HINDUSTAN FOODS LIMITED

39th ANNUAL REPORT 2023-24

HINDUSTAN FOODS LIMITED

This year's annual report draws inspiration from Aeneas, the legendary hero of Roman mythology known for his resilience, leadership, and dedication to laying the foundation of a new empire. The mountains on the back cover symbolise the challenges we have skilfully navigated – much like the trials Aeneas faced on his journey. These mountains represent the obstacles that have strengthened our resolve, becoming the very bedrock upon which we're building our future.

The front cover, depicting a handshake between warriors, reflects the essence of the strategic alliances and bold decisions we've made. Like Aeneas, who forged crucial alliances to establish Rome, we have expanded into new territories, diversifying our offerings and entering new sectors. These partnerships are not just about collaboration; they are about seizing opportunities and creating our path, laying the groundwork for our empire.

Just as Aeneas laid the foundation for a thriving civilisation, we are setting the stage for the next chapter in our growth story. This report embodies the attributes of resilience, strategic foresight, and the drive to find a way–or make one–to steer us toward a future where we build something truly enduring and significant.

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Statement Containing Salient Features of the Financial Statements of Subsidiary Companies/ Associate Companies/Joint Ventures

Investor Information

Market Capitalisation	: Rs. 5,41,359 lakhs (as at March 31, 2024)
CIN	: L15139MH1984PLC316003
BSE Code	: 519126
NSE Symbol	: HNDFDS
Bloomberg Code	: HFD:IN
AGM Date	: September 24, 2024
AGM Day	: Tuesday
AGM Mode	: Video Conferencing (VC) and Other Audio Visual Means (OAVM)

For more investor-related information, please visit:
https://www.hindustanfoodslimited.com/overview.php

Scan to view the information online:

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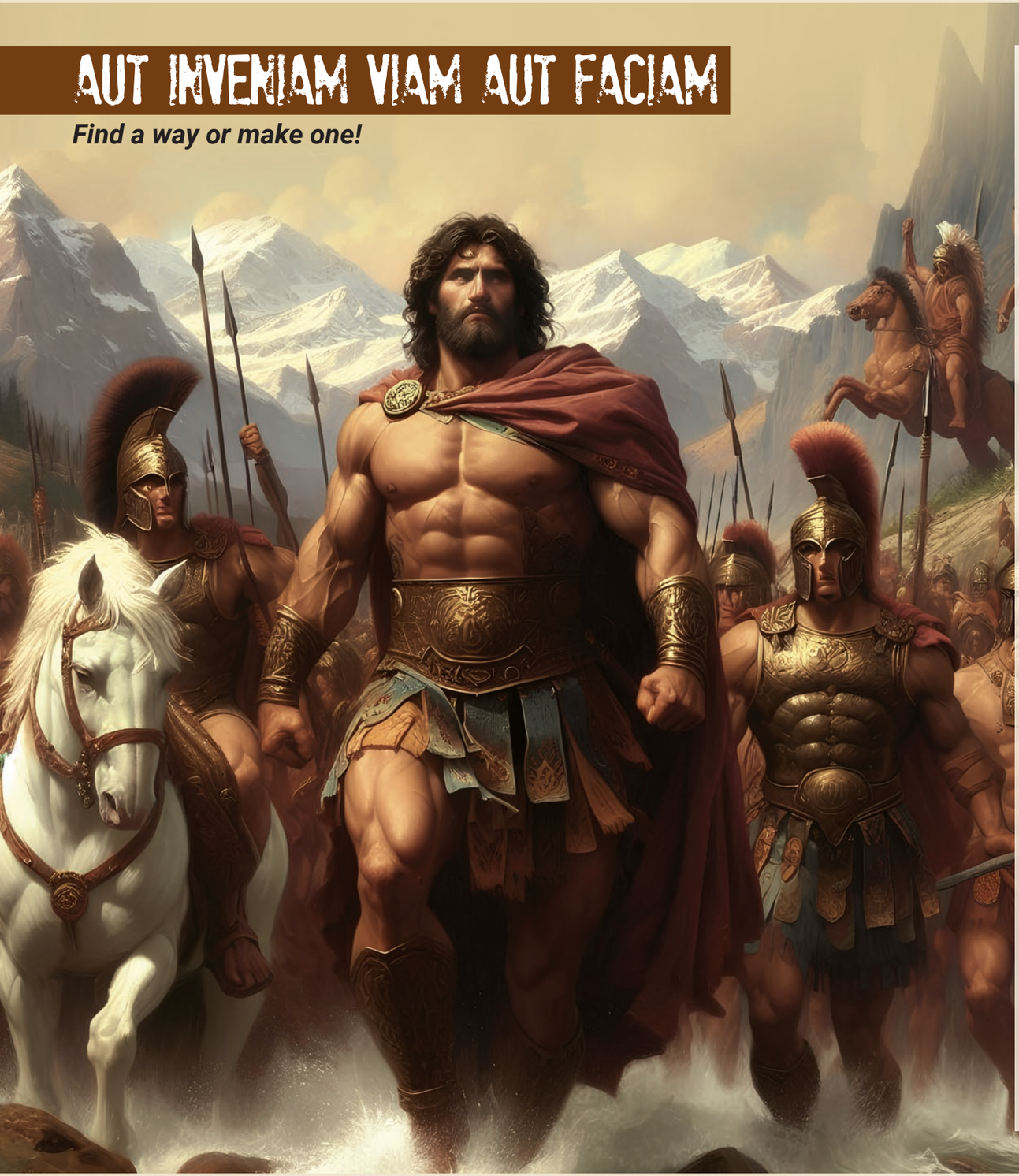
Disclaimer

This document contains statements about expected future events and financials of Hindustan Foods Limited ('The Company'), which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions, and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis section of this Annual Report.

AUT INVENIAM VIAM AUT FACIAM

Find a way or make one!



In FY 2023-2024, Hindustan Foods Limited ('HFL') embarked on a transformative journey inspired by the Latin phrase 'Aut inveniam viam aut faciam' — 'Find a way or make one!'— and Aeneas' legendary quest from Troy to Rome. Much like Aeneas, who turned adversity into the foundation for a new empire, we faced a challenging economic landscape characterised by a slowdown in FMCG demand and deflationary pressures on commodity prices. These trials impacted our topline, but instead of being deterred, we saw them as catalysts for strategic action.

Embracing the spirit of 'Find a way or make one!', we chose to forge our new path, forming alliances that have allowed us to enter new product categories, diversify our customer base, and build a robust foundation for long-term success. These partnerships are not merely a response to current challenges, but a deliberate strategy to ensure resilient and innovative growth. Our dedication to creating lasting value for Customers and stakeholders underscores our position at the forefront of Contract Manufacturing solutions across industries.

This report reflects our achievements and strategic initiatives, embodying the spirit of Aeneas' perseverance and our commitment to building a legacy of excellence that will stand the test of time.

Key Highlights of FY 2023-2024

Rs. 2,762 cr
Total Revenue#
6% Growth YoY

Rs. 229 cr
EBITDA#
29% Growth YoY

Rs. 93 cr
PAT
31% Growth YoY

Rs. 1,129 cr
Gross Block*

Rs. 646 cr
Net Worth

 # Includes Other Income

** Gross Block for FY 2023-2024 includes wholly owned subsidiary/LLP and includes CWIP*

The above figures are as per Consolidated Financial Statements

SEMPER IN MELIORE

Always Toward Better

ABOUT THE COMPANY

At Hindustan Foods Limited ('HFL' 'We' 'Our Company'), we have built our reputation as a reliable partner for a diverse array of discerning Clients. We are recognised for our adaptability, strategic foresight, and commitment to excellence. Since our inception in 1988, we have established a solid foundation of trust, expanding our presence across India with 26 state-of-the-art manufacturing facilities dedicated to serving our esteemed clientele.

We position ourselves as a comprehensive hub for Contract Manufacturing solutions, offering a diverse range of products and flexible business models that cater to businesses of all sizes and sectors. Our ability to navigate challenges and leverage strategic alliances has enabled us to expand into new product categories and diversify our customer base, laying a strong foundation for sustained growth and long-term success in the FMCG sector.

At the core of our operations is an adaptive methodology, where we tailor bespoke solutions to meet the unique needs of each client. Backed by fully integrated facilities, a state-of-the-art laboratory, and dedicated teams, we take pride in being the preferred co-manufacturing partner for numerous national brands. Our commitment to innovation and quality ensures that we remain at the forefront of the industry, ready to tackle any challenges that lie ahead and continue building our legacy.

SHAREHOLDING PATTERN

Promoters and Promoters' Group	63.81%
Alternate Investment Funds (AIF)	5.79%
Investors (FPI)	12.86%
Bodies Corporate	0.32%
Insurance Companies	0.99%
Mutual Funds	0.40%
Public	15.83%

VISION

To become India's largest FMCG Contract Manufacturer, diversified across product categories and geographies

MISSION

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

26
Sites

30+
Years of Experience

15 mn+
Lives Touched Daily

10,000+
Team Members

WHY IS HFL A PREFERRED CONTRACT MANUFACTURER?

At HFL, our strategic foresight and adaptability have positioned us as the preferred partner for leading brands in the FMCG sector. Just as Aeneas, guided by the Sibyl of Cumae, navigated his way through complex challenges to lay the foundations of Rome, we, at HFL, expertly steer through the intricacies of a dynamic market with clarity and purpose.

Our strength lies in anticipating challenges and crafting strategies that align with the evolving needs of our Clients. We offer comprehensive, end-to-end solutions that extend beyond manufacturing, including research and development, precise production, and global distribution.

This approach enables us to deliver bespoke solutions tailored to our Clients' strategic goals.

What sets us apart is our ability to create resilient, forward-looking partnerships. Just as Aeneas adapted and triumphed, HFL's expertise and flexibility empower us to guide our Clients through complexities, ensuring they achieve their objectives and confidently expand their market presence. Through these enduring partnerships, we are not just navigating the present—we are laying the foundation to build our own Rome, creating an enduring legacy of excellence.

Management Expertise

With almost four decades of management expertise in Contract Manufacturing, we bring a wealth of unparalleled experience to the industry.

Long-Term Relationships

Our enduring partnerships with prominent domestic and multinational clientele stand as a testament to our commitment to fostering strong relationships based on trust and reliability.

Manufacturing Facilities

Our state-of-the-art manufacturing facilities span various geographical locations, enabling us to produce a diverse range of products with precision and efficiency, catering to a wider geographical market and enhancing distribution.

Ability To Create Formulations

Our expertise lies in creating formulation of any FMCG product, helping us attract Clients across categories, size and platforms.

Self-Reliance & Localisation

Our focus on self-reliance and localised sourcing not only underscores our commitment but also anticipates the creation of new avenues and opportunities.

One-Stop Solution

We provide a comprehensive, all-inclusive solution encompassing product development, meticulous testing, and manufacturing services that span various FMCG categories and geographical locations.

Redefined Business Model

Our restructured business models are designed to cater to the specific Contract Manufacturing needs of every FMCG customer, ensuring adaptability and suitability across the spectrum.

Largest Organised Player

We proudly stand as one of the foremost organised entities in our field, commanding a significant presence in the industry.

VISIONES CONIUNGENTES PRO FUTURO UNITO

Merging Visions for a Unified Future

MERGERS & ACQUISITIONS

Our journey through mergers and acquisitions parallels the legendary voyage of Aeneas, who led his people from the once-great city of Troy towards the promise of a new and prosperous homeland. In this epic journey, Aeneas navigated through seas and lands, always guided by a vision of a brighter future. A notable moment in his odyssey was his encounter with Queen Dido of Carthage, where a brief yet impactful alliance accentuated the importance of strategic relationships.

In a similar vein, HFL skilfully navigates the complexities of integrating diverse business entities, seizing opportunities and uncovering synergies within the ever-evolving industry landscape. Each integration marks a pivotal chapter in our journey, much like Aeneas' stay in Carthage—an occasion to build valuable alliances and strengthen our capabilities. Just as Aeneas remained steadfast in his mission, HFL embraces new strengths and talents while staying true to our core values.

We are inspired by Aeneas' journey in founding a new Rome, symbolising resilience and strategic foresight. Our commitment centres on unity and resourcefulness as we strive to create a lasting legacy of success. In a dynamic marketplace, we aim to lead by forging robust partnerships thereby expanding into new geographies, exploring innovative product categories, and optimising our distribution network.

In the land of Carthage, alliances bloom,
Brief yet powerful, dispelling gloom.
So too, does HFL with partners stand,
United in vision, hand in hand.

Exploring De-merger: Integrating Promoter-Owned Factory with HFL

The HFL Board has authorised the exploration of a potential de-merger to integrate the promoter-owned factory at the Nashik Plant with HFL. This process will proceed with further evaluation and deliberation by the Board of Directors and its relevant committees, adhering to all applicable legal procedures. The plant, which specialises in producing soup and meal makers for a leading FMCG company, is located on a 17-acre site leased from MIDC for 99 years. It features a 75,000 sq. ft. RCC structure, including two manufacturing buildings and a utility area. The Customer has proposed more than doubling the soup production capacity.

We have long aimed to consolidate our manufacturing units from Vanity Case into Hindustan Foods at an opportune moment. This goal was partially achieved by the successful merger of our Coimbatore and Hyderabad plants. Given the expected increase in business from the Customer, integrating this facility into HFL seems like a strategically sound move

Building Our Contract Shoe Manufacturing Presence

In October 2023, our Board approved a bold investment of Rs. 100 cr., marking our ambitious foray into the contract shoe manufacturing sector. This initial step was not just a financial commitment but a strategic move to seize emerging opportunities in the sports shoe market.

First Major Acquisition

Location: Himachal Pradesh and Haryana

Objective: Strengthening Market Position

We swiftly acted on our vision by acquiring a 100% stake in KNS Shoetech Private Limited. This acquisition was a critical milestone, setting the stage for our expansion and reinforcing our intent to become a significant player in the industry.

Expansion through New Manufacturing Unit

Location: Kundli, Haryana

Objective: Enhancing Production Capabilities

In February 2024, through our wholly-owned subsidiary, KNS Shoetech, we acquired a sports shoe manufacturing unit in Kundli, Haryana. This strategic acquisition expanded our production capabilities and bolstered our market presence.

Landmark Acquisition of SSIPL Retail Limited

Location: Himachal Pradesh and Haryana

Objective: Broadening Manufacturing Footprint

April 2024 saw a landmark acquisition as we took over SSIPL Retail Limited. This deal added three more manufacturing units to our portfolio, further positioning KNS Shoetech as a key partner for brands aligned with the 'Make in India' initiative.

Commencement of Trial Production

Location: Southern India

Objective: Preparing for Full-Scale Operations

By mid-2024, we began trial production of sports shoes at two new locations in southern India. We are now preparing for a gradual increase in production, expected to begin in FY 2024-2025.

With every merger, every stride,
We journey forth, our future wide.
From humble steps to peaks we climb,
Building legacies through time.

ITER PERPETUUM

The Continuous Journey

OUR JOURNEY

Our journey over the years has been defined by qualities akin to those of the legendary hero Aeneas—agility, perseverance, and resilience. A story from the Aeneid that resonates with our path is Aeneas' encounter with the Harpies. As he and his followers sought new lands, they were beset by these fearsome creatures. Rather than retreating, Aeneas adapted his strategy, battling the Harpies and embracing their prophecy, which guided him toward his ultimate destiny.

This tale mirrors our journey, starting from our humble beginnings with a single product and plant. We faced industry challenges head-on, expanding our portfolio and capabilities with the same perseverance that Aeneas demonstrated. Our resilience has been the cornerstone of our progress, evident in how we've bounced back from setbacks and seized new opportunities for growth.

As we continue to invest in strengthening our existing setup, we are preparing for the next phase of our journey. This ongoing effort not only positions us to capitalise on future opportunities but also lays the groundwork for our next chapter, much like Aeneas' strategic preparations paved the way for the founding of Rome.

FY 1983-1984

- Incorporated as a JV between Glaxo India Ltd. and the Dempo Group
- Established the facility at Goa for manufacturing 'Farex'

FY 2012-2013

- Entered a strategic partnership with the Vanity Case Group of Companies

FY 2013-2014

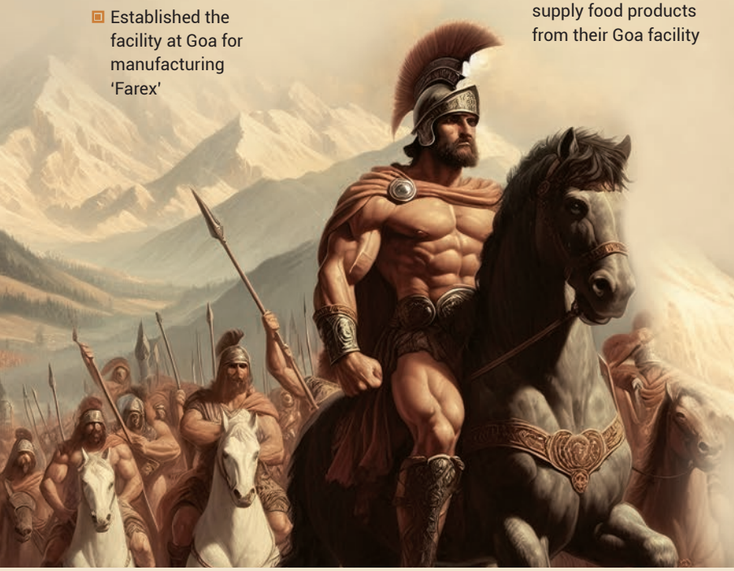
- Entered an agreement with Danone and PepsiCo to manufacture and supply food products from their Goa facility

FY 2015-2016

- Raised capital through the Company's Promoter and Non-promoters, which included Sixth Sense Ventures

FY 2016-2017

- Successfully acquired shoe manufacturing facilities, previously owned by Hindustan Unilever Limited
- Commenced manufacturing operations for renowned Clients such as TBS, Gabor, Richter, and various others, following the acquisition
- Made notable additions to the portfolio, which included Steve Madden, US Polo, Hush Puppies, and Arrow



FY 2017-2018

- Acquired Reckitt's plant in Jammu and entered a 'manufacture and supply' agreement for the brand 'Mortein' for 7 years

FY 2018-2019

- Commenced the merger of the Detergent Powder manufacturing unit at Hyderabad into HFL (completed in FY 2019-2020)
- Acquired a Mumbai-based shoe manufacturing unit
- Acquired more than 40% stake in ATC Beverages Private Ltd., Mysuru, engaged in the business of manufacturing carbonated soft drinks, juices, energy drinks, and other beverages
- Commenced production at the Coimbatore Plant for blending and packaging tea and coffee

FY 2019-2020

- Raised equity through the Convergent Group and the Sixth Sense Ventures
- Started production of Liquid Detergent in Hyderabad
- Commenced the merger of Malted Beverages packing unit in Coimbatore for GSKCH (now HUL) and ATC Beverages Private Ltd. into HFL

FY 2020-2021

- Commenced the project for manufacturing Bath Soaps and Detergent Bars in Hyderabad
- Started work for the Greenfield Ice Creams & Frozen Dessert plant in Uttar Pradesh

FY 2021-2022

- Started production of Floor & Surface Cleaner in Silvassa
- Initiated project in Tamil Nadu for manufacturing Sports & Knitted Shoes
- Acquired Colour Cosmetics plant in January 2022 and subsequently consolidated its turnover into HFL from MQ
- Received the final order of NCLT in December 2021, approving the scheme of arrangement for the merger of Malt Beverages plant in Coimbatore and the merger of Beverages plant in Mysuru. The scheme came into effect in Q4 2021-2022
- Embarked on manufacturing Injection Moulded Footwear for a national brand in Vasai, Mumbai

FY 2022-2023

- Acquired 100% stake in Reckitt Benckiser Scholl India Pvt Ltd
- Commenced production of Ice Creams and Frozen Dessert in Uttar Pradesh
- Started manufacturing Sports & Knitted Shoes in Tamil Nadu

FY 2023-2024

- Raised equity through the Sixth Sense Ventures
- Commenced commercial production for two of the largest beverage players in the country at the Mysuru facility
- Initiated partial commercial production of Soaps and Bars project
- Completed the acquisition of the Baddi unit from Reckitt Benckiser Healthcare India Pvt Ltd
- Commenced production of Juices in factory set up in Guwahati Assam
- Completed the acquisition of all the facilities under KNS Shoetech

FY 2024-2025

- Received Board approval to invest up to Rs. 40 cr. in the colour cosmetics plant located at Silvassa
- Invested Rs. 20 cr. for expansion of capacity at ice cream plant in Lucknow

PLENITUDO ET DIVERSITAS

Fullness and Diversity

OUR PRODUCT PORTFOLIO

PERSONAL CARE

Hair Care

Shampoo, Hair Oil & Hair Foods | Hair Gel & Hair Cream

Toiletries & Fragrances

Talc | Shaving Cream | Hand Wash Liquid | Hand Wash Powder | Eau de Toilette | After Shave Lotion

Baby Care

Creams, Shampoo & Lotions | Hair Oil & Powder

Skin Care

Body Lotion, Moisturisers, Creams | Petroleum Jelly | Shower Gel, Face Wash & Scrubs | Body Scrubs & Wipes

FOOD AND BEVERAGES

Extruded Cereals & Snacks, Ready-to-Cook, Ready-to-Eat

Breakfast Cereals & Snacks | Baby Food | Instant Porridges | Rice Crispies | Instant Mixes | Soups & Soup Powder | Spices & Seasonings | Sauces, Dips & Pastes | Jams, Jellies & Preserves | Gravies | Cookies, Protein Bars, Granola Bars | Muesli

Hot & Cold Beverages & Energy Drink Concentrates

Carbonated Soft Drinks | Tea & Coffee | Malt-based Foods | Soups | Glucose Powder | Dry Mix Powder

BEAUTY AND MAKE-UP

Lipstick, Lip Colour | Lip Crayon, Lip Paint | Chap Stick & Pressed Powders | Eye Make-up | Blush-on & Compacts | Sindoor & Kajal

HEALTHCARE AND WELLNESS

Foot Care – Medicated and Non-medicated Plasters | Vitamins, Minerals & Nutraceuticals | Nutrition – Super Foods, Plant-based, Organic Foods | Medicated Lozenges & Digestive Remedies | Gels & Ointments | Dusting & Cosmetic Powders | Cosmeceutical & Skin Care – Allopathic, Herbal & Ayurveda | Oral Liquids | Allopathic Tablets | Personal Care

HOUSEHOLD INSECTICIDES

Aerosols | Liquid Vaporiser | Coils | Mosquito Mats | Activ Cards

LEATHER AND SPORTS SHOES

Leather, Sports & Knitted Shoes and Accessories

Sports Shoes | Leather Shoes for Women, Men & Juniors | Slippers & Flip-flops | Uppers | Accessories

HOME CARE

Home Care

Toilet Cleaner | Surface Cleaner | Glass Cleaner | Liquid Dish Wash

Fabric Care

Liquid Detergent | Powder Detergent | Fabric Conditioner

PET CARE

Pet Hygiene | Pet Food & Treats

TOUCHING MANY LIVES

Hot Beverages
Energising
4 Mn+
tea/coffee lovers daily

Baby Food
Delivering healthy baby food to
1,00,000+
infants daily

Carbonated Drinks & Juices
Refreshing
1,00,000+
families per day

Beauty & Personal Care
Making
2 Mn+
women & men look and feel good everyday

Home Care
Providing cleaning solutions to
2 Mn+
people everyday

Foot Care
Protecting
50,000+
pairs of feet from discomfort and ache every year

Ice Cream
Pleasuring
1 Mn+
ice cream lovers everyday

Protein Health Drinks
Providing nutrition to
2 Mn+
families per day

Leather & Sports Shoes
Delighting
1,50,000+
Customers across the world

Pest Control
Protecting
4 Mn+
families daily from deadly insect-borne diseases

AD VALOREM CRESCENDUM

Toward Increasing Value

BUSINESS MODEL

At Hindustan Foods Limited (HFL), our business model mirrors Aeneas' strategic versatility during his epic journey. Just as Aeneas faced the unknown, adapting to new lands and forging alliances to build a future for his people, we navigate the complexities of our industry by employing a range of strategies tailored to the diverse needs of our Customers.

One of Aeneas' key moments came when he reached the land of the Latins, where instead of engaging in conflict, he sought to form alliances and integrate the strengths of his new partners. Similarly, our business model is built on flexibility and collaboration, allowing us to seamlessly incorporate dedicated manufacturing facilities, anchor-tenant arrangements, and private-label manufacturing into our growth strategy.

Whether dedicating resources to Customer-specific facilities, sharing capabilities across multiple partners, or offering comprehensive turnkey solutions, we, like Aeneas, adapt to the demands of our journey. This approach not only strengthens our partnerships but also enables us to meet the evolving needs.

DEDICATED MANUFACTURING FACILITY

Our Dedicated Manufacturing model revolves around prioritising client exclusivity, customising and building manufacturing facilities precisely aligned with their requirements. These facilities are dedicated solely to serving the Principal company and fostering a focussed manufacturing environment. Through collaborative efforts, we strategise a facility's ideal location, design, capacity, and other crucial parameters, taking charge of all investments and manufacturing-related expenses. This strategic approach enables our Customers to allocate resources towards enhancing other vital facets of their business.

1 Plant = 1 Customer + 1 or More Brand/s or Category/ies

ANCHOR-TENANT MANUFACTURING AND SHARED MANUFACTURING

The Anchor-Tenant Manufacturing and Shared Manufacturing model represents a departure from the conventional single-company dedicated manufacturing setup. Under this model, the facility's capabilities are utilised by multiple companies through extended contractual agreements. This strategy offers several benefits, including cost savings and reduced operational overheads. Despite the Shared Manufacturing space, stringent confidentiality measures are enforced to safeguard the secrecy and competitive edge of the manufactured products.

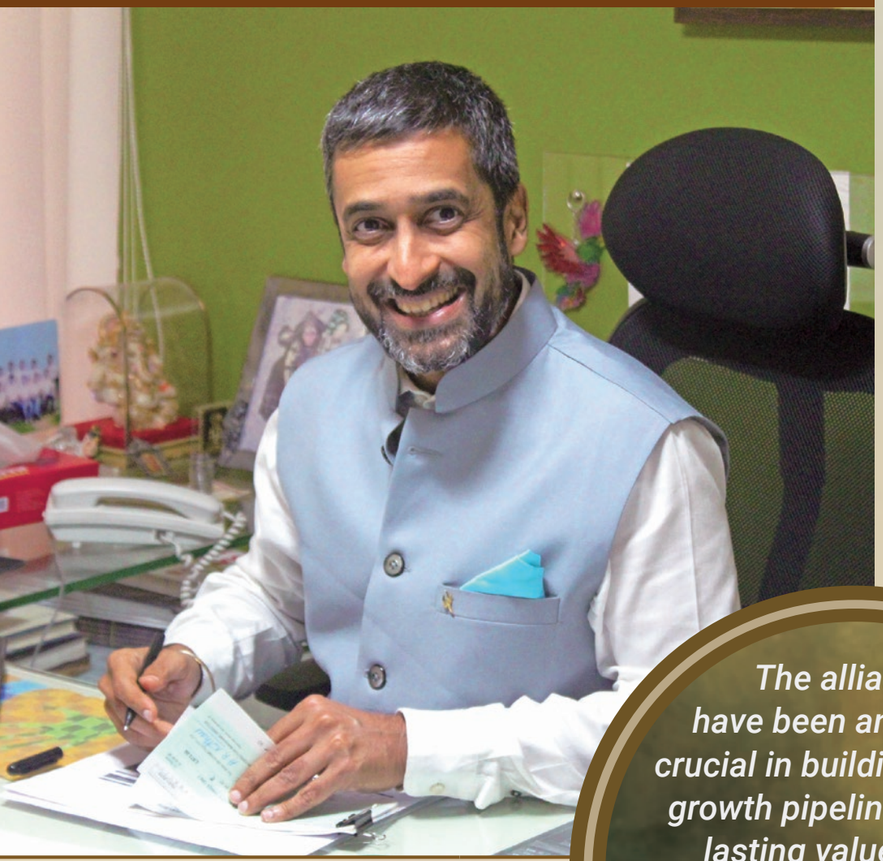
1 Plant = 1 Anchor Customer + Few Small Customers + Multiple Brands/Products

PRIVATE LABEL MANUFACTURING

HFL additionally offers the Private Label Manufacturing model, presenting a versatile Contract Manufacturing solution. This framework involves HFL assuming responsibility for the product formula tailored exclusively for private labels, providing comprehensive turnkey solutions to Customers. Through thorough research and testing, HFL delivers customisable options at competitive rates.

Your Concept + Our Expertise

FROM THE MANAGING DIRECTOR'S DESK



The alliances have been and will be crucial in building a robust growth pipeline, creating lasting value for our Customers and stakeholders, and enhancing our ability to deliver cutting-edge solutions across various industries.

DEAR SHAREHOLDERS,

With due apologies to Charles Dickens, it was the best of times, it was the worst of times! It was the age of slowing growth in the FMCG sector, it was the era of opening up of new sectors on the back of government policies and consumer tailwinds. It was the season of incumbent giant brands dealing with the slowing macro-economic growth, it was the epoch of smaller, nimbler brands riding on shifting consumer preferences and disruption of distribution chains.

As I reflect on the year FY 2023-2024, I am reminded of Aeneas' journey from Troy to the eventual founding of Rome. A journey that was embodied by resilience and the forging of powerful alliances. A journey of being able to adapt to changing scenarios and turbulence to lay a strong foundation for future growth.

This past year, we faced a challenging economic landscape marked by a slowdown in demand within the FMCG sector and notable deflationary twists in commodity prices. While the slowdown in FMCG demand led to a dip in consumer spending, impacting sales volumes, the deflationary trend affected our topline numbers. While the comparison to the fall of Troy might be too dramatic, it did have some parallels.

Drawing inspiration from Aeneas, the legendary hero, we decided to steer a new path. Aeneas' ability to navigate diverse challenges and build strategic partnerships eventually led to the founding of Rome, creating a lasting legacy. Similarly, HFL has leveraged strategic partnerships to enter into new product categories, diversify our customer base, and lay the foundation for long-term success. These alliances have been and will be crucial in building a robust growth pipeline, creating lasting value for our Customers and stakeholders, and enhancing our ability to deliver cutting-edge solutions across various industries.

Just as Aeneas' journey required adaptability and foresight, our initiatives and focus on core strengths have positioned us to achieve sustained growth and success. By forging alliances and embracing resilience, we continue to build a legacy of excellence, proving that even in turbulent times, we are ready to tackle whatever comes next.

The year also saw us strengthening our financial position with a significant fundraising round, issuing warrants totalling Rs. 400 cr. to a mix of existing investors.

Aeneas' Footprint: Crafting a Legacy of Growth

This year marked HFL finding new Clients (Dabur & NIC Ice Creams), entering new industries through alliances and acquisitions (Shoes & OTC Pharma), and strengthening and raising resources.

The year also saw us strengthening our financial position with a significant fundraising round, issuing warrants totalling Rs. 400 cr. to a mix of existing investors, such as Convergent and Sixth Sense, as well as new investors, including Malabar Capital, Bay Capital, and Vanaja Sundar Iyer. We are grateful for their continued trust and investment in HFL. On behalf of the management team, I assure all shareholders that this capital will be deployed strategically to enhance our growth trajectory.

The fundraising will enable us to explore several promising opportunities that will significantly boost HFL's capabilities and market presence. One key area of focus is the sports shoe manufacturing sector. We expanded our capabilities in this sector through our wholly owned subsidiary, KNS Shoetech Pvt. Ltd., which completed the acquisition of multiple sports shoe manufacturing units located in Kundli, Haryana and Paonta Sahib, Himachal Pradesh. This acquisition allows us to swiftly enter and expand in the sports shoe market, leveraging existing infrastructure

and expertise to ramp up production, diversify our product portfolio, and open new revenue streams. We welcomed more than 5,000 team members across Kundli and Paonta Sahib facilities and are working on integrating their aspirations and goals with ours.

This year led us to build on our foray into the OTC Pharma sector through the acquisition of Reckitt's Baddi Unit, which specialises in OTC pharma products. The Baddi facility's established international presence and regulatory approvals will enhance HFL's footprint in the pharmaceutical sector, complementing our product lines and driving growth in the health and wellness segment. Once again, we welcomed the addition of a talented and capable team of new employees to the HFL family as a result of these acquisitions. The Baddi facility is undergoing a complex transition, including the transfer of licenses, new regulatory approvals, and ERP system integration, which will ultimately streamline operations and expand our market reach.

This year saw our client list being strengthened by the addition of Dabur and NIC Ice Creams. Our new factory in Guwahati, Assam, dedicated to juice production, commenced as scheduled with a total CAPEX of approximately Rs. 20 cr. This facility is strategically positioned to meet the growing demand for juice and natural beverages, enabling us to capitalise on seasonal trends and strengthen our position in the beverage market. We signed a contract with Walko Foods (NIC Ice creams) to set up a brownfield facility with the capital expenditure revised to Rs. 150 cr.

Additionally, we continued building across our existing sites – investing Rs. 20 cr. to expand capacity at our existing ice cream factory in Lucknow, Rs. 50 cr. in expanding our Hyderabad plant and another Rs. 40 cr. in our colour cosmetics facility in Silvassa, improving our capabilities to meet rising consumer demand and strengthen our market position.

Like any winning army, your Company has been slowly consolidating the various promoter-owned entities to ensure that there is a single strategic cohesive unit. In the past years, this included the merger of the Coimbatore & Hyderabad units which have now become one of the largest contributors to our revenues. In this year, the Board also approved the exploration of a de-merger, integrating the

Overall, this year has been a period that has proven HFL's resilience and ability to grow in an adverse macro environment by consolidating our operations, increasing production capacity, and expanding into new markets, all the time building new alliances and growing the team.

promoter-owned factory at our Nashik Plant with HFL. This facility, specialising in manufacturing soup and meal makers for a major FMCG client, represents a strategic opportunity to consolidate operations and further fortify our position in the FMCG sector.

Overall, this year has been a period that has proven HFL's resilience and ability to grow in an adverse macro environment by consolidating our operations, increasing production capacity, and expanding into new markets, all the time building new alliances and growing the team. Much like Aeneas, who, in view of the fall of Troy, raced out and forged new alliances and built a new city that eventually evolved as the foundation of the long-lasting Roman Empire.

Financial Performance

As of March 31, 2024, we demonstrated resilience and strength in a challenging economic landscape. Our net worth reached Rs. 646 cr., and our gross block stood at Rs. 1,129 cr., highlighting our solid asset base and ongoing investment in growth. Total revenues climbed to Rs. 2,762 cr., reflecting a 6% increase year-over-year (thanks to the deflation in the commodity prices), which belied the volume growth of the Company. Our EBITDA of Rs. 229 cr. represented a robust 29% growth, while our Profit After Tax surged to Rs. 93 cr., marking a notable 31% year-over-year increase.

Our Earnings Per Share grew to Rs. 8.23, and we managed to maintain a strong return on equity of 18.2%. The debt-to-equity ratio remains at a manageable 1.06x, reinforcing our balanced approach to financial management. These achievements are fundamental to our strategic resilience and our ability to emerge stronger in a dynamic environment. We remain committed to building on this momentum, continuing to drive growth, and delivering sustained value to our stakeholders.

Our ESG Commitment

Building on the profound symbolism of last year's theme dedicated to Goddess Gaia, we continue to integrate Environmental, Social, and Governance (ESG) principles into every facet of our operations. Inspired by Gaia's embodiment of the Earth and her nurturing qualities, we have made significant strides in promoting sustainability through various initiatives. These include solar power integration, rainwater harvesting, briquette boilers, and advanced lighting and air-conditioning systems.

Our commitment extends to working closely with our Principals on eco-friendly packaging and prioritising local labour to boost economic development. Additionally, our Corporate Social Responsibility (CSR) initiatives are designed to support local communities and foster environmental conservation. Just as Gaia nurtures and sustains life, we are dedicated to creating a sustainable and prosperous future for all our stakeholders.

Our focus on sustainability aligns with the United Nations' Sustainable Development Goals, particularly in reducing our carbon footprint.

Our focus on sustainability aligns with the United Nations' Sustainable Development Goals, particularly in reducing our carbon footprint. We are adopting cleaner fuels, implementing energy efficient technologies, improving process efficiencies, conserving water, enhancing workplace safety, and promoting gender equality through skill development. We also comply with CPCB's Plastic Management Regulations and are transparent about our sustainability actions in our Annual Reports.

In terms of our people, we strive for a blend of professionalism and humanity. We have cultivated a culture of openness and transparency, where our leadership is approachable and engaged. Recent initiatives include a KRA-driven Performance Management System for the Leadership Team and Senior Managers, leading to increased efficiency and engagement. We have also introduced structured quarterly reviews, regular engagement activities, and automated HR systems to streamline processes and focus on productivity.

Our commitment extends to the communities we serve. We have announced a contribution of Rs. 25 lakhs for FY 2023-2024 towards Ashoka University's Sustainable Financial Aid Programme. This contribution underlines our commitment to social responsibility and aligns with our focus on empowering women, inspired by the values and vision of our Founder, Shri R M Kothari.

Note of Thanks

Our journey is marked by both our successes and the valuable lessons we have gleaned from our challenges. These experiences drive us to continuously elevate our standards. At the heart of high-performance organisations lies a commitment to future readiness. I want to extend my heartfelt gratitude to everyone whose hard work has contributed to our performance in FY 2023-2024. I also want to acknowledge and thank all our stakeholders for their trust and support. I eagerly anticipate your continued confidence in our future endeavours.

