



**HINDUSTAN FOODS LIMITED**

A Vanity Case Group Company

A Government Recognised Two Star Export House

**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 6980 1700/01, **CIN:** L15139MH1984PLC316003

Date: September 24, 2024

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 Company Scrip Code: 519126	To, The Manager, National Stock Exchange of India Limited, Listing Department, Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai 400 070 Company Symbol: HNFDFS
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**Subject: Outcome of the Board Meeting - Approving Scheme of Arrangement**

Dear Sir/Madam,

In furtherance to our intimation letter dated May 21, 2024 and September 19, 2024 and in terms of Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (the "**Listing Regulations**"), we wish to inform the Stock Exchange(s) that the Board of Directors (the "**Board**") of Hindustan Foods Limited (the "**Company**") at its meeting held on September 24, 2024 has, inter alia, subject to approval of the shareholders of the Company, considered and approved the Scheme of Arrangement between Avalon Cosmetics Private Limited ("the Demerged Company" or "ACPL") and Vanity Case India Private Limited ("the Transferor Company" or "VCIPL") and Hindustan Foods Limited ("the Resulting Company" or "the Transferee Company" or "HFL" or "the Company") and their respective shareholders under Sections 230-232 of the Companies Act, 2013 ("**the Scheme**") involving the following:-

- i. Demerger of the Contract Manufacturing (Nashik) Business ("the Demerged Undertaking" or "Nashik division") of Avalon Cosmetics Private Limited (the "Demerged Company" or "ACPL") into Hindustan Foods Limited (the "Resulting Company" or "HFL")
- ii. Amalgamation of Vanity Case India Private Limited ("the Transferor Company" or "VCIPL") with Hindustan Foods Limited (the "Transferee Company" or "HFL")
- iii. Various other matters consequential or otherwise integrally connected herewith.

The Scheme is subject to necessary statutory and regulatory approvals including the approval of Hon'ble National Company Law Tribunal, Mumbai Bench.

The additional information required to be disclosed pursuant to Regulation 30 of Listing Regulations read with Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023 is enclosed as **Annexure A** and **Annexure B**. Further, the Company will file the Scheme with the Stock Exchange(s) pursuant to the provisions of Regulation 37 of the Listing Regulations.



The Board Meeting commenced at 12:15 p.m. and concluded at 3:05 p.m.

We request you to kindly take the above information on record.

Thanking you,

Yours faithfully,

**For HINDUSTAN FOODS LIMITED**

**Bankim Purohit**  
**Company Secretary and Legal Head**  
**ACS 21865**

**Encl. : Annexure A and Annexure B**



## ANNEXURE A - DEMERGER

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

Sr. No.	Particulars	Remarks
1	Brief details of the division to be demerged.	<p>The Nashik division of the Demerged Company engaged in the contract manufacturing of soups, meal-makers, energy beverages and other dry powder products will be demerged and vested into the Company, as a going concern basis, from the Appointed Date i.e. April 1, 2024.</p> <p>The Nashik Division mainly means undertaking, business, activities and operations pertaining to Nashik unit of the Demerged Company situated at Plot No F-6, MIDC, Malegaon, Sinnar, Nashik, Maharashtra 422 103 and in relation to contract manufacturing of FMCG products business and related business, and comprising of all the assets (moveable, incorporeal and immovable) and liabilities which relate thereto, or are necessary therefore.</p> <p>The Contract Manufacturing (Nashik) Business is mainly engaged in soups, meal-makers, energy beverages and other dry powder products.</p>
2	Turnover of the demerged division and as percentage to the total turnover of the listed entity in the immediately preceding financial year / based on the financials of the last year.	<p>The factory works on a job work model for the largest FMCG company in the country. The total turnover (conversion charges) of the Demerged undertaking for the period ended March 31, 2024 was Rs. 9.75 crores. It accounts to 0.41% of the turnover of HFL for year ended 31st March 2024</p>
3	Rationale for demerger	<p>HFL is engaged in the contract manufacturing of various FMCG segment products such as foods, personal care, home care and shoes. The Vanity Case Group took over the management of HFL in 2012-13.</p> <p>ACPL was incorporated in 2003 and is entirely held by the Kothari Group, one of the Promoters of HFL. The company acquired the demerged undertaking from Smith &amp; Nephew Private Limited (an Indo-German JV) in the year 2007-08. This factory was then converted into a food manufacturing company and has been engaged in the manufacturing of soups, other condiments and energy beverages since 2008. The factory is located over 16 acres of land in MIDC, Sinnar and has a built up area of more than 1 lacs sft. It has been manufacturing food products for various</p>



