



# Sustain

# Soar

# Leap

HINDUSTAN FOODS LIMITED  
33<sup>rd</sup> ANNUAL REPORT  
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## LEAP

Hindustan Foods Ltd. (HFL) commenced operations in 1988 under the umbrella of Dempo Group of Companies. Being a single product (Farex), single customer (Glaxo) and a single location (Goa) company, HFL linked its fortunes closely with the brand and the customer. The decline in the brand affected the company in a large way leading to a near complete wipeout of its net worth. A strategic alliance with the Vanity Case Group in 2013, who were engaged in the FMCG contract manufacturing business since the last two decades, led to a rethink on the strategy. The company redefined its business model to strategically focus on creating contract manufacturing solutions built to suit any type or size of FMCG customers across diversified product categories. It also decided to achieve scale by diversifying across geographies and customers. The Vanity Case Group turned around HFL's loss-making Goa unit by enhancing capacity utilization and efficiencies and diversifying the customer base. Building on the success of this turnaround, the company strengthened its financial position through restructuring and primary equity infusion. The company actively started scouting around for both organic as well as inorganic opportunities to grow within this space. Backed by a strong management team, HFL established a solid footing from where it could **leap** towards a better future.



LEAP



## SOAR

### SOAR

After having established a strong foundation - a dedicated team backed by financial resources and a clear vision of becoming the largest FMCG contract manufacturer in the country - the company expanded its capacities and capabilities across product categories. It added prestigious clients like Pepsico, Reckitt & Benckiser, Hindustan Unilever Ltd., and also internationally renowned patrons such as Hush Puppies, Steve Madden, U. S. Polo, Gabor, etc. Capitalizing on opportunities arising from GST implementation, the company increased its geographical footprint across India to six manufacturing locations through acquiring factories making Pest Control products and detergents and also building factories that can pack teas. From a company with a depleted net worth, it is now bidding and acquiring other ventures, larger than its own size, and successfully adding value to them through its innovative contract manufacturing solutions. With all these business expansions including the acquisitions, HFL is confident that it should be able to **soar** into one of the finest and most reliable contract manufacturers in India.

## SUSTAIN

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With the Indian consumption story guaranteed to continue its growth trajectory, companies of all sizes in the FMCG industry are focusing on leveraging their brand building and marketing skills to address this growing demand. The change in regulatory environment (GST) and entry of smaller and nimbler players is leading to a rethink on the manufacturing strategy and a growing recognition of outsourcing as a preferred option. HFL, with its abilities to offer unique and customized solutions to reduce overheads and risks associated with manufacturing, should emerge as one of the most promising and dependable outsourcing companies in India. Besides contract manufacturing, the company will further enhance its value proposition by offering formulation, packaging, branding, marketing, and distribution solutions to various private labels and smaller brands. With a robust business model, HFL is bound to **sustain** the test of times in the longer haul.



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## Our Mission

To provide world class solutions for the FMCG industry in the areas of product innovation, manufacturing and distribution.

## Our Vision

To become India's largest FMCG contract manufacturer diversified across product categories & geographies.



## INTEGRITY

We believe in transparency at the work place, in our processes and dealings because action indeed is the sole medium of expression for ethics.

## INNOVATION

To innovate is to lead for a better life and we always seek to challenge the obsolete and even the current.

## INITIATIVE

We are always ready to tread that extra mile to give our customers and associates delight in new avenues.

## OBJECTIVE

Hindustan Foods Ltd. has a very clear objective to be a leader in contract manufacturing for various FMCG companies. The company wants to create strong relationships with its clients that ensure long term contracts and a sustained business. Our choice of acquisitions, expansions and consolidation clearly defines our strategies with the common goal of growth that is consistent, competitive, profitable and responsible. The company is confident of translating its visionary dream into reality.

# Hindustan Foods Limited

Hindustan Foods Ltd. was established in 1988 by the Dempo Group to foray into the FMCG segment through a joint venture with Glaxo India Ltd.

The Company strategically collaborated with Vanity Case Group in 2013 to take it to greater heights. Vanity Case Group transformed a challenge into an opportunity through deep understanding of client's manufacturing needs. Since then, the company has diversified across various FMCG categories with manufacturing competencies. Today, the company has manufacturing units in four locations across the country and two more have been proposed.

HFL currently manufactures a wide range of products involved in day-to-day life, ranging from food and beverages, pest control products like coils, vaporisers, aerosols and leather products like shoes, bags, wallets and accessories along with home care products like detergents.

