many factors like recovery in urban demand and discretionary segments, as well as price rises implemented to counter the impact of rising raw material costs.

Due to the distinct competitive advantage of availability of high intellectual capital and labour cost, India has been a preferred destination for a range of outsourcing activities. In today's times, a contract manufacturer is not just a producer and packer, but a value-adding partner across the entire supply chain.

In the current context, FMCG majors rely heavily on contract manufacturing companies to meet ever-changing demand dynamic. India stands out as a potential manufacturing powerhouse that is yet to realise its promise.

The year 2021-22 was the year that tested our ability and capability to perform. Despite being hovered by the shadow of Covid-19 pandemic, I am happy to share that your company clocked the highest ever revenues and profitability numbers in your Company's history and achieved its goal of Rs 2,000cr revenue. This can be attributed to the opportunities that came our way in terms of more acquisitions as the pandemic-induced economic slowdown resulted in consolidation and made companies realise the benefits of outsourcing versus having their own factories.





Hindustan Foods Limited

Talking about acquisitions, in FY 2021-22, your company invested in Aero Care Personal Products LLP. AeroCare is involved in manufacturing various colour cosmetics like lipsticks, eye make-up, face powder, lip gloss, oral care and aftershaves. The unit was taken over in January 2022 and your company is very excited about ramping up this facility to its full potential. Your company's Colour Cosmetics plant achieved its highest turnover in March 2022 and your company expects to do around Rs 100 crores turnover from this facility in FY22-23.

Your company completed the merger of the malted Beverages packaging unit in Coimbatore and ATC Beverages Private Limited in Mysuru. In addition to its existing customer, Hector Beverages (Paper Boat), your company now manufactures for Tata Consumer Products Limited. Even though the performance of the beverages business was unsatisfactory for the entire year, the unit achieved its highest turnover in the last quarter of FY 2021-2022, post the conclusion of the merger and expansion. Your company expects to do a turnover of around 75 crores from this site.

The new plant in Tamil Nadu started its commercial production of knitted shoes and the shoe-making facility at Vasai (Mumbai) also started producing injection moulded Sandals and Flip Flops.

Your Company's wholly owned subsidiary, HFL Consumer Products has successfully set up the Ice Cream plant in Uttar Pradesh and commenced trial production during the last quarter of FY 2021-22. The first dispatch was done in April '22 and the production is expected to be ramped up to 15 million litres of Ice Cream by the end of FY 2022-23. The Board has given its accord to the Management of HFL Consumer Products for a further investment of Rs. 75 crores at this unit.

Reckitt Benckiser Scholl India Private Limited acquisition has been successfully completed in Q1FY22-23 and your company expects to do around Rs. 100 crores of turnover from this facility in this financial year 2023.

The company had acquired 6 acres of land next to its existing 16 acres facility in Hyderabad for manufacturing Bath Soaps and Detergent Bars. Commercial production of this plant that had been delayed has started and is expected to be completed by Q4FY22-23.

Coming to financial performance, your company reported a total revenue of Rs 2,026 cr in FY22 vs Rs 1,410cr in FY21, recording a growth of 44% y-o-y and a super strong growth of 120.4% over the revenues in FY 2016-2017. Strategic acquisitions supplemented by the existing contract agreements and commencement of new products and projects drove the revenue growth.

On the EBITDA front, your company clocked a 30% y-o-y growth to Rs 120.4cr vs Rs 92.8cr in the previous year. We also recorded the highest ever PAT at Rs 50.1cr which was a 41% growth over FY20-21. All the strategic decisions in the recent years contributed to strengthening value for our shareholders, as Earnings Per Share for 2021-22 stood at Rs 22.2, a growth of 27.6% over the last fiscal.

Going forward, FMCG companies can significantly minimise their risks in the areas of operations, supply chain, financial and human management by simply opting for contract manufacturing. Contract manufacturing companies act as growth catalysts for FMCG majors.





Hindustan Foods Limited

Our conviction persists that contract manufacturing, as a subcategory of the FMCG universe, is very relevant and is becoming even more relevant with time. This is expected to have a simultaneous impact on the Contract Manufacturing sector boosting impetus for the growth of your company.

Your company is working hard on a pipeline that shall propel your company onward and upward towards its next journey of Rs 4,000cr turnover by FY 2024-25. To derisk our business model and further decentralise the operations, your company has commenced evaluating adjacent fast-growing sectors within the FMCG space, like health and wellness, ice-creams and colour cosmetics which have witnessed tremendous growth in the last one year. We will continue to invest in CAPEX across various geographies.

Last but not the least, your company is a firm believer of the fact that it is imperative to connect economic growth with environmental stewardship and financial performance with social responsibility. The endeavour of your company is to ensure that the ESG focus is encapsulated into its manoeuvrings and that your company's growth vigour is pertinent with unceasing development practices prudently using the honourable approach.

Before I end, I would like to take the opportunity to express my gratitude to the workforce and the entire team at Hindustan Foods Limited.

Lastly, I would like to thank all the Shareholders and Stakeholders who have been a part of this great journey of your company. My sincere thanks to our Board members who have been guiding the company tirelessly. Together, I am sure, we will continue to achieve one milestone after another in the years to come.

I am eternally grateful to you all for your cooperation and the trust that you have reposed in us.

Good Bye.





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