		<p>Multinational and Indian FMCG companies.</p> <p>In view of certain business developments and in order to ensure consolidation of the business into HFL, this Scheme provides for the demerger of the Contract Manufacturing (Nashik) Business of ACPL into HFL.</p> <p>Amongst others, the demerger of the Contract Manufacturing (Nashik) Business of ACPL into HFL would result in the following benefits: -</p> <p>(a) 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;</p> <p>(b) Utilisation of unused industrial land for the expansion and diversification of Business. The demerged undertaking has 16 acres of land available at industrial area located in Sinnar, Nashik, Maharashtra.</p> <p>(c) The company has started work to set up an ice cream manufacturing facility at the same premises which will lead to Efficient Utilisation of current manufacturing set-up for expansion and diversification of the business.</p> <p>(d) Creation of value for shareholders and various stakeholders.</p> <p>(e) Enhancement of net worth of the combined business to capitalize on future growth potential since both entities are engaged in similar areas of business;</p> <p>(f) Expansion and diversification of business, foraying into new product line and broadening the customer base;</p> <p>(g) 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;</p> <p>(h) Providing better flexibility in accessing capital, focused strategy and specialization for sustained growth</p>
4	Brief details of change in shareholding pattern (if any) of all entities.	<p>There will be no change in the shareholding pattern of the Demerged Company.</p> <p>Post the Scheme, all the shareholders of the Demerged Company to receive shares in the Company based on the share entitlement ratio as approved by the Board basis Valuation Report issued by Mr. Bhavesh M Rathod, Registered Valuer (Registration No. IBBI/RV/06/2019/10708).</p>



		Upon issuance and allotment of shares by the Company pursuant to the Scheme, the promoter holding in the Company is estimated to change from current 63.81% to 64.33% and the public holding in the Company is estimated to change from current 36.19% to 35.67%. However, such a change is estimated based on present total equity share capital of the Company as on date. The actual shareholding would depend on the then total equity share capital of the Company as on the record date.
5	In case of cash consideration – amount or otherwise share exchange ratio.	No cash consideration is involved. <b>On demerger,</b> <i>19 fully paid-up Equity Shares of the face value of INR 2/- each of the Company shall be issued and allotted for 100 equity shares of face value INR 10/- each fully paid up held by such shareholder in the Demerged Company pursuant to the demerger.</i>
6	Whether listing would be sought for the resulting entity?	The Resulting Company, i.e., the Company is already a listed entity on BSE Limited and National Stock Exchange of India Limited.



**ANNEXURE B - MERGER**

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

Sr. No.	Particulars	Remarks												
<b>1</b>	Name of the entity(ies) forming part of the amalgamation/merger, details in brief such as, size, turnover etc.	<p>(INR Crores, as on March 31, 2024)</p> <table border="1"> <thead> <tr> <th>Name of the Entity</th> <th>Total assets</th> <th>Net worth</th> <th>Turnover</th> </tr> </thead> <tbody> <tr> <td>Vanity Case India Private Limited (“the Transferor Company”)</td> <td align="center"><u>19.96</u></td> <td align="center"><u>19.02</u></td> <td align="center"><u>NIL</u></td> </tr> <tr> <td>Hindustan Foods Limited (“the Transferee Company” or “the Company”)</td> <td align="center"><u>1,537.29</u></td> <td align="center"><u>628.36</u></td> <td align="center"><u>2,381.37</u></td> </tr> </tbody> </table>	Name of the Entity	Total assets	Net worth	Turnover	Vanity Case India Private Limited (“the Transferor Company”)	<u>19.96</u>	<u>19.02</u>	<u>NIL</u>	Hindustan Foods Limited (“the Transferee Company” or “the Company”)	<u>1,537.29</u>	<u>628.36</u>	<u>2,381.37</u>
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<b>2</b>	Whether the transaction would fall within the related party transactions? If yes, whether the same is done at “arm’s length”?	<p>The Transferor Company holds 40.55% shares in the Company and the promoters of the Demerged Company are similar to that of the Company and the transaction is being done at arm’s length.</p> <p>Pursuant to the Scheme, the Company will issue consideration by way of equity shares as recommended by the Board relying on the valuation report obtained from Mr Bhavesh M Rathod, Registered Valuer (Registration No. IBBI/RV/06/2019/10708) and fairness opinion on the said valuation report by Swaraj Shares and Securities Private Limited, Category I, SEBI Registered Independent Merchant Banker (Reg. No. INM000012980).</p> <p>In connection with aforesaid, it will be pertinent to mention that the Ministry of Corporate Affairs vide its general circular bearing number 30/2014 dated 17<sup>th</sup> 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> <p>Further the Board of the Company has ensured that the stamp duty and other charges for this merger will be borne by the transferor company and not HFL.</p>												
<b>3</b>	Area of business of the entity(ies).	<p>Transferor Company: Transferor Company is engaged in the business of making strategic investments in the similar business with the firms, corporates, companies in India or abroad in the business as contract manufacturing of cosmetics, toilet preparations, packers and dealers in foodstuffs of all description for humans and animals and other dairy products.</p>												