Warm regards,

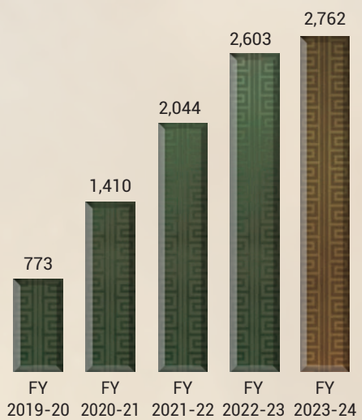
Sameer Kothari
Managing Director

NUMERI QUI LOQUUNTUR

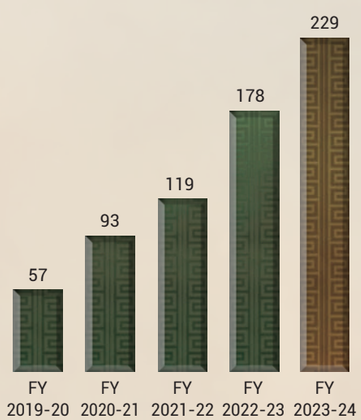
Numbers that Speak

FINANCIALS

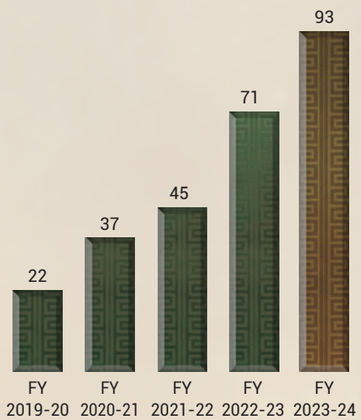
Revenue# (in Rs. cr)



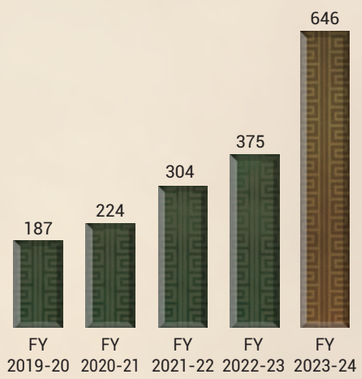
EBITDA# (in Rs. cr)



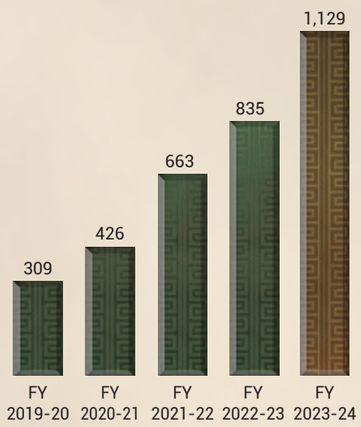
PAT^ (in Rs. cr)



Net Worth (in Rs. cr)



Gross Block* (in Rs. cr)



#Includes Other Income

^PAT for FY 2020-2021 excludes tax adjustment pertaining to the previous year

*Gross Block for FY 2020-2021, FY 2021-2022, FY 2022-2023 and FY 2023-2024 includes wholly owned subsidiaries/LLP and includes CWIP

The above figures are as per Consolidated Financial Statements

CRESCIMUS ET EXTENDIMUR

We Grow and We Extend

PRESENCE

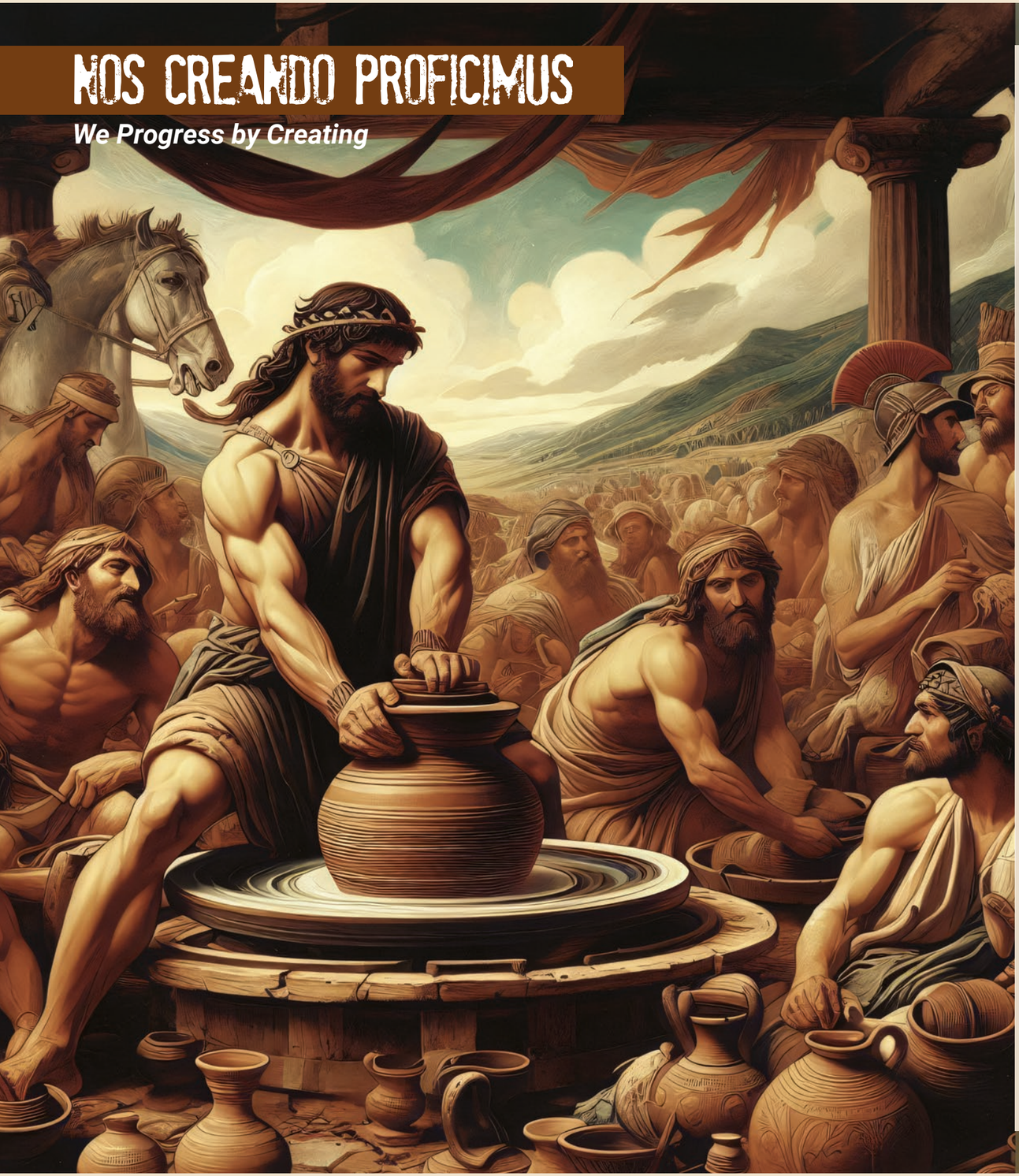
Disclaimer: This map is a generalised illustration only for the ease of the reader to understand the locations and is not intended for reference purposes. The representation of political boundaries and the names of geographical features/ states do not necessarily reflect the actual position. The Company, or any of its Directors, Officers or Employees, cannot be held responsible for any misuse or misinterpretation of any information or design thereof. The Company does not warrant or represent any kind of connection to its accuracy or completeness.

* through Wholly-Owned Subsidiary Company

through 100% (directly – indirectly) Partnership interest in a Limited Liability Partnership

NOS CREANDO PROFICIMUS

We Progress by Creating



MANUFACTURING

As Aeneas journeyed towards his destiny, he understood the importance of establishing fortified camps along the way—strongholds that would serve as both a refuge and a launchpad for future conquests. Similarly, we have developed a network of manufacturing facilities that act as the backbone of our operations. These facilities, like Aeneas' camps, are strategically positioned to provide the strength, innovation, and quality needed to support our growth and meet the evolving demands of our Clients.

JAMMU

Aggregate Capacity:
Coils: 1,200 Mn PA
Vaporisers: 43.2 Mn PA
Aerosols: 7.2 Mn PA

Description:

- Acquired from Reckitt in 2017
- Spread across 8.68 acres
- Manufactures Household Insecticides, including Aerosols, Vaporisers and Coils
- Plant conforms to ISO 9001 QMS, ISO 14001 Environment Management System standards and is an ISO 18001 OHSAS certified facility

BADDI

Aggregate Capacity:
Personal Care: 14 Mn Cu
Ayurveda Creams, Lotions & Hair Care: 179 Mn Cu
Allopathy Tablets: 716 Mn
Allopathy Lozenges: 872 Mn
Allopathy Powder: 0.5 Mn Cu
Allopathy Topical Creams & Ointments: 117 Mn Cu
Allopathy Liquids: 26 Mn Cu
Plasters: 15 Mn Cu
Total Area: 10.87 Acres

Description:

- The plant manufactures over 100 SKUs of Ayurveda & Allopathy Topical Creams, Lozenges, Liquids, Powders, Plasters & Tablets
- The plant is an US FDA, MHRA (Medicines and Healthcare products Regulatory Agency), UK & Russia GMP-approved facility, exporting to 20+ countries in Europe, Asia & Australia

KUNDLI x 3* & PAONTA SAHIB x 2*

Aggregate Capacity: 48,00,000 pairs/year

Total Area: 10 Acres

Description:

- Recently acquired a total of 5 facilities in Haryana and Himachal Pradesh
- The Unit manufactures Sports Shoes & Sneakers (across Tennis, Football, Cricket, Running, Trekking, Badminton, Outdoors, Lifestyle) for national and international brands

*through Wholly-Owned Subsidiary Company

LUCKNOW*

Aggregate Capacity: 3,20,00,000 Litres

Total Area: 8.4 Acres

Description:

- The Unit manufactures Ice Creams & Frozen Desserts – Sticks, Small & Large Cones, Cups, Candies, Choco-bars, Family & Party Packs and Extruded Bars
- Depot operations commenced from the manufacturing facility to reduce carbon footprint reductions for our customer

*through Wholly-Owned Subsidiary Company

SILVASSA I

Aggregate Capacity:

Liquids: 10,000 KL PA

Description:

- The Unit manufactures several international and leading domestic brands of Toilet Cleaning Liquid in a custom-built, fully automated plant
- Invested Rs. 30 cr in the facility, which includes buying out the existing factory of the promoter group and additional investments

SILVASSA II

Aggregate Capacity:

Liquids: 10,000 KL PA

Description:

- The Unit manufactures an international brand's Floor & Surface Cleaning Liquid in a custom-built, fully automated plant

SILVASSA III#

Aggregate Capacity: 3,500 Tonnes/year

Total Area: 1,00,000 Sq. Ft.

Description:

- The Unit manufactures a national brand of colour cosmetics, including lipsticks, eye make-up, pressed & loose powders and lip gloss
- The facility also manufactures Oral Care products, After Shave lotions and Eau de Toilette

#through 100% (directly – indirectly) Partnership interest in a Limited Liability Partnership

MUMBAI

Aggregate Capacity:

Shoes & Sandals: 5,00,000 Pairs PA

Description:

- Acquired unit as an ongoing concern
- Manufactures Leather and Injection-Moulded Footwear

GOA

Extrusion Capacity: 6,000 Tonnes PA

Dry-Mix Blending Capacity: 1,000 Tonnes PA

Description:

- Manufactures Baby Food, Cereals and Snacks
- Facility equipped with the state-of-the-art twin-screw extruder technology to manufacture superior quality Cereal-Based Food Products
- BIS, ISO 9001 and ISO 22000:2005 certified

GUWAHATI*

Aggregate Capacity: 16,000 KL/year

Total Area: 4 Acres

Description:

- Greenfield plant for a national brand
- Manufactures Juices in SIG Combi block packs in pack sizes 110 ml to 200 ml

*through Wholly-Owned Subsidiary Company

HYDERABAD I

Aggregate Capacity:

Powder: 70,000 TPA

Description:

- Manufactures Detergent Powders
- Unit backed by a fully automated end-to-end material handling where 70,000 tonnes of detergent powder is manufactured for national brands

HYDERABAD II

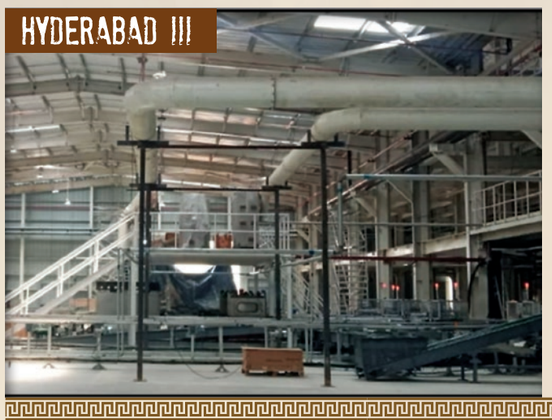
Aggregate Capacity:

Liquids: 60,000 KL PA

Description:

- Engaged in the manufacturing of Liquid Detergent, Fabric Conditioner & Softener, Liquid Soaps and Shampoos
- Ongoing CSR initiative includes setting up a canteen facility at a local government school, upgrading toilets, and providing solar-powered road lighting, among others

HYDERABAD III



Aggregate Capacity:

Detergent Bar: 48,000 TPA

Description:

- Project commissioned and production was started to produce NSD Bar from the facility

MYSURU

Aggregate Capacity:

Beverages: 5.84 Mn Cs PA

Total Area: 15.5 Acres

Description:

- Manufactures Carbonated Soft Drinks, Energy Drinks, Active Water and Fruit Drinks
- Fully automated filling and packing lines at the facility
- Facility was upgraded to add capacity for bottle blowing for the juice line

PUDUCHERRY x 4

Aggregate Capacity: 7,50,000 pairs/year

Description:

- Acquired Ponds Exports Ltd, a subsidiary of Hindustan Unilever Ltd in FY2016-2017
- Manufactures leather shoes and accessories
- Established with a robust quality assurance system, excellent manufacturing practices with the use of KPIs to measure and monitor performance
- Well-equipped design studio with CAD-CAM facility

CHENNAI*

Aggregate Capacity:

Foot Care: 59.36 Mn Cu/year

Shoes: 300,000 pairs/year

Total Area: 10 Acres

Description:

- Manufactures over 100 SKUs of Foot Care Products for Scholl and Dr Scholl's
- Adheres to GMP norms
- Approved by The Medicines and Healthcare Products Regulatory Agency [MHRA], UK
- 100% EOU, exporting to 20 countries in Europe, Asia & Australia

*through Wholly-Owned Subsidiary Company

TINDIVANAM (TAMIL NADU)

Aggregate Capacity: 1,50,000 pairs/year

Description:

- The unit is a Greenfield plant
- Manufactures Sports, Knitted and Casual Footwear

COIMBATORE I

Aggregate Capacity:

Tea Production: 36,000 Tonnes/year

Coffee Production: 1,500 Tonnes/year

Description:

- Greenfield plant, exclusively built to process, blend and pack tea and coffee brands for Hindustan Unilever
- The facility has high-speed single-track and multi-track packing lines and complete end-to-end pneumatic material handling

COIMBATORE II

Aggregate Capacity: 55,000 Tonnes/year

Total Area: 7 Acres

Description:

- Two greenfield plants dedicated to processing, blending and packing two of the largest malt-based food brands in the country

IN HARMONIA CUM NATURA

In Harmony with Nature

ENVIRONMENT

Since our inception, we have been recognised for our commitment to quality and sustainability, seamlessly integrating these values into our extensive range of services. The legendary alliance between Aeneas and Tiberinus, the river god, symbolises a divine endorsement of Aeneas' mission to establish a new Troy in Italy. This alliance, marked by Tiberinus' guidance and protection, reinforces the fusion of mortal endeavour with divine favour, highlighting Aeneas' pivotal role in shaping the destiny of Rome. Their partnership epitomised the harmony between nature and human effort, showcasing a deep respect for the natural world while pursuing monumental goals.

Just as Tiberinus guided Aeneas towards a prosperous future, we, too, view our environment not merely as a backdrop to our operations but as an essential partner in our journey. Our commitment to environmental stewardship reflects this partnership, focussing on long-term sustainability and responsible business practices. By optimising resource use, adopting renewable energy, and reducing waste, we ensure that our growth is both responsible and resilient.

In the spirit of Tiberinus' guidance, we actively engage in initiatives that minimise our environmental impact, fostering a thriving and sustainable future. Our actions are inspired by the timeless principle that a harmonious relationship with nature is crucial for enduring success.

Our environmental efforts are not just about compliance but a reflection of our core values. We understand that true sustainability requires a deep commitment to nurturing and preserving our natural world. Through innovative practices and continuous improvement, we aim to leave a lasting positive legacy, demonstrating that business success and environmental stewardship can go hand in hand.

Environmental Initiatives

Integration of solar power plants and rainwater harvesting systems at our new factories, reducing reliance on conventional energy sources and conserving water resources

Embracing smart lighting and air-conditioning systems, digital payment and signature methods, replacing vapour lamps with LED bulbs in operations to conserve power consumption and striving to minimise paper usage, thereby reducing energy consumption and paper waste

Prioritising the employment of local labour in our factories, contributing to the economic development of rural and semi-urban areas where our facilities are located

Adoption of briquette boilers to replace traditional coal-fired ones, transition to cleaner fuel to reduce carbon emissions and promotion of cleaner energy alternatives

Collaborating with our Principals to adopt eco-friendly and minimal product packaging practices, promoting sustainable supply chains, actions towards segregation and disposal of plastic wastes in line with regulations and reducing environmental impact

Enforcing the mandatory preservation of trees and plants in and around our factories, fostering a greener environment and enhancing biodiversity

HUMANITAS ET CURA

Humanity and Care

SOCIAL

Aeneas' journey took him through various lands, each with its unique struggles and needs. In every city he reached, he not only sought to secure a safe haven for his people but also worked to uplift and improve the lives of the local inhabitants. Whether helping rebuild a ravaged city or offering guidance to leaders in distress, Aeneas' actions reflected a deep sense of corporate social responsibility (CSR). He established schools, promoted fair trade, and encouraged the sharing of resources, always mindful of the well-being of those he led. In the spirit of Aeneas' commitment to building strong, supportive communities, HFL undertakes numerous initiatives aimed at enhancing the lives of both our employees and the local communities we engage with.

91:9

Male to Female Employees Ratio

Employee Initiatives

Our team members are integral to our success in delivering outstanding services. We place a high priority on fostering a welcoming work environment that encourages social harmony. Our initiatives include sustainability training programmes and employee-led activities aimed at enhancing motivation and productivity. We actively participate in internal campaigns to promote eco-friendly behaviours, empowering our employees to create a positive environmental impact. Regular reviews of our processes are conducted to maintain exceptional quality standards.

We prioritise work-life integration, aiming for a harmonious balance between home, family, community, health, and overall well-being. Our strategies continuously develop in response to employee feedback, nurturing a healthy equilibrium between work and personal life. Through regular performance evaluations and check-ins, we create a platform to openly discuss integration, tackle challenges, and provide guidance and support as needed.

Our commitment to cultivating a fair and inclusive workplace prioritises equality across multiple dimensions. We ensure equal opportunities for all individuals, irrespective of age, gender, caste, creed, or social status. Our dedication extends to promoting and empowering women employees across all our sites. Notably, our footwear and colour cosmetics plants boast a higher representation of women compared to men, showcasing our efforts toward gender parity and empowerment.

Community Initiatives

Our CSR vision centres on becoming the most esteemed and respected Company within our region through ethical business practices. We prioritise social and environmental responsibility as a fundamental element of our strategy. By making innovative and creative choices in our day-to-day operations, we strive to contribute to our nation's development actively. Our focus areas encompass education, health and sanitation, environmental sustainability, and support for sports, art, and culture. Through these initiatives, we aim to create a positive and meaningful impact on numerous lives within our community.

Promoting education and healthcare for girls, supporting schools, and providing medical assistance to those in need

Empowering and promoting well-being of the 'Girl Child' by pledging our efforts to enhance her health, hygiene, and education

Improving the learning environment in government schools, ensuring that studying becomes an enriching and transformative experience for every girl

Contributing towards laptops, books, uniforms, desks, sports kits, hygienic drinking water, and streetlights, among other essential resources

Building and renovating classrooms, canteens and toilets in government schools

Supporting cancer care initiatives, providing assistance and resources to individuals battling this disease

Extending our support to eye surgeries and cataract treatments, enabling access to vital vision care for those in need

Offering prosthetic limbs and wheelchairs, empowering them with increased mobility and independence

Partnership with Ashoka University

We have announced a contribution of Rs. 25 lakhs for FY 2023-2024 towards Ashoka University's Sustainable Financial Aid Programme. This contribution underlines our commitment to social responsibility and aligns with our focus on empowering women, inspired by the values and vision of our Founder, Shri R M Kothari.

We are establishing a scholarship named after Shri R M Kothari, with a preference for supporting female students. This scholarship aims to provide crucial financial support to women pursuing higher education, thereby helping to break down barriers and foster greater opportunities for their academic and professional growth.

By investing in the education of women, we are not only supporting individual aspirations but also contributing to broader societal progress. We believe that empowering women through education can lead to significant positive change and are committed to making a meaningful impact in this area.

Rs. 25 lakhs

Contributed in FY 2023-2024 for Ashoka University's Sustainable Financial Aid Programme

FIDE ET FIDUCIA

By Faith and Trust

GOVERNANCE

Amidst the Mediterranean storms that besieged Aeneas and his Trojans, their quest for a new homeland seemed perilous. As a violent tempest threatened to capsize their hopes, Aeneas took decisive action. Recognising that brute strength alone wouldn't save them, he consulted his soothsayers and assessed ancient prophecies, showcasing his strategic foresight. By subtly altering their course towards a narrow strait, he led his fleet to safety on a secluded island where they could recover and prepare for the journey ahead.

This act of strategic brilliance illustrates Aeneas' exceptional leadership, rooted in foresight and adaptability. Similarly, HFL embodies these principles in our governance approach. Like Aeneas, our leadership continuously evaluates market dynamics and adjusts strategies to navigate economic challenges and opportunities. Through careful planning and agile responses, we not only ensure operational resilience but also position ourselves for long-term growth.

At HFL, our core focus lies in fostering fair and transparent management practices across all our operations. We hold a deep commitment to championing robust corporate governance standards that cultivate trust among all stakeholders. Our dedication to maximising lasting value for shareholders and other stakeholders is firmly grounded in principles of integrity, guiding every action and decision we make.

We take a proactive approach to identifying, assessing, and addressing potential risks, placing significant emphasis on effective risk management. Transparent communication serves as the cornerstone of our interactions, nurturing open and honest relationships with all stakeholders. Our decision-making is characterised by strong leadership principles centred on integrity and trust, guiding us forward in our journey.

Board Composition and Diversity

HFL remains committed to nurturing a diverse and inclusive Board of Directors. We acknowledge that diversity spans a spectrum of dimensions, encompassing professional experiences, business perspectives, skills, knowledge, gender, age, cultural and educational backgrounds, ethnicity, and length of service. Upholding transparency and accountability, we adhere to robust corporate governance policies. Recognising the inherent value, a diverse Board offers, we appreciate the range of insights and expertise it brings. This diversity enriches governance outcomes and promotes sustainable business practices by harnessing varied perspectives and experiences.

OUR LEADERS

Shashi Kalathil
Independent Director – Chairperson

Shrinivas V Dempo
Non-Executive Director

Sameer R Kothari
Managing Director

Ganesh T Argekar
Executive Director

Nikhil K Vora
Non-Executive Director

Honey Vazirani
Independent Woman Director

Neeraj Chandra
Independent Director

Sarvjit Singh Bedi
Non-Executive Director

Sandeep Mehta
Independent Director

Amruta Adukia
Non-Executive Director

OUR KEY MANAGEMENT TEAM

Mayank Samdani
CFO

A Chartered Accountant with 21 years of experience and expertise in areas of Finance, Accounts, Audit, Legal and Compliance

Previous experience: Future Group & Ashok Piramal Group

Sanjay Sehgal
President, Healthcare and Wellness

A B.Tech Graduate in Chemical Engineering from IIT Delhi, with 43 years of diverse industry experience. Has served on the board of Indian companies along with a global experience in APAC countries and Brazil

Previous experience: HUL, Sandoz & Hindalco with global experience

Sunil Plakkat
President, Manufacturing Excellence

A Chemical Engineer with 34 years of experience in Manufacturing Operations in Plant and Corporate Roles

Previous experience: Asian Paints, ICI, Rallis and Atul Ltd.

BN Prasad
GM, Operations (South)

An Engineer (B.Tech in Dairy Technology), with 32 years of experience in manufacturing and production of FMCG, Dairy & Health Care

Previous experience: EIDParry, Loctalis India, CavinKare, Glaxo Smith Kline Consumer Healthcare

Ravinder Rathi
GM, Operations (North)

An Operations and Manufacturing professional with expertise in Developing New Set-Ups and Restructuring Operations for the last 25 years

Previous experience: ITC Limited & Moser Baer

Prasad Kali
GM, Projects

A Chemical Engineer with 26 years of experience in Manufacturing Operations, Maintenance, Business Strategy, Project Execution, Erection, Commissioning Safety, Quality WCM/TPM

Previous experience: Hindustan Unilever Limited

Govind Singh Rawat
GM, Operations (South)

A Mechanical Engineer with 33 years of experience in Operations, Projects and Strategic Planning

Previous experience: PepsiCo, Parle Agro, Dukes & the Indian Navy

Rajiv Bahadur
President, Leather Business

A Footwear specialist with over 35 years of experience in Operations, Buying, Product Development and Sales

Previous experience: Bata, Tata Exports, AU Thomson & three years' offshore assignment with Yanko/ Pielsa in Spain

OUR KEY MANAGEMENT TEAM

Rahul Naik

Head, Operations (West II)

An Electronics & Telecommunications Engineer with 26 years of experience in FMCG Plant Operations & Maintenance, Projects, Supply Chain Management and 3P operations

Previous experience: Coca-Cola, Shell Lubricants, AJE Group & VKL group

Ashish Vyawahare

GM, Quality Assurance

A B.Tech in Food Technology with 29 years in Project Management, R&D and QA across F&B domain in India and abroad

Previous experience: Hindustan Unilever Limited

Robin D'Souza

GM, Business Development

A Commerce graduate with 28 years of experience in New Product and Packaging Development, Business Development in Contract Manufacturing and Private Labels

Nalini Kalra

GM, Private Labels

A Graduate in Political Science with 24 years of experience in Personal Care

Previous experience: Worked in the cosmetics industry in New York for five years

Vimal Solanki

Head, Emerging Business & Corporate Communication

A Postgraduate in Business Management, Advertising & Public Relations, with 31 years of experience in Brand Building and Marketing

Previous experience: Shoppers Stop & Reliance Retail

Alok Bodhankar

GM, Human Resources

A Masters in Labour Studies, with 18 years of experience in HR Management & Employee Relations across FMCG, Pharmaceuticals, Speciality Chemicals & Insurance

Previous experience: Glenmark, Croda Chemicals, HDFC & Coca-Cola

CORPORATE INFORMATION

Board of Directors

- **Mr Shashi K Kalathil**
  Chairman, Independent Director
- **Mr Shrinivas V Dempo**
  Non-Executive Director
- **Mr Sameer R Kothari**
  Managing Director
- **Mr Ganesh T Argekar**
  Executive Director
- **Mr Nikhil K Vora**
  Non-Executive Director
- **Ms Honey Vazirani**
  Independent Woman Director
- **Mr Neeraj Chandra**
  Independent Director
- **Mr Sarvjit Singh Bedi**
  Non-Executive Director
- **Mr Sandeep Mehta**
  Independent Director
- **Ms Amruta Adukia**
  Non-Executive Director

Chief Financial Officer

Mr Mayank Samdani

Company Secretary & Legal Head

Mr Bankim Purohit

CIN No.

L15139MH1984PLC316003

Registered Office

Office no. 3, Level 2, Centrium,
Phoenix Market City,
15, Lal Bahadur Shastri Road,
Kurla (W), Mumbai 400 070,
Maharashtra, India

Works

- **Jammu**
  IGC, SIDCO Phase II, Samba 184 121,
  Jammu & Kashmir
- **Baddi, Himachal Pradesh**
  Khasra No. 701/534, Vill Sandholi Baddi,
  Nalagarh Road, P.O. Baddi,
  Tehsil Nalagarh, Distt. Solan 173 205,
  Himachal Pradesh
- **Paonta Sahib, Himachal Pradesh***
  KNS Shoetech Private Limited
  Village Mehruwala, P. O. Bhagani,
  Teh. Paonta Sahib, Sirmour,
  Paonta Sahib 173 025; Himachal Pradesh
  Village Bangran, District Sirmour,
  Paonta Sahib 173 025, Himachal Pradesh
  *Wholly-owned Subsidiary Company of the Company
- **Kundli, Haryana***
  KNS Shoetech Private Limited
  Plot No 158 and 427, EPIP, Sector-53, Phase II,
  HSIIDC, Kundli, Sonipat,
  Haryana 131 028;
  75, Sersa Road, P. O. Janti Kalan, Kundli,
  Sonipat, Haryana 131 028
  *Wholly-owned Subsidiary Company of the Company
- **Guwahati***
  HFL Multiproducts Private Limited
  At Dag No 414, 416 to 421, 425, 426, 428,
  Uparhali, Bijaynagar, Dahali, Kamrup, Guwahati,
  Assam 781 122
  *Wholly-owned Subsidiary Company of the Company
- **Lucknow***
  HFL Consumer Products Private Limited
  Plot No C-3 & C-4, UPSIDC Industrial Area,
  Sandila Village 241 204, Som, Hardoi,
  Uttar Pradesh
  *Wholly-owned Subsidiary Company of the Company
- **Silvassa I**
  Survey no. 452/3, Village Masat, Masat, Silvassa
  396 230, Dadra & Nagar Haveli
- **Silvassa II**
  Unit no. 2, Plot nos. 110 & 111,
  Piparia Industrial Estate, Piparia,
  Silvassa 396 230, Dadra & Nagar Haveli
- **Silvassa III***
  Aero Care Personal Products LLP
  Survey No. 284/2, Village Naroli,
  Silvassa 396 235, Dadra & Nagar Haveli
  **through 100% (directly – indirectly) Partnership interest in a Limited Liability Partnership*
- **Mumbai**
  Industrial Gala nos. 7 to 13,
  Survey no. 34 & 35, Rajprabha Landmark
  Industrial Estate Road, Gokhivare, Vasai East,
  Palghar, Mumbai 401 208
- **Goa**
  Usgaon, Ponda, Goa 403 406
- **Hyderabad I, II & III**
  Survey no. 44 & 49, Peddaipally Village,
  Jadcherla Taluk, District Mahbubnagar,
  Telangana 509 202, Andhra Pradesh
- **Mysuru**
  Plot no. 11B & C, KIADB Industrial Area,
  Nanjangud 571 302, District Mysuru,
  Karnataka
- **Puducherry (3 Units)**
  RS no. 254/1B, Gorimedu-Poothurai
  Road, Poothurai Rev Village, Vanur Taluk,
  District Villupuram,
  Tamil Nadu 605 111
- **Tindivanam (TN)**
  Survey Nos. 4/1 to 4/8,
  Sheds A & B - Kambur Village,
  Tindivanam, Villupuram District, Tamil
  Nadu 604 101
- **Chennai***
  HFL Healthcare and Wellness Private Limited
  At Plot No. F73 & F74, SIPCOT Industrial
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- SVC Bank

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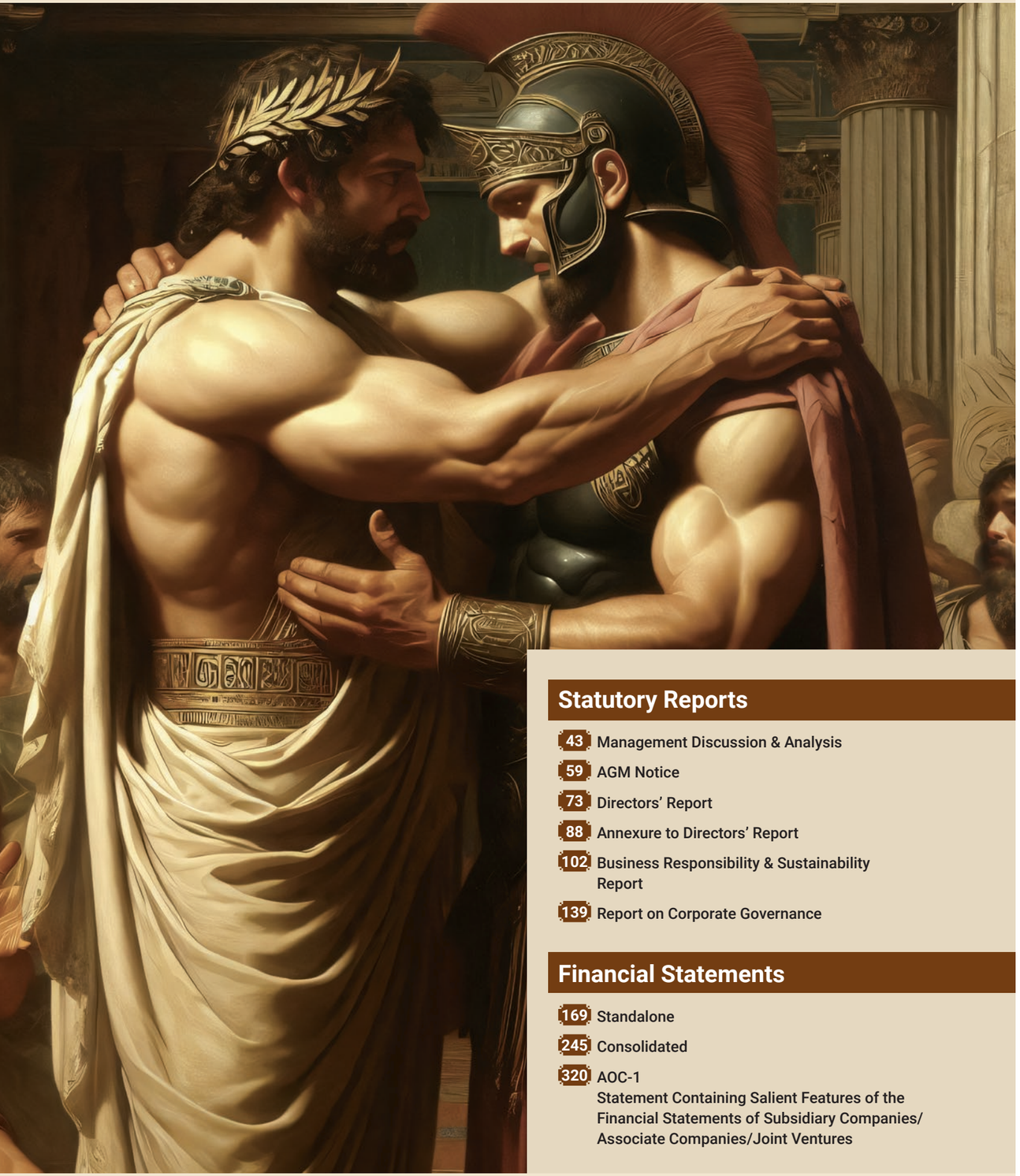

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MANAGEMENT DISCUSSION & ANALYSIS

ECONOMIC OVERVIEW

Global Economy

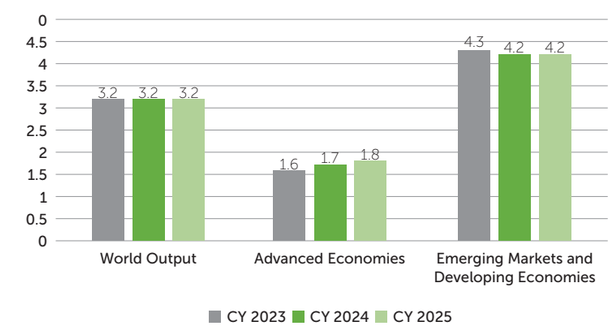
The global economy has been remarkably resilient, with growth holding steady as inflation target levels. The journey has been eventful, starting with supply-chain disruptions in the aftermath of the pandemic, a Russian-initiated war on Ukraine that triggered a global energy and food crisis, and a considerable surge in inflation, followed by a globally synchronised monetary policy tightening.

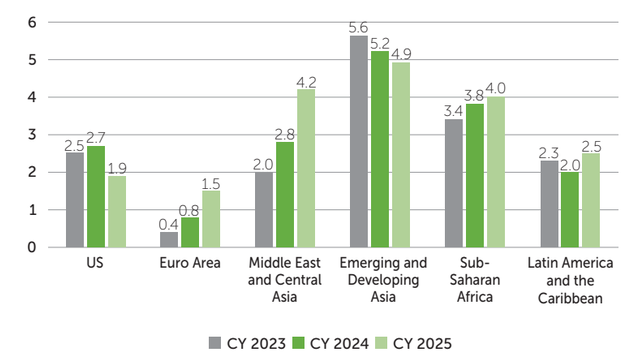
Global growth, estimated at 3.2% in CY 2023, is projected to maintain the same pace in CY 2024 and CY 2025. However, this estimated expansion is below historical standards due to various factors, including ongoing high borrowing costs, reduced fiscal support, and long-term effects from the COVID-19 pandemic and the Ukraine conflict. Global headline inflation, on the other hand, is anticipated to decrease from 6.8% in CY 2023 to 5.9% in CY 2024 and 4.5% in CY 2025, with advanced economies achieving their inflation targets sooner than emerging markets and developing economies.

In advanced economies, growth is expected to increase slightly from 1.6% in CY 2023 to 1.7% in CY 2024 and 1.8% in CY 2025. The United States is projected to see growth of 2.7% in CY 2024, slowing to 1.9% in CY 2025 due to fiscal tightening and softening labour markets. The Euro area is forecasted to recover from its low rate in CY 2023 to 0.8% in CY 2024 and 1.5% in CY 2025. Other advanced economies, like the United Kingdom, are also expected to see growth, while Japan's output is anticipated to slow. In emerging markets and developing economies, growth is predicted to remain stable at 4.2% in CY 2024 and CY 2025. Low-income developing countries are forecasted to experience gradually increasing growth rates as constraints on near-term growth ease.

3.2% Growth of Global Economy in CY 2023

Global Economic Growth Projections





MANAGEMENT DISCUSSION & ANALYSIS (Contd.)

OUTLOOK

In CY 2025, global GDP growth is projected to be moderate, akin to its CY 2019 performance, but slightly surpassing the anticipated 3.0% increase in CY 2023. This growth is expected to be varied, with advanced economies experiencing modest growth while emerging markets maintain moderate momentum. Several factors are likely to hinder growth in CY 2024, including sluggish employment expansion, consistently high prices and wages, elevated interest rates, tighter credit conditions, and fiscal tightening across most major economies, except China. Consequently, due to easing supply chain constraints, moderating final demand, rebalancing labour markets, and decreasing rents, global disinflation is anticipated to persist in CY 2024.

(Source: https://www.ey.com/en_us/insights/strategy/global-economic-outlook#:~:text=In%202024%2C%20we%20anticipate%20moderate,about%203.8%25%20across%20emerging%20markets)

Indian Economy

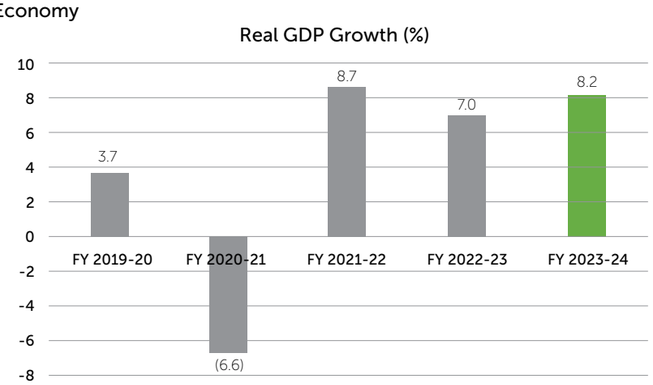
As per the provisional estimates, the Indian economy registered a GDP growth rate of 8.2% in FY 2023-24, up from 7.0% in FY 2022-23. This robust growth is likely to have been driven by enhanced performance across key sectors, including mining and quarrying, manufacturing, and select areas of the services sector. The resilience demonstrated by the Indian economy can be accredited to increased public sector investment, a robust financial sector, and significant growth in non-food credit.

8.2% Growth of the Indian Economy in FY 2023-24

(Source:https://pib.gov.in/PressReleseDetailm.aspx?PRID=2022323#:~:text=The%20growth%20rate%20in%20Real,a%20growth%20rate%20of%209.6%25)

India is currently the fifth-largest economy in the world and is expected to continue to clock the highest GDP growth rate amongst the top five economies in the foreseeable future. The Government's economic policy agenda has been centred on revitalising India's growth potential. This involves strengthening the financial sector, streamlining business conditions to spur economic activity, and substantially enhancing both physical and digital infrastructure to bolster connectivity and thereby boost the manufacturing sector's competitiveness. In line with this vision, the Government implemented a range of economic reforms to foster a business-friendly environment, enhance ease of living, and fortify governance systems and processes.

Growth of the Indian Economy



(Source: https://pib.gov.in/PressReleseDetailm.aspx?PRID=2022323#:~:text=The%20growth%20rate%20in%20Real,a%20growth%20rate%20of%209.6%25)

The annual rate of inflation based on all India Wholesale Price Index (WPI) numbers was 1.26% (Provisional) for April 2024 (over April 2023). The positive rate of inflation in April 2024 was primarily due to an increase in prices of food articles, electricity, crude petroleum & natural gas, machinery & equipment and other manufacturing sectors. This was also among the key factors contributing to higher profitability of Indian corporates amidst sharply lower input costs in FY 2023-24. India's Consumer Price Index (CPI) inflation eased to 4.85% in March 2024 versus 5.09% in February 2024. The Government aims to moderate the CPI inflation and align it to a specific target on a durable basis for the best interest rate of the economy.