We have consistently outgrown the pace of the industry since the last 5 years. Our growth has been driven by our manufacturing capabilities across geographies, technical know-how and management expertise and experience. Given India's rapid economic growth and rising disposable income, HFL is well positioned to ride this boom to a secure, robust and long term growth. We continue to invest in our manufacturing processes to ensure that we can leverage emerging opportunities.

Hindustan Foods follows three key business models to serve the needs of the brands and manufacture products, namely contract manufacturing, wherein the manufacturing units are utilized for various client companies with contracts, which could be temporary in nature; the second model being the OEM model, where the entire manufacturing facility is exclusively utilised for a specified product of a company and where contracts have a longer tenure of approximately 5 to 7 years; and thirdly we have the Private Label model, wherein we provide special services for new products/ brands by providing them end-to-end manufacturing solutions for their products, including formulation, product design, packaging design, etc. As we move forward on this growth trajectory, we envision ourselves as the leaders in contract manufacturing with a marked presence in every consumer goods category.



## CLIENTELE

In Goa, the company caters to FMCG leaders like Pepsico, Danone, Hindustan Unilever & Marico to name a few.

In Puducherry, the company manufactures leather products like shoes, jackets, bags and accessories for renowned international brands like Hush Puppies, Gabor, Richter, Jomos, Kenneth Cole, Steve Madden and TBS and also Indian brands like Hidesign, Arrow, U.S. Polo and Louis Philippe.

In Jammu & Kashmir, the company meets the manufacturing needs of Reckitt Benckiser for its pest control products like coils, aerosols and vaporisers.

In Mumbai, the company has begun to manufacture quality ladies footwear for various brands like Esprit, Saks 5th Avenue, Dune, and also for e-commerce majors like Flipkart, Mynta, Amazon, etc.

In Coimbatore, the company will be blending and processing tea, coffee and soups for Hindustan Unilever Ltd.

In Hyderabad, the company will be manufacturing detergent powder for Hindustan Unilever Ltd. under the brand names of Rin, Wheel and Surf.

## CERTIFICATION

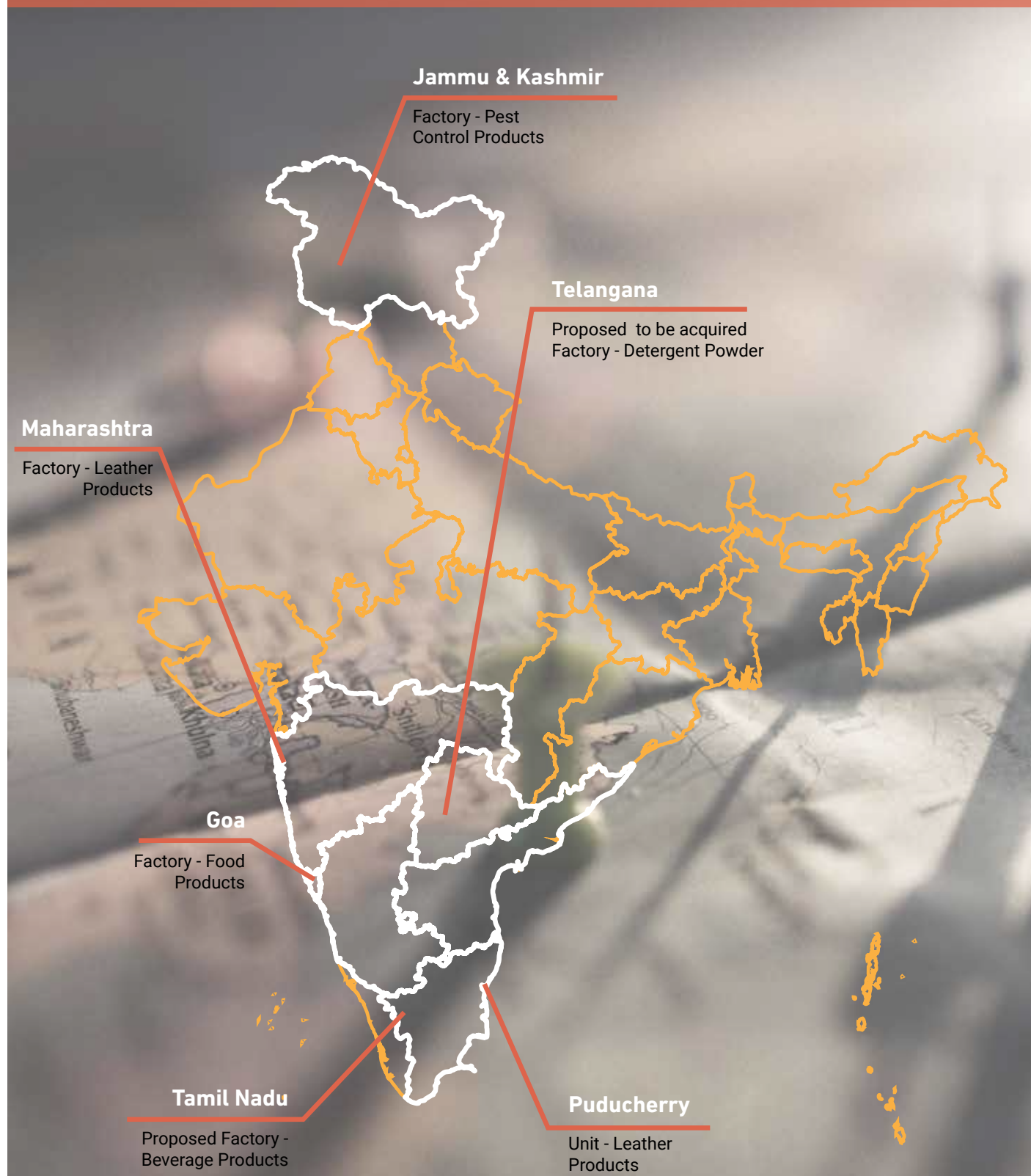
The manufacturing facilities of HFL have been managed in a manner that fully satisfies and at times exceeds the quality requirements of its esteemed global customers. Moreover, regular and methodical audits from these international QA teams facilitate as a catalyst for continuous improvement in all the relevant areas of the plants.

