



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: 16th March, 2020

The General Manager
Department of Corporate Services
BSE Limited
Floor 25, P. J. Towers, Dalal Street,
Mumbai-400 001.
Tel : (022) 2272 1233 / 34

Dear Sir /Madam,

Sub : Outcome of the Board of Directors Meeting - Compliance of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR')

Pursuant to the Regulation 30 read with Part A of Schedule III and 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that, the Board of Directors of the Company at its meeting held on today i.e. Monday, 16th March, 2020, have:

Subject to approval of the Shareholders of the Company, considered and approved the Composite Scheme of Arrangement and Amalgamation under Sections 230-232 of the Companies Act 2013 ('Scheme') for (a) Demerger of Contract Manufacturing (Coimbatore) Business of Avalon Cosmetics Private Limited ("Demerged Company" or "ACPL") into Hindustan Foods Limited ("Resulting Company" or the "Transferee Company"); (b) amalgamation of ATC Beverages Private Limited ("Transferor Company" or "ABPL") with Hindustan Foods Limited ("Resulting Company" or the "Transferee Company"), subject to other approvals as required. The Scheme is subject to necessary statutory and regulatory approvals including the approval of National Company Law Tribunal.

Enclosed as per Annexure A is the information required to be disclosed pursuant to Regulation 30 of SEBI LODR read with Securities and Exchange Board of India Circular No. CIR/CFD/CMD/4/2015 dated September 09, 2015.

The Board meeting commenced at 10:30 a.m. and concluded at 1:00 p.m.

We request you to take the above on record.

Thanking you.

Yours truly,

For Hindustan Foods Limited


Bankim Purohit
Company Secretary



Encl.: As above

VANITYCASE
Integrity Initiative Innovation



ANNEXURE 1

Disclosure under Regulation 30 of SEBI (Listing Obligations & Disclosure Requirements)
Regulations 2015

Scheme of Arrangement

Sr. No.	Particulars	Remarks												
1	Name of the entity(ies) forming a part of the demerger and merger, details in brief such as size, turnover etc.	<p>The Scheme is a Composite Scheme of Arrangement and Amalgamation and provides for Demerger of Contract Manufacturing (Coimbatore) Business of Avalon Cosmetics Private Limited (Demerged Company) and Amalgamation of ATC Beverages Private Limited (Transferor Company) with Hindustan Foods Limited (Resulting Company or Transferee Company).</p> <p>Hindustan Foods Limited ('HFL' or 'the Resulting Company' or 'Transferee Company') is a Public Limited Company incorporated on 31st December 1984. The Equity Shares of HFL are listed on BSE Limited.</p> <p>Avalon Cosmetics Private Limited ('ACPL' or 'the Demerged Company'), a Private Limited Company was incorporated on 29th April 2003. It is engaged in the Contract Manufacturing Business and has units in different locations.</p> <p>ATC Beverages Private Limited ('ABPL' or 'the Transferor Company'), a Private Limited Company was incorporated on 7th June, 2004. It is engaged in the business of manufacture of beverages like carbonated soft drinks, juices and energy drinks. HFL holds approximately 45.40% of the Equity Share Capital in the ATC.</p> <p>Brief details of the net worth and total revenue of the Resulting Company, the Demerged Company and the Transferor Company are as follows :-</p> <p align="right">(Rs. In crores)</p> <table border="1"> <thead> <tr> <th align="center">Particulars</th> <th align="center">Net Worth (*) As at September 30, 2019</th> <th align="center">Total Revenue (*) As at September 30, 2019</th> </tr> </thead> <tbody> <tr> <td>HFL</td> <td align="right">106.00</td> <td align="right">316.39</td> </tr> <tr> <td>ACPL</td> <td align="right">58.90</td> <td align="right">28.02</td> </tr> <tr> <td>ABPL</td> <td align="right">3.82</td> <td align="right">4.23</td> </tr> </tbody> </table>	Particulars	Net Worth (*) As at September 30, 2019	Total Revenue (*) As at September 30, 2019	HFL	106.00	316.39	ACPL	58.90	28.02	ABPL	3.82	4.23
Particulars	Net Worth (*) As at September 30, 2019	Total Revenue (*) As at September 30, 2019												
HFL	106.00	316.39												
ACPL	58.90	28.02												
ABPL	3.82	4.23												