4.85% CPI Inflation in March 2024

(Source:https://pib.gov.in/PressReleaseIframePage.aspx?PRID=2020521#:~:text=The%20rate%20of%20inflation%20based,5.52%25%20in%20April%2C%202024 https://timesofindia.indiatimes.com/business/india-business/cpi-retail-inflation-march-2024-iip-data-february-2024-top-highlights/articleshow/109248603.cms)

MANAGEMENT DISCUSSION & ANALYSIS (Contd.)

India has made significant strides in improving its infrastructure in recent years. The Government has spent Rs. 23 lakh crs on infrastructure over the three-year period from FY 2021-22 to FY 2023-24. The infrastructure focus is apparent as the capital spending to GDP ratio almost doubled to 3.2% of GDP in FY 2023-24 from 1.6% of GDP in FY 2018-19. A considerable focus was directed towards building roads, highways, and railways, with almost 40% of total capital spending allocated to these sectors through Government schemes such as Sagarmala Pariyojana, Bharatmala Pariyojana, and UDAN, among others. In the Interim Union Budget 2024-25, the Indian Government increased the infrastructure outlay by 11.11% from Rs. 10 lakh crs to Rs. 11.11 lakh crs, aimed at aligning the target of containing the fiscal deficit within the 4.5% threshold by FY 2025-26. The Government is planning to revisit various schemes such as FAME and Smart Cities Mission.

(Source:https://economictimes.indiatimes.com/news/economy/infrastructure/budget-2024-need-for-infra-push-2-0-to-make-indias-roads-railways-one-of-worlds-best/articleshow/107282175.cms?from=mdr)

Outlook

India's ambition to reach a USD 7 Tn economy by CY 2030 demonstrates its steady progress towards the goal of becoming a developed country by CY 2047. With stable and robust domestic demand, increasing private consumption and investments, and ongoing structural reforms, the nation is poised to maintain its upward growth trajectory in the foreseeable future.

(Source:https://www.livemint.com/economy/india-to-be-a-usd-7-trillion-economy-by-2030-finance-ministry-nirmala-sitharaman-11706525095022.html)

Industry Overview

FMCG Sector

The FMCG sector in India, the fourth-largest in the country, has been expanding steadily, driven by consumer demand and increased product prices, particularly for essential goods. Often seen as a proxy for overall consumer demand, the sector's performance directly reflects the purchasing power and consumption patterns of Indian households. This sector employs around 3 Mn people, accounting for approximately 5% of India's total factory employment. The sector's growth is further fuelled by rising disposable incomes, a youthful demographic, and heightened brand awareness among consumers. Key growth drivers include favourable government initiatives and policies, a growing rural market, an increasing youth population, the introduction of new branded products, and the rise of e-commerce platforms.

3 Mn People Employed in the FMCG Sector in FY 2023-24

(Source: https://economictimes.indiatimes.com/jobs/hr-policies-trends/fmcg-sector-poised-for-hiring-surge-as-consumer-spending-hits-6-trillion/articleshow/111626445.cms)

The Indian FMCG market was valued at USD 164 Bn in CY 2023 and is projected to reach USD 1,093.06 Bn by CY 2032, with a CAGR of 21.61% during the forecast period from CY 2023 to CY 2032. Revenue growth for the sector will be supported by modest realisation growth of 1-2%, mainly due to a marginal rise in the prices of key food and beverages and raw materials such as sugar, wheat, edible oil, and milk. Meanwhile, prices for most crude-based products like linear alkylbenzene and high-density polyethylene packaging are expected to remain range bound. Additionally, the focus on enhancing premium product offerings, especially in the F&B and personal care segments, will further support realisations.

(Source: https://www.custommarketinsights.com/report/india-fmcg-market/#:~:text=The%20India%20FMCG%20Market%20was,and%20at%20relatively%20low%20costs)

USD 164 Bn Value of the FMCG Market in CY 2023

The FMCG sector is prioritising both the premiumisation of products and volume growth. Through premiumisation, FMCG companies invest in innovation, branding, and marketing to create products that can command higher prices. Simultaneously, by focusing on volume growth, these companies aim to sell a large quantity of products to consumers, even if it requires offering them at lower price points. This difference in approach is primarily due to the varying consumer behaviours in urban and rural markets. The FMCG urban market is driven by premiumisation, while the rural market focuses on generating volume. Although both strategies have their advantages and disadvantages, a balanced approach that considers both aspects is the most effective and desirable.

Despite all the trends, growth in the FMCG sector has faced various challenges. Annual demand has declined due to inflation and unpredictable monsoon seasons. Despite this, urban demand has driven overall growth, while rural sales have seen a slower increase. Consumer patterns are also evolving. Health-conscious individuals are increasingly

MANAGEMENT DISCUSSION & ANALYSIS (Contd.)

opting for organic, natural, and vegan products, as well as functional foods and beverages enriched with vitamins, minerals, probiotics, and other nutrients. Meanwhile, rural demand is shifting as more rural residents migrate to cities for work and education, broadening their perspectives. As these migrants become more aware of brands, they influence consumption patterns accordingly.

Rural FMCG Sales

Rural India is emerging as a robust growth engine for FMCG sales and is expected to outperform urban markets in the second quarter of CY 2024. Rural areas will continue to exhibit strong growth, surpassing urban counterparts, which have faced stagnant growth over the past three quarters and challenges due to a high base in the second quarter of CY 2023. For the first time since CY 2023, the consumption gaps between urban and rural markets have started narrowing. This phenomenon is particularly evident in the North and West regions.

There has been a notable shift in urban consumer dynamics, with a slowdown in categories such as noodles and salty snacks that had previously seen rapid growth since the pandemic. Despite concerns over varying rainfall patterns impacting rabi crop yields, particularly in Central and South India, sustained momentum in rural FMCG sales is predicted. Rural markets, which typically contributed 35-37% of total FMCG sales in FY 2023-24, will likely maintain their growth trajectory, outperforming urban areas for the foreseeable future.

35-37%	Of Total FMCG Sales Came from Rural Markets in FY 2023-24

(Source: https://www.ibef.org/news/rural-india-will-continue-to-outpace-urban-expansion-in-fmcg-sales-kantar)

FMCG companies see high growth potential in rural markets due to their larger populations and greater demand for new products. Establishing factories in these areas, boosts local employment and provides better salaries for unskilled and semi-skilled workers. This development also increases income levels through improved agricultural output and rising consumer spending. Technological advancements, including e-commerce platforms, further expand reach and innovation opportunities. Additionally, government initiatives to develop rural areas support FMCG growth by stabilising policies, creating new markets, and promoting product development.

The demand for branded products in rural India is constantly increasing, leading to a surge in rural consumption. This growth has paved the way for modern retail expansion, with the rural FMCG market projected to reach a staggering USD 220 Bn by CY 2025. The immense market potential and evolving consumption patterns make rural India an attractive and profitable opportunity that no FMCG company can afford to ignore.

USD 220 Bn	FMCG Rural Market Size by CY 2025

Companies in the FMCG sector must recognise the significance of rural markets and develop innovative strategies to build trust and engage potential customers. As the heart of India lies in its villages, overlooking the rural population is not an option for those seeking success in the country's business landscape.

OUTLOOK

Looking ahead, despite challenges, the FMCG market in India remains resilient and is poised for a 7-9% growth in FY 2024-25. The industry's capacity to manage complexities and adjust to changing market conditions highlights its importance in the Indian economy, presenting promising opportunities for future growth. Additionally, contract manufacturing has become a vital strategy, enabling FMCG companies to enhance production efficiency and meet the increasing consumer demand effectively. This approach allows brands to leverage specialised capabilities and focus on core business areas, further driving growth in the sector.

7-9%	Growth of FMCG Industry in FY 2024-2025

A 6-7% volume growth is expected in FY 2024-2025 from rural consumers. This is likely to be driven by anticipated better monsoon conditions, increased minimum support prices for farm incomes, and higher government spending on rural infrastructure through schemes like Pradhan Mantri Awaas Yojana-Grameen (PMAY-G). These factors are expected to support higher savings and increased consumer spending in rural areas, which contribute approximately 40% of overall FMCG revenue. On the other hand, volume growth from urban consumers is expected to remain steady at ~7-8% during FY 2024-25. This growth will be driven by rising disposable incomes and a continued focus on premium offerings, particularly in the personal care and home care segments.

(Source:https://www.crisilratings.com/en/home/newsroom/press-releases/2024/07/fmcg-sector-to-see-revenue-growth-of-7-9-percent-this-fiscal.html)

MANAGEMENT DISCUSSION & ANALYSIS (Contd.)

Rural consumption in India has surged due to rising incomes and increasing aspiration levels, leading to a higher demand for branded products. As the share of the unorganised market decreases, the organised FMCG sector is expected to grow, driven by greater brand consciousness and the expansion of modern retail. Additionally, India's large and growing youth population, especially in urban areas, fuels the demand for convenient food services due to their busy lifestyles. Furthermore, Contract Manufacturing is playing a pivotal role in this growth, enabling companies to scale efficiently and meet the rising demand with quality products.

The burgeoning online platforms in India, poised to connect 1 Bn internet users by CY 2025, will significantly benefit Contract Manufacturing companies. With e-commerce projected to account for 40% of FMCG consumption by CY 2030, Contract Manufacturers are positioned to experience robust growth due to increased demand for diverse and customisable products. Additionally, the implementation of GST and recent economic reforms are set to boost both rural and urban demand, infusing an estimated USD 15 Bn annually into the economy. This structured growth is anticipated to foster a more stable and scalable environment for Contract Manufacturers, enabling them to streamline operations, invest in advanced technologies, and enhance production efficiencies, thereby securing their role as pivotal players in the FMCG supply chain.

1 Bn	Projected Internet Users in India by CY 2025
40%	of FMCG Consumption is Projected to be Driven by E-commerce by CY 2030.

(Source: https://www.ibef.org/industry/fmcg)

GROWTH DRIVERS

Over the past few decades, India's FMCG industry has experienced a remarkable evolution, marked by progressive advancements and dynamic shifts. The industry is poised for substantial revenue growth, fuelled by a resurgence in urban demand, increased spending on discretionary items, and strategic price adjustments to address the rising costs of raw materials. As India's economy continues to expand, driven by robust GDP growth and a rapidly growing middle class, the nation is on track to become the world's third-largest consumer market by CY 2030. This economic ascent is set to propel the FMCG sector to new heights, with consumer expenditure anticipated to reach unprecedented levels.

(Source: https://www.pwc.com/gx/en/issues/c-suite-insights/publications/india-rising-5-springboards-to-developed-nation-status-by-2047.html)

Population Growth

India, the world's second most populous country, is experiencing a significant rise in consumption across various sectors such as food and beverages, home and personal care, and healthcare products due to its growing population. The population is anticipated to exceed 1.5 Bn by CY 2029 and is further projected to reach its peak of 1.697 Bn by CY 2064. After this peak, the population is expected to decline gradually, with forecasts suggesting a reduction to 1.53 Bn by the year CY 2100.

(Source: https://statisticstimes.com/demographics/country/india-population.php#google_vignette)

Increasing Incomes

Over the years, increased incomes have driven a notable rise in the consumption of consumer goods. India's per capita disposable income reached Rs. 2.14 lakhs in FY 2023-24. Per capita disposable income grew 8% in FY 2023-24 and 13.3% in the previous year. This boost in purchasing power, combined with a growing willingness to spend, has significantly shifted consumption patterns. The influx of women into the workforce has led to more dual-income households, which, in turn, has resulted in higher expenditure on dining out and on semi-luxury and luxury home and personal care products.

(Source: https://economictimes.indiatimes.com/news/economy/indicators/data-correction-indias-per-capita-disposable-income-put-at-2-14-l/articleshow/108147382.cms?from=mdr)

Expansion of Retail Industry

The Indian retail market is poised for substantial growth, projected to reach USD 1.1 Tn by 2027 and USD 2 Tn by 2032. Over the period from April 2000 to September 2023, the retail trading sector in India attracted USD 4.56 Bn in Foreign Direct Investment (FDI). This sector not only contributes over 10% to the country's GDP but also supports more than 35 Mn jobs, with expectations to create an additional 25 Mn employment opportunities by 2030. This robust expansion serves as a pivotal growth driver for

MANAGEMENT DISCUSSION & ANALYSIS (Contd.)

the FMCG industry, facilitating increased consumer access and demand for everyday products and services.

(Source: https://www.ibef.org/industry/retail-india)

Favourable Demographics for India

India's demographic profile, characterised by a large, young, and working population, provides a robust foundation for sustainable growth in the FMCG sector. This youthful workforce, coupled with a shift towards nuclear family structures, is creating promising opportunities for the FMCG industry and the Contract Manufacturing sector. Looking ahead, millennials will make up 50% of India's population by CY 2030. Currently, Indian millennials spend an average of 17 hours online each week, with 11% of this time dedicated to banking activities, including transactions. Increased banking activities boost FMCG growth by enhancing access to credit for businesses and consumers, facilitating smoother transactions, and promoting financial inclusion. All of this collectively drives higher consumption and business expansion in the FMCG sector.

(Source:https://bfsi.economictimes.indiatimes.com/news/fintech/millennials-at-forefront-of-online-finance-products-contribute-44-of-total-lending-report/97308820)

Technological Advancements and Digital Transformation

Technology is crucial in transforming the FMCG industry in India. Digital marketing and e-commerce are expanding brand reach, while blockchain is enhancing supply chain transparency and AI-based analytics are providing insights into consumer behaviour. The rise of direct-to-consumer (D2C) models and the growth of online sales channels are reshaping traditional retail, offering new opportunities for market expansion and consumer engagement. By CY 2040, it is forecasted that a remarkable 95% of all retail purchases will be made online, highlighting technology's role in the future of FMCG brands.

(Source: https://www.indianretailer.com/article/retail-business/fmcg/evolution-e-commerce-fmcg-sector)

Government Initiatives and Support

The Indian Government has implemented several strategic initiatives to propel the growth of the FMCG industry. The 'Gati Shakti' scheme focuses on enhancing infrastructure and logistics to streamline processes and reduce supply chain inefficiencies.

Moreover, the Open Network for Digital Commerce (ONDC) initiative aims to democratise the digital marketplace, offering equal opportunities for businesses of all sizes in the e-commerce landscape. Complemented by favourable Foreign Direct Investment (FDI) policies, these measures attract international investments and enhance market competitiveness. Together, these initiatives are set to optimise efficiency, boost manufacturing capabilities, and expand market reach, ensuring sustainable growth and increased global competitiveness for India's FMCG industry.

Increasing Investments

Recent government regulations facilitating Foreign Direct Investment (FDI) in the FMCG sector have spurred a significant influx of funds. These strategic moves have not only increased job creation and strengthened supply chains but also amplified the visibility of FMCG brands across the market. The Government's commitment to enhancing sectors such as MSMEs, agriculture, education, and healthcare, combined with tax incentives, has had a profound and positive impact on the FMCG industry. Looking ahead, it is anticipated that the Government will continue to support the FMCG sector through further policy advancements, attractive developments, and targeted investments. These efforts are expected to sustain the sector's growth trajectory and drive future success.

Growth of MSMEs

The MSME sector plays a pivotal role in India's socio-economic fabric. It significantly contributes to the country's GDP and exports while also fostering entrepreneurship, particularly in semi-urban and rural regions. MSMEs play a pivotal role in boosting the growth of the FMCG sector by offering flexibility, innovation, and cost efficiency. Their agility allows for customised solutions and shorter lead times, enhancing the overall efficiency of the supply chain. By partnering with larger companies, MSMEs gain access to broader markets and advanced technologies, fostering growth and competitiveness. This symbiotic relationship drives economic development, creates employment opportunities, and promotes sustainable industrial growth, thereby strengthening the FMCG sector.

Shoewear Industry

India is the second-largest footwear producer globally, contributing 13% to worldwide production and holding

MANAGEMENT DISCUSSION & ANALYSIS (Contd.)

a 2.2% share in global exports. The industry employs approximately 4.42 Mn people, with women making up about 40% of the workforce. With 20% of the world's cattle and buffalo and 11% of the world's goat and sheep populations, India's strength lies in leather shoe production, exporting USD 2.2 Bn worth of leather shoes in CY 2022.

The Indian footwear market, currently valued at USD 26 Bn, is expected to soar to USD 90 Bn by CY 2030. This impressive growth will be driven by two major trends: a surge in demand for non-leather footwear, such as sports shoes, running shoes, casual wear, and sneakers, which is anticipated to rise dramatically from 25% to 75% of the market share by CY 2030, and a transformation in leather shoe production, shifting from small-scale, cottage industries to large corporate entities. By investing in high-quality design and production facilities for non-leather shoes while supporting small firms, the sector can reach new heights, furthering the Make in India initiative.

USD 90 Bn Market Size of Indian Footwear Industry by CY 2030

(Source:https://gtri.co.in/DisplayFlagshipReports.aspx?ID=28#:~:text=The%20Indian%20footwear%20market%2C%20currently,cottage%20industries%20to%20large%20corporates)

Several segments are fuelling growth in the Indian footwear market. The sports and athleisure segment is expanding rapidly, driven by a growing interest in fitness and wellness, with consumers seeking both comfort and style for exercise and casual wear. The children's footwear segment is also on the rise, thanks to increased awareness of foot health and a broad array of designs. Premium and luxury footwear is gaining popularity among affluent consumers who desire high-quality and fashionable options. Additionally, the demand for ethnic and traditional footwear remains strong, reflecting India's rich cultural heritage. The growth of e-commerce platforms is further facilitating market expansion by providing consumers with easier access to a diverse range of footwear options.

The increasing number of internet users and the proliferation of social media platforms have significantly transformed the shopping habits of Indian consumers. Rapid urbanisation, greater brand awareness, and rising discretionary budgets have contributed to the growth of the footwear industry, elevating its status as a symbol of fashion and prestige. Currently, almost 66% of footwear sales occur in urban regions, with the remaining 34% in rural areas, highlighting significant growth potential. However, due to increasing disposable incomes, changing lifestyles, and growing awareness, rural sales are progressively catching up. Consequently, footwear companies have numerous opportunities to explore and compete in both domestic and global markets.

(Source: https://www.maximizemarketresearch.com/market-report/india-footwear-market/20980/)

Compared to larger footwear markets such as China (USD 180 Bn), the USA (USD 100 Bn), and Japan (USD 40 Bn), India's footwear market is relatively small. The average Indian spends USD 18.2 per person on footwear annually, significantly lower than the per capita spending in China (USD 128.6), the USA (USD 303), and Japan (USD 333.3).

India's Per Capita Expenditure in Footwear is Low, Leather Shoes Dominate Indian Market

Country	Total Footwear Market Size (in USD Bn)	Population (Bn)	Per Capita Expenditure (USD) on Footwear	Share in Total Footwear Market (%)	
				Leather	Non-Leather
India	26	1.4	18.2	70	30
China	180	1.4	128.6	25	75
USA	100	0.33	303.0	15	85
Japan	40	0.12	333.3	10	90

(Source: https://gtri.co.in/DisplayFlagshipReports.aspx?ID=28#:~:text=The%20Indian%20footwear%20market%2C%20currently,cottage%20industries%20to%20large%20corporates)

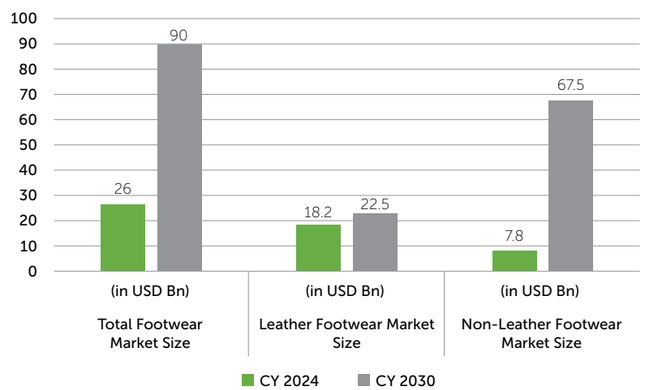
This lower spending in India can be attributed to the perception of footwear as a necessity, with many purchasing new shoes only when the old ones become irreparable. Additionally, there is a strong preference for leather shoes, which make up 70% of the footwear market share in India. In contrast, leather shoes account for much lower percentages in other major markets: 25% in China, 15% in the USA, and 10% in Japan.

India is increasingly adopting non-leather footwear, a trend driven by younger, fashion-conscious consumers with more disposable income. This shift is supported by factors

MANAGEMENT DISCUSSION & ANALYSIS (Contd.)

such as a rising middle class, urbanisation, and a growing preference for branded and casual footwear. Additionally, the expansion of e-commerce has increased access to various footwear styles. Footwear has become a fashion statement, leading to an increase in both the volume and price of sales. People now own multiple pairs of footwear for different occasions, including casual, formal, dress, and athletic styles.

Projections for Indian Footwear: Non-Leather Footwear Set to Achieve High Growth



On July 1, 2023, the Indian Government introduced a Quality Control Order (QCO) for leather and other materials, impacting the footwear industry. This regulation mandates that all footwear must comply with Indian standards and bear the Indian Standard Mark (ISI Mark). Additionally, manufacturers are required to establish testing laboratories, obtain Bureau of Indian Standards (BIS) licenses, and adhere to ISI mark regulations.

Given that 80% of shoemaking units in India are small or cottage-scale, this new requirement poses significant challenges. Many of these smaller units may struggle to meet the stringent criteria, potentially leading to closures. Conversely, larger manufacturers are expected to source components only from approved suppliers to ensure compliance. The QCO must be uniformly applied to all units to maintain compatibility with World Trade Organisation (WTO) regulations.

Sustainability is also becoming a major focus for the Indian footwear industry. Brands are increasingly incorporating sustainable materials, such as recycled plastics, natural fibers, and eco-friendly dyes, into their products. Companies are also investing in green manufacturing processes to minimise waste and lower carbon emissions. Some brands have introduced footwear lines made entirely from upcycled materials. Furthermore, there is a growing effort to reduce packaging waste by using biodegradable or recyclable materials. As consumers become more environmentally conscious, brands that prioritise sustainability are gaining a competitive edge in the market.

However, the Indian footwear industry still faces several challenges, including intense competition from international brands, fluctuating raw material prices, and supply chain disruptions. In response, Indian brands are prioritising innovation and quality improvement. Investments in advanced technologies, such as automation and robotics, are enhancing production efficiency. To address price volatility, companies are diversifying their raw material sources. Additionally, the industry is increasingly adopting digital solutions to streamline supply chains and improve inventory management. Collaborations with global brands and designers are also helping Indian companies maintain competitiveness and align with international standards.

OUTLOOK

The Indian footwear industry is poised for remarkable growth, supported by government initiatives like Make in India and alignment with global trends. Technological and retail advancements are reshaping the market, with increasing consumer demand for both style and comfort expected to drive further expansion. The industry's success depends on supportive policies, infrastructural improvements, tax reforms, and advancements in technology and skills.

The Indian Government's efforts, including the creation of testing facilities under the Footwear and Leather Development Programme, and measures to streamline business operations—such as decriminalising corporate offenses, reducing compliance requirements, and establishing a national single window for approvals—are set to propel the footwear market to new heights. This convergence of supportive measures and industry dynamics heralds a new era of prosperity and innovation for the Indian footwear sector.

GROWTH DRIVERS FOR THE INDIAN FOOTWEAR INDUSTRY

Promotion of Local Manufacturing

Prohibiting the import of finished shoes will stimulate local production by Indian firms and multinational companies. Currently, many brands sell footwear manufactured in China or Vietnam within India. By fostering domestic manufacturing, the Indian footwear industry will strengthen and become less reliant on imports.

Introduction of the PLI Scheme for Critical Inputs

Implementing the PLI Scheme for essential materials in premium shoe manufacturing—such as outsole moulds, glue, ethylene vinyl acetate (EVA) granules, and thermoplastic polyurethane (TPU) films—will significantly lower production costs, which currently increase by 30-40% due to imports. This will enable the domestic production of high-quality, lightweight, and durable footwear, reducing dependency on imports from countries like China and Vietnam.

Exemption of Leather Shoes from QCO Application

Leather shoes, which do not present significant quality concerns and are not a major import category, can be considered for exemption from the Quality Control Order (QCO). They represent 81.7% of India's footwear exports, mainly to discerning markets like the EU and USA. The QCO's focus may be better directed towards non-leather shoes, which account for 77% of India's USD 900 Mn footwear imports and are heavily reliant on imported components.

Attraction of Taiwanese Contract Manufacturers

The footwear manufacturing sector is dominated by Taiwanese Contract Manufacturers who produce for leading brands such as Nike, Adidas, and Puma. India should actively seek to attract these manufacturers to enhance domestic manufacturing capabilities and global brand operations within the country.

Encouragement of State-Level Participation

Tamil Nadu has emerged as a key destination for global footwear manufacturing, setting a benchmark for other states like Uttar Pradesh and Haryana. Since 2006, Tamil Nadu has seen significant investments and job creation from Taiwanese firms. Other states should prioritise footwear manufacturing in their investment promotion strategies to attract Contract Manufacturers from Taiwan and South Korea.

Establishment of Footwear Design and R&D Centres

To compete effectively on the global stage, India must invest in Footwear Design and Research & Development Centres, particularly for non-leather shoes. These centres will drive innovation in design, materials, and technologies, aligning with global trends towards sustainable and eco-friendly products. Enhanced R&D capabilities will also facilitate the transition to advanced, automated manufacturing techniques.

Management of Imports from FTA Countries

It is imperative to ensure that footwear imports from Free Trade Agreement (FTA) countries such as China, Vietnam, Indonesia, and Bangladesh comply with rules of origin under agreements like the India-ASEAN FTA and SAFTA. This will help regulate the quality and volume of imports, thereby supporting domestic manufacturers.

Regulation of Low-Priced Imports

To protect the domestic industry, India should impose a 35% customs duty on footwear imports priced below USD 3 per pair and establish a minimum import price of USD 5 per pair. Currently, approximately 25% of shoe imports in India are priced at less than USD 3 per pair, posing a significant threat to local manufacturers.

(Source: https://gtri.co.in/DisplayFlagshipReports.aspx?ID=28#:~:text=The%20Indian%20footwear%20market%2C%20currently,cottage%20industries%20to%20large%20corporates

MANAGEMENT DISCUSSION & ANALYSIS (Contd.)

CONTRACT MANUFACTURING

Leveraging its robust manufacturing base, competitive labour costs, favourable taxation, and investor-friendly business regulations, alongside significant infrastructure upgrades, India is positioning itself as a leading manufacturing hub. The 'Make in India' initiative has established a strong foundation, poised to unlock the nation's full potential in supporting the global economy. The China+1 and Europe+1 schemes are also gaining traction, encouraging Indian companies to diversify their supply chains by adding manufacturing bases outside China and Europe. This shift is set to boost Contract Manufacturing as businesses seek reliable, cost-effective alternatives to mitigate risks and enhance production flexibility.

India's Contract Manufacturing industry is experiencing rapid development, with projections estimating it to be worth USD 23.72 Bn by CY 2025. Market reports highlight a growing demand for Contract Manufacturing services, driven by increasing cost pressures on businesses across various industries. Concurrently, strong customer demand and extensive support from manufacturing consultants are propelling the growth of India's Contract Manufacturing market.

(Source: https://india.acclime.com/guides/contract-manufacturing/#:~:text=Key%20takeaways,has%20been%20providing%20numerous%20incentives)

USD 23.72 Bn	Projected Size of Contract Manufacturing Industry in India by CY 2025

To further promote investments in this sector, the Indian Government has permitted 100% Foreign Direct Investment (FDI) through an automatic route. This strategic move encourages increased FDI, opening new commercial opportunities for India. It also positions the nation as an attractive manufacturing destination for international companies seeking to expand their operations, particularly considering the ongoing US-China trade tensions.

In the Contract Manufacturing industry, success hinges on manufacturers' ability to leverage technology innovatively and make informed investments in technological advancements. The rapid adoption of digital technologies such as computing, artificial intelligence (AI), machine learning (ML), and 5G can significantly benefit Contract Manufacturers. These technologies enable manufacturers to optimise operations, reduce production costs, and enhance product quality swiftly.

As consumers become increasingly digitally active, Contract Manufacturers who adopt technology agilely will have a distinct advantage in meeting evolving consumer needs and preferences. Embracing these technological advancements not only streamlines manufacturing processes but also positions companies to respond more effectively to market demands, ensuring long-term success in a competitive landscape.

Many large consumer goods companies are increasingly outsourcing manufacturing to third-party producers, complementing their in-house production capabilities. This trend is accelerating as both Indian and international FMCG companies ramp up their investments in India, spurred by the growing demand for packaged goods.

(Source: https://india.acclime.com/guides/contract-manufacturing/)

Just like FMCG industry, the Contract Manufacturing industry has evolved multi-fold over the years:

Phase I (The 1980s)	Phase II (The 2000s)	Phase III (Present Times)	Phase IV (The Future)
• Small Scale Industry (SSI) reservations • Tax exemptions for SSI	• Area-based reservations • Direct tax exemption • Indirect tax exemption	• GST • One Country - One Market • Changes in distribution network • E-commerce and modern trade leading to an explosion of small brands wanting to refrain from manufacturing facilities' investment	• Global sourcing hub like Pharma generics • Explosion of small brands who do not want to invest in manufacturing facilities • Most product categories in India are duopolies or oligopolies unlike in the US/Europe which has many more brands in each category

MANAGEMENT DISCUSSION & ANALYSIS (Contd.)

FAVOURABLE OPPORTUNITIES FOR CONTRACT MANUFACTURERS

High Quality Products

Contract Manufacturers possess the tools and experience necessary to create superb products. They offer the expertise of a skilled team of engineers along with advanced manufacturing tools like CNC machines, 3D printers, and precise cutting, drilling, or milling instruments. This results in end products that are more functional and elegant than those that could be created independently.

Reduced Costs

Contract Manufacturing provides a cost-effective solution for FMCG companies, enabling them to minimise production costs. By outsourcing their manufacturing operations, companies can allocate more resources to focus on their core functional areas, such as marketing, distribution, and sales, which are becoming increasingly challenging in today's hyper-competitive environment. This strategic approach allows businesses to differentiate themselves from their competitors effectively.

Resource Savings

Contract Manufacturers save valuable resources in two main ways. First, they reduce waste through techniques such as lean manufacturing, which leads to cost savings and a smaller carbon footprint. Second, they free up staff time, allowing teams to shift their focus from manufacturing details to critical tasks like branding, marketing, and other important responsibilities.

Skilled Labour

India's vast pool of skilled labour at competitive costs presents a significant opportunity for global FMCG companies looking to outsource their manufacturing operations. Rather than investing in their own production facilities, businesses can leverage Contract Manufacturers in India who specialise in efficient labour management and sourcing, among other critical functions. The Indian Government's National Skill Development Programme (NSDP) supports this advantage by implementing a range of skill development initiatives designed to accelerate decision-making and achieve large-scale, high-quality skill development across various sectors and states.

Faster Time to Market

Contract Manufacturers are equipped with the most advanced manufacturing tools and possess extensive experience, enabling them to develop products at remarkable speeds. Utilising technologies like rapid prototyping and CNC machining, these manufacturers can streamline the development process, bringing new products to market in as little as a few weeks. This rapid turnaround not only accelerates product launches but also allows companies to respond swiftly to market demands and opportunities.

Scalability

Contract Manufacturers often negotiate competitive prices for bulk raw materials, which helps keep production costs low even as production volumes increase. This means that a business starting with a small initial run can scale up production without incurring significantly higher costs. Additionally, these manufacturers maintain detailed records of manufacturing preferences and product models, which allows businesses to adjust production levels up or down with ease.

Technical Expertise

Contract Manufacturers bring a wealth of expertise in product design and development across various niches, which companies can leverage for skills or capabilities they may lack. These manufacturers are experts in their fields, possessing the relevant capabilities and efficient manufacturing processes needed for successful product development. When sourcing new products, a reliable Contract Manufacturer can provide valuable insights on the suitability of materials, techniques, and applications, drawing on their extensive knowledge and experience.

Accurate Cost Estimates and Deadlines

One of the significant advantages Of Contract Manufacturing over DIY manufacturing is the ability to receive a detailed cost estimate upfront. This allows companies to know exactly what to set aside in their budget for the entire manufacturing process. Additionally, Contract Manufacturers draw on their past experience to provide accurate timelines and cost expectations, reducing the likelihood of unexpected costs or delays throughout the production process.

MANAGEMENT DISCUSSION & ANALYSIS (Contd.)

THREATS

Supply Chain Visibility

Effective decision-making and risk management depend on achieving end-to-end visibility across the supply chain. However, Contract Manufacturers frequently work within complex supply networks characterised by multiple tiers of suppliers and logistics partners. This intricate structure complicates the identification of potential bottlenecks, anticipation of disruptions, and maintenance of quality and regulatory standards. Without real-time data on inventory levels, lead times, and production status, Contract Manufacturers may struggle to achieve efficiency and meet customer expectations.

Competition from Unorganised Space

The Indian FMCG market features a mix of prominent national players and influential regional brands. While national brands generally have a broad, nationwide reach, they encounter stiff competition from regional brands that dominate in particular states or geographies. These regional players maintain a strong market presence and often compete effectively with the larger, national brands.

Quality Control and Compliance

Ensuring product quality and compliance with industry regulations is a fundamental aspect of Contract Manufacturing, though it can be difficult to maintain consistency across a diverse range of product lines and manufacturing processes. Contract Manufacturers must implement comprehensive quality control systems, perform regular audits, and remain up-to-date with changing regulatory requirements. Failing to meet these quality and regulatory standards can lead to costly recalls, damage to reputations, and legal liabilities for both the manufacturers and their clients.

Logistical Complexity

The logistics of transporting raw materials, components, and finished products pose significant challenges for Contract Manufacturers, especially those with a global reach. Factors such as lead times, transportation costs, customs regulations, and geopolitical risks can affect the efficiency and reliability of supply chains. To address these challenges, Contract Manufacturers must strategically optimise their logistics networks, utilise technology for route planning and tracking, and develop contingency plans to manage potential disruptions such as port closures, natural disasters, or geopolitical tensions.

Increasing Competition

The Contract Manufacturing sector is a robust and diverse industry distinguished by intense competition. As FMCG companies expand into new regions and diversify their product offerings, they often extend their manufacturing partnerships into these new markets, further increasing the competition. This environment necessitates that Contract Manufacturers innovate and enhance their capabilities to remain competitive amidst growing challenges.

Why HFL for Contract Manufacturing?

The FMCG manufacturing sector is poised to become one of the largest contributors to the economy in terms of value addition and employment generation. Robust growth opportunities are emerging as India increasingly positions itself as a potential 'production powerhouse' under the Make in India initiative.

HFL ('Our Company') is a pioneer in the Contract Manufacturing sector. We have established ourselves as the most diversified and versatile Contract Manufacturing company in India. To further enhance its value, HFL plans to expand both organically and inorganically through bolt-on acquisitions, a highly suitable strategy for the Contract Manufacturing space.

Our Company's state-of-the-art facilities and well-integrated backend services—including processing, packaging, warehousing, and logistics—offer one-stop solutions for manufacturing requirements across a wide range of FMCG products. Clients are assured complete protection of their intellectual property while enjoying the benefits of outsourced manufacturing, allowing them to focus more on their core competencies. This comprehensive approach not only streamlines the production process but also ensures high-quality outcomes, reinforcing HFL's leadership in the industry.

Our Company's business model is based on a three-pronged approach. This includes a dedicated facility exclusively designed to meet the requirements of the Principal company, a shared facility for anchor companies with major needs along with a few other clients with relatively smaller needs, and turnkey private label manufacturing that offers clients every service from product development to market delivery.

MANAGEMENT DISCUSSION & ANALYSIS (Contd.)

Our Company's adeptness in project management enables us to enhance production capacities, revamp existing infrastructure, and establish new projects even in the face of tight deadlines. This proficiency also ensures the efficient reduction of costs related to capital-intensive equipment. This enables brand owners to focus on market value-adding activities in a productive manner.

HFL caters to manufacturing a wide range of products, including Home Care and Personal Care, Foods & Beverages, Mosquito Repellents, and Leather, among others. Continuously adding new capacities and product categories, our Company has a strong foundation of trust, building relationships and maintaining the confidentiality of product and manufacturing successes. HFL's long-term contracts ensure stable earnings over the years, helping us establish a global footprint with strong domestic and export relationships.

GROWTH DRIVERS FOR CONTRACT MANUFACTURERS

As has been captured above, Contract Manufacturing is a derivative of the FMCG segment. And, therefore, no separate growth drivers have been listed here. In that case, the growth drivers for the FMCG sector can double up as the growth drivers for Contract Manufacturing as well.

COMPANY OVERVIEW

Hindustan Foods Limited ('HFL' or 'Our Company' or 'We') is India's largest FMCG Contract Manufacturer, with over 30 years of experience in the industry and a diversified, predictable business model. Our Company' product capabilities span Personal Care, Beauty and Makeup, Food and Beverages, Home Care, Health and Wellness, Leather and Sports Shoes, and Pest Control.

Leveraging strong R&D capabilities, we have enhanced our ability to create formulations for a wide range of FMCG products. With 18 state-of-the-art manufacturing units across India, we operate fully integrated plants equipped with advanced processing, packaging, warehousing, and logistics facilities. Our modern laboratories ensure stringent quality assurance, while dedicated development centres focus on innovation.

Through our wholly owned subsidiary, KNS Shoetech Private Limited, we have acquired a sports shoe manufacturing unit in Kundli, Haryana, and are integrating the Baddi Unit, acquired from Reckitt which specialises in OTC pharmaceutical products. These acquisitions bring nearly 1,000 new employees to HFL. The Baddi facility, which exports to over 20 countries and holds multiple regulatory approvals, is undergoing license transfers, new regulatory approvals, and ERP system integration.

As a leading Contract Manufacturing solutions provider, we serve a vast number of domestic and international clients, offering comprehensive and effective solutions across various product categories.

FINANCIAL HIGHLIGHTS

(Rs. in cr)

Particulars	FY 2022-23	FY 2023-24	YoY Growth
Revenue from Operations	2,602.6	2,762	6%
EBITDA	177.7	229	29%
Profit after Tax	71.1	93	31%
Basic Earnings per Share* (Rs.)	6.31	8.23	30%

* The Shareholders of the Company, through Postal Ballot on July 1, 2022, approved the sub-division of one equity share of face value Rs. 10 each (fully paid-up) into 5 equity shares of face value Rs. 2 each. The record date for the said sub-division was set at July 22, 2022.

The year ended with another landmark in the history of our Company. Revenue from Operations increased to Rs. 2,762 cr growing by 6% over FY 2022-23, reaching an all-time high in the history of our Company. EBITDA rose to Rs. 229 cr, increasing by 29% in FY 2023-24, compared to FY 2022-23. Profit after Tax surged to Rs. 93 cr increasing by 31% over the previous year. The basic EPS increased by 30%; this overall improvement can be credited to increasing new plants and additional capacity.

**Earnings per Share (EPS) is the portion of a company's profit allocated to each share. It serves as an indicator of a company's profitability. It is calculated by dividing the profit for the year by the weighted average number of shares outstanding during the year.*

MANAGEMENT DISCUSSION & ANALYSIS (Contd.)