		Transferee Company / Company: Transferee Company / Company is engaged in the business of is primarily engaged in the business of contract manufacturing of FMCG products comprising primarily of home care, personal care, foods and beverages and job working of shoes, leather products.
4	Rationale for amalgamation/ merger.	<p>(a) The Transferor Company forms part of the Promoter of the Transferee Company. It is owned by Kothari Group and Dempo Group.</p> <p>(b) The Transferor Company presently holds 4,64,58,145 equity shares of the Transferee Company of face value of INR 2/- each, representing about 40.55% of the total paid up share capital of the Transferee Company as on date.</p> <p>(c) It is proposed to amalgamate the Transferor Company into the Transferee Company, as a result of which the shareholders of the Transferor Company (Kothari Group and Dempo Group) who also form part of the Promoter of the Transferee Company shall directly hold shares in the Transferee Company.</p> <p>(d) This will lead to clear cut and straight forward shareholding structure and eliminating needless layers of shareholding tiers and at the same time demonstrate the Promoter's direct commitment and engagement with the Transferee Company and improve the confidence of all shareholders.</p>
5	In case of cash consideration – amount or otherwise share exchange ratio.	<p>No cash consideration.</p> <p><b>On amalgamation of Vanity Case India Private Limited with Hindustan Foods Limited,</b></p> <p><i>4,64,58,145 equity shares of the face value of INR 2/- each fully paid-up of the Transferee Company shall be issued and allotted as fully paid up to the equity shareholders of the Transferor Company in the proportion of their holding in the Transferor Company.</i></p> <p><i>As on the date of this Scheme being approved by the Board, the Transferor Company holds 4,64,58,145 equity shares of the Transferee Company and pursuant to the amalgamation, the Transferee Company shall issue and allot the same number of New Equity Shares i.e. 4,64,58,145 to the equity shareholders of the Transferor Company in the proportion of their holding. In the event the Transferor Company holds more than 4,64,58,145 fully paid up equity shares of the Transferee Company (without incurring any additional liability) on the Record Date, New Equity Shares to be issued and allotted by the Transferee Company to the shareholders of the Transferor Company shall stand increased by such additional number of equity shares held by the Transferor Company.</i></p>
6	Brief details of change in shareholding pattern (if any) of listed entity.	Post the Scheme, all the shareholders of the Transferor Company and the Demerged Company to receive shares in the Company based on the share entitlement ratio as approved by the Board basis Valuation Report issued by Valuation Report issued by Bhavesh M Rathod,



	<p>Registered Valuer (Registration No. IBBI/RV/06/2019/10708). Upon issuance and allotment of shares by the Company pursuant to the Scheme, the promoter holding in the Company is estimated to change from current 63.81% to 64.33% and the public holding in the Company is estimated to change from current 36.19% to 35.67%.</p> <p>However, such a change is estimated based on present total equity share capital of the Company as on date. The actual shareholding would depend on the then total equity share capital of the Company as on the record date.</p> <p>Further, on Scheme being effective, the Transferor Company shall stand dissolved without winding up and no post Scheme shareholding will be applicable to the Transferor Company.</p>
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