		<p>*The earlier Scheme of Arrangement between Avalon Cosmetics Private Limited and the Company was effective from 27.12.2019 with appointed date 01.04.2018. Hence the above net-worth and turnover amount for HFL as at 30th September 2019 are considered from comparative numbers of the Un-Audited Financial Results for the period ended 31st December 2019 (limited review) filed with BSE on 12th February, 2020. The amounts for ACPL and ABPL are considered from the Audited Financial Statements for the period ended 30th September, 2019</p>
2	Area of business of the entity(ies);	<p>HFL: The Company is involved in the contract manufacturing of various FMCG segment products such as extruded foods, cereals, frozen processed foods, farinaceous foods, fabric care, hair care, household insecticides, surface cleaning, food and beverages, aerosol, pump spray products, baby products, all type of mosquito coils, repellants, liquid vaporizers, other products related to foot care, foot wear and allied products.</p> <p>ACPL: It is engaged in the Contract Manufacturing Business and has units in different locations for manufacture of products like hair gel, hair oil, hair shampoo, face lotion, body moisturizer, shower gel, face wash, skin cream, talcum powder, baby care products, home cleaning and fabric cleaning products. The Contract Manufacturing (Coimbatore) Undertaking ('the Demerged Undertaking') of ACPL is engaged in Malt based Foods and food products and energy drinks.</p> <p>ATC: It is engaged in the business of manufacture of beverages like soft drinks, juices and energy drinks. It is also carrying on the business of contract manufacturing of carbonated beverages and fruit juices.</p>
3	Whether the transaction would fall within the related party transactions? If yes, whether the same is done at "arm's length"?	<p>HFL and ACPL have common Directors in their respective Boards. Further, the promoter of HFL i.e. Vanity Case India Private Limited holds 22.98% of the Equity Shares in ACPL. Hence, they are related parties with and to each other.</p> <p>HFL and ABPL have no common Directors in their Boards. Also, HFL holds 45.40% of the Equity Share Capital of ABPL. Hence, they are related parties with and to each other.</p> <p>Pursuant to the Scheme, HFL to issue consideration by way of Equity Shares as recommended by the Board relying on the valuation report obtained from M/s. Bhavesh Mansukhbhai Rathod, Registered Valuer (Reg. No. IBBI/RV/06/2019/10708) and fairness opinion on the said valuation report by M/s. Dalmia Securities Private Limited, Category-I, Merchant Banker.</p>



		<p>In this connection it will be pertinent to mention that the Ministry of Corporate Affairs vide its general circular bearing number 30/2014 dated 17th July 2014 has clarified that transactions arising inter alia, out of Compromises, Arrangements and Amalgamation will not attract requirement of Section 188 of the Companies Act, 2013.</p>
4	<p>Brief details of the division(s) demerged into listed entity Turnover of the demerged division and as percentage to the total turnover of the listed entity in the immediately preceding financial year / based on financial year;</p>	<p>The Demerged Undertaking viz. Contract Manufacturing (Coimbatore) Business of ACPL. The total turnover (conversion charges) of the Demerged undertaking for the period ended 30th September 2019 was Rs. 4.71 crores (*). It accounts to 1.49% (*) of the turnover of HFL for period ended 30th September 2019. The Contract Manufacturing (Coimbatore) Undertaking of ACPL is engaged in Malt based Foods and food products and energy drinks.</p> <p>*The above amounts and % have been calculated on the basis of the reinstated amounts for HFL and ACPL pursuant to the Scheme of Arrangement between Avalon Cosmetics Private Limited and Hindustan Foods Limited being effective on 27.12.2019 with effect from appointed date 01.04.2018.</p>
5	<p>Rationale for the Scheme;</p>	<p>Amongst others, the Demerger of Contract Manufacturing (Coimbatore) Business of ACPL into HFL would result in the following benefits: -</p> <ul style="list-style-type: none">• Concentrated management focus on the businesses in a more professional manner and to create a more competitive business both in scale and operations. The Resulting Company would develop combined long-term corporate strategies and financial policies, thus enabling better management and accelerated growth of the business.• Operational rationalization, organizational efficiency and optimal utilization of various resources due to pooling of management, administrative and technical skills of various resources of both the companies, better administration, and cost reduction, including reduction in managerial, administrative and other common costs;• Providing better flexibility in accessing capital, focused strategy and specialization for sustained growth; and• Creation of value for various stakeholders and shareholders;