STATEMENT OF KEY RATIOS

Types of Ratios	Explanation of Ratios	FY 2023-24	FY 2022-23	% Change
Inventory Turnover Ratio (Times)	Inventory Turnover is the number of times a company sells and replaces its inventory during a period. It is calculated by dividing the cost of goods sold by average inventory.	5.50	7.81	(30%)*
Current Ratio (Times)	The Current Ratio is a liquidity ratio that measures a company's ability to pay short-term obligations or those due within one year. It is calculated by dividing the current assets by the current liabilities.	1.26	1.18	6%
Net Profit Margin (%)	The Net Profit Margin is equal to how much net profit is generated as a percentage of revenue. It is calculated by dividing net profit after tax by turnover.	3.38%	2.74%	23%
Debtors Turnover (Days)	Debtors Turnover Ratio is an accounting measure used to measure how effective a company is in extending credit as well as collecting debts. It is calculated by dividing turnover by average trade receivables.	18.57	12.41	50%**
Return on Net Worth (%)	Return on Net Worth (RoNW) is a measure of a company's profitability expressed in percentages. It is calculated by dividing the total Net profit for the year by the average net worth for the year.	18.22%	20.95%	13%

*During the current year, there was reduction in the commodity prices as compared to previous year which resulted in lower Cost of goods sold.

**During the year, new customers were added with higher credit terms.

There was no significant change (i.e. No Change of 25% or more as compared to the FY 2022-23) in the other key financial ratios.

RISKS AND CONCERNS

As a Contract Manufacturer, our Company is exposed to various inherent risks in daily business operations. However, we proactively manage these risks by reducing the likelihood of their occurrence and limiting their financial impact to an acceptable level. Risk mitigation is a standard practice at our Company and an integral part of our overall approach to managing our activities.

Risk	Impact	Mitigation Strategy	Risk Level
Economic Risk	Our business is subject to risks arising from various macroeconomic factors, including inflation changes, government regulations, exchange rates, interest rate hikes, and political instability. Changing consumer demand is another risk factor we face. These factors can significantly impact our operations.	We engage in Contract Manufacturing for a wide range of essential products, making us less susceptible to economic downturns. Demand for essential consumer items tends to remain relatively stable regardless of economic changes. Our diversified Contract Manufacturing model enables us to keep our facilities operational and running smoothly.	Medium

MANAGEMENT DISCUSSION & ANALYSIS (Contd.)

Risk	Impact	Mitigation Strategy	Risk Level
Raw Material Price Risk	Our business is exposed to raw material risks, which are subject to fluctuations driven by global and regional market factors such as availability, demand, and inventories. Increases in raw material prices can have a direct impact on our operating costs.	Our business model allows us to pass on any increase in raw material costs to our Principals, mitigating the financial impact on our operations. To ensure the most efficient and cost-effective procurement of raw materials, we have established a strong network of suppliers and leverage our industry experience to navigate potential market risks.	Low
Contract Risk	We face the risk of potential losses if we are unable to meet the requirements set by our Clients.	We focus on consistently delivering high-quality products, which has led to the renewal of contracts with existing Clients and the acquisition of new ones.	Low
Quality and Safety Risk	Non-compliance with safety and protection protocols poses a significant risk to our standing and image in the market. Any breach of established standards could adversely impact our reputation and goodwill.	Our quality management system offers comprehensive end-to-end coverage throughout the production process, from the procurement of raw materials to the delivery of the final product.	Low
Liquidity Risk	We are exposed to liquidity risk, where we may face challenges in raising the necessary funds to fulfil payment obligations on time or at all.	We proactively identify and manage potential hazards arising from fluctuations in cash flow. By adopting a comprehensive approach that addresses short-, medium-, and long-term perspectives, we detect and mitigate risks in their early stages.	Low
Personnel Risk	The highly competitive nature of the Contract Manufacturing industry presents a challenge for us in attracting and retaining skilled personnel. As a result, we are vulnerable to potential difficulties in filling various vacancies within the organisation.	We have a methodological recruitment process designed to help us attract and retain the right talent. Our human resources team works diligently to find the right people for the right job at the right time.	Medium

HUMAN RESOURCE MANAGEMENT

At the core of our Company, our employees are our greatest assets. We have adopted a modern approach to attracting and retaining talent, creating a holistic environment that fosters growth and development. By tracking staff engagement levels, we optimise their contributions and provide regular health, safety, and skills-based training opportunities throughout the year.

Our focus on building careers, fostering an empowering and inclusive culture, and providing a safe and healthy work environment has created meaning and value for our employees and, in turn, our Company. Ensuring the highest safety standards at all our operational facilities and preventing incidents are top priorities, and they are maintained through our ongoing engagement with regulators.

As of March 31, 2024, we had 1,304 employees on our payroll.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Our Company's CSR vision focusses on establishing ourselves as a benchmark for ethical business practices in the region. We prioritise social and environmental responsibility as integral parts of our strategy and activities. By integrating our regular business operations with

MANAGEMENT DISCUSSION & ANALYSIS (Contd.)

innovative and creative CSR approaches, we aim to make significant contributions to nation-building.

Our CSR initiatives cover various sectors, including education, health, sanitation, environment, sustainable development, sports, art, and culture. Through our sustained efforts, we have positively impacted countless lives by providing education and healthcare access to underprivileged children, supporting schools, and offering medical aid to those in need. Moving forward, we are dedicated to empowering the girl child, with a specific focus on her health, hygiene, and education. We aim to create a better learning environment for girls in government schools, promoting their holistic development. Additionally, we support students by providing essential resources such as laptops, books, uniforms, desks, and sports kits, while ensuring access to hygienic drinking water and streetlights. In alignment with our commitment to serving the community, we extend our support to those in need of critical healthcare services, including cancer care, eye surgeries for cataracts, and the provision of prosthetic limbs and wheelchairs for the underprivileged and specially challenged.

As part of our CSR initiatives for FY 2023-24, we have partnered with Ashoka University by contributing Rs. 25 lakhs to the Sustainable Financial Aid Programme. This contribution will establish the Shri R M Kothari Scholarship, dedicated to supporting female students. The scholarship aims to empower young women by reducing financial barriers to higher education, aligning with HFL's commitment to promoting education and social equity. HFL and Ashoka University share a vision of creating sustainable social impact and fostering a more inclusive society through this collaboration.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Our Company Board laid down Internal Financial Controls within the meaning of the explanations to Section 134(5) (e) ('IFC') of the Companies Act, 2013. The Board believes that our Company has sound IFC, which is commensurate with the nature and size of our business. The industry we operate in, however, is dynamic. Therefore, our IFC cannot be static. It must evolve as the business, technology, and environment changes in response to competition, industry practices, legislation, regulation, and current economic conditions. With business evolvement, gaps in the IFC are bound to develop. We have a process in place to continuously identify these gaps. We implement newer and/or improved controls when we identify gaps that could potentially have a material effect on our operations.

CAUTIONARY STATEMENT

This document contains statements about expected future events and financials of the Company, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions, and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several factors could cause assumptions, actual future results, and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in this section of the Annual Report.

NOTICE

Notice is hereby given that the **39th (Thirty-Ninth) Annual General Meeting** of the Members of **Hindustan Foods Limited** ('the Company') will be held on **Tuesday, September 24, 2024 at 4:30 p.m.** through Video Conference facility ('**VC**') or Other Audio - Visual Means ('**OAVM**'), to transact the following businesses. The venue of the Meeting shall be deemed to be the Registered Office of the Company at Office no. 3, Level-2, Centrium, Phoenix Market City, 15, LBS Road, Kurla (West), Mumbai - 400 070, Maharashtra, India.

ORDINARY BUSINESS:

1. a. To consider and adopt the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2024 and together with the Report of the Board of Directors and Auditors thereon and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2024, including the Audited Balance Sheet as at March 31, 2024, Statement of Profit & Loss and Statement of Cash Flows for the year ended on that date and the Report of the Board of Directors and (Insert after Reports of the and before Auditor) Auditors thereon be and are hereby considered, approved and adopted."

   b. To consider and adopt the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2024 together with the Reports of the Auditors thereon and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2024, including the Audited Balance Sheet as at March 31, 2024, Statement of Profit & Loss and Statement of Cash Flows for the year ended on that date and the Reports of the Auditors thereon be and are hereby considered, approved and adopted."

2. To appoint Mr Sarvjit Singh Bedi (DIN: 07710419), as a Director who retires by rotation and being eligible offers himself for re-appointment and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013 ('the Act') Mr Sarvjit Singh Bedi (DIN: 07710419), who retires by rotation at this Meeting, be and is hereby re- appointed as a Director of the Company, liable to retire by rotation."

SPECIAL BUSINESS:

3. To ratify the remuneration payable to the Cost Auditor:

   To consider and if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Section 148 of the Companies Act, 2013 ('the Act') read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions of the Act (including any statutory amendment(s), modification(s), clarification(s), substitution(s) or re-enactment thereof for the time being in force), the remuneration payable to M/s Poddar & Co. Cost Accountants (Firm Registration No. 101734), appointed by the Board of Directors of the Company

NOTICE (Contd.)

in their Meeting held on August 13, 2024, as the Cost Auditors to conduct the audit of the cost records of the Company in relation to its business for the Financial Year ended March 31, 2025, amounting to Rs. 4,60,000/- (Rupees Four Lakhs Sixty Thousand Only) plus out of pocket expenses and taxes as applicable, be and is hereby ratified and confirmed;

RESOLVED FURTHER THAT any one of the Directors or Company Secretary be and are hereby severally authorised to undertake all actions, deeds, matters, and things as may be necessary or expedient for or in connection with this resolution and to settle any question or difficulty that may arise in this regard in the best interest of the Company."

By Order of the Board of Directors

Place : Mumbai
Date : August 13, 2024

BANKIM PUROHIT
Company Secretary
and Legal Head

Registered Office:
Office No.3, Level-2, Centrium, Phoenix Market City,
15, LBS Road, Kurla (West), Mumbai 400 070,
Maharashtra, India
Website: www.hindustanfoodslimited.com
Email : investorrelations@thevanitycase.com
CIN : L15139MH1984PLC316003

NOTICE (Contd.)

NOTES:

1. A statement pursuant to Section 102(1) of the Act, relating to the Special Business to be transacted at the Annual General Meeting ('AGM') is annexed hereto. Further, additional information as required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and Circulars issued thereunder are also annexed.

2. The Ministry of Corporate Affairs ('MCA'), vide its General Circular No. 20/2020 dated May 05, 2020 read with subsequent circulars issued from time to time, the latest one being General Circular No. 9/2023 dated September 25, 2023 ('MCA Circulars'), and other applicable Circular issued by the Securities and Exchange Board of India ('SEBI') ('SEBI Circular') has allowed the Companies to conduct the AGM through Video Conferencing or Other Audio-Visual Means ('VC/OAVM') till September 30, 2024. In accordance with the MCA Circulars, provisions of the Act, the 39th AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company at Office No.3, Level-2, Centrium, Phoenix Market City, 15, LBS Road, Kurla (West), Mumbai 400 070, Maharashtra, India. Link Intime India Private Limited ('LIIPL') will be providing facilities in respect of:

   (a) voting through remote E-voting;

   (b) participation in the AGM through VC/OAVM facility;

   (c) E-voting during the AGM.

3. **PURSUANT TO THE PROVISIONS OF THE ACT, A MEMBER IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/ HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE THE AGM IS BEING HELD PURSUANT TO MCA CIRCULARS THROUGH VC/ OAVM, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, IN TERMS OF THE MCA CIRCULARS AND THE SEBI CIRCULAR, THE FACILITY FOR APPOINTMENT OF PROXY(IES) BY THE MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM AND HENCE THE PROXY FORM AND ATTENDANCE SLIP INCLUDING ROUTE MAP ARE NOT ANNEXED TO THIS NOTICE.**

4. **Participations of Members through VC will be reckoned for the purpose of quorum for the AGM as per Section 103 of the Act.**

5. Members of the Company under Institutional / Corporate Members are encouraged to attend and vote at the AGM through VC. Institutional / Corporate participant Members intending to authorise their representatives to participate and vote at the Meeting are requested to send a scanned copy (PDF/JPEG format) of the Board Resolution authorising its representatives to attend and vote at the AGM, pursuant to Section 113 of the Act, at investorrelations@thevanitycase.com.

6. Pursuant to the provisions of Section 91 of the Act, read with Rule 10 Companies (Management and Administration) Rules, 2014, and pursuant to Regulation 42 of the Listing Regulations, the Register of Members and Share Transfer Books of the Company shall remain closed from **Wednesday, September 18, 2024** to **Tuesday, September 24, 2024** (both days inclusive).

7. Details as required in Regulations 26(4) and 36(3) of Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India ('ICSI'), in respect of the Directors seeking appointment / re-appointment at the AGM forms integral part of this Report. Requisite declarations have been received from the Directors seeking appointment / re-appointment. Details of Directors retiring by rotation / seeking appointment / re-appointment at this Meeting are provided in the '**Annexure**' to the Notice.

   In terms of the provisions of Section 152 of the Act, Mr Sarvjit Singh Bedi (DIN: 07710419), Non-Executive Non-Independent Director retires by Rotation at the 39th AGM. Mr Bedi is interested in the Ordinary Resolution set out at Item No. 2 of the Notice with regard to his appointment.

NOTICE (Contd.)

ELECTRONIC DISPATCH OF ANNUAL REPORT AND PROCESS FOR REGISTRATION OF EMAIL ID FOR OBTAINING COPY OF ANNUAL REPORT:

8. In compliance with the MCA Circulars and SEBI Circulars, Notice of the AGM along with the Annual Report for the Financial Year ended 2023-24 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2023-24 will also be available on the Company's website www.hindustanfoodslimited.com, website of BSE Limited ('BSE') at www.bseindia.com and the National Stock Exchange of India Limited ('NSE') at www.nseindia.com and on the website of Company's Registrar and Transfer Agent ('RTA'), LIIPL at www.linkintime.co.in.

9. For receiving all communication (including Annual Report) from the Company electronically:

   a. In case Shares are held in physical mode please provide Folio No., Name of Shareholder, scanned copy of the Share Certificate (front and back), PAN (self-attested scanned copy of PAN card), and AADHAAR (self-attested scanned copy of Aadhaar Card) by email to investorrelations@thevanitycase.com or to rnt.helpdesk@linkintime.co.in.

   b. Members holding Shares in dematerialised mode are requested to register/update their email addresses with the relevant Depository Participant.

PROCEDURE FOR REMOTE E-VOTING AND E-VOTING AT THE AGM:

10. In compliance with the provisions of Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 read with Circular of SEBI on E-voting facility provided by Listed Entities dated December 09, 2020, given by MCA and Regulation 44 of the Listing Regulations, the Company is pleased to provide their Members with facility to exercise their right to vote on Resolutions proposed to be considered at the AGM by electronic means and the businesses may be transacted through E-voting Services. The facility of casting the votes by the Members using an electronic voting system during the AGM will be provided by LIIPL.

    a. The Members who have cast their vote by remote E-voting prior to the AGM may also attend/ participate in the AGM through VC/OAVM but shall not be entitled to cast their vote again.

    b. The remote E-voting period commences on **Saturday, September 21, 2024 (9:00 Hours IST) and ends on Monday, September 23, 2024 (17:00 Hours IST).** During this period, Members of the Company holding Shares either in physical form or in dematerialised form, as on the cut-off date of **Friday, September 13, 2024**, may cast their vote by remote E-voting. The remote E-voting module shall be disabled by LIIPL for voting thereafter. Once the vote on a resolutions is cast by the Member, the Member shall not be allowed to change it subsequently.

Remote e-voting Instructions for Shareholders are as follows:

As per the SEBI circular dated December 09, 2020, individual shareholders holding securities in demat mode can register directly with the depository or will have the option of accessing various ESP portals directly from their demat accounts.

Login method for Individual shareholders holding securities in demat mode is given below:

1. Individual Shareholders holding securities in demat mode with NSDL:

METHOD 1 - If registered with NSDL IDeAS facility

Users who have registered for NSDL IDeAS facility:

a. Visit URL: https://eservices.nsdl.com and click on "Beneficial Owner" icon under "Login".

b. Enter user id and password. Post successful authentication, click on "Access to e-voting".

c. Click on "LINKINTIME" or "evoting link displayed alongside Company's Name" and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

OR

User not registered for IDeAS facility:

a. To register, visit URL: https://eservices.nsdl.com and select "Register Online for IDeAS Portal" or click on https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp"

b. Proceed with updating the required fields.

c. Post registration, user will be provided with Login ID and password.

d. After successful login, click on "Access to e-voting".

e. Click on "LINKINTIME" or "evoting link displayed alongside Company's Name" and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

METHOD 2 - By directly visiting the e-voting website of NSDL:

a. Visit URL: https://www.evoting.nsdl.com/

b. Click on the "Login" tab available under 'Shareholder/ Member' section.

c. Enter User ID (i.e., your sixteen-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen.

d. Post successful authentication, you will be re-directed to NSDL depository website wherein you can see "Access to e-voting".

e. Click on "LINKINTIME" or "evoting link displayed alongside Company's Name" and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

2. Individual Shareholders holding securities in demat mode with CDSL

METHOD 1 – From Easi/Easiest

Users who have registered/ opted for Easi/Easiest

a. Visit URL: https://web.cdslindia.com/myeasitoken/Home/Login or www.cdslindia.com.

b. Click on New System Myeasi

c. Login with user id and password

d. After successful login, user will be able to see e-voting menu. The menu will have links of e-voting service providers i.e., LINKINTIME, for voting during the remote e-voting period.

e. Click on "LINKINTIME" or "evoting link displayed alongside Company's Name" and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

OR

Users not registered for Easi/Easiest

a. To register, visit URL: https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration / https://web.cdslindia.com/myeasitoken/Registration/EasiestRegistration

b. Proceed with updating the required fields.

c. Post registration, user will be provided Login ID and password.

d. After successful login, user able to see e-voting menu.

e. Click on "LINKINTIME" or "evoting link displayed alongside Company's Name" and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

METHOD 2 - By directly visiting the e-voting website of CDSL.

a. Visit URL: https://www.cdslindia.com/

b. Go to e-voting tab.

c. Enter Demat Account Number (BO ID) and PAN No. and click on "Submit".

d. System will authenticate the user by sending OTP on registered Mobile and Email as recorded in Demat Account

e. After successful authentication, click on "LINKINTIME" or "evoting link displayed alongside Company's Name" and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

3. Individual Shareholders (holding securities in demat mode) login through their depository participants:

NOTICE (Contd.)

Individual shareholders can also login using the login credentials of your demat account through your depository participant registered with NSDL/CDSL for e-voting facility.

a. Login to DP website

b. After Successful login, members shall navigate through "e-voting" tab under Stocks option.

c. Click on e-voting option, members will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting menu.

d. After successful authentication, click on "LINKINTIME" or "evoting link displayed alongside Company's Name" and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

Login method for Individual shareholders holding securities in physical form/ Non-Individual Shareholders holding securities in demat mode is given below:

Individual Shareholders of the Company, holding shares in physical form / Non-Individual Shareholders holding securities in demat mode as on the cut-off date for e-voting may register for e-Voting facility of Link Intime as under:

I. Open the internet browser and launch the URL: https://instavote.linkintime.co.in

II. Click on "**Sign Up**" under '**SHARE HOLDER**' tab and register with your following details: -

A. **User ID:**

Shareholders holding shares in physical form shall provide Event No + Folio Number registered with the Company. Shareholders holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID; Shareholders holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.

B. **PAN:**

Enter your 10-digit Permanent Account Number (PAN) (Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

C. **DOB/DOI:**

Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/ MM/YYYY format)

D. **Bank Account Number:**

Enter your Bank Account Number (last four digits), as recorded with your DP/Company.

Shareholders holding shares in **physical form but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above*

Shareholders holding shares in **NSDL form, shall provide 'D' above*

- Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#$&*), at least one numeral, at least one alphabet and at least one capital letter).
- Click "confirm" (Your password is now generated).

III. Click on 'Login' under '**SHARE HOLDER**' tab.

IV. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on '**Submit**'.

Cast your vote electronically:

a. After successful login, you will be able to see the notification for e-voting. Select '**View**' icon.

b. E-voting page will appear.

c. Refer the Resolution description and cast your vote by selecting your desired option '**Favour / Against**' (If you wish to view the entire Resolution details, click on the '**View Resolution**' file link).

d. After selecting the desired option i.e. Favour / Against, click on '**Submit**'. A confirmation box will be displayed. If you wish to confirm your vote, click on '**Yes**', else to change your vote, click on 'No' and accordingly modify your vote.

Guidelines for Institutional shareholders ("Corporate Body/ Custodian/Mutual Fund"):

STEP 1 – Registration

a. Visit URL: https://instavote.linkintime.co.in

NOTICE (Contd.)

b. Click on Sign up under "Corporate Body/ Custodian/ Mutual Fund"

c. Fill up your entity details and submit the form.

d. A declaration form and organisation ID is generated and sent to the Primary contact person email ID (which is filled at the time of sign up). The said form is to be signed by the Authorised Signatory, Director, Company Secretary of the entity & stamped and sent to insta.vote@linkintime.co.in.

e. Thereafter, Login credentials (User ID; Organisation ID; Password) will be sent to Primary contact person's email ID.

f. While first login, entity will be directed to change the password and login process is completed.

STEP 2 –Investor Mapping

a. Visit URL: https://instavote.linkintime.co.in and login with credentials as received in Step 1 above.

b. Click on "Investor Mapping" tab under the Menu Section

c. Map the Investor with the following details:

a. 'Investor ID' -

i. Members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID i.e., IN00000012345678

ii. Members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.

b. 'Investor's Name - Enter full name of the entity.

c. 'Investor PAN' - Enter your 10-digit PAN issued by Income Tax Department.

d. 'Power of Attorney' - Attach Board resolution or Power of Attorney. File Name for the Board resolution/Power of Attorney shall be – DP ID and Client ID. Further, Custodians and Mutual Funds shall also upload specimen signature card.

d. Click on Submit button and investor will be mapped now.

e. The same can be viewed under the "Report Section".

STEP 3 – Voting through remote e-voting.

The corporate shareholder can vote by two methods, once remote e-voting is activated:

METHOD 1 - VOTES ENTRY

a. Visit URL: https://instavote.linkintime.co.in and login with credentials as received in Step 1 above.

b. Click on 'Votes Entry' tab under the Menu section.

c. Enter Event No. for which you want to cast vote. Event No. will be available on the home page of Instavote before the start of remote evoting.

d. Enter '16-digit Demat Account No.' for which you want to cast vote.

e. Refer the Resolution description and cast your vote by selecting your desired option 'Favour / Against' (If you wish to view the entire Resolution details, click on the '**View Resolution**' file link).

f. After selecting the desired option i.e., Favour / Against, click on 'Submit'.

g. A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote. (Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently).

OR

VOTES UPLOAD:

a. Visit URL: https://instavote.linkintime.co.in and login with credentials as received in Step 1 above.

b. You will be able to see the notification for e-voting in inbox.

c. Select '**View**' icon for '**Company's Name / Event number**'. E-voting page will appear.

d. Download sample vote file from 'Download Sample Vote File' option.

e. Cast your vote by selecting your desired option 'Favour / Against' in excel and upload the same under 'Upload Vote File' option.

NOTICE (Contd.)

f) on 'Submit'. 'Data uploaded successfully' message will be displayed. (Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently).

Helpdesk for Individual Shareholders holding securities in physical mode/ Non- Individual Shareholders holding securities in demat mode:

Shareholders facing any technical issue in login may contact Link Intime INSTAVOTE helpdesk by sending a request at enotices@linkintime.co.in or contact on: - Tel: 022 – 4918 6000.

Helpdesk for Individual Shareholders holding securities in demat mode:

Individual Shareholders holding securities in demat mode may contact the respective helpdesk for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at : 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

Forgot Password:

Individual Shareholders holding securities in Physical mode has forgotten the password:

If an Individual Shareholders holding securities in Physical form has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on the e-Voting website of Link Intime: https://instavote.linkintime.co.in

- Click on '**Login**' under '**SHARE HOLDER**' tab and further Click '**forgot password?**'
- Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

In case shareholders is having valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above. The password should contain minimum 8 characters, at least one special character (@!#$&), at least one numeral, at least one alphabet and at least one capital letter.*

User ID for Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company

Institutional shareholders ("Corporate Body/ Custodian/ Mutual Fund") has forgotten the password:

If a Non-Individual Shareholders holding securities in demat mode has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on the e-Voting website of Link Intime: https://instavote.linkintime.co.in

- Click on '**Login**' under '**Corporate Body/ Custodian/ Mutual Fund**' tab and further Click '**forgot password?**'
- Enter User ID, Organisation ID and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

In case shareholders is having valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above. The password should contain a minimum of 8 characters, at least one special character (@!#$&), at least one numeral, at least one alphabet and at least one capital letter.*

Individual Shareholders holding securities in demat mode with NSDL/ CDSL has forgotten the password:

Shareholders who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.

- ► It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

NOTICE (Contd.)

- ► For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- ► During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

PROCEDURE FOR JOINING THE AGM THROUGH VC / OAVM:

11. Members are requested to follow the procedure given below:

    I. Open the internet browser and launch the URL: https:// instameet.linkintime.co.in

    - ► Select the "**Company**" and '**Event Date**' and register with your following details: -

    A. **Demat Account No. or Folio No:** Enter your 16 digit Demat Account No. or Folio No

    - Shareholders/ Members holding Shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**
    - Shareholders / Members holding Shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**
    - Shareholders/ Members holding Shares in **physical form shall provide** Folio Number registered with the Company

    B. **PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

    C. **Mobile No.:** Enter your mobile number.

    D. **Email ID:** Enter your email id, as recorded with your DP/Company.

    - ► Click "Go to Meeting" (You are now registered for InstaMeet and your attendance is marked for the meeting).

12. Members who do not have User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the procedure given in the E-voting instructions.
13. Facility to join the Meeting shall be opened 30 minutes before the scheduled time of the AGM and shall be kept open throughout the proceedings of the AGM.
14. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the AGM.
15. Members are encouraged to join the Meeting through Laptops for better experience.
16. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
17. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

PROCEDURE FOR SHAREHODLERS/ MEMBERS TO SPEAK DURING THE AGM

18. Shareholders who would like to speak during the meeting must register their request 7 days in advance with the Company through e-mail on investorrelations@thevanitycase.com.
19. Shareholders will get confirmation on first cum first basis depending upon the provision made by the client.
20. Shareholders will receive "speaking serial number" once they mark attendance for the meeting.
21. Other shareholder may ask questions to the panellist, via active chat-board during the meeting.
22. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.

Note: Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

NOTICE (Contd.)

Guidelines to attend the AGM proceedings

For a smooth experience of viewing the AGM proceedings of LIIPL InstaMEET, Shareholders/ Members who are registered as speakers for the event are requested to download and install the Webex application in advance by following the instructions as under:

a. Please download and install the Webex application by clicking on the link https://www.webex.com/downloads.html/, OR

b. If you do not want to download and install the Webex application, you may join the meeting by following the process mentioned as under:

   1. Enter your First Name, Last Name and Email ID and click on Join Now
   2. If you have already installed the Webex application on your device, join the meeting by clicking on Join Now
   3. If Webex application is not installed, a new page will appear giving you an option to either Add Webex to chrome or Run a temporary application. Click on Run a temporary application, an exe file will be downloaded. Click on this exe file to run the application and join the meeting by clicking on Join Now.

PROCEDURE FOR SHAREHOLDERS/ MEMBERS TO VOTE DURING THE AGM THROUGH INSTAMEET:

Once the electronic voting is activated by the scrutiniser during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting "Cast your vote"
2. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on 'Submit'.
3. After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.
4. Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.
5. After selecting the appropriate option i.e. Favour/ Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: Shareholders/ Members, who will be present in the AGM through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting. Shareholders/ Members who have voted through Remote e-Voting prior to the AGM will be eligible to attend/ participate in the AGM through InstaMeet. However, they will not be eligible to vote again during the meeting.

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to instameet@linkintime.co.in or contact on: - Tel: 022-49186175.

GENERAL INFORMATION:

23. The voting rights shall be as per the number of Equity Shares held by the Member(s) as on **Friday, September 13, 2024** being the **cut-off date**. Members are eligible to cast vote electronically only if they are holding Shares as on that date.

NOTICE (Contd.)

24. Your Board has appointed Mr Amit Surase, Practising Company Secretary (COP no: 18482), to act as the Scrutiniser, to scrutinise the entire E-voting process in a fair and transparent manner. The Members desiring to vote through remote E-voting are requested to refer to the detailed procedure as laid down in Point No. 10 above.
25. The Chairman shall, during the AGM, at the end of discussion/after every business item for the Resolutions on which voting is to be held, allow voting with the assistance of Scrutiniser, by way of E-voting system for all those Members who are present at the AGM through VC/ OAVM but have not cast their votes by availing the remote E-voting Facility.
26. The Scrutiniser shall after the conclusion of voting at the Meeting, will first count the votes cast at the Meeting by way of E-voting and thereafter unblock the votes cast through remote E-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than two working days of the conclusion of the AGM, a consolidated Scrutiniser's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same and declare the result of the voting forthwith.

The Results declared along with the report of the Scrutiniser shall be placed on the website of the Company www.hindustanfoodslimited.com and also on the website of LIIPL immediately after the declaration of result by the Chairman or a person authorised by him in writing. The results shall also be immediately forwarded to the Stock Exchanges.

PROCEDURE FOR INSPECTION OF DOCUMENTS:

27. Members who wish to inspect the documents, as mentioned in the Notice of the AGM or as required under the law, may write to the Company at investorrelations@thevanitycase.com and the Company shall endeavor to provide inspection of documents by such Member. All the documents referred to in the accompanying Notice and Explanatory Statements, shall be available for inspection through electronic mode, basis the request being sent on investorrelations@thevanitycase.com.
28. During the AGM, the Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Act, the Register of Contracts or arrangements in which Directors are interested under Section 189 of the Act shall be available for inspection.

OTHER INFORMATION:

29. SEBI has mandated that Securities of Listed Companies can be transferred only in dematerialised form w.e.f. April 01, 2019. Accordingly, the Company/LIIPL has stopped accepting any fresh lodgement of transfer of Shares in physical form. Members holding Shares in physical form are advised to avail of the facility of dematerialisation.
30. Members are requested:

    I. Write to the Company through email at investorrelations@thevanitycase.com atleast 7 days before the date of the Meeting, in case they desire any information as regards the Audited Accounts for the Financial Year ended March 31, 2024.

    II. Intimate to the Registrar & Transfer Agent (RTA) of the Company immediately, about any change in their address.

    III. Members holding Shares in demat form are hereby informed that bank particulars registered with their respective Depository Participants, with whom they maintain their demat accounts, will be used by the Company for the payment of dividend. The Company or its Registrar cannot act on any request received directly from the Members holding Shares in demat form for any change of bank particulars. Such changes are to be intimated only to the Depository Participants of the Members. Members holding Shares in demat form are requested to intimate any change in their address and / or bank mandate immediately to their Depository Participants and not to the Company's RTA.

    For Shares held in physical form, to the Company/ RTA in prescribed Form ISR-1 and other forms pursuant to the SEBI Circular Nos. SEBI/HO/MIRSD/MIRSD_RTAMB/CIR/2021/655

NOTICE (Contd.)

dated November 03, 2021, SEBI/HO/MIRSD/MIRSD-POD-1/P/CIR/2023/37 dated March 16, 2023 and SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/181 dated November 17, 2023. All the prescribed forms can be downloaded from the Company's website at www.hindustanfoodslimited.com under the category of Formats of KYC. The Company has sent communication to the Members holding Shares in physical form requesting them to furnish the required details.

As per the erstwhile requirement, in case a holder of physical securities failed to furnish PAN, nomination, contact details, bank account details and specimen signature by October 01, 2023, LIIPL was obligated to freeze such folios. To mitigate unintended challenges on account of freezing of folios, SEBI vide its circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2023/181 dated November 17, 2023, has done away with the provision regarding freezing of folios not having PAN, KYC, and nomination details.

In compliance with SEBI guidelines, the Company had sent communication intimating about the submission of above details to all the Members holding shares in physical form.

IV. Quote Registered Folio no. or DP ID/Client ID no. in all their correspondence.

V. Approach the R&TA of the Company for consolidation of folios.

VI. Avail Nomination facility by filing in form SH-13 in accordance with Section 72 of the Act, and forward the same to the R&TA, if not done. (Applicable for those holding Shares in physical form).

VII. Send all Share transmission / Transpositions / Consolidation / Duplication / Name Deletion/ Replacement / lodgments (physical mode) / correspondence to the R&TA of the Company, LIIPL, upto the date of Book Closure.

VIII. The SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in Securities market. Members holding Shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding Shares in physical form can submit their PAN details to the Company or the Company's RTA.

IX. Pursuant to Section 101 and Section 136 of the Act, read with relevant Rule made there under, Companies can serve Notice and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository Participant(s). Members holding Shares in physical form and have not registered their e-mail address can now register the same by clicking the link: www.linkintime.co.in under Investor Services > E-mail/Bank detail Registration fill in the details, upload the required documents and submit. Members holding Shares in demat form are requested to register their e-mail address with their Depository Participant(s) only. Members of the Company who have registered their e-mail address are also entitled to receive such communication in physical form, upon request.

By Order of the Board of Directors

Place : Mumbai
Date : August 13, 2024

BANKIM PUROHIT
Company Secretary
and Legal Head

Registered Office:
Office No.3, Level-2, Centrium, Phoenix Market City,
15, LBS Road, Kurla (West), Mumbai 400 070,
Maharashtra, India
Website: www.hindustanfoodslimited.com
Email : investorrelations@thevanitycase.com
CIN : L15139MH1984PLC316003

NOTICE (Contd.)

EXPLANATORY STATEMENT

The statement of Material facts pursuant to Section 102 (1) of the Act relating to business mentioned under the Item No. 3 of the accompanying Notice.

IN RESPECT OF ITEM NO. 3

Pursuant to the provision of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, ('said statutory provisions') the Company is required to have the audit of cost accounting records of its business by a Cost Accountant in Practice and remuneration payable to the Cost Auditor shall be duly recommended by the Audit Committee to the Board of Directors for its consideration and approval. Also, the remuneration payable to the Cost Auditor will be subject to ratification by the Members.

In view of the aforesaid statutory provisions, the Board of Directors, on the recommendation of the Audit Committee at its Meeting held on August 13, 2024, has considered and approved the appointment of M/s Poddar & Co. (Firm Registration No. 101734) as the Cost Auditor of the Company to conduct the audit of its cost records in relation to its business for the Financial Year 2024-25 at remuneration detailed below:

Name of the Cost Auditor	Financial Year	Audit Fees
M/s Poddar & Co.	2024-25	Rs. 4,60,000/- (Rupees Four Lakh Sixty Thousand Only) plus out of pocket expenses and applicable taxes

None of the Directors or the Manager or any other Key Managerial Personnel or their relatives are concerned or interested whether financially or otherwise, if any, in the resolution.

This statement may also be regarded as an appropriate disclosure under the Act and the Listing Regulations.

The Board recommends the Ordinary Resolution set out at Item No. 3 of the Notice for approval by the Members.

By Order of the Board of Directors

Place : Mumbai
Date : August 13, 2024

BANKIM PUROHIT
Company Secretary
and Legal Head

Registered Office:
Office No.3, Level-2, Centrium, Phoenix Market City,
15, LBS Road, Kurla (West), Mumbai 400 070,
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Website: www.hindustanfoodslimited.com
Email : investorrelations@thevanitycase.com
CIN : L15139MH1984PLC316003

NOTICE (Contd.)

ANNEXURE TO THE NOTICE

Particulars and additional information of the Directors seeking appointment / re-appointment pursuant to Regulation 36(3) of the Listing Regulations and in terms of Secretarial Standards on General Meetings (SS-2):

Name of the Director	Mr Sarvjit Singh Bedi
Category	Non-Executive, Non-Independent Director
Age	46 years
DIN	07710419
Date of first appointment	April 18, 2019
Date of last Re-appointment	Not Applicable
Brief Profile of the Director	Mr Sarvjit Singh Bedi is a co-founding partner at Convergent with two decades of experience in India and US across private equity, investment banking, corporate M&A, consulting, audit, and financial diligence. Mr Sarvjit is expertise in forensic due diligence, business process re-engineering and cost optimisation. Prior to co-founding Convergent, Mr Sarvjit worked with Fairbridge Capital and served as a Board Member of Camlin Fine Sciences, Bangalore International Airport, Bangalore Airport Hotel and Saurashtra Freight. Mr Sarvjit previously spent four years with Vedanta Resources, one of the largest diversified natural resource Companies in the world prior to which he spent four years with Credit Suisse in the global Mergers & Acquisitions team in New York. At Convergent, Mr Sarvjit leads financial due diligence and overall transaction services.
Expertise in specific functional area, Skill & Capabilities	Audit and financial diligence, consulting, investment banking, corporate mergers and acquisitions and private equity
Qualification	• Member of the Institute of Chartered Accountants of India ('ICAI') • Bachelor's degree in Economics (University of Delhi) • Master of Business Administration, Johnson Graduate School of Business, Cornell University
Directorship held in other Companies (including Foreign and Private Companies) (as on March 31, 2024)	4
Membership/chairmanship of the Committees of the Board of other Public Companies (as on March 31, 2024)	Nil
Listed entities from which the Director has resigned in the past three years	1
Details of Remuneration paid during the Financial Year 2023-24	No remuneration in form of sitting fees and/or commission has been paid to Mr Sarvjit Singh Bedi during the Financial Year 2023-24, as has been voluntarily declined by him.
Remuneration sought to be paid	No remuneration is sought to be paid to Mr Sarvjit Singh Bedi as he has voluntarily declined to receive any remuneration in the form of commission or sitting fees from the Company.
Terms and conditions of appointment/ re-appointment	Re-appointment as a Non-Executive Director of the Company, liable to retire by rotation to comply with the applicable provisions of Section 152 of the Act.
Shareholding in the Company (Equity) including shareholding as a beneficial owner	1,96,770
No. of Board Meetings attended during FY 2023-24	7 of 7
Relationship with other Directors / Manager / Key Managerial Personnel	Nil

DIRECTORS' REPORT

TO THE MEMBERS OF HINDUSTAN FOODS LIMITED

Your Directors are pleased to present Your Company's 39th (Thirty-Ninth) Annual Report on the business and operations, together with the Audited Financial Statements (Consolidated and Standalone) for the Financial Year ended March 31, 2024.

(Rs. In Lakhs)

Particulars	Consolidated		Standalone	
	Financial year ended March 31, 2024	Financial year ended March 31, 2023	Financial year ended March 31, 2024	Financial year ended March 31, 2023
Total Revenue	2,76,187.99	2,60,263.70	2,39,139.66	2,38,845.01
Profit for the year before finance charges and depreciation	**22,889.37**	**17,771.62**	**17,253.78**	**15,231.02**
Less: Finance charges	5,668.16	3,580.19	3,773.52	2,660.06
Profit before depreciation	**17,221.21**	**14,191.43**	**13,480.26**	**12,570.96**
Less: Depreciation	5,479.80	3,740.52	3,854.09	2,929.56
Profit for the year after finance charges and depreciation / before tax for the year	**11,741.41**	**10,450.91**	**9,626.17**	**9,641.40**
Less: Provision for Tax -				
Current Tax	2,987.38	3,153.24	2,333.28	3,042.54
Deferred Tax	(533.10)	367.03	(520.33)	328.58
Tax adjustments pertaining to previous years	(14.59)	(181.07)	(14.59)	(181.07)
Profit for the year after Tax	**9,301.72**	**7,111.71**	**7,827.81**	**6,451.35**
Other Comprehensive Income	124.31	(31.67)	91.54	(33.89)
Total Comprehensive Income	9,426.03	7,080.04	7,919.35	6,417.46

Your Company did not transfer any amounts to the General Reserve during the Year.

