



Hindustan Foods Ltd. .

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Company Scrip Code: 519126

ISIN CODE: INE254N01018

Ref : HFL/05/2018/34

Date: 24th May, 2018

To,
The General Manager
Department of Corporate Services
BSE Ltd.,
Floor 25, P. J. Towers, Dalal Street,
Mumbai-400 001.

Through Listing Centre

Sub : Press release

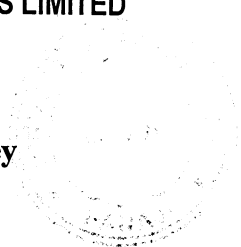
Please find enclosed the press release titled : "Hindustan Foods Limited announces Q4 and 12M FY18 Financial Results."

This disclosure is made in compliance with Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This is for your information and record.

Thanking you,
Yours faithfully,
For **HINDUSTAN FOODS LIMITED**

Beena M. Mahambrey
Company Secretary
ACS 18806



Encl : As above

Hindustan Foods Limited Announces Q4 and 12M FY18 Financial Results

Mumbai, Maharashtra. May 24, 2018.

Hindustan Foods Limited, a manufacturer of FMCG products today announced its financial results for the fourth quarter and twelve months ending on March 31st 2018, as approved by the Board of Directors.

Key Financial Highlights of the Quarter:

- The Gross Revenues of the Company grew by more than 3 times Y-o-Y
 - INR 63.89 Crores in the Q4FY18 versus INR 20.09 Crores in Q4FY17
 - INR 139.98 Crores in the FY 17-18 versus INR 38.90 Crores in FY 16-17
- The PAT of the company grew by over 9 times Y-o-Y
 - INR 2.74 Crores in the Q4FY18 versus INR 0.47 Crores in Q4FY17
 - INR 6.27 Crores in the FY 17-18 versus INR 0.66 Crores in FY 16-17

Key Operational Highlights for Q4FY18:

- The consumer contracting business continued to perform consistently. The successful integration of the Jammu plant has led to a substantial increase in the sales and profitability of company. The management is confident that the Jammu unit should be able to deliver around INR 150 crores turnover on an annualized basis.
- The Company has signed an agreement to acquire a parcel of land in Coimbatore on 15th February, 2018 and has commenced construction for a new facility in Coimbatore for packing of tea and other food products for Hindustan Unilever Limited. The plant will be 85,000 sq. ft and will envisage an investment of around INR 30 Crores. In the first phase, the Company expects to pack tea pouch packs and also carton packs. The expected off-take is around 10,000 tons and the Company is expecting to sign a long term contract for this upcoming facility. The plant is expected to commercialise from Q3 FY19.
- Additionally, the Company has also signed a contract to acquire a shoe manufacturing unit based in Mumbai, G Shoes Export, a manufacturer of quality ladies footwear for various brands like Esprit, Saks 5th Avenue, Dune, etc. The integration of this unit is expected to happen by June, 2018 and will complement the leather shoe manufacturing business that the Company earlier acquired from Ponds Export Limited, a subsidiary of Hindustan Unilever Limited which specialises in Mens' shoes. This acquisition enables HFL to complete its range of offering and expand distribution across platforms and geographies.

Key Strategic Initiatives:

- **Consolidation:** The Board of Directors approved the proposal to take over a factory in Hyderabad owned by one of the Promoter Group Company. This factory manufactures around 75,000 tons of detergent powder with revenues of INR 250 Crores, for Hindustan Unilever Limited under the brand names of Rin, Wheel and Surf. This integration marks a substantive move by HFL to position itself as one of the largest consumer contracting companies in India.
- **Acquisition:** The Board of Directors also authorized the management to acquire a majority stake in Saucery Foods Private Limited, founded by Ms. Gayatri Bhatia. The company is in the business of manufacturing and selling fresh dips and sauces under the brand name "Saucery".



- **Preferential allotment to promoters:** The Board of directors have also approved a preferential allotment of shares to the promoter group to ensure that the company is well funded to leverage these upcoming opportunities.
- **Vision – 1000 by 20 !!!**

Commenting on this, Mr. Sameer Kothari said

"I am elated to share the fascinating journey of your company HFL. Our core growth strategy will revolve around 3 core aspects:

- a) Organic Expansion
- b) Inorganic Growth
- c) Consolidation

The acquisition of the Hyderabad factory is a step towards the eventual consolidation of the entire group's business into Hindustan Foods Limited. The proposed demerger of the Hyderabad factory of the Promoter Company into HFL will enable HFL to derive substantial synergies and will broad base the product offering of the company. The Hyderabad factory had a turnover of nearly INR 250 Crores in the FY17-18 and has a long term contract with Unilever. The strategic location and the large parcel of land in near Hyderabad will enable HFL to explore further expansion.

We are quite optimistic that as the volume growth returns to the FMCG markets, there will be an additional need for manufacturing capacities and with this acquisition, we will be in place to cater to those opportunities. This acquisition doesn't envisage a cash outflow and consideration will be discharged through a share issuance to the shareholders of the target company.

We are very excited with the spate of initiatives that the Company has taken in the last few months. We are extremely confident to achieve our near term objective to be an INR 1000 Crores Company by FY20 and become one of the largest and most diversified contract manufacturer in the country".

About Hindustan Foods Limited

Founded in 1988, Hindustan Foods Limited [BSE: HNDFDS] and associated group companies are principal contract manufacturers for a range of leading FMCG products including Processed Foods, Personal Care, Home Care and Leather Wear. It has facilities in Goa, Jammu, Coimbatore (upcoming), Chennai and Pondicherry. The company along with the associated group companies is one of the most diversified contract manufacturers in the country and works with various FMCG majors like Reckitt Benckiser, Danone, Hindustan Unilever Limited, Bata, Reliance Brands, Arvind Brands etc.

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