

Funds advised by Convergent Finance LLP participate in the preferential allotment of Hindustan Foods Limited with USD 19 million investment

Mumbai, September 22, 2023: Funds advised by Convergent Finance LLP (*'Convergent'*) have participated in Hindustan Foods Limited's (*'HFL'*) preferential allotment with an investment of INR 1,600 million (USD 19 million). The investment, after the preferential allotment is approved by the shareholders of HFL, will be made via a subscription to warrants (to be paid over 18 months) and will form part of a larger fundraise of up to INR 4,000 million (USD 48 million). With this, Convergent has reiterated its commitment to HFL, India's leading contract manufacturer for the fast-moving consumer goods (*'FMCG'*) sector.

This investment comes after certain funds advised by Convergent had led an investment of an amount aggregating to INR 1,540 million (USD 22 million) into HFL in 2019. The company's revenues have since grown from INR 4,919 million (USD 71 million) for the year ended March 31st 2019 to INR 25,981 million (USD 316 million) for the year ended March 31st 2023, illustrating the company's extraordinary performance and reflecting the strength of its management and business model.

HFL, founded in 1984, went public in 1988. Under the leadership of Managing Director Sameer Kothari, who took over in 2013, the company has transformed the contract manufacturing landscape in India through a relentless focus on customer relationships and strategic expansions into high-growth categories.

The company manufactures food and non-food products, including food and beverages, personal care, home care, leather shoes, accessories, and over-the-counter health products. Following this preferential allotment, Convergent's leadership will continue to advise and assist Sameer with matters relating to organic growth and expansion, acquisitions, operations, and customer introductions.

Harsha Raghavan, Managing Partner at Convergent Finance, said, "Hindustan Foods, under Sameer's leadership, has become a leader in India's contract manufacturing space through its long-term approach to business expansion and deep relationships with its customers. The proposed investment is a reflection of Convergent's stated strategy of helping build businesses over the long term, and is in line with our philosophy of helping great companies such as Hindustan Foods transform into global leaders."

Sameer Kothari, Managing Director of Hindustan Foods Limited, welcomed this investment by saying, "We are delighted to further our partnership with Convergent. Over the last four years, the firm's deep networks and capital allocation expertise have complemented our own capabilities and helped us leverage India's consumption story. We are excited about future growth prospects and look forward to working with Convergent's team more closely."

About Hindustan Foods Limited

Hindustan Foods Limited was established in 1984 as a joint venture between the Dempo Group and Glaxo India Limited. Since the current management took over in 2013, the company has diversified its offerings across various FMCG categories including personal care, home care, food and beverages, leather shoes, and accessories.

About Convergent Finance LLP

Convergent Finance LLP is an investment management and advisory partnership at the forefront of bringing together Ideas, Capital, and passionate Entrepreneurs. The Convergent investment process involves identifying proprietary platform and bolt-on opportunities, speed of execution, and a relentless focus on performance improvement. The Convergent value investing approach believes in paying fair and reasonable valuations through bilaterally negotiated transactions.