YEAR IN RETROSPECT

Your Company delivered yet again the record operational performance, in-line with your Board's expectations and guidance. During the Financial Year 2023-24, your Company not only further strengthened its existing businesses and customers but also acquired the new facilities and diversifying the product base into the newer areas which will help your Company to continue the growth journey ahead. During the year under review the consolidated revenues were marginally higher by around 6% compared to the previous year and your Company reported jump in the consolidated Profit After Tax ('PAT') of 31% compared to the previous year. The year under review has delivered a strong growth despite global challenges. Your Company reported a consolidated turnover of Rs. 2,761.88 Crores as compared to Rs. 2,602.64 Crores during the previous year and recorded the jump in the consolidated PAT of Rs. 93.02 Crores for the year under review as against Rs. 71.12 Crores in the previous year.

During the year under review, your Company has set up a Wholly-Owned Subsidiary Company, HFL Multiproducts Private Limited ('HMPL') to undertake the beverages project in Guwahati, Assam. To fund this project, your Company has provided an additional loan to HMPL. Your Directors are pleased to inform that HMPL has ramped up its plant and has made its first commercial production in Q4 of FY 2023-24 and also reported its maiden turnover of Rs. 157.91 Lakhs. Your Directors are further pleased to inform that HMPL reported its maiden PAT at Rs. 18.36 Lakhs. Your Directors are confident that HMPL will continue in building the consolidated revenues of your Company for the coming Financial Years.

Your Directors are further pleased to inform that, your Company's another Wholly-Owned Subsidiary Company namely, HFL Consumer Products Private Limited ('HCPPL') has reported total revenue of Rs. 15,019.46 Lakhs from operations for the year ended March 31, 2024 and incurred a net loss of Rs. 117.17 Lakhs due to capex investments

DIRECTORS' REPORT (Contd.)

and other expenses incurred during the year under review. Your Directors expects to add more growth in Company's consolidated profits in the coming Financial Year.

Your Directors are also pleased to inform you that, your Company's acquisition of Aero Care Personal Products LLP ('ACPPL') enabled the Company to enter into the field of manufacturing of Colour Cosmetics and ACPPL had achieved its highest ever turnover in the Financial Year 2023-24 of Rs. 12,216.26 Lakhs and also reported highest ever PAT at Rs.731.22 Lakhs. Your Company expects to add more growth in your Company's consolidated income by ACPPL in FY 2024-25.

HFL Healthcare and Wellness Private Limited ('HHWPL') continues to be the material Wholly-Owned Subsidiary Company of your Company and is into the business of OTC healthcare and wellness products. Your Directors are pleased to inform that, HHWPL reported a jump in its turnover at 7,280.21 Lakhs compared to the previous year's turnover of Rs. 5,949.49 Lakhs and reported the PAT of Rs. 884.23 Lakhs against Rs. 295.66 Lakhs in the previous period. Your Directors are confident that this acquisition will add significant growth to your company and expand its business into OTC healthcare and wellness globally.

During the year under review, your Company has also successfully completed the acquisition of KNS Shoetech Private Limited ('KNS Shoetech') on October 23, 2023, pursuant to the Share Purchase Agreement ('SPA') which was executed on October 23, 2023 between the Shareholders of the KNS Shoetech and your Company. KNS Shoetech is engaged in the business of manufacturing and supply of Sports Shoes and sneakers. KNS Shoetech became a Wholly - Owned Subsidiary Company of your Company with effect from November 03, 2023. The acquisition of the Shares of KNS Shoetech is in line with your Company's strategy to enter Contract Manufacturing and expansion of its business into Sport Shoes, Sneakers. Your Directors are further pleased to inform that, during the year under review the KNS Shoetech acquired the business undertaking situated at Kundli, Haryana from KNS Trading Private Limited on February 03, 2024. Further KNS Shoetech also acquired 3 Business undertaking Units from SSIPL Retail Limited, two units situated at Bangran and Bhagani at Himachal Pradesh and one unit situated at Kundli, Haryana, these units are engaged in the manufacturing of shoes and open footwear including all their Components thereof.

Your Directors are pleased to inform that, the KNS Shoetech recorded a turnover of Rs. 2,718.76 Lakhs and reported the PAT of Rs. 69.95 Lakhs, from the date it became Wholly - Owned Subsidiary Company of your Company upto March 31, 2024. Your Directors are confident that this acquisition will add significant growth to your Company and expand its business into contract manufacturing of the Sports Shoes and Sneakers globally.

During the year under review, your Company successfully completed the acquisition of the manufacturing facility of Reckitt Benckiser Healthcare India Private Limited situated at Baddi, Himachal Pradesh on December 16, 2023. The said facility is into manufacturing of a vast variety of OTC healthcare and wellness products and Skin Care including some of Reckitt's key products. The acquisition also provides your Company an opportunity to leverage idle capacity for better utilization and incremental profits on consolidated basis.

Your Board is confident that Customers will look at your Company's track record of executing Greenfield and brownfield projects flawlessly and integrating the acquisitions seamlessly and continue to propel us towards our committed goal of achieving the target of Rs. 4,000 Lakhs of turnover by FY 2024-25.

SHARE CAPITAL

CHANGE IN CAPITAL STRUCTURE

Your Company's Authorised Share Capital as on the date of this report is Rs. 55,15,22,530/- (Rupees Fifty Five Crores Fifteen Lakhs Twenty Two Thousand Five Hundred and Thirty Only) divided into 26,57,61,265 (Twenty Six Crores Fifty Seven Lakhs Sixty One Thousand Two Hundred and Sixty Five) Equity Shares of Rs. 2/- (Rupees Two Only) each and 2,00,000 (Two Lakhs) 9% Redeemable Non-Convertible Preference Shares of Rs. 100/- (Rupees One Hundred Only) each.

During the year under review, your Board of Directors had allotted 72,71,081 Convertible Warrants of the Company, on preferential basis to non-promoter category on December 20, 2023, out of which 56,75,054 Convertible Warrants at a price of Rs. 546.25/- each (including face value of Rs. 2/- each at a premium of Rs. 544.25/- each) to certain Qualified Institutional Buyers and 15,96,027 Convertible Warrants at a price of Rs. 563.90/- each (including face value of Rs. 2/- each at a premium of Rs. 561.90/- each) to certain Non-Qualified Institutional Buyers. The tenure of these warrants is for 18 months from the date of its allotment.

Out of which, one of the Warrants holder named Sixth Sense India Opportunities III had exercised their option for the conversion of 18,30,663 (Eighteen Lakhs Thirty Thousand Six Hundred Sixty Three) Warrants into equivalent number of Equity Shares having face value of Rs. 2/- (Rupees Two Only) each of the Company and upon receipt of an amount aggregating to Rs. 74,99,99,748/- (Rupees Seventy Four Crores Ninety-Nine Lakhs Ninety-Nine Thousand Seven Hundred Forty Eight Only), being 75% of the balance amount on the said Warrants, the Share Allotment Committee of Board of Directors of your Company at their Meeting held on February 02, 2024, had allotted 18,30,663 Equity Shares having face value of Rs. 2/- (Rupees two Only) each at a premium of Rs. 544.25/- per shares to Sixth Sense India Opportunities III.

As at March 31, 2024, 54,40,418 convertible warrants are outstanding for conversion into Equity Shares.

The Issued, Subscribed and Paid-up Share Capital of Your Company as on the date of this report after Conversion of Convertible Warrants into Equity Shares stands increased from existing Rs. 24,14,85,380/- (Rupees Twenty Four Crores Fourteen Lakhs Eighty Five Thousand Three Hundred Eighty Only) divided into 11,27,42,690 (Eleven Crores Twenty Seven Lakhs Forty Two Thousand Six Hundred and Ninety) Equity Shares of Rs. 2/- (Rupees Two Only) each and 1,60,000 (One Lakh Sixty Thousand) 9% Redeemable Non-Convertible Preference Shares of Rs. 100/- (Rupees One Hundred Only) each to Rs. 24,51,46,706/- (Rupees Twenty-Four Crores Fifty One Lakhs Forty-Six Thousand Seven Hundred Six Only) divided into 11,45,73,353 (Eleven Crores Forty-Five Lakhs Seventy-Three Thousand Three Hundred Fifty Three) Equity Shares of Rs. 2/- (Rupees Two Only) each and 1,60,000 (One Lakh Sixty Thousand) 9% Redeemable Non-Convertible Preference Shares of Rs. 100/- (Rupees One Hundred Only) each.

Your Company has not issued any Shares with differential voting rights or by way of Rights issue or Sweat Equity Shares or Shares under ESOP. Further, it has not provided any money to its employees for purchase of its own Shares hence your Company has nothing to report in respect of Rule 4(4), Rule 12(9) and Rule 16 of the Companies (Share Capital & Debentures) Rules, 2014.

Other / Debt Securities

Your Company has not issued any Debentures during the year under review. No other debt securities had been issued by your Company during the year.

MERGERS AND ACQUISITIONS

During the year under review, your Company has completed the acquisition of 100% Issued, Subscribed and Paid-up Equity Share Capital of KNS Shoetech Private Limited ("KNS Shoetech") on November 03, 2023 for cash consideration of Rs. 3,71,76,320/- (Rupees Three Crores Seventy One Lakhs Seventy-Six Thousand Three Hundred and Twenty Only). This acquisition was made pursuant to the Share Purchase Agreement which was executed on October 23, 2023 between the Shareholders of the KNS Shoetech and your Company. KNS Shoetech is engaged in the business of manufacturing the entire portfolio of sports shoes and sneakers and open footwear including all their Components thereof.

Post completion of the transaction, KNS Shoetech became a wholly - Owned Subsidiary Company of your Company with effect from November 03, 2023.

Your Company has also completed the acquisition of manufacturing facility of Reckitt Benckiser Healthcare India Private Limited ("Reckitt") situated at Baddi, Himachal Pradesh, on December 16, 2023, for a cash consideration of 127.75 Crores (Rupees One Hundred Twenty Seven Crore and Seventy Five Lakhs Only) as per the terms and conditions of the Business Transfer Agreement ("BTA") executed on dated December 15, 2022 including amendments thereof entered between your Company and Reckitt.

This acquisition marks an entry of your Company into the segment of manufacturing and expansion of its business into various Pharmaceutical and Non-Pharmaceutical products and vast variety of OTC health and wellness products and skin creams.

DIRECTORS' REPORT (Contd.)

KNS Shoetech, a Wholly Owned Subsidiary Company of your Company has completed the acquisition of Manufacturing facility situated at Kundli, Haryana with KNS Trading Private Limited ("KTPL"), on dated February 03, 2024, for cash consideration of Rs. 31.08 Crores (Rupees Thirty-One Crores Eight Lakhs Only), as per the terms and conditions of the BTA executed on dated December 29, 2023 between the KNS Shoetech and KTPL.

Further, KNS Shoetech has also entered into another BTA with SSIPL Retail Limited ("SSIPL") and its promoter, for acquisition of two manufacturing facilities of SSIPL situated at Paonta Sahib, Himachal Pradesh and one manufacturing facility situated at Kundli, Haryana, which are engaged in manufacturing of Shoes and open footwear including all their Components thereof on a slump sale and going concern basis as per conditions set out in the said BTA.

DIVIDEND

To conserve resources and in order to strengthen the Company's financials, your Directors do not recommend any Dividend for the year under review.

DIVIDEND DISTRIBUTION POLICY

In accordance with Regulation 43A of the SEBI Listing Regulations, the top 1000 listed entities based on Market Capitalisation are required to formulate a Dividend Distribution Policy, accordingly your Board has formulated and adopted the Policy. Your Company's Dividend Distribution Policy is based on the parameters laid down by SEBI Listing Regulations, and the details of the same are available on your Company's website at www.hindustanfoodslimited.com.

LISTING INFORMATION

Your Company's Equity Shares are listed on BSE Limited ('BSE') and also effective June 06, 2023 listed on National Stock Exchange of India Limited ('NSE'). The applicable listing fees for Financial Year 2024-25 have been paid to the Stock Exchanges before the due dates. The Equity Shares of your Company were not suspended from trading on BSE and NSE at any point of time during the year under review.

DEPOSITORY SYSTEM

Your Company's Equity Shares are available for dematerialisation through National Securities Depository Limited ('NSDL') and Central Depository Services (India) Limited ('CDSL'). As on March 31, 2024, 97.69% of the Equity Shares of your Company were held in Demat form.

ACCREDITATIONS

Your Company continues to enjoy following accreditations:-

1. FSSC 22000 – Food Safety System Certification
2. ISO 9001:2015 - Quality Management System
3. ISO 14001:2015 – Environment Management System
4. ISO 45001: 2018 – Occupational Health & Safety Management System
5. ISO 13485:2016 – Medical Devices- Quality Management Systems
6. BRC GS - Global Standard for Consumer Products Personal Care and Household
7. MHRA – Medical & Health Regulatory Authority certification.

PUBLIC DEPOSITS

Your Company has not accepted any deposits from public / Members falling under the ambit of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 during the year under review. Your Company does not have any unpaid/ unclaimed deposits as on March 31, 2024.

SUBSIDIARIES, ASSOCIATES, JOINT VENTURE COMPANIES AND PARTNERSHIP FIRMS / LLP

HFL Consumer Products Private Limited ('HCPPL') continues to be the Wholly Owned Subsidiary of your Company as on date of this report. HCPPL is into the Business for Contract Manufacturing of Ice-Cream.

Your Company continues to hold 81% Partnership interest in Aero Care Personal Products LLP ("ACPPL") as on date of this report and ACPPL is into the Business of manufacturing and trade of Cosmetics, Personal Care and Toiletries Products.

DIRECTORS' REPORT (Contd.)

HFL Healthcare and Wellness Private Limited ('HHWPL') (Formerly known as Reckitt Benckiser Scholl India Private Limited) effective July 01, 2022, continues to be a Wholly-Owned Subsidiary of your Company as on date of this report. HHWPL is into the business of manufacturing and supplying of footcare products and also engaged in the business of OTC healthcare and wellness segment as a Contract Manufacturer.

Further, during the year under review, due to change in the management, ownership of HHWPL and to align and identify with the name starting with your Company's name ('HFL'), the name of "Reckitt Benckiser Scholl India Private Limited" ('RBSIPL') was changed to "HFL Healthcare and Wellness Private Limited" ('HHWPL') w.e.f. May 10, 2023. There is no other change in the objects of the HHWPL, the HHWPL continues to do the same business as it does. HHWPL continues to be a Material Subsidiary of your Company.

HFL Multiproducts Private Limited ('HMPL'), incorporated on June 23, 2023 under the Companies Act, 2013 is a Wholly Owned Subsidiary of your Company and has successfully commercialised the manufacturing plant in Assam for food & beverages Sector for a branded Company and has started its maiden operation during the year under review.

During the year under review, KNS Shoetech Private Limited has become a Wholly-Owned Subsidiary of your Company with effect from November 03, 2023 after acquisition of 100% Issued, Subscribed & Paid-up Capital by your Company. KNS Shoetech is into the business of manufacturing the entire portfolio of sports shoes and sneakers and open footwear including all their Components thereof.

Your Company monitors the performance of its Subsidiary Companies, inter alia, Financial Statements, in particular investments made by Subsidiary Companies, are reviewed quarterly by your Company's Audit Committee.

Minutes of the Board Meetings of Subsidiary Companies are placed before your Company's Board regularly. A statement containing all significant transactions and arrangements entered into by Subsidiary Companies are placed before your Board. Presentations are made to your Board on business performance of major Subsidiaries of your Company by the Senior Management.

In terms of the Company's Policy on determining "Material Subsidiary", HHWPL was determined as a Material Subsidiary of your Company whose Net worth exceeds 10% of the consolidated income of the Company in the immediately preceding Financial Year, with effect from May 18, 2023 and still continues to be a Material Subsidiary Company of your Company. Your Company's Policy for determining Material Subsidiary is available on the Company's Website www.hindustanfoodslimited.com.

CONSOLIDATED FINANCIAL STATEMENTS

As stipulated by the Regulation 33 of the Listing Regulations, the Consolidated Financial Statements have been prepared by your Company in accordance with the applicable Accounting Standards. The Audited Consolidated Financial Statements, together with Auditors' Report, forms part of the Annual Report.

Pursuant to Section 129(3) of the Companies Act, 2013, a statement containing the salient features of the Financial Statements of each Subsidiaries, Joint Venture and joint operations in the prescribed Form AOC-1 forms part of the Financial Statements to this Report.

Pursuant to Section 136 of the Companies Act, 2013, the Financial Statements of the Subsidiary and Associate Companies are kept for inspection upon request made by the Shareholders at the Registered Office of your Company. The statements are also available on the Company's website www.hindustanfoodslimited.com.

CREDIT RATING

During the year under review, India Ratings and Research (Ind-Ra) has re-affirmed the Long-Term Issuer Rating to 'IND A+/ Stable' of your Company. The outlook is Positive.

DIRECTORS' RESPONSIBILTY STATEMENT

To the best of our knowledge and belief and based on the information and representations received from the operating management, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

(a) that in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed

DIRECTORS' REPORT (Contd.)

along with the proper explanation relating to material departures;

(b) that such accounting policies as mentioned in Notes to the annual accounts have been selected and applied consistently and judgement and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2024 and of the profit of the Company for the year ended on that date;

(c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) that the annual accounts have been prepared on a going concern basis;

(e) that proper internal financial controls are in place and that the internal financial controls are adequate and are operating effectively;

(f) that proper systems to ensure compliance with the provisions of all applicable laws are in place and that such systems are adequate and operating effectively.

MANAGEMENT AND KEY MANAGERIAL PERSONNEL

DIRECTORS

RE-APPOINTMENT OF AND REMUNERATION PAYABLE TO THE WHOLE TIME DIRECTOR

Based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Shareholders, Board of Directors of your Company, in their Meeting held on May 18, 2023, have re-appointed Mr Ganesh T Argekar (DIN: 06865379) as a Whole-time Director designated as an 'Executive Director' for a period of 5 (Five) years starting from May 19, 2023 to May 18, 2028 and the remuneration payable is Rs. 95,10,000/- (Rupees Ninety Five Lakhs Ten Thousand Only) per annum and shall also be entitled to any other allowances or perquisites or a combination thereof.

Your Company's Shareholders has already passed the necessary resolution for Re-appointment of Mr Ganesh Argekar, as a Whole Time Director designated as 'Executive Director' for a term of 5 (Five) years through Postal Ballot by way of remote E-voting on July 01, 2023 pursuant to the provisions of the Companies Act, 2013, SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and any other applicable laws.

Further, based on the recommendation of the Nomination and Remuneration Committee and Board of Directors of your Company, in their Meeting held on May 21, 2024, had approved the revision in the remuneration payable to Mr Ganesh T Argekar, Whole-time Director of the Company from Rs. 95,10,000/- p.a. (Rupees Ninety Five Lakhs Ten Thousand only) including bonus to Rs. 1,20,10,000/- p.a. (Rupees One Crore Twenty Lakhs Ten Thousand only) including Bonus whether paid as salary, allowance(s), perquisites or a combination thereof w.e.f. January 1, 2024. However, the same was paid after the Financial Year ended March 31, 2024.

The overall remuneration payable to Mr Ganesh Argekar shall not exceed the limits prescribed under the applicable provisions of the Companies Act, 2013 and the provisions of Listing Regulations.

REMUNERATION PAYABLE TO THE MANAGING DIRECTOR

Based on the recommendation of the Nomination and Remuneration Committee and Board of Directors of your Company, in their Meeting held on February 8, 2023, had approved the revision and increase in the remuneration payable to Mr Sameer Kothari, Managing Director of the Company from Rs. 13,00,000/- per month (Rupees Thirteen Lakhs Only) to Rs. 14,30,000/- per month (Rupees Fourteen Lakhs Thirty Thousand Only) with effect from January 1, 2023 upto the Financial Year 2024-25 i.e. March 31, 2025 and has also approved the remuneration payable by way of Profit linked Bonus at the rate of 2% of the Net Profit (Profit after tax) for each of the Financial Years FY'23, FY'24 & FY'25 and shall also be entitled to any other allowance or perquisites or a combination thereof as may be agreed mutually with the Board. The Computation of Commission payable to Mr Sameer Kothari was provisional for the Financial Year 2022-23 & 2023-24 and subsequently, the same was paid after the Financial Year ended March 31, 2024.

The overall remuneration payable to Mr Sameer Kothari shall not exceed the limits prescribed under the applicable provisions of the Companies Act, 2013 and the provisions of Listing Regulations.

RESIGNATION OF NON-EXECUTIVE NON-INDEPENDENT DIRECTOR

During the year under review, Mr Harsha Raghavan (DIN: 01761512) has tendered his resignation as Non-Executive Non-Independent Director of your Company with effect from June 20, 2023, citing professional responsibilities and other commitments.

The Board places on record its appreciation for the leadership and invaluable contribution made by Mr Raghavan whose extensive knowledge and understanding of the investments and incredible ability to transform Businesses, coupled with his entrepreneurial experience played an important role in your Company's transformation journey.

APPOINTMENT OF NON-EXECUTIVE NON-INDEPENDENT DIRECTOR

Your Board based on the recommendation of the Nomination and Remuneration Committee vide Circular Resolution passed on June 22, 2023, Board of Directors of your Company, vide its Circular Resolution dated June 29, 2023, had appointed Ms Amruta Adukia (DIN: 07877389), as an Additional Director in the category of Non-Executive Non-Independent Director of your Company with effect from June 29, 2023.

The Members in their 38th Annual General Meeting ("AGM") held on September 15, 2023 approved the appointment of Ms Amruta Adukia as Non-Executive, Non-Independent Director of your Company.

RE-APPOINTMENT OF INDEPENDENT DIRECTOR

During the year under review, considering knowledge, acumen, expertise, experience and substantial contribution made by Mr Neeraj Chandra (DIN: 00444694), and on recommendations of the Nomination and Remuneration Committee and based on further recommendation by the Board of Directors in their Meetings held on November 08, 2023, the Shareholders of your Company via postal ballot has approved by passing the Special Resolution, re-appointment of Mr Neeraj Chandra (DIN: 00444694) as the Non-Executive, Independent Director of your Company for a second term of another five years effective from January 25, 2024 and up to January 24, 2029.

COMPLETION OF TENURE OF AN INDEPENDENT DIRECTOR

Mr Sandeep Mehta (DIN: 00031380), Independent Director of your Company, who was appointed on August 09, 2019 for a term of 5 years upto August 08, 2024. Mr Mehta Did not offer his candidature for re-appointment by the Shareholders for 2nd Term. Consequently, he ceased to be the Director with effect from August 08, 2024. The Board appreciates on record for Mr Sandeep Mehta's contribution in the guidance and expertise knowledge towards the goal of the Company, during his tenure as an Independent Director.

RESOLUTIONS TO BE PASSED AT THE ENSUING AGM

DIRECTOR LIABLE TO RETIRE BY ROTATION

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Mr Sarvjit Singh Bedi (DIN: 07710419) Non-Executive, Non-Independent Director of your Company, retires by rotation at the ensuing AGM and being eligible, Mr Sarvjit Singh Bedi offers himself for re-appointment. Your Board has recommended his re-appointment.

The brief resume of Director seeking re-appointment at the ensuing AGM along with other details in pursuance of Regulation 36(3) of the Listing Regulations is enclosed herewith as Annexure is annexed to the Notice of the AGM.

KEY MANAGERIAL PERSONNEL

Pursuant to the provisions of Section 2(51) and Section 203 of the Companies Act, 2013, Mr Sameer R Kothari, Managing Director, Mr Ganesh Argekar, Whole Time Director, Mr Mayank Samdani, Chief Financial Officer and Mr Bankim Purohit, Company Secretary and Legal Head are the Key Managerial Personnel of your Company.

INDEPENDENT DIRECTORS' DECLARATION

Pursuant to Section 149(7) of the Companies Act, 2013, your Company has received a declarations from all the Independent Directors of your Company viz. Mr Shashi K Kalathil, Ms Honey Vazirani, Mr Neeraj Chandra and Mr Sandeep Mehta confirming that they meet the criteria of independence as prescribed under Section 149 (6) of the Companies Act, 2013 and Regulation 16(b) of the Listing Regulation in respect of their position as an "Independent Director" of your Company. In terms of provisions of

DIRECTORS' REPORT (Contd.)

Section 134(3)(d) of the Companies Act, 2013, the Board of Directors of your Company have taken note of all these declarations of independence received from all the Independent Directors and have undertaken due assessment of the veracity of the same.

Further, the Independent Directors of your Company have confirmed that, they are not aware of any circumstance or situation, which could impair or impact their ability to discharge duties with an objective independent judgment and without any external influence.

Your Board is of the opinion that, the Independent Directors of your Company (including the Independent Directors re-appointed during the year) possess requisite qualifications, experience, expertise (including proficiency) and they hold the highest standards of integrity that enables them to discharge their duties as the Independent Directors of your Company. Further, in compliance with Rule 6(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014, all Independent Directors of your Company have registered themselves with the Indian Institute of Corporate Affairs.

FAMILIARISATION PROGRAMMES

Familiarisation programmes for the Independent Directors were conducted during the Financial Year 2023-24. Apart from this, there were quarterly business presentations by Mr Ganesh T Argekar, Executive Director of your Company. Details of the familiarisation programme are explained in the Corporate Governance Report and are also available on the Company's website and can be accessed at www.hindustanfoodslimited.com.

MEETINGS OF THE BOARD OF DIRECTORS

A minimum of 4 (Four) Board Meetings are held annually. Additional Board Meetings are convened by giving appropriate Notice to address the Company's specific needs and business Agenda. The Meetings of your Board of Directors are pre-scheduled and intimated to all the Directors in advance in order to help them plan their schedule. In case of business exigencies or urgency of matters, approvals are taken by convening the Meetings at a Shorter Notice with consent of the Directors or by passing resolutions through circulation as permitted under the applicable law, which are noted and confirmed in the subsequent Board and Committee Meetings.

During the year under review, the Board of Directors of your Company met 7 (Seven) times viz. on May 18, 2023, August 11, 2023, September 22, 2023, October 20, 2023, November 08, 2023, December 20, 2023 and February 08, 2024. The details of the Board Meetings and the attendance records of the Directors are provided in the Corporate Governance Report which forms part of this Annual Report.

SEPARATE MEETING OF INDEPENDENT DIRECTORS

Pursuant to Schedule IV of the Companies Act, 2013, the Independent Directors of your Company are required to hold at least one Meeting in a year without attendance of Non-Independent Directors and Members of the Management. Accordingly, Independent Directors of your Company met on May 18, 2023. All the Independent Directors were present at the Meeting.

ANNUAL EVALUATION OF BOARD'S PERFORMANCE

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, your Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of the Board and its Statutory Committees. Further, the performance evaluation criteria for Independent Directors included a check on their fulfilment of the independence criteria and their independence from the Management.

Based on various criteria, the performance of the Board, various Board Committees, Chairman and Individual Directors (including Independent Directors) was found to be satisfactory.

AUDIT COMMITTEE

The Audit Committee comprises of 4 (Four) Members out of which 3 (Three) are Independent Directors. The Committee is been chaired by Mr Shashi K Kalathil, Independent Director, who serves as the Chairman of the Committee, Ms Honey Vazirani, Mr Sarvjit Singh Bedi and Mr Sandeep Mehta are the other Members. The terms of reference, number of Meetings of the Committee held during the year and other informations are provided in Corporate Governance Report which forms part of this Annual Report.

DIRECTORS' REPORT (Contd.)

All the recommendations made by the Audit Committee during the Financial Year under review were accepted by the Board.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee comprises of 3 (Three) Members out of which 2 (Two) are Independent Directors. The Committee is been chaired by Ms Honey Vazirani, Independent Director, who serves as the Chairperson of the Committee, Mr Shashi K Kalathil and Mr Sarvjit Singh Bedi are the other Members. The terms of reference, number of Meetings of the Committee held during the year and other informations are provided in Corporate Governance Report which forms part of this Annual Report.

The terms of reference, number of Meetings held during the year under review and other informations of the Nomination and Remuneration Committee are provided in Corporate Governance Report which forms part of this Annual Report.

The Committee has formulated a Nomination and Remuneration Policy and the same has been uploaded on the website of your Company at www.hindustanfoodslimited.com.

STAKEHOLDERS RELATIONSHIP COMMITTEE

The Committee comprises of 4 (Four) Members out of which 2 (Two) are Independent Directors. The Committee is chaired by Mr Neeraj Chandra, Independent Director, who serves as the Chairman of the Committee, Mr Shrinivas Dempo, Ms Honey Vazirani and Mr Sameer Kothari are the other Members of the Stakeholders Relationship Committee of your Board.

The composition, terms of reference, number of Meetings held during the year under review and other informations of the Stakeholders Relationship Committee are provided in Corporate Governance Report which forms part of this Annual Report.

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

As required under the Companies Act, 2013, a CSR committee of the Board is duly constituted to formulate and recommend to the Board, the CSR Policy indicating the Company's CSR activities to be undertaken. The CSR Policy as recommended by the Committee and as approved by your Board is available on your Company's website viz. www.hindustanfoodslimited.com.

The CSR Committee comprises of 3 (Three) Members out of which 1 (One) is Independent Director. The Committee is chaired by Mr Sameer Kothari, Mr Ganesh Argekar and Mr Shashi K Kalathil are the other Members of the CSR Committee of the Board. The terms of reference, number of Meetings held during the year and details of the role and functioning of the committee are given in the Corporate Governance Report which forms part of this Annual Report.

During the year under review, your Company took various initiatives towards supporting projects in the area of Education, welfare, healthcare and safety measures, rehabilitation of homeless young women and providing various facilities to senior citizens and needy peoples. Based on the recommendation of the CSR Committee for the amount of expenditure to be incurred on the CSR activities, your Board and the Management of your Company had contributed towards the specified activities laid down under your Company's policy on expenditure on CSR.

The Annual Report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules 2014 is set out as **Annexure I** forming part of this Annual Report.

RISK MANAGEMENT COMMITTEE

Knowing the importance of managing and pre-empting risks effectively for sustaining profitable business, your Company has constituted a Risk Management Committee, in line with the SEBI Listing Regulations, as it is covered and applicable to the top 1000 Listed entities.

The Risk Management Committee comprises of 6 (Six) Members out of which 2 (Two) are Independent Directors. The Committee is chaired by Mr Sameer Kothari, Mr Ganesh Argekar, Mr Shashi K Kalathil, Ms Honey Vazirani, Mr Mayank Samdani and Mr Bankim Purohit are the other Members of the Risk Management Committee of the Board.

The terms of reference, number of Meetings held during the year and details of the role and functioning of the committee are given in the Corporate Governance Report which forms part of this Annual Report.

DIRECTORS' REPORT (Contd.)

DETAILS OF UTILIZATION OF FUNDS RAISED THROUGH PREFERENTIAL ALLOTMENT

During the Financial Year 2023-24, the Company has raised Rs. 399.99 Crores through Preferential Issues. The details of the funds raised, objects and amount of deviation, if any is provided in the below table:

(Rs. In cr)

Sr. No	Original Object	Funds Raised	Particulars of Issue	Utilisation of funds raised
1	Funding Inorganic growth opportunities and strategic acquisition	175.00	The Company had received 99,99,99,470.24/- i.e. 25% of the issue price for allotment of Convertible Warrants. The Board of Directors in its meeting held on December 20, 2023, have allotted: 1. 56,75,054 convertible Warrants at a price of Rs. 546.25/- each (including face value of Rs. 2/- each at a premium of Rs. 544.25/- each) to the certain identified Qualified Institutional Buyers under Non-Promoter category. 2. 15,96,027 Convertible Warrants at a price of Rs. 563.90/- each (including face value of Rs. 2/- each at a premium of Rs. 561.90/- each) by way of Preferential Issue to the certain identified Non-Qualified Institutional Buyers under Non-Promoter category.	39.55
2	Funding capital expenditure for new green field projects			
a.	Greenfield project of the Company	50.00		0.00
b.	Greenfield project of the subsidiary company	25.00		6.86
3	Funding capital expenditure for Brown field projects			
a.	Brown field project of the Company	35.00		4.45
b.	Brown field project of the subsidiary company	15.00		1.99
4	General Corporate purpose	96.50		10.77
	TOTAL	396.50		63.62

There is no deviation or variation in the utilisation of funds from the objects stated in the Explanatory Statement to the Notice for the Extra Ordinary-General Meeting held for approval of Preferential allotment of Warrants. The funds raised through the respective issues were utilised for the purpose for which it was raised and in accordance with the objects of the said Preferential issue.

Pursuant to the provisions of Regulation 32 of the Listing Regulations the necessary disclosures were submitted with the Stock Exchanges and is available on website of the Company viz. www.hindustanfoodslimited.com.

INTERNAL CONTROL SYSTEM

Your Board has laid down Internal Financial Controls ('IFC') within the meaning of the explanation to Section 134 (5) (e) of the Companies Act, 2013. Your Board believes that, your Company has sound IFC commensurate with the nature and size of its business. Business is however dynamic. Your Board is seized of the fact that IFC are not static and are in fact a fluid set of tools which evolve over time as the business, technology and fraud environment changes in response to competition, industry practices, legislation, regulation and current economic conditions. There will therefore be gaps in the IFC as business evolves. Your Company has a process in place continuously identify such gaps and implement newer and or improved controls wherever the effect of such gaps would have a material effect on the Company's operations.

DIRECTORS' REPORT (Contd.)

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The information required under Section 197(12) of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the year ended March 31, 2024 is given in a separate Annexure to this Report as **Annexure II**.

The Annexure in pursuance to the Rule 5 (2) of the Companies (Appointment and Remuneration) Rules, 2014, is not being sent along with this Report to the Members of your Company in line with the provisions of Section 136 of the Companies Act, 2013. Members who are interested in obtaining these particulars may write to the Company Secretary and Legal Head at the Registered Office of the Company. The aforesaid Annexure is also available for inspection by the Members at the Registered Office of the Company, 21 days before the 39th AGM and up to the date of the ensuing AGM during the business hours on working days.

AUDITORS

1. **Statutory Auditors**

   Pursuant to the requirements of Section 139(2) of the Companies Act, 2013 ('the Act'), M/s M S K A & Associates, Chartered Accountants (Registration No.105047W) were appointed as a Statutory Auditors of your Company for a Second term of 5 (Five) consecutive years from the 37th AGM held on September 22, 2022 till the conclusion of the 42nd AGM to be held in the year 2027. As per notification issued by the Ministry of Corporate Affairs dated May 07, 2018, ratification of the Statutory Auditors at the AGM is not required.

2. **Cost Auditors**

   Pursuant to Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, your Company is required to prepare, maintain as well as have the audit of its cost records conducted by a Cost Accountant and accordingly it has maintained such cost records. Your Board on recommendation of the Audit Committee of the Board of Directors in their Meetings held on August 13, 2024 has appointed M/s Poddar & Co., Cost Accountants (Firm Registration No: 101734) as the Cost Auditors of your Company for the year 2024-25 under Section 148 and all other applicable provisions of the Act.

   M/s Poddar & Co. have confirmed that they are free from disqualification specified under Section 141 (3) and proviso to Section 148 (3) read with Section 141(4) of the Companies Act, 2013 and that the appointment meets the requirements of Section 141 (3) (g) of the Companies Act, 2013. They have further confirmed their independent status.

   The remuneration payable to the Cost Auditor is required to be placed before the Members in the General Meeting for their ratification. Accordingly, a Resolution for seeking Members' ratification for the remuneration payable to M/s Poddar & Co. is included at Item No. 3 of the Notice convening the ensuing AGM.

   M/s Poddar & Co., Cost Accountants have carried out the Cost Audit for applicable businesses during the year. There are no qualifications, reservations or adverse remarks or disclaimer made in the Cost Auditors' Report for the Financial Year 2023-24, which requires any clarification or explanation.

3. **Secretarial Auditors**

   Pursuant to the provisions of Section 204 of the Act and the Rules thereunder, your Board of Directors has appointed CS Pankaj S Desai, Practicing Company Secretary (COP no. 4098 & Membership no. 3398) to carry out the Secretarial Audit for the Financial Year 2023-24. The Secretarial Audit Report for the Financial Year ended March 31, 2024 forms a part of this Annual Report as **Annexure III**. The report is self-explanatory and contains some observation, qualification, reservation and adverse remark as follows:

   a. The Company had filed a suo-motto settlement application with the Securities and Exchange Board of India (SEBI) on January 31, 2023, in the matter of Regulation 17(1) (b) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ('LODR Regulations') proposing

to settle by neither admitting nor denying any conclusion of law, the enforcement proceedings that may be initiated against the Company. The High Powered Advisory Committee of SEBI had offered the revised settlement terms and proposed the settlement fees of Rs. 24,32,000/- (Rupees Twenty Four Lakhs Thirty Two Thousand Only) only for which the Company agreed and paid the settlement fees. On receipt of the settlement fees, the SEBI settled the application filed with the Company and passed the necessary settlement order on October 10, 2023.

b. Further, under SEBI's SOP circular, the BSE Limited separately penalised the Company with the penalty of Rs. 84,48,800/- (Rupees Eighty Four Lakhs Forty Eight Thousand Eight Hundred Only) including GST for the Non-Compliance of Regulation 17(1)(b) of LODR Regulations for the same matter for which the Company had filed a suo-moto settlement application with SEBI.

In view of the above, the Company had filed a wavier petition with the BSE Limited and after considering the facts of the case during the personal hearing before the Request Review Committee of BSE Limited with the Company on November 29, 2023 and subsequent written representation made by the Company, the said Committee had passed the order on partial waiver of fines on December 10, 2023 and reduced the penalty to Rs. 52,21,500/- (Rupees Fifty-Two Lakhs Twenty One Thousand Five Hundred Only) along with such other statutory levies inclusive of GST. The Company paid the said penalty of Rs. 52,21,500/- (Rupees Fifty-Two Lakhs Twenty One Thousand Five Hundred Only) under protest.

The Company has paid the penalty amount in full and has also filed an appeal with Securities and Appellate Tribunal ('SAT') against the penalty levied by the BSE for the same matter which has been settled by SEBI.

Managements Explanation:

a. Your Company has paid the settlement fees amounting of Rs. 24,32,000/- (Rupees Twenty Four Lakhs Thirty Two Thousand Only) to SEBI on August 25, 2023. On receipt of the settlement fees, the SEBI settled the application filed with your Company and passed the necessary settlement order on October 10, 2023.

b. Your Company has paid the penalty of Rs. 52,21,500/- (Rupees Fifty-Two Lakhs Twenty One Thousand Five Hundred Only) to BSE Limited on December 11, 2023 under protest and filed an appeal with Securities and Appellate Tribunal ('SAT') against the penalty levied by the BSE for the same matter which has been settled by SEBI.

As per the requirements of the Listing Regulations, CS Pankaj S Desai, Practicing Company Secretary, have undertaken Secretarial Audit of HFL Healthcare and Wellness Private Limited (Formerly known as Reckitt Benckiser Scholl India Private Limited), Material Subsidiary of your Company for the FY 2023-24. The Secretarial Audit Report for the Financial Year ended March 31, 2024 is annexed as **Annexure – IIIA** to this Report.

STATUTORY AUDITORS' OBSERVATIONS

The notes on Financial Statements referred to in the Statutory Auditor's Report are self-explanatory and therefore, do not call for any further explanations or comments.

There are no qualifications, reservations or adverse remarks or disclaimer made in the Statutory Auditors' Report which requires any clarification or explanation.