		<p>Amongst others, the Amalgamation of ABPL into HFL would result in the following benefits: -</p> <ul style="list-style-type: none">• Enhancement of net worth of the combined business to capitalize on future growth potential since both entities are engaged in similar areas of business;• Achieve optimal utilization of resources, better administration and cost reduction;• Expansion and diversification of business, foraying into new product line and broadening the customer base;• Creating synergies in operational process and enhancing competitive strength and• Creating value for various stakeholders and shareholders
6	In case of cash consideration – amount or otherwise share exchange ratio	<p>A. Pursuant to the Demerger, the Company shall issue and allot to each member of the Demerged Company, as of the Record Date in accordance with applicable laws and regulations, equity shares in the Company as per the share entitlement ratio as under: -</p> <p><i>1 fully paid-up equity shares of the face value of Rs. 10/- each of the Company shall be issued and allotted for 0.755 equity share of face value Rs. 10/- each fully paid up held by such shareholder in the Demerged Company pursuant to the Demerger;</i></p> <p>B. Pursuant to the Amalgamation, the Company shall issue and allot to each member of the Transferor Company, as of the Record Date in accordance with applicable laws and regulations, Equity shares in the Company as per the share entitlement ratio as under :-</p> <p><i>1 fully paid-up equity shares of the face value of Rs. 10/- each of the Company shall be issued and allotted for 16,228 equity shares of face value Rs. 10/- each fully paid up held by such shareholder in the Transferor Company pursuant to the Amalgamation. For the purpose of this, partly paid up equity shares held by such shareholder in the Transferor Company will not be considered as the calls have not been paid up fully and the value per equity shares is less than the unpaid value of such calls.</i></p> <p><i>1 fully paid-up equity share of the face value of Rs. 10/- each of the Company shall be issued and allotted for 16,228 preference shares of face value Rs. 10/- each fully paid up held by such shareholder in the Transferor Company pursuant to the Amalgamation.</i></p>





7	Brief details of change in shareholding pattern (if any) of the listed entity	Post the Composite Scheme of Arrangement and Amalgamation, all Shareholders of ACPL and ABPL to receive proportionate shares in HFL based on the share entitlement ratio as approved by the Board relying on the Valuation Report of M/s. Bhavesh Mansukhbhai Rathod, Registered Valuer (Reg. No. IBBI/RV/06/2019/10708). Upon issuance of shares by HFL pursuant to the Scheme, Promoter Shareholding in HFL is estimated to change from current 62.62% to 64.85%. However, such a change is estimated at present based on shareholding pattern of HFL as on 13 th March 2020. The actual shareholding pattern would depend on the actual shareholding pattern of HFL as on the record date.
8	Whether listing would be sought for the listed entity?	HFL is a listed entity on BSE Limited. HFL will apply for listing of shares on BSE for the new shares to be issued and allotted pursuant to the Scheme.

For Hindustan Foods Limited

Bankim Purohit
Company Secretary

ACS : 21865