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



## geographical locations

HFL has state-of-the-art technology to give a competitive edge in terms of scale, quality and product innovation and meeting standard requirements across geographies in India.







## manufacturing facilities

### • Goa Factory

- This is the very first facility of the company spread across 52,625 square metres, located in Panji, Goa.
- It addresses a range of extruded foods needs and manufactures healthy food and nutritional products for Farex, Easum for Dannon, Kurkure Puffcorn for Pepsico and Marico.
- Today, the plant comprises extrusion capacity of 6,000 tons per annum and dry-mix blending capacity of 1,000 tons per annum. The capacity expansion from 3,000 tons to 6,000 tons was undertaken in 2015 to cater to the huge opportunities in the processed food segments.
- Aligned with major international food safety requirements.
- There are 8 high speed Bosch machines in pouch packing with Nitrogen flushing.
- Factory BIS, ISO 9001 and ISO 22000:2005-certified (also conforming to standards) and follows all food safety requirements.

**52,625**  
sq metres

Dannon  
Kurkure  
Pepsico  
Marico

capacity expansion

**6,000 tons** per annum





#### International brands

Gabor  
Richter  
Jomos

#### Domestic brands

Steve Maddde  
Hush Puppies  
Arrow  
US Polo

multi origin leather

**60 lac** sq feet / year



## • Puducherry Factory

- This unit was acquired as a going concern from Ponds Export Ltd., a subsidiary of Hindustan Unilever Ltd. in FY 2016-17.
- This facility addresses major international and domestic brands needs for leather shoes, uppers, bags, belts, wallets and accessories.
- Products manufactured are exported to international brands like Gabor, Richter and Jomos, domestic brands like Steve Madden, Hush Puppies, Arrow and U.S. Polo and their own brand, UN:OR.
- The facility has a unique advantage due to integration into leather processing by contracted tanneries. Tannery facility can produce up to 60 lac sq. ft. of multi-origin finished leather per year.
- Additionally, there is a comprehensive product development studio which is capable of developing any shoe style with the best fit and comfort.
- The company now also designs for brands like Steve Madden, Kenneth Cole and U.S. Polo and their own brand, UN:OR.
- Annual production capacity of 5 lac pairs of shoes and 7 lac pairs of uppers. Delivers quality output in uppers and shoes.

## • Maharashtra Factory

- This unit is located in the outskirts of Mumbai and was part of the acquisition of G Shoe Export Ltd. which was acquired as a going concern in 2018.
- The capacity of the unit is producing 3000 pairs of sandals and 1000 pairs of shoes per day.
- The company manufactures leather products for ladies, gents and children such as – slippers, sandals, open toe, high heels, huarache and mules, jackets, bags and accessories to cater to brands like Esprit, Saks 5th Avenue, Dune, etc.