ANNUAL SECRETARIAL COMPLIANCE REPORT

Pursuant to Regulation 24 (A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015, the Independent Secretarial Auditor, CS Pankaj S Desai, Practicing Company Secretary (COP no 4098 & Membership no. 3398) had undertaken an audit for the Financial Year 2023-24 for the SEBI compliances. The Annual Secretarial Compliance Report has been submitted to the Stock Exchanges within 60 days of the end of the Financial Year.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

Your Company has established a Mechanism for the Directors and Employees to report their genuine concerns or grievances about unethical behavior, actual or suspected fraud or violation of the Code. It also provide for adequate safeguards against victimisation of employees who avail the mechanism and allows direct access to the Chairperson of the Audit Committee in exceptional cases. The Whistle Blower Policy also facilitates all employees of the Company to report any instances of leak of Unpublished Price Sensitive information. This policy is also posted on the website of the Company at www.hindustanfoodslimited.com. The Audit Committee of your Company oversees the Vigil Mechanism.

RISK MANAGEMENT

Your Company follows well-established and detailed risk assessment and minimisation procedures, which are periodically reviewed by the Risk Management Committee and Board. Your Company has in place a business risk management framework for identifying risks and opportunities that may have a bearing on the organisation's objectives, assessing them in terms of likelihood and magnitude of impact and determining a response strategy.

The Senior Management assists your Board in its oversight of the Company's management of key risks, including strategic and operational risks, as well as the guidelines, policies and processes for monitoring and mitigating such risks under the aegis of the overall business risk management framework.

The Risk Management policy is uploaded on the website of your Company and can be accessed at www.hindustanfoodslimited.com.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORTING ('BRSR')

As stipulated under the Regulation 34(2)(f) of the Listing Regulations and SEBI circular no. SEBI/LAD-NRO/GN/2021/22 dated May 05, 2021 read with SEBI circular no. SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122 dated July 13, 2023, your Company provides the prescribed disclosures in new reporting requirements on Environmental, Social and Governance ('ESG') parameters called the Business Responsibility and Sustainability Report ('BRSR') which includes performance against the nine principles of the National Guidelines on Responsible Business Conduct and the report under each principle which is divided into essential and leadership indicators, forms part of this Annual Report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 are given in the Notes to the Financial Statements.

RELATED PARTY TRANSACTIONS

As required under Regulation 23(1) of the Listing Regulations, 2015, your Company has formulated a policy on dealing with Related Party Transactions. The Policy has been uploaded on your Company's website: www.hindustanfoodslimited.com.

The transactions entered with Related Parties for the year under review were on arm's length basis and in the ordinary course of business. All the transactions with Related Parties are placed before the Audit Committee and also the Board for approval. Prior Omnibus approval of the Audit Committee and approval of your Board is obtained for the transactions which are foreseeable and a repetitive of nature. The transactions entered into pursuant to the approvals so granted are subjected to audit and a statement giving details of all Related Party Transactions is placed before the Audit Committee and the Board of Directors on a quarterly basis. Further, there were no material Related Party Transactions during the year under review with the Promoters, Directors or Key Managerial Personnel which may have a potential conflict with the interest of the Company. Accordingly, no transactions are required to be reported in Form No. AOC-2 in terms of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status of your Company and its future operations except Following:

DIRECTORS' REPORT (Contd.)

Your Company had filed a Suo-moto Settlement application without admitting or denying the violation with the SEBI on January 31, 2023, in the matter of Regulation 17(1)(b) of SEBI LODR Regulations.

The High Powered Advisory Committee of SEBI had offered the revised settlement terms and proposed the settlement fees of Rs. 24,32,000/- (Rupees Twenty Four Lakh Thirty Two Thousand Only) for which your Company agreed and paid the settlement fees. On receipt of the settlement fees, the SEBI settled the application filed by your Company and passed the necessary settlement order on October 10, 2023. There is no material impact of such settlement, pursuant to the said Settlement Order, on the financial, operation or other activities of your Company.

Further, under SEBI's SOP Circular, the BSE Limited separately penalised your Company with the penalty of Rs. 84,48,800/- (Rupees Eighty Four Lakhs Forty Eight Thousand Eight Hundred only) including GST for the Non-Compliance of Regulation 17(1)(b) of LODR Regulations for the same matter for which your Company had filed a Suo-moto settlement application with SEBI.

In view of the above, your Company had filed a wavier petition with the BSE Limited and After considering the facts of the case during the personal hearing with your Company on November 29, 2023 and subsequent written representation made by your Company, the Committee has passed the order on partial waiver of fines on December 10, 2023 and reduced the penalty to Rs.52,21,500/- (Rupees Fifty-Two Lakhs Twenty One Thousand Five Hundred Only) along with such other statutory levies inclusive of GST. The Company paid the penalty of Rs. 52,21,500/- (Rupees Fifty-Two Lakhs Twenty One Thousand Five Hundred Only) under protest. There is no material impact of such fines on the financial, operation or other activities of your Company.

Your Company has paid the penalty amount in full and has also filed an appeal with Securities and Appellate Tribunal ("SAT") on January 23, 2024, against the penalty levied by the BSE for Non- Compliance with Regulation 17(1)(b) of SEBI LODR Regulations for which SEBI has already settled the matter. The said appeal has been admitted and outcome is awaited.

MATERIAL CHANGES BETWEEN THE DATE OF THE BOARD REPORT AND END OF FINANCIAL YEAR

There are no material changes and commitments, affecting the financial position of your Company, which has occurred between the end of the Financial Year of your Company i.e. March 31, 2024 and the date of Board's Report i.e. August 13, 2024.

REPORTING OF FRAUDS BY AUDITORS

During the year under review, neither the Statutory Auditors nor the Secretarial Auditors nor the Cost Auditors reported to the Audit Committee of the Board, any instances of fraud committed against your Company by its officers or employees, the details of which would need to be mentioned in this Report under section 143(12) of the Companies Act, 2013.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the Management Discussion and Analysis Report is presented in a separate section forming part of this Annual Report highlighting the detailed review of operations, performance and future outlook of your Company.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information in respect of matters pertaining to conservation of energy, technology absorption, Foreign exchange earnings and outgo, as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are provided in the **Annexure – IV** to this Report.

ANNUAL RETURN

Pursuant to the provisions of Section 134 (3) (a) and Section 92 (3) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return of your Company for the Financial Year March 31, 2024 is uploaded on the website of your Company and can be accessed at www.hindustanfoodslimited.com.

DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

In accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules made there under, your Company has formulated an Internal Policy on Sexual Harassment at Workplace (Prevention, Prohibition and Redressal) and circulated to all the employees, which provides for a proper mechanism for redressal of complaints of sexual harassment.

Your Company is committed to creating and maintaining an atmosphere in which employees can work together without fear of sexual harassment, exploitation or intimidation. Your Board has constituted Internal Complaints Committees (ICCs) pursuant to the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules framed thereunder. ICCs is responsible for redressal of complaints related to sexual harassment at the workplace in accordance with procedures, regulations and guidelines provided in the Policy.

During the year under review, there were no complaints referred to the ICCs.

COMPLIANCE WITH SECRETARIAL STANDARDS

Your Company is in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) and approved by the Central Government under Section 118 (10) of the Companies Act, 2013.

CORPORATE GOVERNANCE

It has been the endeavor of your Company to follow and implement best practices in Corporate Governance, in letter and spirit. The following forms part of this Annual Report:

(i) Declaration regarding compliance of Code of Conduct by Board Members and Senior Management Personnel;

(ii) Management Discussion and Analysis Report;

(iii) Report on Corporate Governance and;

(iv) Practicing Company Secretary Certificate regarding compliance of conditions of Corporate Governance.

OTHER DISCLOSURES

No disclosure or reporting is made with respect to the following items, as there were no transactions during the year under review:

- There was no change in the nature of business
- The issue of Shares to the employees of the Company under any scheme (sweat equity or stock options)
- Managing Director & CEO has not received any remuneration or commission from any of its subsidiaries
- There is no application made or pending proceeding under the Insolvency and Bankruptcy Code, 2016 (31 of 2016)
- There was no instance of one time settlement with any Bank or Financial Institution.

APPRECIATION AND ACKNOWLEDGEMENT

Your Directors would like to express their appreciation for the assistance and co-operation received from the Government authorities, banks, customers, business associates and Members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the executives, staff and workers of the Company during the year under review.

For and on behalf of the Board of Directors

Sameer R Kothari	**Ganesh T Argekar**
Managing Director	Executive Director
DIN: 01361343	DIN: 06865379

Place : Mumbai
Date : August 13, 2024

ANNEXURE – I TO THE DIRECTORS' REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. Brief outline on CSR Policy of the Company:
   - Promotion of education
   - Promoting gender equality
   - Promoting social business projects
   - Ensuring environmental sustainability, ecological balance, protection of flora and fauna and animal welfare
   - Conservation of natural resources
   - Promoting health and hygiene
   - Protection of National heritage, art and culture

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of Meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr Sameer R Kothari	Chairman, Managing Director	2	2
2.	Mr Ganesh T Argekar	Member, Executive Director	2	2
3.	Mr Shashi K Kalathil	Member, Independent Director	2	2

3. Provide the web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company –

   Web link – www.hindustanfoodslimited.com

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable– Not Applicable

5. (a) Average net profit of the Company as per sub-section (5) of section 135 - Rs. 7,593.60 Lakhs

   (b) Two percent of average net profit of the Company as per sub-section (5) of section 135 - Rs. 151.87 Lakhs

   (c) Surplus arising out of the CSR projects or programs or activities of the previous Financial Years – NIL

   (d) Amount required to be set off for the Financial Year, if any –

   The amount available for set off is pertaining to Financial Year 2021-22 is Rs. 5.42 lakhs and for Financial Year 2023-24 is Rs. 3.57 Lakhs which will be set off in the next Financial Year 2024-25.

   (e) Total CSR obligation for the Financial Year (b+c-d) - Rs. 151.87 Lakhs

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) - Rs. 154.03 Lakhs

   (b) Amount spent in Administrative Overheads – Rs. 1.41 Lakhs

   (c) Amount spent on Impact Assessment, if applicable – Not applicable

   (d) Total amount spent for the Financial Year [(a)+(b)+(c)]– Rs. 155.44 Lakhs

(e) CSR amount spent or unspent for the Financial Year:

Amount (Rs. in Lakhs)

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
155.44	-	-	-	-	-

(f) Excess amount for set off, if any –

Sl. No.	Particular	Amount (in Rs.)
(1)	(2)	(3)
i.	Two percent of average net profit of the Company as per sub-section (5) of section 135	Rs. 151.87 Lakhs
ii.	Total amount spent for the Financial Year	Rs. 155.44 Lakhs
iii.	Excess amount spent for the Financial Year 2023-24 [(ii)-(i)] Excess amount spent for the Financial Year 2021-22*	Rs. 3.57 Lakhs Rs. 5.42 Lakhs
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	Nil
v.	Amount available for set off in succeeding Financial Years [(iii)-(iv)]*	Rs. 8.99 Lakhs

*The amount available for set off is pertaining to Financial Year 2021-22 is Rs. 5.42 Lakhs and for Financial Year 2023-24 is Rs. 3.57 Lakhs which will be set off in the next Financial Year 2024-25.

7. Details of Unspent CSR amount for the preceding three Financial Years: -

1	2	3	4	5	6		7	8
Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under subsection (6) of section 135 (in Rs.)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per second proviso to subsection (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in Rs.)	Deficiency, if any
					Amount (in Rs.)	Date of transfer		
1.	March 31, 2021	Nil	Nil	Nil	22,16,000	September 17, 2021	NIL	NA
2.	March 31, 2022	NIL	NIL	NIL	NIL	-	NIL	NA
3.	March 31, 2023	20,00,000	NIL	20,00,000	NIL	-	NIL	NA

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

   ◯ Yes ✓ No

   If Yes, enter the number of Capital assets created/ acquired: Not Applicable.

ANNEXURE – I TO THE DIRECTORS' REPORT (Contd.)

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sr. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR Amount spent	Details of Company/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
Not Applicable							

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/ Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135 of the Act: Not Applicable.

Sd/-	Sd/-	Not Applicable
Mr Ganesh Argekar & Mr Shashi Kalathil (Members of CSR Committee)	**Mr Sameer Kothari** (Chairman CSR Committee)	[Person specified under clause; d of sub-section (1) of section 380 of the Act] (wherever applicable)

ANNEXURE – II TO THE DIRECTORS' REPORT

INFORMATION PURSUANT TO SECTION 197 (12) READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

1) Ratio of Remuneration of each Director/KMP to the median remuneration of all the employees of the Company for the Financial Year ended 2023-24:

Name of Directors and KMP	Ratio to median Remuneration of all employees	% increase in remuneration in Financial Year
Executive Director		
Mr. Ganesh Argekar	23.95	10.41
Mr. Sameer Kothari*	107.56	166.22
Other KMPs		
Chief Financial Officer		
Mr. Mayank Samdani	22.75	17.62
Company Secretary & legal head		
Mr. Bankim Purohit	6.46	11.38

2) The percentage increase in the median remuneration of employees in the Financial Year - **21.68%** (Increase due to addition of Baddi unit on annualized basis)

3) The number of permanent employees on the rolls of company - **1304**

4) The average percentile increase in the salaries of the employees other than the Managerial Person (i.e. ED) is **9%**. While increase in the Managerial remuneration is **112%**. The average increase in remuneration of employees other than the managerial person is in line with the industry practice and is in within normal range.

   *On recommendation of the Nomination and Remuneration Committee, your Board in their Meeting held on February 8, 2023 passed the necessary resolution for approval of remuneration payable to Mr. Sameer Kothari, Managing Director by way of Profit linked Bonus at the rate of 2% of the Net Profit (Profit after tax) for each of the Financial Years FY'23, FY'24 & FY'25. The Computation of Commission payable to Mr. Sameer Kothari was provisional for the Financial Year 2022-23 & 2023-24 and subsequently, the same was paid after the Financial Year ended March 31, 2024.

5) We affirm that the remuneration paid to the Directors, Key Managerial Personnel and employees is as per the Remuneration Policy of the Company.

ANNEXURE – III TO THE DIRECTORS' REPORT

Form No. MR-3

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024

To,
The Members,
Hindustan Foods Limited
CIN: L15139MH1984PLC316003
Office No. 03, Level 2, Centrium, Phoenix Market City,
15, Lal Bahadur Shastri Rd, Kurla
Mumbai, Maharashtra, 400070

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **HINDUSTAN FOODS LIMITED**, (hereinafter called the "company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the **HINDUSTAN FOODS LIMITED'S** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2024, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2024 and according to the provisions of:

(i) The Companies Act, 2013 ('the Act') and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(d) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; ***(Not applicable during the period under review.)***

(e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities), 2021; ***(Not applicable during the period under review.)***

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; ***(Not applicable during the period under review)***

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; ***(Not applicable during the period under review)***

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments made thereunder (Listing Regulations);

The other laws as may be applicable specifically to the Company are:-

A. Food items and related business:

1. Food Safety Standards Act, 2006 and Food Safety and Standards Rules, 2011;
2. Prevention of Food Adulteration Act 1954;
3. Bureau of Indian Standards (BIS) Act, 1986;

B. Footwear business:

To the best of my knowledge and belief and as confirmed by the Management of the Company there is no sector specific law applicable to the Company, with reference to the Footwear business.

C. Tea Business:

The Company is into the business of packing of tea. Hence there is no sector specific law applicable to the Company such as The Tea Board Guidelines and Orders and The Tea Act, 1953 and Tea Warehouse (Licensing) Order 1989. The laws applicable:

The Standards of Weights and Measures Act, 1976 and the Standards of Weights and Measures (Packaged Commodities) Rules, 1977 (SWMA).

The Prevention of Food Adulteration Act, 1954 and the Prevention of Food Adulteration Rules, 1955 and its first amendment, 2003 (PFA).

D. Pest repellents and other related items:

The Standards of Weights and Measures Act, 1976 and the Standards of Weights and Measures (Packaged Commodities) Rules, 1977 (SWMA).

E. Pharmaceutical and Non-Pharmaceutical related items:

The Petroleum Act, 1934 and the Petroleum Rules, 2002 and the Manufacture, Storage, and Import of Hazardous Chemicals Rules, 1989 and the Hazardous Waste (Management & Handling) Rules 1989 and Bio-Medical Waste (Management and Handling) Rules, 1998

I further report that,

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

ANNEXURE – III TO THE DIRECTORS' REPORT (Contd.)

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchanges of India Limited read with the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above as following are some observations:

1. *The Company had filed a suo-motto settlement application with the Securities and Exchange Board of India (SEBI) on January 31, 2023, in the matter of Regulation 17(1) (b) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ('LODR Regulations') proposing to settle by neither admitting nor denying any conclusion of law, the enforcement proceedings that may be initiated against the Company. The High powered Advisory Committee of SEBI had offered the revised settlement terms and proposed the settlement fees of Rs. 24,32,000/- (Rupees Twenty Four Lakhs Thirty Two Thousand Only) only for which the Company agreed and paid the settlement fees. On receipt of the settlement fees, the SEBI settled the application filed with the Company and passed the necessary settlement order on October 10, 2023.*

2. *Further, under SEBI's SOP circular, the BSE Limited separately penalised the Company with the penalty of Rs. 84,48,800/- (Rupees Eighty Four Lakhs Forty Eight Thousand Eight Hundred Only) including GST for the Non-Compliance of Regulation 17(1)(b) of LODR Regulations for the same matter for which the Company had filed a suo-moto settlement application with SEBI.*

   In view of the above, the Company had filed a wavier petition with the BSE Limited and after considering the facts of the case during the personal hearing before the Request Review Committee of BSE Limited with the Company on November 29, 2023 and subsequent written representation made by the Company, the said Committee had passed the order on partial waiver of fines on December 10, 2023 and reduced the penalty to Rs. 52,21,500/- (Rupees Fifty-Two Lakhs Twenty One Thousand Five Hundred Only) along with such other statutory levies inclusive of GST. The Company paid the said penalty of Rs. 52,21,500/- (Rupees Fifty-Two Lakhs Twenty One Thousand Five Hundred Only) under protest.

   The Company has paid the penalty amount in full and has also filed an appeal with Securities and Appellate Tribunal ('SAT') against the penalty levied by the BSE for the same matter which has been settled by SEBI.

During the period under review, all decisions at the Meetings of the Board and its Committee were carried out unanimously as recorded in the Minutes of the Meetings of the Board of Directors or Committees of the Board, as the case may be.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the Company has:

- Allotted 72,71,081 Convertible warrants into Equity Shares of the Company, on preferential basis to non-promoter entities on December 20, 2023. Out of which one of the warrants holders exercised their option to convert 18,30,663 Convertible warrants into Equity Shares. Subsequently, the Share Allotment Committee of Board of Directors of the Company in their Meeting held on February 02, 2024 had allotted 18,30,663 Equity Share to the said warrant holder.

ANNEXURE – III TO THE DIRECTORS' REPORT (Contd.)

- The Company is having one material subsidiary named HFL Healthcare and Wellness Private Limited (formerly known as Reckitt Benckiser Scholl India Private Limited).
- HFL Multiproducts Private Limited, a Wholly-Owned Subsidiary Company was incorporated on June 23, 2023 pursuant to the approval of the Board of Directors given at their Meeting held on May 18, 2023.
- KNS Shoetech Private Limited has become a Wholly-Owned Subsidiary of the Company with effect from November 03, 2023 after acquisition of 100% Issued, Subscribed & Paid-up Capital by the Company.

Sd/-
Name of the Company Secretary: - Pankaj Desai
ACS No. :- 3398
C. P. No. :- 4098
UDIN No. :- A003398F000962356
Peer Review No. :- 2702/2022

Place :- Mumbai
Date :- August 13, 2024

ANNEXURE I (INTEGRAL PART OF SECRETARIAL AUDIT REPORT)

To,

The Members,

Hindustan Foods Limited,

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain responsible assurance about the correctness of the contents of secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices I follow provide a responsible basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provision of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to verification of procedures on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Sd/-

Name of the Company Secretary: - Pankaj Desai

ACS No. :- 3398

C. P. No. :- 4098

UDIN No. :- A003398F000962356

Peer Review No. :- 2702/2022

Place :- Mumbai

Date :- August 13, 2024

ANNEXURE – IIIA TO THE DIRECTORS' REPORT

Form No. MR-3

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024

To,

The Members,

HFL Healthcare and Wellness Private Limited

(Formerly known as Reckitt Benckiser Scholl India Private Limited)

CIN: U24232TN1994PTC048002

Plot F 73, 74 SIPCOT Industrial Park,

Irungattukotai, Sripermubudur,

Kancheepuram, Tamil Nadu - 602117

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by, **HFL HEALTHCARE AND WELLNESS PRIVATE LIMITED** (hereinafter called the "company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the **HFL HEALTHCARE AND WELLNESS PRIVATE LIMITED'S** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2024, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2024 and according to the provisions of:

(i) The Companies Act, 2013 ('the Act') and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; ***(Not applicable during the period under review)***

(iii) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; ***(Not applicable during the period under review)***

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; ***(Not applicable during the period under review)***

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; ***(Not applicable during the period under review)***

ANNEXURE – IIIA TO THE DIRECTORS' REPORT (Contd.)

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; ***(Not applicable during the period under review)***

d) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; ***(Not applicable during the period under review)***

e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities), 2021; ***(Not applicable during the period under review)***

f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; ***(Not applicable during the period under review)***

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; ***(Not applicable during the period under review)***

h) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; ***(Not applicable during the period under review)***

i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; ***(Not applicable during the period under review)***

j) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; ***(Not applicable during the period under review)***

I further report that,

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India;

(ii) The Company has not entered into any listing agreements with the Stock Exchanges.

During the period under review, all decisions at the Meetings of the Board and its Committee were carried out unanimously as recorded in the Minutes of the Meetings of the Board of Directors or Committees of the Board, as the case may be.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Sd/-
Name of the Company Secretary: - Pankaj Desai
ACS No. :- 3398
C. P. No. :- 4098
UDIN No. :- A003398F000962279
Peer Review No. :- 2702/2022

Place :- Mumbai
Date :- August 13, 2024

ANNEXURE I (INTEGRAL PART OF SECRETARIAL AUDIT REPORT)

To,
The Members,
HFL Healthcare and Wellness Private Limited,

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain responsible assurance about the correctness of the contents of secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices I follow provide a responsible basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provision of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to verification of procedures on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Sd/-
Name of the Company Secretary: - Pankaj Desai
ACS No. :- 3398
C. P. No. :- 4098
UDIN No. :- A003398F000962279
Peer Review No. :- 2702/2022

Place :- Mumbai
Date :- August 13, 2024

ANNEXURE – IV TO THE DIRECTORS' REPORT

Information as per Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Account) Rules, 2014 and forming part of the Directors Report for the Financial Year ended March 31, 2024.

Particulars with Respect to Conservation of Energy etc. as per Companies (Accounts) Rules, 2014.

A. CONSERVATION OF ENERGY

(i) The steps taken or impact on conservation of energy

1. Energy consumption: Energy consumption has been higher per unit of production as compared to previous year, due to increase in production and higher plant utilization.
2. Total energy consumption and average rate are as under:

(A) Power and Fuel Consumption

(Amount in Rs.)

Particulars		Unit	Current Year
1	Electricity		
	Purchased Units	Kwh	26,353,433
	Total amount	Rs.	20,37,34,932
	Average Rate / Unit	Rs.	7.73
2	High Speed Diesel (For DG / Boiler / Hot Water Generator)		
	Quantity consumed	Ltr.	2,54,289
	Total amount	Rs.	2,31,66,077
	Average Rate / Liter	Rs.	91.1
3	Light Diesel Oil – For Boiler		
	Quantity consumed	L	4,95,841
	Total amount	Rs.	3,27,86,933
	Average Rate / Liter	Rs.	66.12
4	Briquettes – For Boiler		
	Quantity consumed	Kgs.	61,74,038
	Total amount	Rs.	3,74,06,392
	Average Rate / Kg	Rs.	6.06
5	LPG – For Band drier		
	Quantity consumed	Kgs.	11,315
	Total amount	Rs.	8,95,237
	Average Rate / Kg	Rs.	79.12
	Miscellaneous Power & Fuel Expenditure	Rs.	1,59,830

The steps taken or impact on conservation of energy:

1. Below mentioned are the major energy conservation initiatives undertaken by the company during FY: 2023-2024.
   - Replacing Batch Tray Driers with energy efficient continuous tunnel drier.
   - Replacing Diesel fuel with LPG in Band Driers for Higher energy efficiency.
   - OEE improvements on production lines delivering better energy consumption / unit of production.

(B) Technology Absorption

(i)	The efforts made towards technology absorption.	Multinational vendors/inventors who has invented the molecules, studied its efficacy level by during the clinicals are shortlisted. These molecules are adapted to our formulation and customised to Indian customers to best suit.
(ii)	The benefits derived like product improvement, cost reduction, product development or import substitution.	Product improvement is one of the benefit because these specialty chemicals give the functional benefit. Due to cost incurred there is no cost saving but product performance is increased.
(iii)	In case of imported technology (imported during the last three years reckoned from the beginning of the Financial Year) – (a) the details of technology imported; (b) the year of import; (c) whether the technology been fully absorbed; (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof;	NA
(iv)	The expenditure incurred on Research and Development.	Approx Rs. 5 Lakhs p.a.

(C) Foreign Exchange Earnings and Outgo

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows	Foreign Exchange used for importing material , purchase of Fixed Assets and travel expense of Employee for office work etc were equivalent to Rs. 655.35 Lakhs.
	Foreign exchange earned during the year by exporting finished products was equivalent to Rs. 5,276.73 Lakhs.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT [BRSR]
HINDUSTAN FOODS LIMITED

SECTION A: GENERAL DISCLOSURE

I. Details of the Listed Entity

1.	Corporate Identity Number (CIN) of the Listed Entity	L15139MH1984PLC316003
2.	Name of the Listed Entity	Hindustan Foods Limited
3.	Year of incorporation	December 31, 1984
4.	Registered office address	Office No. 03, Level 2, Centrium, Phoenix Market City,15, Lal Bahadur Shastri Rd, Kurla Mumbai, Maharashtra - 400070
5.	Corporate address	Office No. 03, Level 2, Centrium, Phoenix Market City,15, Lal Bahadur Shastri Rd, Kurla Mumbai, Maharashtra - 400070
6.	E-mail	investorrelations@thevanitycase.com
7.	Telephone	+91 22 69801700
8.	Website	www.hindustanfoodslimited.com
9.	Financial year for which reporting is being done	April 1, 2023 to March 31, 2024
10.	Name of the Stock Exchange(s) where shares are listed	1. BSE Limited 2. National Stock Exchange of India Limited
11.	Paid-up Capital	INR 22,91,46,706
12.	Contact Person	
	Name of the Person	Mr. Sameer R Kothari
	Telephone	+91 22 69801700
	Email address	business@thevanitycase.com
13.	Reporting Boundary	
	Type of Reporting (Standalone /Consolidated Basis)	Standalone
14.	Name of assurance provider	NA
15.	Type of assurance obtained	NA

II. PRODUCT/SERVICES

16. Details of business activities

S. No.	Description of Main Activity	Description of Business Activity	% Turnover of the Entity
1.	The Company majorly involved in contract manufacturing which covers diverse product range such as personal care, home care, foods, and beverages.	• Food beverages and tobacco products • Leather and Sports Shoes, Leather, and Sports shoe products • Personal care and home care • Pest Control • Healthcare and OTC	100

17. Products/Services sold by the entity

S. No.	Product/Service	NIC Code (last 3 digits)	% of Total Turnover contributed
1.	Manufacturing of Food and Beverages	10794 Milk & Cereal based Baby Food, Extruded Snacks, Instant Porridge and Extruded Cereal Products 10791 Tea 10792 Coffee 10304 Fruit Juice 11041 Aerated Juice	46%

S. No.	Product/Service	NIC Code (last 3 digits)	% of Total Turnover contributed
2.	Manufacturing of Home and Personal Care	20211 Pest Control Product 20233 Detergents 20239 Home Care Products	50%
3.	Others	15201 Leather 2100 Healthcare and OTC	4%

III. OPERATIONS

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	No. of Offices	Total
National	17	2	19
International	0	0	0

19. Market served by the entity

	Locations	Numbers
• No. of Locations	National (No. of States)	12
	International (No. of Countries)	0
• What is the contribution of exports as a percentage of the total turnover of the entity?	2.22%	
• A brief on types of Customers	The Company engages in contract manufacturing business for the Fast-Moving Consumer Goods (FMCG) industry. It has a long-standing relationship with industry leaders which has allowed the Company to become the preferred choice for many brands. The Company offers a plethora of products through its flexible business models that enable the Company to serve industries of various sizes, categories, and niches. The Company manufactures popular products of top FMCG brands including Taj Mahal, Sunsilk, and many more. It has adopted three main kinds of business models – Dedicated Manufacturing, Shared Manufacturing and Private Label Manufacturing.	

IV. EMPLOYEES

20. Details as at the end of Financial Year:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
a.	Employees and workers (including differently abled)					
	Employees					
1.	Permanent (D)	952	870	91%	82	9%
2.	Other than Permanent (E)	0	0	0	0	0
3.	**Total Employees (D+E)**	**952**	**870**	**91%**	**82**	**9%**

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT [BRSR] (Contd.)

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
	Workers					
4	Permanent (F)	352	337	96%	15	4%
5	Other than Permanent (G)	4,063	3,443	84%	620	14%
6	**Total Workers (F+G)**	**4,415**	**3,780**	**85%**	**635**	**15%**
b.	**Differently abled employees and workers**					
	Differently abled Employees					
1	Permanent (D)	2	2	100%	0	0
2	Other than Permanent (E)	0	0	0	0	0
3	**Total Employees (D+E)**	**2**	**2**	**100%**	**0**	**0**
	Differently abled Workers					
4	Permanent (F)	0	0	0	0	0
5	Other than Permanent (G)	0	0	0	0	0
6	**Total Differently Abled workers (F+G)**	**0**	**0**	**0**	**0**	**0**

21. Participation/Inclusion/Representation of women

S. No.	Category	Total (A)	No. and % of females	
			No. (B)	% (B/A)
1	Board of Directors	10	2	20%
2	Key Management Personnel (other than Executive Directors)	2	0	0%

22. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

Category	FY 2023-24 (Turnover rate in current FY)			FY 2022-23 (Turnover rate in previous FY)			FY 2021-22 (Turnover rate in the year prior to previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	31%	3%	34%	25%	2%	27%	22%	1%	23%
Permanent Workers	0	0	0	0	0	0	0	0	0

V. HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (INCLUDING JOINT VENTURES)

23. Names of holding / subsidiary / associate companies / joint ventures

S. No	Name of the holding / subsidiary / associate companies / joint ventures	Indicate whether it is a holding / Subsidiary / Associate / or Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	Vanity Case India Private Limited	Holding Company	-	No
2.	HFL Consumer Products Private Limited	Wholly owned Subsidiary Company	100	No
3.	HFL Healthcare and Wellness Private Limited (formerly known as Reckitt Benckiser Scholl India Private Limited)	Wholly owned Subsidiary Company	100	No
4.	Aero Care Personal Products LLP	Subsidiary Company	81	No
5.	HFL Multiproducts Private Limited	Wholly owned Subsidiary Company	100	No
6.	KNS Shoetech Private Limited	Wholly owned Subsidiary Company	100	No

VI. CSR DETAILS

24. a. Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

Turnover (Rs. In lakhs)	2,38,137.74
Net worth (Rs. In lakhs)	62,835.76

VII. TRANSPARENCY AND DISCLOSURES COMPLIANCES

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	If yes, then provide web-link for grievance redress policy	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
			Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	Hindustan Foods | Corporate Policies (hindustanfoodslimited.com)	0	0	NA	0	0	NA
Investors (other than shareholders)	Yes		0	0	NA	0	0	NA
Shareholders	Yes		0	0	NA	0	0	NA
Employees and workers	Yes		0	0	NA	0	0	NA
Customers	Yes		163	0	NIL	209	0	NIL
Value Chain Partners	Yes		0	0	NA	0	0	NA

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT [BRSR] (Contd.)

26. Overview of the entity's material responsible business conduct issues

S. No	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Business Continuity Plan and Disaster Resilience	Risk	HFL's Business Continuity Plan (BCP) primarily focuses on identifying the resources and capabilities required by the organisation to prepare for, respond to, and recover from potential threats. These potential threats include homogeneity in the customer portfolio, the location of operations, and inadequate succession planning. Furthermore, HFL considers political issues in various areas of facilities and operational interruptions due to equipment breakdown. Additionally, HFL considers disasters or emergencies at facilities or the head office resulting from natural disasters such as earthquakes, hurricanes, storms/cyclones, lightning, etc., as well as fire, explosions, riots, terrorism, and power failures.	HFL's key measures for the Business Continuity Plan includes establishing operational units across India and implementing proper succession planning. A major focus is to diversify the customer base and avoid overdependence on a selected few. Additionally, all manufacturing facilities have well-prepared disaster management plans and are equipped for disaster preparedness.	Positive: Impact of HFL's key measures on the business continuity plan. However, costs can be incurred negatively during the time of disaster preparedness.
2	Regulatory Compliance	Risk	The rapidly changing regulatory environment and adapting to major regulatory changes can cost the Company more.	In its current practice, HFL is compliant with all applicable laws and regulations. HFL always follows updates in the regulatory framework.	Positive: Ensuring compliance with all applicable laws and regulations fosters a positive environment for businesses.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT [BRSR] (Contd.)

S. No	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3	Business Ethics and Conduct and Corporate Governance	Risk	HFL operates within a context where it faces risks associated with corporate governance and ethical business practices. Engaging in unethical conduct can significantly damage the Company's reputation and result in financial repercussions, such as fines and penalties. On the other hand, implementing strong corporate governance practices contributes to the long-term sustainability and resilience of the business.	HFL recognises that good corporate governance plays a vital role in establishing trust among stakeholders, including shareholders, employees, the environment, and the communities it serves. Corporate governance is seen as an essential component of effective management at HFL, and the Company is committed to upholding the highest standards of integrity, ensuring compliance with laws and internal policies. To facilitate this, the Board of Directors has implemented a Code of Conduct Policy and a Whistle Blower Policy that applies to all. HFL has established various committees dedicated to sustainability matters. As per the Companies Act, 2013, HFL has a CSR Committee, which is a committee of the Board duly constituted to formulate and recommend CSR activities to be undertaken by the Company to the Board. Additionally, HFL has a Risk Management Committee that consists of a framework for identifying internal and external risks specifically faced by the Company, which also includes ESG-related risks.	Positive: Good governance leads to ethical actions and stronger stakeholder relationships.
4	Climate Change	Risk	Customer expectations are leaning towards embracing sustainability and implementing a low-carbon transition plan. This shift is due to the rapidly growing focus on climate change and responsible operations. As a result, the Company has taken a proactive stance towards climate change and the management of its emissions, recognising the complexity of this process. Moreover, companies are facing regulatory expectations concerning their efforts to address climate change.	The Company is focusing on the importance of GHG emission reduction and effective utilisation of energy by selecting appropriate low-carbon transition technologies. Currently, Bio briquette is being used at some manufacturing facilities. The Company identified opportunities for improving energy efficiency. For example, the Company replaced inefficient old motors with Variable Frequency Drive motors, and Lights are now LED lights.	Negative: In the short term, there are capital and operating expenditures involved in the adoption of renewable energy sources and switching to cleaner fuels.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT [BRSR] (Contd.)

S. No	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
5	Operational Excellence	Opportunity	Operational excellence is to enhance the business performance. It can be achieved by implementing and executing its day-to-day business better than its peers. It focuses on continuous improvement and lower costs when compared to competitors in their market and industry.	HFL has implemented various strategies to achieve operational excellence in manufacturing activities. These strategies include improving the efficiency of the equipment, increasing safety standards and measures, enhancing the quality of the products being developed, and evaluating the process for improvement opportunities. HFL has also implemented the 5S model and has been accredited with certifications such as ISO 9001:2008, BRC Food Certificates, and ISO 14001. Additionally, HFL aims to continually improve the organisation by focusing on customer requirements and process optimisation.	Positive: Due to the increase in Productivity
6	Employee and Workers Wellness Engagement and Talent Attraction and Retention	Opportunity	HFL believes that healthy employees and workers lead to a healthy Company. They prioritise wellness and enthusiasm to create the best place to work, which, in turn, attracts more talent to the Company. The availability of skilled Indian workers at relatively lower costs provides a significant advantage for companies to outsource and access a large pool of trained workers, which will help meet increasing business requirements.	HFL provides additional wellness benefits to its employees, such as recognition, leadership, and behavioural training, in addition to maintaining work-life balance and overall health. HFL's success largely depends on our highly skilled workers and our ability to hire, attract, motivate, retain, and train these personnel.	There are positive financial implications resulting from the quality and productivity of their employees' work.
7	Workers Development and Skill Building	Opportunity	Worker development and skill development provide an excellent opportunity for Company to thrive. By investing in improving our workforce's expertise, HFL open the door to a brighter future filled with top-tier talent and a highly skilled workforce. This business decision ensures that our organisation is well-equipped to face tomorrow's challenges and ensure long-term growth.	HFL is fortunate to have an excellent record of worker and employee relations. HFL up-skills the workforce constantly through various training programmes. These investments meet workforce aspirations and provide us with increasing skill sets in a win-win relationship. Moreover, various programmes and initiatives taken by governments are further enhancing the availability of skilled workers.	Positive: Through Increased revenues
8	Community Engagement	Opportunity	Community engagement is one of the key constituents for HFL to maintain harmony with the community and ensure smooth operations. In the long run, support from the communities is crucial for HFL's business operations. Therefore, building trust between the community and HFL's business operations is essential.	HFL ensures that the well-being of the local community is vital to their business. They achieve this through various CSR initiatives, which not only increase reach but also ensure the adoption of these initiatives by the communities.	Positive: It creates a positive brand image and goodwill. It maintains a reputation among communities.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT [BRSR] (Contd.)

S. No	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
9	Diversity and Inclusion	Opportunity	Embracing gender equality, diversity, and inclusion helps companies attract and retain top talent. Promoting these principles is not only a matter of social justice but also makes good business sense. Companies that foster an inclusive environment where all employees feel valued and respected tend to have higher employee engagement, satisfaction, and productivity.	HFL focuses on and prioritises gender equality. Currently, female representation at the board level is around 20%. Female representation among employees and workers is at 14%. Additionally, HFL's units across India promote diversity in their business.	Positive impact due to diversity and inclusion in their business.
10.	Stakeholder Engagement	Opportunity	Stakeholder engagement is crucial for all internal and external stakeholders. Understanding the grievances of stakeholders and their feedback enables the Company to assess the key issues of stakeholders and devise a plan for improvement.	HFL clearly understands the grievances of its stakeholders. The Company provides efficient platforms for receiving stakeholders' grievances and ensures timely resolution. HFL offers different channels for different stakeholders to report their grievances. This mechanism allows stakeholders to freely provide feedback on the services offered by the Company.	Positive impact due to goodwill with all stakeholders.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

Disclosure Questions		P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and Management Processes										
1.	a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	No	Yes	Yes	Yes	Yes	No	Yes	Yes
	b. Has the policy been approved by the Board? (Yes/No)	Yes								
	c. Web Link of the Policies, if available	Hindustan Foods | Corporate Policies (hindustanfoodslimited.com)								
2.	Whether the entity has translated the policy into procedures. (Yes / No)	Yes	No	Yes	Yes	Yes	Yes	No	Yes	Yes
3.	Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes								

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT [BRSR] (Contd.)

Disclosure Questions		P1	P2	P3	P4	P5	P6	P7	P8	P9
4.	Name of the national and international codes/ certifications/labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	The Company has been accredited with the following certifications: • ISO 9001:2015 • BRC Food Certificates • ISO 22000:2005 • ISO 14001:2015 • BRC GS • FSSC 22000 • ISO 45001: 2018 • ISO 13485:2016 • MHRA								
5.	Specific commitments, goals and targets set by the entity with defined timelines, if any.	The Company aim to achieve the target of Rs. 4,000 cr of turnover by FY 2024-25.								
6.	Performance of the entity against the specific commitments, goals, and targets along-with reasons in case the same are not met.	The Company recognises the importance of sustainability and is taking significant steps to reduce its carbon footprint while also ensuring ethical business practices. The Company is committed to continuous improvement and intends to focus on reducing greenhouse gas emissions and increasing social impact initiatives in the coming year. The Company recognises the importance of ESG factors in its long-term growth and is committed to incorporating them into all aspects of its operations.								
Governance, Leadership and Oversight										
7.	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements. The Company strongly believes that long-term success is possible only by connecting economic growth with environmental stewardship and financial performance with social responsibility. As a responsible Company, the Company always strives to ensure that an ESG focus is embedded into its strategy and that growth ambitions are well-suited to sustainable development practices. The Company diligently uses the right approach to build a responsible business.									
8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	The Managing Director of the Company is responsible for implementation of all Business Responsibility (BR) policies and to oversee the performance on BR. Details of the Managing Director: Name: Mr Sameer R Kothari DIN: 01361343 Email ID: business@thevanitycase.com Telephone No: +91 22 69801700								

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT [BRSR] (Contd.)

Disclosure Questions		P1	P2	P3	P4	P5	P6	P7	P8	P9
9.	Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	The Company is dedicated towards sustainability matters. It has a CSR Committee as per the Companies Act, 2013, a committee of the Board duly constituted to formulate and recommend CSR activities to be undertaken by the Company to the Board. In addition, the Company has a Risk Management Committee, consisting of a framework for identification of internal and external risks specifically faced by the Company which also includes ESG-related risks.								

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	Yes, the Company reviews the performance against above policies. The review is conducted by the Managing Director, Executive Directors, and the Functional Heads.									The Company conducts periodic assessments as and when needed during the review meetings to evaluate the performance in relation to the above policies.								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	The Company ensures compliance with all statutory requirements and complies with the national voluntary guidelines on social, environmental, and economic responsibilities. These guidelines encompass all nine principles of the NGRBC.									The Company conducts periodic assessments as and when needed during the review meetings to evaluate the performance in relation to the above policies.								

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency

P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
No	No	No	No	No	No	No	No	No

12. If answer to Question (1) above is "No" i.e., not all Principles are covered by a policy, reasons to be stated:

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the principles material to its business (Yes/No)	NA	Yes	NA	NA	NA	NA	Yes	NA	NA
The entity is not at a stage where it is able to formulate and implement the policies on specified principles (Yes/No)	NA	Yes	NA	NA	NA	NA	Yes	NA	NA
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	NA	No	NA	NA	NA	NA	No	NA	NA

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT [BRSR] (Contd.)

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
It is planned to be done in the next financial year (Yes/No)	NA	No	NA	NA	NA	NA	No	NA	NA
Any other reason (please specify)	P2 - The Company engages in contract manufacturing business, with sourcing based on its principal Customers. P7 - The Company engages in contract manufacturing business and does not advocate for public policy positions.								

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

ESSENTIAL INDICATORS

1. **Percentage coverage by training and awareness programmes on any of the principles during the financial year:**

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	% Age of persons in respective category covered by the awareness programmes
Board of Directors	4	Statutory updates, roles and responsibilities, risk assessment, related party transactions and conflict of interest	100%
Key Management Personal	4	Statutory updates, roles and responsibilities, risk assessment, related party transactions and conflict of interest	100%
Employees other than BODs and KMPs	52	Trainings on Company policies, safety, quality control, audit, and good manufacturing practices	100%
Workers	28	Trainings on Company policies, safety, quality control, audit, and good manufacturing practices	100%

2. **Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format.**

Monetary

	NGRBC Principle	Name of the regulatory/ enforcement/agencies / judicial institutions	Amount (In INR)	Brief of the case	Has an appeal been preferred? (Yes/No)
Penalty /Fine	-	NA	NA	NA	NA
Settlement	-	NA	NA	NA	NA
Compounding Fees	-	NA	NA	NA	NA

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT [BRSR] (Contd.)

	NGRBC Principle	Name of the regulatory/ enforcement/ agencies / judicial institutions	Brief of the case	Has an appeal been preferred? (Yes/No)
Imprisonment	-	NA	NA	NA
Punishment	-	NA	NA	NA

3. **Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.**

   Not Applicable

4. **Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

   The Company ensures in operating with highest standards of ethical conduct. The Company has detailed policies including Code of Conduct for Board of Directors and Senior Management available on our website, link: Hindustan Foods | Corporate Policies (hindustanfoodslimited.com)

5. **Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption**

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

6. **Details of complaints with regard to conflict of interest:**

	FY 2023-24 (Current Financial Year)		FY 2022-23 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	NA	0	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	NA	0	NA

7. **Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.**

   Not Applicable

8. **Number of days of accounts payables (365 days /(Net Credit purchase / Average Trade payables) in the following format**

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Number of days of accounts payable	50	45

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT [BRSR] (Contd.)

9. **Open-ness of business:** Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	0.01%	0.005%
	b. Number of trading houses where purchases are made from	1	1
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	100%	100%
Concentration of Sales	a. Sales to dealers/ distributors as % of total sales	0.00%	0.00%
	b. Number of dealers / distributors to whom sales are made	0	0
	c. Sales to top 10 dealers/ distributors as % of total sales to dealers/ distributors	0.00%	0.00%
Share of RPTs in	a. Purchases (Purchases with related parties/ Total Purchases)	0.71%	0.70%
	b. Sales (Sales to related parties/ Total Sales)	0.02%	0.00%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	100%	100%
	d. Investments (Investments in related parties/ Total Investments made)	100%	100%

LEADERSHIP INDICATORS

1. **Awareness programmes conducted for value chain partners on any of the principles during the financial year:**

Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	% Age of persons in value chain covered by the awareness programmes
Value chain partners (Vendors) are nominated by Principals. Principals conduct awareness programs for the same.		

2. **Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same**

   Yes. The Company has procedures and policies in place such as, the Code of Conduct for Board of Directors and Senior Management Personnel and Related Party Transaction.

   Weblink to the code - Hindustan Foods | Corporate Policies (hindustanfoodslimited.com)

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT [BRSR] (Contd.)

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe

ESSENTIAL INDICATORS

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

Type	FY 20223-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)	Details of improvement in social and environmental aspects
Research & Development (R&D)	0%	0%	Details of improvement activities undertaken in processes are as below: Personal care 1. Personal care formulations are developed without parabens 2. Sulfates are replaced with natural surfactants 3. Paraffin oil is replaced with natural emollients 4. 90% of the formulation contents natural ingredients 5. Synthetic fragrances are replaced by natural essential oils Foods 1. No preservative 2. No artificial colors 3. No artificial flavors 4. Naturally sourced raw materials 5. Increased shelf life with latest retort technology
Capital Expenditure (CAPEX)	0.83%	0.83%	

2. a. **Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

   The Company has majorly involved in contract manufacturing which contributes to 100% of the total business activities. Since contract manufacturing forms a major part of the business activities, the Company has limited control over the procurement activities. All the sourcing processes are governed by the principal Company/ Customer. Thus, the Company does not have any specific sourcing guidelines of its own. However, the Company is in the process of introducing policies and procedures for supply chain in the upcoming years.

   b. **If yes, what percentage of inputs were sourced sustainably?**

   Not Applicable

3. **Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

   Not applicable, as a contract manufacturer that does not have a brand name associated with it.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT [BRSR] (Contd.)

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

   Yes, as per recent amendment in the Plastic Waste Management Rules issued by CPCB the factories have initiated registering itself under EPR as "Producer".

LEADERSHIP INDICATORS

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

   No, HFL has not conducted and LCA during the reporting period.

NIC Code	Name of Product/ Service	% of Total Turnover Contributed	Boundary for which the Life Cycle Perspective/ Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/ No) If yes, provide the web-link.
NA	NA	NA	NA	NA	NA

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

   Not Applicable

Name of Product/Service	Description of the risk/concern	Action Taken
NA	NA	NA

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

   Not Applicable

Indicate Input Material	Recycled or re-used input material to total material	
	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
NA	NA	NA

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

   Not Applicable

	Recycled or re-used input material to total material					
	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Re-used	Recycled	Safely Disposed	Re-used	Recycled	Safely Disposed
Plastics (including packaging)	NA	NA	NA	NA	NA	NA
E-waste	NA	NA	NA	NA	NA	NA
Hazardous waste	NA	NA	NA	NA	NA	NA
Other waste	NA	NA	NA	NA	NA	NA

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT [BRSR] (Contd.)

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

   Not Applicable

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
NA	NA

PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

ESSENTIAL INDICATORS

1. a. Details of measures for the well-being of employees:

Category	Total (A)	% of employees covered by									
		Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		No. (B)	% (B/A)	No. (C)	%(C/A)	No.(D)	%(D/A)	No. (E)	%(E/A)	No. (F)	%(F/A)
Permanent Employees											
Male	870	620	71%	870	100%	NA	NA	870	100%	0	0%
Female	82	60	73%	82	100%	82	100%	NA	NA	82	100%
Total	**952**	**680**	**71%**	**952**	**100%**	**82**	**100%**	**870**	**100%**	**0**	**0%**
Other than Permanent Employees											
Male	0	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

   b. Details of measures for the well-being of workers:

Category	Total (A)	% of workers covered by									
		Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		No. (B)	% (B/A)	No. (C)	%(C/A)	No.(D)	%(D/A)	No. (E)	%(E/A)	No. (F)	%(F/A)
Permanent Workers											
Male	337	337	100%	337	100%	NA	NA	337	100%	0	0%
Female	15	15	100%	15	100%	15	100%	NA	NA	15	100%
Total	**352**	**352**	**100%**	**252**	**100%**	**352**	**100%**	**337**	**100%**	**0**	**0%**
Other than Permanent Workers											
Male	3,443	0	0%	3,443	100%	NA	NA	0	0%	0	0%
Female	620	0	0%	620	100%	0	0%	NA	NA	0	0%
Total	**4,063**	**0**	**0%**	**4,063**	**100%**	**0**	**0%**	**0**	**0%**	**0**	**0%**

   c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent):

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Cost incurred on well-being measures as a % of total revenue of the Company	0.04%	0.01%

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT [BRSR] (Contd.)

2. Details of retirement benefits, for Current FY and Previous Financial Year:

S. No.	Benefits	FY 2023-24 (Current FY)			FY 2022-23 (Previous FY)		
		No. of employees covered as a % of total employees	No. of workers covered as a % of total worker	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total worker	Deducted and deposited with the authority (Y/N/N.A.)
1	PF	100%	100%	Yes	100%	100%	Yes
2	Gratuity	100%	100%	Yes	100%	100%	Yes
3	ESI	100%	100%	Yes	100%	100%	Yes

3. Accessibility of workplaces: Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

   Yes, all premises/offices are accessible to differently abled employees and workers.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

   No discrimination with regards to salary & benefits.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent Employees		Permanent Workers	
	Return to work rate	Retention Rate	Return to work rate	Retention Rate
Male	100%	100%	100%	100%
Female	0%	0%	0%	0%
Total	100%	100%	100%	100%

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

   Yes

Category	Yes/No	Details of the mechanism in brief
Permanent Workers	Yes	The Company is persistent in its commitment to conducting business in an ethical and legal manner. Employees are encouraged to express their concerns without hesitation. Employees' grievances are directed to the reporting manager / Factory Manager / General Manager Operations and Human Resources department. The Company takes stringent measures to address the issues and communicates the resolution to the individual who is the subject of the complaint.
Other than Permanent Workers	Yes	
Permanent Employees	Yes	
Other than Permanent Employees	Yes	

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT [BRSR] (Contd.)

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2023-24 (Current FY)			FY 2022-23 (Previous FY)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	%(D/C)
Permanent Employees						
Male	870	0	0%	524	0	0%
Female	82	0	0%	68	0	0%
Total	**952**	**0**	**0%**	**592**	**0**	**0%**
Permanent Workers						
Male	337	311	64%	251	12	5%
Female	15	0	0%	3	0	0%
Total	**352**	**311**	**61%**	**254**	**12**	**5%**

8. Details of training given to employees and workers:

Category	FY 2023-24 (Current FY)					FY 2022-23 (Previous FY)				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (D/A)		No. (E)	% (E/D)	No. (F)	%(F/D)
Permanent Employees										
Male	870	870	100%	790	90%	524	524	100%	485	93%
Female	82	82	100%	72	87%	68	68	100%	58	85%
Total	**952**	**952**	**100%**	**862**	**90%**	**592**	**592**	**100%**	**543**	**92%**
Permanent Workers										
Male	337	337	100%	337	100%	251	251	100%	251	100%
Female	15	15	100%	15	100%	3	3	100%	3	100%
Total	**352**	**352**	**100%**	**352**	**100%**	**254**	**254**	**100%**	**254**	**100%**

9. Details of performance and career development reviews of employees and worker:

Category	FY 2023-24 (Current FY)			FY 2022-23 (Previous FY)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who had a career review (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who had a career review (D)	%(D/C)
Permanent Employees						
Male	870	571	65%	524	440	84%
Female	82	62	75%	68	54	79%
Others	0	0	0	0	0	NA
Total	**952**	**633**	**66%**	**592**	**494**	**83%**

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT [BRSR] (Contd.)

Category	FY 2023-24 (Current FY)			FY 2022-23 (Previous FY)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who had a career review (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who had a career review (D)	%(D/C)
Permanent Workers						
Male	337	0	0%	251	0	0%
Female	15	0	0%	3	0	0%
Others	0	0	0%	0	0	0%
Total	**352**	**0**	**0%**	**254**	**0**	**0%**

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No)	Yes
a. 1. If yes, What is the coverage of such system?	All manufacturing sites are covered under the Occupational Health and Safety Management System
b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?	The Company ensures in providing a safe and healthy working environment to all our employees. Engagement with regulators to increase safety standards at our operation facilities and to ensure that no such incidents occur remains a priority for our business. Employee's participation in safety improvements has been enhanced through Safe Behavioral Observation program across all factories.
c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Yes/No)	The Company regularly conducts safety committee meetings involving all employees and workers, with an objective to address health and safety matters. The Company provides various training sessions to workers, equipping them with the necessary knowledge to effectively report any incidents concerning health and safety.
d. Do the employees/worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)	Yes

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	1.13	1.16
Total recordable work-related injuries	Employees	0	0
	Workers	4	5

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT [BRSR] (Contd.)

Safety Incident/Number	Category	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

The Company's plants are meticulously established, considering legal requirements to ensure a safe and healthy workplace. It employs a systematic approach for determining potential workplace hazards. All employees involved receive regular training sessions on Hazard Identification. The Company has put in place a system for identifying hazards, developing action plans, and implementing strategies to reduce or eliminate them.

13. Number of Complaints on the following made by employees and workers:

	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Working Conditions	0	0	0	0	0	0
Health & safety	0	0	0	0	0	0

14. Assessments for the year:

Topic	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

As of date, no significant risks/concerns from these assessments are outstanding.

LEADERSHIP INDICATORS

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N)?

   a. Employees (Yes/No): Yes

   b. Workers (Yes/No): Yes

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

Measures are undertaken to ensure that statutory dues have been deducted and deposited by value chain partners at the time of value chain partner invoice processing.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT [BRSR] (Contd.)

3. Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

Category	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	Current FY 2023-24	Previous FY 2022-23	Current FY 2023-24	Previous FY 2022-23
Employees	0	0	0	0
Workers	0	0	0	0

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

   Yes. The Company provides as per the requirement.

5. Details on assessment of value chain partners:

Topic	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	100%
Working Conditions	100%

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners

   As of date, no significant risks/concerns from these assessments are outstanding.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

ESSENTIAL INDICATORS

1. Describe the processes for identifying key stakeholder groups of the entity:

   Throughout its entire value chain, the Company actively engages with various stakeholders. Each business function compiles a comprehensive list of stakeholders and works to understand and meet their expectations. Stakeholders are identified based on the Company's industry dynamics, business model, and capital structure. These stakeholders are then categorised into four groups: Employees, Customers, Suppliers, Investors, and Communities.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT [BRSR] (Contd.)

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group:

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly /others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	• Monthly review meetings • emails • performance appraisal meeting • campaigns • circulars • notice board	Monthly, Quarterly, Half-Yearly	• Diversity • Quality of work and life • Fair wages & remuneration benefits • Training & Development • Career growth • Health & safety
Customers	No	• Emails • Distributor • Visits • Customer plant visits • Customer satisfaction survey	Need based	• Development interventions • Local employment generation
Suppliers	No	• Supplier meets • Emails • Plant visits • Discussion meetings	Monthly, Quarterly, Annually, Need based	• Cost • Timely delivery • On time payment
Investors	No	• Investor meets • Financial discussion meetings	Annual, Need based	• Good Return on Investments (ROI)
Communities	No	• In-person interaction, visiting the CSR project sites • Interacting with the communities	Need based	• Upliftment of the communities • Educating the girl-child

LEADERSHIP INDICATORS

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

   The Company has a robust stakeholder consultation process. The Company seeks feedback from the stakeholders on environment, social and governance matters through different functional heads. The feedback is then consolidated and presented to the board.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

   Yes, the feedback obtained from the stakeholders is used to understand their expectations and develop a strategy to integrate the feedback in the policies and procedures of the Company.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT [BRSR] (Contd.)

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalised stakeholder groups.

None

PRINCIPLE 5: Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	952	952	100%	592	592	100%
Other than permanent	0	0	NA	0	0	NA
Total Employees	**952**	**952**	**100%**	**592**	**592**	**100%**
Workers						
Permanent	352	352	100%	254	254	100%
Other than permanent	0	0	NA	0	0	NA
Total Workers	**352**	**352**	**100%**	**254**	**254**	**100%**

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2023-24 Current Financial Year					FY 2022-23 Previous Financial Year				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Permanent Employees										
Male	870	0	100%	870	100%	524	0	0%	524	100%
Female	82	0	100%	82	100%	68	0	0%	68	100%
Other than Permanent										
Male	0	0	NA	0	NA	0	0	NA	0	NA
Female	0	0	NA	0	NA	0	0	NA	0	NA
Workers										
Permanent										
Male	337	337	100%	0	0%	251	251	100%	0	0%
Female	15	15	100%	0	0%	3	3	100%	0	0%
Other than Permanent										
Male	3,443	3,443	100%	0	0	3,235	3,235	100%	0	0%
Female	620	620	100%	0	0	571	571	100%	0	0%

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT [BRSR] (Contd.)

3. Details of remuneration/salary/wages, in the following format:

a. Median remuneration/ wages:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective categories	Number	Median remuneration/ salary/ wages of respective categories
Executive Directors	2	2,60,25,574	0	NA
Board of Directors (Non-Executive and Non-Independent)	3	3,00,000	1	NA
Board of Directors (Non-Executive and Independent)	3	3,80,000	1	5,90,000
KMPs	4	1,59,03,787	0	NA
Employees other than BoD and KMP	866	4,52,696	82	3,77,280
Workers	337	3,96,744	15	2,10,216

b. Gross wages paid to females as % of total Wages paid by the entity, in the following format:

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Gross wages paid to females as % of total wages	6.37%	-

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

No

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Any complaints are directed to the Human Resources department. In specific instances, they may be referred to the Company Secretary department regarding ethical matters. Appropriate measures are taken in accordance with the relevant workplace policies and regulations. The resolution is communicated to the aggrieved individual.

6. Number of Complaints on the following made by employees and workers:

	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	NA	0	0	NA
Discrimination at workplace	0	0	NA	0	0	NA
Child Labour	0	0	NA	0	0	NA
Forced Labour/Involuntary Labour	0	0	NA	0	0	NA
Wages	0	0	NA	0	0	NA
Other human rights related issues	0	0	NA	0	0	NA

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT [BRSR] (Contd.)

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	0
Complaints on POSH as a % of Female employees/ workers	0	0
Complaints on POSH upheld	0	0

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

   The Company has a mechanism for any complaints regarding discrimination or harassment to be directed to the Human Resources department. In such instances, stringent actions are taken in accordance with the relevant workplace policies and regulations. The resolution is communicated to the aggrieved individual.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

   Yes

10. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labor	100%
Forced/involuntary labor	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.

    None

LEADERSHIP INDICATORS

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints.

   There has been no change in the process for addressing human rights grievances/complaints during the reporting year.

2. Details of the scope and coverage of any Human rights due diligence conducted.

   No human rights due diligence was conducted during the reporting year

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

   Yes

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT [BRSR] (Contd.)

4. Details on assessment of value chain partners

	% of value chain partners (by value of business done with such partners) that were assessed
Child labour	NIL
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

   Not applicable

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

ESSENTIAL INDICATORS

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
From renewable sources		
Total electricity consumption (A) (GJ)	10,546	1,202
Total fuel consumption (B) (GJ)	71,619	80,360
Energy consumption through other sources (C) Steam (GJ)	0	0
Total energy consumption (A+B+C) (GJ)	**82,165**	**81,562**
From non-renewable sources		
Total electricity consumption (D) (GJ)	84,428	72,677
Total fuel consumption (E) (GJ)	27,009	25,600
Energy consumption through other sources (F) (GJ)	0	0
Total energy consumption (D+E+F) (GJ)	**1,11,437**	**98,277**
Total energy consumption (A+B+C+D+E+F) (GJ)	**193,602**	**179,839**
Energy intensity per rupee of turnover *(Total energy consumption/turnover in rupees) (GJ per INR in lakhs)*	**0.81**	**0.75**
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed/ Revenue from operations adjusted for PPP)	**18.60**	**17.27**
Energy intensity in terms of physical output	**-**	**-**
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assessment by an external agency has been carried out.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT [BRSR] (Contd.)

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

   No

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Water withdrawal by source (in kiloliters)		
(i) Surface water	0	0
(ii) Groundwater	1,09,482	1,45,116
(iii) Third party water	2,23,225	1,49,499
(iv) Seawater / desalinated water	0	0
(v) Others (Rainwater storage)	0	0
Total volume of water withdrawal (in kiloliters) (i + ii + iii + iv + v)	**332,707**	**2,94,615**
Total volume of water consumption (in kiloliters)	**332,707**	**2,94,615**
Water intensity per rupee of turnover (Water consumed / Revenue from Operations) (kl per INR in lakhs)	**1.40**	**1.24**
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	**31.97**	**28.28**
Water intensity in terms of physical output	-	-
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assessment by an external agency has been carried out.

4. Provide the following details related to water discharged

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Water discharged by destination and level of treatment (in Kilolitres)		
(i) To Surface water		
- No treatment	0	0
- With treatment - please specify level of treatment	0	0
(ii) To Groundwater		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iii) To Seawater		
- No treatment	0	0
- With treatment - please specify level of treatment	0	0
(iv) Send to third-parties		
- No treatment	0	0
- With treatment - please specify level of treatment	0	0
(v) Others		
- No treatment	0	0
- With treatment - please specify level of treatment	0	0
Total water discharged (in kiloliters)	**0**	**0**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assessment by an external agency has been carried out.

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

   All sites have implemented a mechanism for Zero Liquid Discharge, wastewater generated is treated and reused within the site premises.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
SOx	T / Year	13.948	13.498
NOx	T / year	3.869	3.971
Particulate matter (PM)	T / year	3.804	4.201
Persistent organic pollutants (POP)	T / year	NA	NA
Volatile organic compounds (VOC)	T / year	NA	NA
Hazardous air pollutants (HAP)	T / year	NA	NA
Others – please specify	T / year	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assessment by an external agency has been carried out.

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	T CO2e	6,828.44	9,932.92
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	T CO2e	16,651.17	14,333.47
Total Scope 1 and Scope 2 emissions intensity per INR in lakhs	T CO2e / Rs.	0.099	0.102

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT [BRSR] (Contd.)

Parameter	Unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Scope 1 and Scope 2 emissions intensity per INR in lakhs of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	T CO2e / USD	2.26	2.33
Total Scope 1 and Scope 2 emissions in terms of physical output		-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assessment by an external agency has been carried out.

8. **Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details**

   The Company is taking measures to reduce its carbon footprint through various initiatives. One of these projects includes the use of renewable energy. The energy saved through this initiative amounts to 2929 MWh.

9. **Provide details related to waste management by the entity, in the following format:**

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Waste generated (in metric tons)		
Plastic waste **(A)**	609	359
E-waste **(B)**	2	0
Bio-medical waste **(C)**	1	0
Construction and demolition waste **(D)**	0	0
Battery waste **(E)**	0	0
Radioactive waste **(F)**	0	0
Other Hazardous waste. Please specify, if any. **(G)**	599	482
Other Non-hazardous waste generated **(H)**. Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector)	1,612	1,554
Total (A+B + C + D + E + F + G+ H)	**2,822**	**2,395**
Waste intensity per INR to lakhs of turnover (Total waste generated / Revenue from operations)	**0.012**	**0.010**
Waste intensity per INR to lakhs of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	**0.271**	**0.230**
Waste intensity in terms of physical output	-	-
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tons)		
Category of waste		
(i) Recycled	2,222	1,913
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	**2,222**	**1,913**

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT [BRSR] (Contd.)

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
For each category of waste generated, total waste disposed by nature of disposal method (in metric tons)		
Category of waste		
(i) Incineration	1	0
(ii) Landfilling	0	0
(iii) Other disposal operations	599	482
Total	**600**	**482**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assessment by an external agency has been carried out.

10. **Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

    Since the Company is into a contract manufacturing business, all its operations are governed by the principal Company (Customers) ranging from procuring raw materials and manufacturing products to safe disposal of waste. The Company has SOPs in place to ensure safe and responsible disposal of waste as per environment consent.

11. **If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:**

    None of our operations/offices are situated in/around ecologically sensitive areas.

S. No.	Locations of operations/offices	Type of operations	Whether the conditions of environmental approval/ clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
NIL	NIL	NIL	NIL

12. **Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:**

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
NIL	NIL	NIL	NIL	NIL	NIL

13. **Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:**

    Yes, the entity is compliant with the applicable environmental laws/regulations/guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules.

S. No.	Specify the law/regulation/ guidelines which was not complied with	Provide details of the non-compliance	Any fines/penalties/action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken if any
1	NIL	NIL	NIL	NIL

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT [BRSR] (Contd.)

LEADERSHIP INDICATORS

1. Water withdrawal, consumption, and discharge in areas of water stress (in kilolitres):

   There is no site located in areas of water stressed.

   For each facility / plant located in areas of water stress, provide the following information:

   i. Name of the area

   ii. Nature of operations

   iii. Water withdrawal, consumption, and discharge in the following format:

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	NA	NA
(ii) Groundwater	NA	NA
(iii) Third party water	NA	NA
(iv) Seawater/ desalinated water	NA	NA
(v) Others	NA	NA
Total volume of water withdrawal (in kilolitres)	NA	NA
Total volume of water consumption (in kilolitres)	NA	NA
Water intensity per rupee of turnover (Water consumed / turnover)	NA	NA
Water intensity (optional) – the relevant metric may be selected by the entity (Kl/MT)	NA	NA
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water		
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(ii) Into Groundwater		
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(iii) Into Seawater		
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(iv) Sent to third parties		
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(v) Others		
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
Total water discharged (in kilolitres)	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

No, an independent assurance has not been carried out by an external agency.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT [BRSR] (Contd.)

2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

   Not reported

Parameter	Unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	TCO2e	NIL	NIL
Total Scope 3 emissions per rupee of turnover	TCO2e/INR	NIL	NIL
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	TCO2e/MT	NIL	NIL

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, an independent assurance has not been carried out by an external agency.

3. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

   Not applicable

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

   No specific initiative has been undertaken.

S. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
NA	NA	NA	NA

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

   The Company has formulated Risk Management Policy and the same has been uploaded on the Company's website. The role of the Risk Management Committee includes the implementation of Risk Management Systems and framework, reviewing the Company's financial and risk management policies, assess risk and procedures to minimise the same. Risk management Policy and Terms of Reference included Business continuity plan.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?

   Not Applicable

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impact

   Not Applicable

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT [BRSR] (Contd.)

PRINCIPLE 7: Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

ESSENTIAL INDICATORS

1. a) Number of affiliations with trade and industry chambers/ associations.

   HFL does not have any affiliations with trade and industry chambers/associations.

   b) List the top 10 trade and industry chambers/ associations (determined based on the total members of such a body) the entity is a member of/ affiliated to.

S. No	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/associations (State/National)
NA	NA	NA

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities:

Name of authority	Brief of the case	Corrective action taken
NIL	NIL	NIL

LEADERSHIP INDICATORS

1. Details of public policy positions advocated by the entity

S. no	Public policy advocated	Method resort for such advocacy	Whether the information is available in the public domain? (Yes/No)	Frequency of review by board (Annually/ Half yearly/ Quarterly/ Other-please specify)	Web Link, if available
1.	NIL	NIL	NIL	NIL	NIL

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development.

ESSENTIAL INDICATORS

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year-

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/ No)	Relevant Web link
NIL	NIL	NIL	NIL	NIL	NIL

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity:

   Not Applicable

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
1.	NIL	NIL	NIL	NIL	NIL	NIL

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT [BRSR] (Contd.)

3. Describe the mechanisms to receive and redress grievances of the community

   The Company committed to conducting business in an ethical manner. The Company provides appropriate channels to the communities to communicate their grievances to the Company. All such grievances are directed to the HR department and the resolution is intimated to the aggrieved individual.

4. Percentage of input material (inputs to total inputs by value) sourced from local or small-scale suppliers:

	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Directly sourced from MSMEs/ Small producers	0.10%	0.10%
Sourced directly from within the district and neighboring districts	47%	25%

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on a contract basis) in the following locations, as % of total wage cost:

Location	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Rural	-	-
Semi-urban	-	-
Urban	100%	100%
Metropolitan	-	-

(Place to be categorised as per RBI Classification System – rural/ semi-urban/ urban/ metropolitan)

LEADERSHIP INDICATORS

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
NIL	NIL

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. no	State	Aspirational District	Amount spent (INR)
1	NIL	NIL	NIL

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised /vulnerable groups? (Yes/No) -

   No. Being a Contract Manufacturer, the Company has to follow the sourcing strategy provided by the principal Company (Customer) which includes list of vendors, share of business, raw materials etc.

   (b) From which marginalised /vulnerable groups do you procure? – Not Applicable

   (c) What percentage of total procurement (by value) does it constitute? – Not Applicable

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT [BRSR] (Contd.)

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge

S. No	Intellectual Property based on traditional knowledge	Owned/Acquired (Yes/No)	Benefit shared (Yes/No)	Basis of calculating benefit share
1.	NIL	NIL	NIL	NIL

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of Authority	Brief of the Case	Corrective action taken
NIL	NIL	NIL

6. Details of beneficiaries of CSR Projects.

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% Of beneficiaries from vulnerable and marginalised groups
1.	Mahila Seva Mandal	20	100%
2.	Janaseva Foundation	25	100%
3.	Angel Xpress Foundation	30	100%
4.	Tata Memorial Centre	12	100%
5.	Cancare Trust	18	100%
6.	St. Jude India ChildCare Centres	30	100%
7.	Rotary Club Of Bombay Central Charitable Trust	35	100%
8.	Ekam Foundation Mumbai	40	100%
9.	Helping Hand Foundation	25	100%
10.	Lions Club of Ghatkopar Charity Fund	35	100%
11.	KJ Somaiya Hospital and Research Centre	25	100%
12.	Umang Foundation Trust PM 10k	45	100%
13.	Hansaben Kantilal Shah & Radha Ramkrishna Baliga Charitable Trust	30	100%
14.	Vishwa Jagriti Mission Trust- Kolkata (Donation)	25	100%
15.	Paramparik Karigar	30	100%
16.	MUDITA - An Alliance for giving	35	100%
17.	International Foundation for Research and Education	20	100%
18.	National Health and Education Society	25	100%
19.	Thoralya Maa Saheb Jijau Seva Sanstha	30	100%

PRINCIPLE 9: Businesses should engage with and provide value to their consumers in responsible manner

ESSENTIAL INDICATORS

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

   The Company continuously measures the satisfaction levels of Customers. It has a feedback form on their respective portals, where a customer can freely give feedback on the services being offered by the Company.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT [BRSR] (Contd.)

2. Turnover of products and/ services as a percentage of turnover from all products/services that carry information about

Information related to	As a percentage to total turnover
Environment and Social parameters relevant to product	NA
Safe and responsible usage	NA
Recycling and/or safe disposal	NA

Note: Since HFL is into a contract manufacturing business, this scope is fully applicable to principal customers. Labelling and information printing depend entirely on customers' requirements.

3. Number of consumer complaints

	FY 2023-24 Current Financial Year		FY 2022-23 Previous Financial Year	
	Received during the year	Pending resolution at the end of year	Received during the year	Pending resolution at the end of year
Data privacy	0	0	0	0
Advertising	0	0	0	0
Cyber-security	0	0	0	0
Delivery of essential services	0	0	0	0
Restrictive Trade Practices	0	0	0	0
Unfair Trade Practices	0	0	0	0
Others (Specifications, Labelling, and Packaging)	163	0	209	0

4. Details of instances of product recalls on account of safety issues

	Number	Reason for recall
Voluntary recalls	0	NA
Forced recalls	0	NA

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

   Yes, the Company have a framework or policy on cyber security and risks related to data privacy.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of Customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

   Not applicable

7. Provide the following information relating to data breaches :

   a. Number of instances of data breaches - Nil

   b. Percentage of data breaches involving personally identifiable information of customers - Nil

   c. Impact, if any, of the data breaches - Nil

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT [BRSR] (Contd.)

LEADERSHIP INDICATORS

1. **Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

   Web link to access the information on products and services of the entity - Hindustan Foods | Products (hindustanfoodslimited.com)

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

   As contract manufacturers, we do not have direct interaction with consumers, and none of our products are sold directly to consumers.

3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

   The Company continuously engage with Customers to ensure business continuity takes place properly. In case of any emergency disruption/discontinuation, we communicate through formal mail/call. In such cases of planned disruption activity, we will inform well in advance to Customers to ensure seamless operations.

4. **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable)? If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

   Not applicable because we are in a contract manufacturing business.

REPORT ON CORPORATE GOVERNANCE

"Corporate governance is not an abstract goal, but exists to serve corporate purposes by providing a structure within which stockholders, directors and management can pursue most effectively the objectives of the corporation." – **US Business Round Table White Paper on Corporate Governance September 1997**

FOR THE FINANCIAL YEAR 2023-24

Your Directors are pleased to present your Company's Report on Corporate Governance for the Financial Year ended March 31, 2024, pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('Listing Regulations'). Corporate Governance is the interaction of the Management, Members and the Board of Directors to ensure that all Stakeholders are protected in their sole interest.

1. **Company's philosophy on code of Governance**

   Your Company's philosophy on the code of Governance is to observe the highest level of ethics in all its dealings, to ensure efficient conduct of your Company and help your Company to achieve its goal in maximising value for all its Stakeholders as well as in achieving the objectives of the principles as mentioned in Regulation 4(2) of the Listing Regulations.

2. **Board of Directors ('Board')**

2.1 Composition and category of Directors

Your Company's Board comprises of an optimum combination of Executive and Non-Executive Directors. As on March 31, 2024, the Board comprises of Ten Members. The Board is headed by a Non-Executive, Independent Director as a Chairman of your Company, a Managing Director and One Executive Director (ED)/ Whole time Director (WTD), Seven Non-Executive Directors (NED) including two Woman Directors, out of which, one is Non-Executive Independent Director and other is Non Executive Non-Independent Director and the remaining two are Independent Directors (ID) apart from chairman. As on March 31, 2024, the number of IDs is more than One Third of the total number of Directors, as required under listing Regulations.

Name of the Director	DIN	Category	Number of Equity Shares held as at March 31, 2024
Mr Shashi K Kalathil (Chairman)	02829333	Independent Non-Executive Director	Nil
Mr Shrinivas V Dempo	00043413	Non-Independent Non-Executive Director (Promoter)	20,00,000
Mr Sameer R Kothari	01361343	Managing Director (Promoter)	1,20,75,915
Mr Ganesh T Argekar	06865379	Executive Director	2,50,000
Ms Honey Vazirani	07508803	Independent Non-Executive (Woman Director)	Nil
Mr Nikhil K Vora	05014606	Non-Independent Non-Executive Director	Nil
Mr Neeraj Chandra	00444694	Independent Non-Executive Director	Nil
Mr Sarvjit Singh Bedi	07710419	Non-Independent Non-Executive Director	1,96,770
Mr Harsha Raghavan*	01761512	Non-Independent Non-Executive Director	17,19,283
Mr Sandeep Mehta	00031380	Independent Non-Executive Director	Nil
Ms Amruta Adukia**	07877389	Non-Independent Non-Executive Director	1,07,917

REPORT ON CORPORATE GOVERNANCE (Contd.)

Note:

*Mr Harsha Raghavan, Non-Executive Non-Independent Director has resigned from the Directorship with effect from June 20, 2023.

**Ms Amruta Adukia was appointed as an Additional Director in the category of Non-Executive Non-Independent Director of your Company with effect from June 29, 2023 and was regularised as a Director by the Shareholders in their AGM held on September 15, 2023.

None of the Directors held convertible instruments as on March 31, 2024.

2.2 Attendance of the Directors at the Board Meeting, Annual General Meeting and number of other Board of Director or Committees in which a Director is a Member or Chairperson.

Attendance of each of the Director at the Board Meetings and the last Annual General Meeting (AGM) held during the year and the number of Directorships and Committee Chairpersonships / Memberships held by them in other Companies are as given below:

Name of the Director	No. of Board Meetings attended during FY 2023-24	Whether attended last AGM held in 2023	No. of Directorships in other Companies$	No. of Committee positions held in other Companies*	
				Chairperson	Member
Mr Shashi K Kalathil	7 of 7	Yes	-	-	-
Mr Shrinivas V Dempo	5 of 7	Yes	3	1	1
Mr Sameer R Kothari	7 of 7	Yes	-	-	-
Mr Ganesh T Argekar	7 of 7	Yes	-	-	-
Ms Honey Vazirani	7 of 7	Yes	-	-	-
Mr Nikhil K Vora	6 of 7	Yes	2	-	1
Mr Neeraj Chandra	6 of 7	Yes	1	-	-
Mr Sarvjit Singh Bedi	7 of 7	Yes	-	-	-
Mr Harsha Raghavan#	1 of 1	Not Applicable	3	-	3
Mr Sandeep Mehta	2 of 7	Yes	1	-	-
Ms Amruta Adukia##	6 of 6	Yes	-	-	-

$Excluding Directorships held in Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013.

* Includes only Audit Committee and Stakeholder's Relationship Committee.

#Mr Harsha Raghavan, Non-Executive Non-Independent Director has resigned from the Directorship with effect from June 20, 2023.

##Ms Amruta Adukia was appointed as an Additional Director in the category of Non-Executive Non-Independent Director of your Company with effect from June 29, 2023 and was regularised as a Director by the Shareholders in their AGM held on September 15, 2023.

Notes:

1. During the FY ended March 31, 2024, none of the Independent Directors of your Company serves as an Independent Director in more than Seven Listed Companies and the Executive Director/ Managing Director does not serve as Independent Director in any Listed Company.
2. None of the Directors of your Company is a member of more than ten committees nor is a Chairperson of more than 5 committees across all the Public Limited Companies, whether listed or not, in which he/she is a Director. The Committees considered for the above purpose are those specified in Regulation 26(1)(b) of the Listing Regulations i.e. the Audit Committee and the Stakeholders' Relationship Committee.
3. None of the Director of your Company is a Director of more than Seven Listed Companies.
4. None of the Directors have any relationships inter-se.
5. None of the Independent Directors of your Company have resigned before the expiry of their tenure. Thus, disclosure of detailed reasons for their resignation along with their confirmation that there are no material reasons, other than those provided by them is not applicable.

2.3 Names of the other listed entities where the Directors of your Company are the Directors as on FY ended March 31, 2024:

Name of the Director	Name of the other listed Companies and Category of the Directorships
Mr Shashi K Kalathil	--
Mr Shrinivas V Dempo	1. Goa Carbon Limited – Chairman (Non-Executive, Non-Independent)
	2. Automobile Corporation of Goa Limited – Chairman (Non-Executive, Independent)
	3. Kirloskar Brothers Limited – Non-Executive, Independent Director
Mr Sameer R Kothari	--
Mr Ganesh T Argekar	--
Ms Honey Vazirani	--
Mr Nikhil K Vora	1. Parag Milk Foods Limited – Non-Executive, Non-Independent Director
	2. Bikaji Foods International Limited- Non-Executive, Independent Director
Mr Neeraj Chandra	--
Mr Sarvjit Singh Bedi	--
Mr Harsha Raghavan#	1. Camlin Fine Sciences Limited – Non-Executive - Non Independent Director
	2. Onward Technologies Limited – Non- Executive, Non-Independent
	3. Jagsonpal Pharmaceuticals Limited- Chairman (Non-Executive - Non Independent Director)
Mr Sandeep Mehta	--
Ms Amruta Adukia##	--

#Mr Harsha Raghavan, Non-Executive Non-Independent Director has resigned from the Directorship with effect from June 20, 2023.

##Ms Amruta Adukia was appointed as an Additional Director in the category of Non-Executive Non-Independent Director of your Company with effect from June 29, 2023 and was regularised as a Director by the Shareholders in their AGM held on September 15, 2023.

2.4 Meeting of the Board of Directors

The information as required in Part A of Schedule II of the Listing Regulations is made available to your Board. The Board periodically reviews compliance reports of all laws applicable to your Company. The Board meets at least once a quarter to review the Quarterly Results, business policy and strategy apart from other items on the agenda and also on the occasion of the Annual General Meeting of the Shareholders. Additional Meetings are held, when necessary. The Notices of Board/ Committee Meetings is given well in advance to all the Directors. The Board Agenda includes an Action Taken report comprising of actions emanating from the Board Meetings and status updates thereof. In case of business exigencies or urgency of matters, resolutions are passed by circulation.

The intervening period between two Board Meetings was well within the maximum gap of 120 days prescribed under the Listing Regulations. Seven Board Meetings were held during the Financial Year ended March 31, 2024 viz. on May 18, 2023, August 11, 2023, September 22, 2023, October 20, 2023, November 08, 2023, December 20, 2023 and February 08, 2024.

REPORT ON CORPORATE GOVERNANCE (Contd.)

During the year under review, your Board passed one resolution on April 22, 2023 and one resolution on June 28, 2023 by way of circulation and the same was approved by majority of Directors on April 22, 2023 and June 28, 2023 respectively.

Your Company did not have any pecuniary relationship or transactions with any of the Non-Executive Directors of your Company during the Financial Year ended March 31, 2024, except for payment of the sitting fees.

2.5 Directors Remuneration

Remuneration of the Executive Directors is determined by the Board of Directors on the recommendation of the Nomination & Remuneration Committee, subject to the approval of the Shareholders, if required.

The Executive Directors are entitled to performance bonus for each Financial Year, as may be determined by the Board on the recommendation of the Nomination & Remuneration Committee; such remuneration is linked to the performance of your Company in as much as the performance bonus is based on various qualitative and quantitative performance criteria.

Non-Executive Directors are entitled to sitting fees for attending the Meetings of the Board and its various Committees. During the year under review, the sitting fees as determined by the Board are Rs. 50,000/- for each Meeting of the Board, Rs. 20,000/- for each Meeting of the Audit Committee, Nomination & Remuneration Committee, Stakeholders' Relationship Committee, Risk Management Committee and CSR Committee and Rs. 15,000/- for each Meeting of the Selection Committee.

The details of remuneration to each of the Directors on the Board during the Financial Year 2023-24 are as follows:

(Amount in Rs.)

Name of the Director	Fixed Salary			Commission (b)	Sitting Fees (c)	Total Remuneration (a+b+c)	Service Contract / Notice Period/ Severance Fees
	Basic	Perquisites/ Allowances	Total (a)				
Mr Shashi K Kalathil	-	-	-	-	5,70,000	5,70,000	Re-appointed as an Independent Director for the 2nd term of 5 consequent years with effect from September 24, 2021 upto September 23, 2026
Mr Shrinivas V Dempo	-	-	-	-	3,10,000	3,10,000	Retirement by Rotation
Mr Sameer R Kothari*	-	-	1,71,60,000	2,54,10,460	-	4,25,70,460	Re-appointed as a Managing Director for 5 years with effect from May 22, 2022 upto May 21, 2027
Mr Ganesh T Argekar	-	-	9,481,148	-	-	9,481,148	Re-appointed as a Whole-time Director designated as Executive Director for 5 years with effect from May 19, 2023 upto May 18, 2028

REPORT ON CORPORATE GOVERNANCE (Contd.)

(Amount in Rs.)

Name of the Director	Fixed Salary			Commission (b)	Sitting Fees (c)	Total Remuneration (a+b+c)	Service Contract / Notice Period/ Severance Fees
	Basic	Perquisites/ Allowances	Total (a)				
Ms Honey Vazirani	-	-	-	-	5,90,000	5,90,000	Re-appointed as an Independent Director for the 2nd term of 5 consequent years with effect from September 23, 2022 upto September 22, 2027
Mr Nikhil K Vora	-	-	-	-	3,00,000	3,00,000	Retirement by Rotation
Mr Neeraj Chandra	-	-	-	-	3,80,000	3,80,000	Re-appointed as an Independent Director for the 2nd term of 5 consequent years with effect from January 25, 2024 upto January 24, 2029
Mr Sarvjit Singh Bedi	-	-	-	-	Nil	Nil	Retirement by Rotation
Mr Harsha Raghavan#	-	-	-	-	Nil	Nil	Retirement by Rotation
Mr Sandeep Mehta	-	-	-	-	1,20,000	1,20,000	5 Years from the date of appointment i.e. upto August 08, 2024
Ms Amruta Adukia##	-	-	-	-	Nil	Nil	Retirement by Rotation

Notes:

*On recommendation of the Nomination and Remuneration Committee, your Board in their Meeting held on February 08, 2023 passed the necessary resolution for approval of remuneration payable to Mr Sameer Kothari, Managing Director by way of Profit linked Bonus at the rate of 2% of the Net Profit (Profit after tax) for each of the Financial Years FY'23, FY'24 & FY'25. The Computation of Commission payable to Mr Sameer Kothari was provisional for the Financial Year 2022-23 & 2023-24 and subsequently, the same was paid after the Financial Year ended March 31, 2024.

#Mr Harsha Raghavan, Non-Executive Non-Independent Director has resigned from the Directorship with effect from June 20, 2023.

##Ms Amruta Adukia was appointed as an Additional Director in the category of Non-Executive Non-Independent Director of your Company with effect from June 29, 2023 and was regularised as a Director by the Shareholders in their AGM held on September 15, 2023.

None of the Directors of your Company hold Stock options as on March 31, 2024. The ED is not eligible for payment of severance fees and the contract with the ED may be terminated by either party giving the other party 6 months' Notice.

REPORT ON CORPORATE GOVERNANCE (Contd.)

None of the Directors of your Company have any pecuniary relationship with your Company, except as mentioned above.

2.6 Independent Directors' Meeting

The Independent Directors of your Company met on May 18, 2023 without the presence of Non-Independent / Executive Directors and Members of the Management. At this Meeting, the IDs inter alia reviewed the performance of the Non- Independent Directors and the Board of Directors as a whole, reviewed the performance of the Chairman of your Board and assessed the quality, quantity and timeliness of flow of information between the Management and the Board of Directors.

2.7 Familiarisation Programme for Independent Directors

The Executive Director of your Company provides a brief of the industry and business of your Company to the new Independent Directors and also has a discussion to familiarise the Independent Directors with the Company's operations. At the time of regularisation of the appointment of an Independent Director, the appointment is formalised by issuing a letter to the Director, which inter alia explains the role, function, duties and responsibilities expected of him/her as an Independent Director of your Company. Your Board also from time to time familiarises the Independent Directors about the Company, its product, business, mitigation programs and statutory updates on the on-going events relating to the Company through presentations.

The details on your Company's Familiarisation Programme for Independent Directors can be accessed at: www.hindustanfoodslimited.com.

2.8 Skill matrix for the Board of Directors

The Board of Directors are collectively responsible for selection of a Member on the Board of your Company, based on the recommendations made by the Members of the Nomination and Remuneration Committee.

The Nomination and Remuneration Committee of your Company follows a defined criteria for identifying, screening, recruiting and recommending candidates for election as a Director on the Board.

In terms of the requirement of the Listing Regulations, the Board has identified the following core skills/ expertise / competencies of the Directors in the context of the Company's business for effective functioning as given below:

- Leadership experience

  Experience in leading well-governed large organisations, with an understanding of organisational systems and processes complex business and regulatory environment, strategic planning and risk management, understanding of emerging local and global trends and management of accountability and performance.

- Experience of crafting Business Strategies

  Experience in developing long-term strategies to grow consumer / FMCG business, consistently, profitably, competitively and in a sustainable manner in diverse business environments and changing economic conditions.

- Understanding of customer insights in diverse environment and conditions

  Experience of having managed organisation's with large consumer / customer interface in diverse business environments and economic conditions which helps in leveraging consumer insights for business benefits.

- Finance and Accounting Experience and Risk Management

  Leadership experience in handling Financial and Risk Management of a large organisation along with an understanding of Accounting and Financial Statements.

REPORT ON CORPORATE GOVERNANCE (Contd.)

- Understanding use of Digital / Information Technology across the FMCG value chain

  Understanding the use of digital / Information Technology across the value chain, ability to anticipate technological driven changes and disruption impacting business and appreciation of the need of cyber security and controls across the organisation.

- Experience of Corporate Governance and understanding of the changing regulatory landscape

  Experience of having served in Public Companies in diverse industries to provide Board oversight to all dimensions of business and Board accountability, high governance standards with an understanding of changing regulatory framework.

Sr. No.	Particulars	Leadership Experience	Experience of crafting business strategies	Financial and Accounting experience	Understanding of customer insights in diverse environment and conditions	Corporate Governance
1.	Mr Shashi K. Kalathil	√	√	√	√	√
2.	Mr Shrinivas Dempo	√	√	√	√	√
3.	Mr Sameer Kothari	√	√	√	√	√
4.	Mr Ganesh Argekar	√	√		√	√
5.	Ms Honey Vazirani	√	√		√	√
6.	Mr Nikhil Vora	√	√	√		√
7.	Mr Neeraj Chandra	√	√		√	√
8.	Mr Sarvjit Singh Bedi	√	√	√	√	√
9.	Mr Harsha Raghavan#	√	√	√		√
10.	Mr Sandeep Mehta	√	√	√		√
11.	Ms Amruta Adukia##	√	√	√		√

Mr Harsha Raghavan, Non-Executive Non-Independent Director has resigned from the Directorship with effect from June 20, 2023.

Ms Amruta Adukia was appointed as an Additional Director in the category of Non-Executive Non-Independent Director of your Company with effect from June 29, 2023 and was regularised as a Director by the Shareholders in their AGM held on September 15, 2023.

2.9 Confirmation as regards independence of Independent Directors

In the opinion of your Board, the existing Independent Directors fulfil the conditions specified under the Companies Act, 2013 and the Listing Regulations and are independent of the Management.

3. Audit Committee

3.1 Details of the composition of the Audit Committee, Meetings and attendance of the Members are as follows:

The Audit Committee of your Company is constituted in line with the provisions of Regulation 18(1) of the Listing Regulations read with Section 177 of the Companies Act, 2013.

The Company Secretary of your Company acts as the Secretary to the Committee. The Committee meets at least once a quarter. The terms of reference of the Audit Committee are as per the guidelines set out in Part C of Schedule II of the Listing Regulations. The primary objective of the Committee is to monitor and provide an effective supervision of the Management's financial process, to ensure accurate and timely disclosures, with the highest level of transparency, integrity and quality of financial reporting. The Committee oversees the work carried out in the financial reporting process by the Management, the internal Auditors and the Statutory Auditors and notes the processes and safeguards employed by each of them. The Meetings of the Audit Committee are also attended by Chief Financial Officer, Statutory Auditors and Internal Auditors as special invitees.

REPORT ON CORPORATE GOVERNANCE (Contd.)

Four Meetings of the Committee were held during the Financial Year ended March 31, 2024 viz. on May 18, 2023, August 11, 2023, November 08, 2023 and February 08, 2024. The gap between two Meetings were not exceeded one hundred and twenty days. The quorum was present for all the above four Meetings.

The composition of the Committee and the attendance details of the Members are given below:

Names of Members	Category	No. of Meetings attended
Mr Shashi K Kalathil – Chairman	ID	4 of 4
Ms Honey Vazirani – Member	ID	4 of 4
Mr Sarvjit Singh Bedi – Member	NED	4 of 4
Mr Sandeep Mehta – Member	ID	1 of 4

ID – Independent Director; NED – Non Executive Director

4. Nomination and Remuneration Committee

4.1 Details of the composition of the Nomination and Remuneration Committee, Meetings and attendance of the Members are as follows:

The Nomination and Remuneration Committee of your Company is constituted in line with the provisions of Regulation 19(1) and (2) of the Listing Regulations read with Section 178 of the Companies Act, 2013. The terms of reference of the Nomination and Remuneration Committee are as per the guidelines set out in Part D (A) of Schedule II of the Listing Regulations.

Two Meetings of the Committee were held during the Financial Year ended March 31, 2024 viz. on May 18, 2023 and November 08, 2023.

The composition of the Committee and the attendance details of the Members are given below:

Names of Members	Category	No. of Meetings attended
Ms Honey Vazirani – Chairperson	ID	2 of 2
Mr Shashi K Kalathil – Member	ID	2 of 2
Mr Sarvjit Singh Bedi – Member	NED	2 of 2

ID – Independent Director; NED – Non Executive Director

During the year under review, your Committee Members passed one resolution on June 22, 2023 by way of circulation and the same was approved by majority of Members of the Nomination and Remuneration Committee on June 22, 2023.

4.2 Nomination and Remuneration Policy

Your Company has formulated a Nomination and Remuneration Policy and the same has been uploaded on the website of the Company at www.hindustanfoodslimited.com.

Performance evaluation criteria for Independent Directors

The Directors other than Independent Directors of your Company evaluate performance of Independent Directors. The evaluation is based on the following criteria as to how an Independent Director:

1. Invests time in understanding the Company and its unique requirements;
2. Brings in external knowledge and perspective to the table for discussions at the Meetings;
3. Expresses his/her views on the issues discussed at the Board;
4. Keeps himself/herself current on areas and issues that are likely to be discussed at the Board level;
5. Upholds ethical standards of integrity and probity;
6. Exercises objective independent judgment in the best interest of the Company;
7. Effectively assisted the Company in implementing best corporate governance practice and then monitors the same;
8. Helps in bringing independent judgment during Board deliberations on strategy, performance, risk management, etc.;
9. Adheres to the applicable code of conduct for Independent Directors.

5. Stakeholders Relationship Committee

5.1 Terms of reference

The Committee is empowered to consider and approve the physical transfer/ transmission/ transposition of Shares, issue of new/ duplicate Share Certificates, deletion of name, consolidation of Share Certificates and oversees and reviews all matters connected with Securities transfer. The Committee also specifically looks into the redressal of Shareholders' and Investors' complaints/ grievances pertaining to transfer/ transmission of Shares, non-receipt of Share Certificates, non- receipt of Annual Report, etc.

5.2 Details of the composition of the Stakeholders Relationship Committee, Meetings and attendance of the Members are as follows:

The Stakeholders Relationship Committee of your Company is headed by a Non-Executive, Independent Director. The role of the committee includes resolving grievances of Shareholders, ensuing expeditious Share transfer process in line with the proceedings of the committee.

Four Meetings of the Committee were held during the Financial Year ended March 31, 2024 viz. on May 18, 2023, August 11, 2023, November 08, 2023 and February 08, 2024.

The composition of the Committee and the attendance details of the Members are given below:

Names of Members	Category	No. of Meetings attended
Mr Neeraj Chandra - Chairman	ID	4 of 4
Mr Shrinivas V Dempo - Member	NED	3 of 4
Ms Honey Vazirani - Member	ID	4 of 4
Mr Sameer Kothari - Member	MD	4 of 4

ID – Independent Director; NED – Non-Executive Director and MD – Managing Director

5.3 Details of Shareholders' Complaints / request

The number of Complaints / requests received and resolved to the satisfaction of investors during the Financial Year March 31, 2024 and their break-up is as under:

Type of Complaint/Request	No. of Complaint / Request
Non-Receipt of Annual Reports	17
Transfer/Transmission/Name Deletion/Duplicate issue of Share Certificate	Transfer (9), Transmission (29), Name Deletion (25), Duplicate (7)
Updating of address/bank account details/KYC details	307
Others	711
Total	**1105**

REPORT ON CORPORATE GOVERNANCE (Contd.)

5.4 Compliance Officer

Name, designation and address of Compliance Officer under Regulation 6(1) of the Listing Regulations:

Mr Bankim Purohit

Company Secretary, Compliance Officer and Legal Head

Hindustan Foods Limited

Office No. 3, Level-2, Centrium, Phoenix Market City,

15, LBS Marg, Kurla (W), Mumbai 400 070, Maharashtra, India

Tel: 022 69801700

Email: investorrelations@thevanitycase.com

6. Corporate Social Responsibility (CSR) Committee – Mandatory Committee

As required under Section 135 of the Companies Act, 2013, a committee of your Board was constituted to oversee and give direction to the Company's CSR Activities. Your Company has formulated CSR Policy and the same has been uploaded on your Company's website www.hindustanfoodslimited.com.

6.1 Terms of reference

I. To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company in areas or subject, specified in Schedule VII, as per the Companies Act, 2013;

II. To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the Company;

III. To monitor the CSR policy of the Company from time to time;

IV. Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

6.2 Details of the composition of the CSR Committee, Meetings and attendance of the Members are as follows:

The CSR Committee of your Company is headed by Mr Sameer Kothari, Managing Director of your Company. Three Meetings of the Committee were held during the Financial Year ended March 31, 2024, viz. on May 18, 2023, November 08, 2023 and February 08, 2024. The composition of the Committee and the attendance details of the Members are given below:

Names of Members	Category	No. of Meetings attended
Mr Sameer Kothari – Chairman	MD	3 of 3
Mr Ganesh Argekar- Member	ED	3 of 3
Mr Shashi K Kalathil - Member	ID	3 of 3

MD – Managing Director; ED –Executive Director; ID – Independent Director

7. Risk Management Committee – Mandatory Committee

In compliance with the provisions of Listing Regulations and Companies Act, 2013, your Board had duly constituted a Risk Management Committee on June 26, 2020 under the Chairmanship of Mr Sameer Kothari, Managing Director of your Company.

Your Company has formulated Risk Management Policy and the same has been uploaded on the Company's website www.hindustanfoodslimited.com. The role of Risk Management Committee includes the implementation of Risk Management Systems and framework, review the Company's financial and risk management policies, assess risk and procedures to minimise the same.

7.1 Terms of reference

The Terms of Reference of the Committee are to:-

(1) To formulate a detailed Risk Management Policy which shall include:

(a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.

(b) Measures for risk mitigation including systems and processes for internal control of identified risks.

(c) Business continuity plan.

(2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of your Company;

(3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

(4) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

(5) To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;

(6) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

7.2 Details of the composition of the Risk Management Committee, Meetings and attendance of the Members are as follows:

The Risk Management Committee of your Company is headed by Mr Sameer Kothari, Managing Director of your Company. Two Meetings of the Committee were held during the Financial Year ended March 31, 2024, viz. on August 03, 2023 and January 30, 2024.

The composition of the Committee and the attendance details of the Members are given below:

Names of Members	Category	No. of Meetings attended
Mr Sameer Kothari – Chairman	MD	2 of 2
Mr Ganesh Argekar – Member	ED	2 of 2
Mr Shashi K Kalathil – Member	ID	2 of 2
Ms Honey Vazirani – Member	ID	2 of 2
Mr Mayank Samdani – Member	Group Chief Financial Officer	2 of 2
Mr Bankim Purohit - Member	Company Secretary and Legal Head	2 of 2

MD – Managing Director; ED –Executive Director; ID – Independent Director

REPORT ON CORPORATE GOVERNANCE (Contd.)

8. Senior Management:

Particulars of senior management including the changes therein since the close of the previous financial year.

Sr no.	Name of Senior Management	Designation
1	Mr Mayank Samdani	Group Chief Financial Officer
2	Mr Sunil Plakkat	President - Manufacturing Excellence
3	Mr Sanjay Sehgal	President - Healthcare and Wellness
4	Mr Bankim Purohit	Company Secretary, Compliance Officer and Legal Head
5	Mr Prasad Kali	General Manager - Projects
6	Mr Ashish Vyawahare	General Manager- Corporate Quality and R&D
7	Mr Vimal Solanki	Head - Emerging Business & Corporate Communications
8	Ms Nalini Kalra	General Manager – Business Development (Private Labels)
9	Mr Robin D'Souza	General Manager - Business Development
10	Mr Alok Bodhankar	General Manager - Human Resources

9. Selection Committee- Non-Mandatory Committee

The Selection Committee is formed for advising and recommending in matters of recruitment of Senior Management of your Company and one level below to the CEO of the Company and related matters thereof. The Selection Committee recommends to the Nomination & Remuneration Committee about their opinion on the candidates proposed to be appointed at Senior level of the Management of your Company. Your Board constituted this Committee on August 28, 2020.

9.1 Terms of reference

The Terms of Reference of the Committee are to:-

a. Identifying the list of criteria to be considered in recruiting candidates at the Senior level and one level below CEO of your Company.

b. To review & recommend to Nomination & Remuneration Committee and Management, suitable candidate at Senior level & one level below CEO of your Company on payroll.

9.2 Details of the composition of the Selection Committee, Meetings and attendance of the Members are as follows:

No Meeting of the Committee was held during the Financial Year ended March 31, 2024. The composition of the Committee and the attendance details of the Members are given below:

Names of Members	Category	No. of Meetings attended
Mr Neeraj Chandra	ID	Not Applicable
Mr Shashi K Kalathil	ID	
Mr Sameer Kothari	MD	
Ms Honey Vazirani	ID	

MD – Managing Director; ID – Independent Director

REPORT ON CORPORATE GOVERNANCE (Contd.)

10. General Meetings and Postal Ballot

I. General Meetings:- Annual General Meetings/ Extra-Ordinary General Meetings

Location and time, where last three AGMs were held:

Financial Year Ended	Date and Time	Venue
March 31, 2021	September 23, 2021 at 11:30 am	AGM through Video Conferencing / Other Audio Visual Means facility [Deemed Venue for Meeting: Registered Office: Office no. 3, level-2, Centrium, Phoenix Market City, 15, LBS road, Kurla (W), Mumbai 400 070]
March 31, 2022	September 22, 2022 at 11:30 am	AGM through Video Conferencing / Other Audio Visual Means facility [Deemed Venue for Meeting: Registered Office: Office no. 3, level-2, Centrium, Phoenix Market City, 15, LBS road, Kurla (W), Mumbai 400 070]
March 31, 2023	September 15, 2023 at 11:30 am	AGM through Video Conferencing / Other Audio Visual Means facility [Deemed Venue for Meeting: Registered Office: Office no. 3, level-2, Centrium, Phoenix Market City, 15, LBS road, Kurla (W), Mumbai 400 070]

The following is/are the special resolution(s) passed at the previous three AGMs:

AGM held on	Special Resolution passed	Summary
September 23, 2021	Yes	1. Re-appointment of Mr Shashi Kalathil (DIN: 02829333) Independent Director for the 2nd term of five years.
September 22, 2022	Yes	1. Re-appointment of Ms Honey Vazirani (DIN: 07508803) Independent Director for the 2nd term of 5 (five) consecutive years 2. Increase in borrowing power in terms of Section 180 (1) (c) of the Companies Act, 2013 and authorising the Board to borrow moneys in excess of Paid-up Share Capital, free reserves and Securities Premium of the Company upto Rs. 750 cr 3. Authorising the Board under Section 180 (1) (a) of the Companies Act, 2013 to create/ modify charge on the movable/ immovable assets Including undertakings of the Company, both present and future, to secure borrowings 4. Enabling resolution for raising funds upto Rs. 300 cr through issue of securities
September 15, 2023	Yes	1. Enabling resolution for raising funds upto Rs. 500 cr through issue of securities

During the year under review, your Company has passed 2 (Two) Special Resolutions in their Extra Ordinary General Meeting held on October 20, 2023 which are as follows:

1. Issue of Convertible Warrants on preferential basis to the certain Qualified Institutional Buyers under Non Promoter category for cash.

2. Issue of Convertible Warrants on preferential basis to the certain Non-Qualified Institutional Buyers under Non-Promoter category for cash.

REPORT ON CORPORATE GOVERNANCE (Contd.)

II. Resolution passed through Postal Ballot

During the year under review, Pursuant to Section 110 of the Companies Act, 2013 ('the Act') read with Rule 22 of the Companies (Management and Administration) Rules, 2014, the details of the resolutions passed during the Financial Year 2023-24 by way of Postal Ballot are as follows:

A. One resolution was passed through the Postal Ballot on July 01, 2023. Mr Prashant Sharma, Practicing Company Secretary, and Proprietor of M/s Prashant Sharma & Associates (Firm Registration No. 7902, Membership No. 21775), was appointed as the Scrutiniser for conducting the Postal Ballot process in fair and transparent manner. Voting rights were reckoned on the paid-up value of the shares registered in the names of the Members as on the cut-off date. The Members were requested to vote before the close of the business hours on the last date of the E-voting. Upon completion of the scrutiny of electronic responses, the Scrutiniser had submitted his report to the Chairman of the Company. The results of the Postal Ballot were declared on July 03, 2023. The said results along with the Scrutiniser's Report was displayed on the website of your Company i.e. www.hindustanfoodslimited.com and intimated to the Stock Exchanges where the shares of the Company are listed and the said results were also available on the website of Link Intime India Private Limited, the E-voting service provider of your Company. Details of voting pattern for the Postal Ballot declared on July 03, 2023 are as given below:

Sr. No.	Particulars	No. of shares held	No. of votes polled	% of votes polled on outstanding shares	Voted in favour of the resolution		Voted against of the resolution	
					No. of votes cast (No. of Shares)	% of total no. of votes cast	No. of votes cast (No. of Shares)	% of total no. of votes cast
1	Ordinary Resolution: Re-appointment of and Remuneration payable to Mr Ganesh Argekar (DIN: 06865379), Whole Time Director designated as "Executive Director" of the Company	11,27,42,690	10,10,28,959	89.61	10,06,73,013	99.65	3,55,946	0.35

B. One resolution was passed through the Postal Ballot on January 22, 2024. Mr Prashant Sharma, Practicing Company Secretary, and Proprietor of M/s Prashant Sharma & Associates (Firm Registration No. 7902, Membership No. 21775), was appointed as the Scrutiniser for conducting the Postal Ballot process in fair and transparent manner. Voting rights were reckoned on the paid-up value of the shares registered in the names of the Members as on the cut-off date. The Members were requested to vote before the close of the business hours on the last date of the E-voting. Upon completion of the scrutiny of electronic responses, the Scrutiniser had submitted his report to the Chairman of the Company. The results of the Postal Ballot were declared on January 23, 2024. The said results along with the Scrutiniser's Report was displayed on the website of your Company i.e. www.hindustanfoodslimited.com and intimated to the Stock Exchanges where the shares of the Company are listed and the said results were also available on the website of Link Intime India Private Limited, the E-voting service provider of your Company. Details of voting pattern for the Postal Ballot declared on January 23, 2024 are as given below:

Sr. No.	Particulars	No. of shares held	No. of votes polled	% of votes polled on outstanding shares	Voted in favour of the resolution		Voted against of the resolution	
					No. of votes cast (No. of Shares)	% of total no. of votes cast	No. of votes cast (No. of Shares)	% of total no. of votes cast
1	Special Resolution: Re-appointment of Mr Neeraj Chandra (DIN: 00444694) as an Independent Director of the Company for the 2nd term of 5 (five) consecutive years	11,27,42,690	977,26,905	86.68	977,12,777	99.99	14,128	0.01

III. Proposed Postal Ballot

There is no immediate proposal for passing any resolution through Postal Ballot.

11. Means of Communication

The quarterly Un-Audited/ Audited Financial Extract Results were published in the Free Press Journal (English Daily) and Navshakti (Marathi Daily). The results were also displayed on your Company's website www.hindustanfoodslimited.com and also on the website of BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE'), where the Shares of your Company are listed. The Shareholders can access the Company's website for financial information, shareholding information etc.

All price sensitive information and matters which are material and relevant to Shareholders are intimated to the Stock Exchanges where the securities of your Company are listed and are also displayed on your Company's website.

Your Company submits to the BSE and NSE all Compliances, disclosures and communications through BSE's Listing Centre portal and NSE's NEAPS portal.

Your Company's Annual Report is e-mailed to all the Shareholders of your Company who has registered their e-mail id's with your Company and also made available on the website of the Company www.hindustanfoodslimited.com. Pursuant to the various SEBI Circulars and MCA Circulars, soft copies of the Annual Report for the Financial Year 2022-23 were circulated to the Members of your Company.

Press Releases, Corporate/Earnings Presentations and Schedule of analyst or institutional investors meet are displayed on the website of your Company www.hindustanfoodslimited.com and are also submitted to the Stock Exchanges where the Shares of your Company are listed. No Unpublished Price Sensitive Information (UPSI) is discussed in the presentation made to institutional investors and financial analysts.

The Management Discussion and Analysis Report is provided separately as a part of this Annual Report.

REPORT ON CORPORATE GOVERNANCE (Contd.)

12. Disclosures

12.1 Related Party Transactions / Materially significant related party transactions

In terms of Regulation 23(1) of the Listing Regulations, the Board of Directors of your Company has approved and adopted a policy on Related Party Transactions and the same has been uploaded on the website of your Company and can be accessed at: www.hindustanfoodslimited.com.

During the year under review, there were no transactions between the Company and the Promoters, Directors or KMPs or Management, or their relatives, etc. that had a potential conflict with the interests of your Company at large. The Register of Contracts containing transactions in which Directors are interested is placed before your Board in all the quarterly Board Meetings.

12.2 Indian Accounting Standards (IND AS)

Your Company has followed the relevant Accounting Standards notified by the Companies (Indian Accounting Standards) Rules, 2015 while preparing the Financial Statements.

12.3 Confirmation by the Board of Directors acceptance of Recommendation of Mandatory Committees

In terms of the amendments made to the SEBI Listing Regulations, the Board of Directors confirms that during the year, it has accepted all recommendations received from its mandatory committees.

12.4 Fees paid to Auditors

The total fee for all the services paid by the Company and its Subsidiaries to the Statutory Auditors, and all the entities in the network firm / network entity, of which Statutory Auditors are a part, for the Financial Year 2023-24 are as follows:

Auditors remuneration (excluding GST) as on year ended March 31, 2024	Rs. in Lakhs
As auditor:	
Statutory audit	31.00
Limited review fees	13.26
In other capacity:	
Other matters	0.72
Total	**44.98**

12.5 Prevention of Insider Trading

Pursuant to SEBI Listing Regulations, your Company has formulated the "Code of Conduct and Code of Fair Disclosures for prohibition of Insider Trading and Fair Disclosure of Unpublished Price Sensitive Information's (HFL Code) which allows the formulation of a trading plan subject to certain conditions and requires pre-clearance for dealing in your Company's Shares. It also prohibits the purchase or sale of Company's Shares by the Directors, designated employees and connected persons and their immediate relatives, while in possession of unpublished price sensitive information in relation to the Company and during the period(s) when the Trading Window to deal in the Company's Shares is closed. The Company Secretary and Compliance Officer is responsible for implementation of the HFL Code.

12.6 Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

In terms of the recent amendment of Listing regulations, the following are the details of the complaints during the year:

a.	Number of complaints filed during the Financial Year	Nil
b.	Number of complaints disposed off during the Financial Year	Nil
c.	Number of complaints pending as on end of the Financial Year	Nil

REPORT ON CORPORATE GOVERNANCE (Contd.)

12.7 Statutory Compliance, Penalties and Strictures

During the year under review, your Company had filed an Suo-moto Settlement application without admitting or denying the violation with the SEBI on January 31, 2023 in the matter of Regulation 17(1)(b) of SEBI LODR Regulations. The High Powered Advisory Committee of SEBI had offered the revised settlement terms and proposed the settlement fees of Rs. 24,32,000/- (Rupees Twenty Four Lakh Thirty Two Thousand only) for which your Company agreed and paid the settlement fees. On receipt of the settlement fees, the SEBI settled the application filed by your Company and passed the necessary settlement order on October 10, 2023.

Further, under SEBI's SOP Circular, the BSE separately penalised your Company with the penalty of Rs. 84,48,800/- (Rupees Eighty Four Lakhs Forty Eight Thousand Eight Hundred only) including GST for the Non-Compliance of Regulation 17(1)(b) of LODR Regulations for the same matter for which your Company had filed a Suo-moto settlement application with SEBI.

In view of the above, your Company had filed a wavier petition with the BSE and after considering the facts of the case during the personal hearing with your Company on November 29, 2023 and subsequent written representation made by your Company, the Committee has passed the order on December 10, 2023 on partial waiver of fines and reduced the penalty to Rs. 52,21,500/- (Rupees Fifty-Two Lakhs Twenty One Thousand Five Hundred Only) along with such other statutory levies inclusive of GST. The Company paid the penalty of Rs. 52,21,500/- (Rupees Fifty-Two Lakhs Twenty One Thousand Five Hundred Only) under protest.

Your Company has paid the penalty amount in full and subsequently has also filed an appeal with Securities and Appellate Tribunal ("SAT") on January 23, 2024, against the penalty levied by the BSE for the same matter which has been settled by SEBI and the said appeal has been admitted and the outcome is awaited.

Apart from this, there were no instances of penalties and strictures imposed on your Company by any Stock Exchanges or SEBI or any other statutory authority, on any matter related to capital markets, during the last three years.

12.8 Disclosures of Loans and advances by Company and subsidiaries in the nature of loans to firms/companies in which Directors are interested by name and amount

The Disclosures regarding loans and advances provided to firms/companies including Company's Subsidiaries in which Directors are interested is disclosed in the Note no 37 of the Standalone Financial Statement and Note no 36 of the Consolidated Financial Statement which sets out related party transactions/disclosures pursuant to Ind AS.

12.9 Policy for Determining Material Subsidiaries

Your Company has one material unlisted Subsidiary Company viz. HFL Healthcare and Wellness Private Limited (Formerly known as Reckitt Benckiser Scholl India Private Limited), whose Net worth exceeds 10% of the consolidated income of the Company in the immediately preceding Financial Year, effective May 18, 2023, as defined in Regulation 16 of the Listing Regulations as on March 31, 2024.

The Board of Directors of your Company periodically reviews the statement of all significant transactions and arrangements entered into by the unlisted Subsidiary Companies. Copies of the Minutes of the Board Meeting of the unlisted Subsidiary Companies were placed at the Board Meetings of your Company held during the year.

Your Company has framed the policy for determining material Subsidiary and the same is disclosed on your Company's website www.hindustanfoodslimited.com.

The requirement of appointment of Independent Director of your Company on the Board of Directors of the material unlisted Subsidiary Companies as per Regulation 24 of the Listing Regulations does not apply as on March 31, 2024.

REPORT ON CORPORATE GOVERNANCE (Contd.)

12.10 Details of material Subsidiaries; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries

Sr. No.	Subsidiaries whose total income / net worth exceeds 10% of the Group's total income/ net worth	Name of statutory auditors	Date of appointment of statutory auditors	Date of Incorporation	Place of Incorporation
1.	HFL Healthcare and Wellness Private Limited (Formerly known as Reckitt Benckiser Scholl India Private Limited)	M/s S S Singh and Co.	April 18, 2023	May 10, 1994	Tamil Nadu

12.11 Compliance with mandatory requirements and adoption of the non-mandatory requirements

Your Company confirms that it has complied with all mandatory requirements prescribed in the Listing Regulations. Your Company has partially adopted the non-mandatory requirements. Disclosures of the extent to which the discretionary requirements have been adopted are given elsewhere in this report.

12.12 Commodity price risks or foreign exchange risks and hedging activities

This has been discussed in the Management Discussion and Analysis Report, which forms part of this Annual Report.

12.13 Utilisation of funds raised through preferential allotment or qualified institutions placement

During the Year under review, your Company has raised the funds through Preferential Issue of Convertible Warrants. There is no deviation or variation in the utilisation of funds from the objects stated in the Explanatory Statement to the Notice of the Extra Ordinary-General Meeting held on October 20, 2023 for Issue of Convertible Warrants on preferential basis to the certain Qualified Institutional Buyers and Non-Qualified Institutional Buyers under Non Promoter category for cash. The funds raised through the said issues were utilised for the purpose for which it was raised and in accordance with the objects of the said preferential issue. The details of fund raised and Utilisation theerof has been same provided in Director's Report.

12.14 Code of Conduct

In terms of Regulation 17(5) of the Listing Regulations, your Company has adopted the Code of Conduct for the Board Members and Senior Management of the Company which has been posted on your Company's website www.hindustanfoodslimited.com. Requisite annual affirmations of Compliance with the code have been made by the Directors and Senior Management of your Company.

The declaration of the Managing Director is given below:

I, Sameer R Kothari, Managing Director of Hindustan Foods Limited, declare that all Board Members and Senior Management Personnel of the Company have affirmed their compliance with the Company's Code of Conduct during the Financial Year ended March 31, 2024.

Place : Mumbai
Date : August 13, 2024

Sameer R Kothari
Managing Director

12.15 Compliance Certificate from CEO / CFO

As required by Regulation 17(8) of the Listing Regulations, the CEO and CFO of your Company have furnished the Compliance Certificate of the Financial Statements for the year ended March 31, 2024 to the Board of Directors. The same is enclosed at the end of the report.

REPORT ON CORPORATE GOVERNANCE (Contd.)

12.16 Whistle Blower Policy

Your Company has in place a Vigil Mechanism / Whistle Blower Policy. The policy provides a channel to the employees to report to the Management concerns about unethical behavior, actual or suspected fraud or violation of the code of conduct policy. The mechanism provides for adequate safeguards against victimisation of employees to avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee in exceptional cases. None of the personnel of the Company has been denied access to the Audit Committee.

12.17 Details of non-compliance with requirements of Corporate Governance Report

Your Company has complied with all the requirements of the Corporate Governance Report as specified in sub-paras (2) to (10) of Part C of Schedule V of the Listing Regulations.

12.18 Details of compliance with Corporate Governance requirements

Your Company has complied with the Corporate Governance requirements as specified in Regulation 17 to 27 and Clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

12.19 Practicing Company Secretary Certificate on Corporate Governance

As required by the Listing Regulations, the Compliance Certificate from the Practicing Company Secretary regarding compliance of conditions of Corporate Governance is annexed to the Corporate Governance Report.

The Company has also obtained a Certificate from Mr Pankaj S Desai, Practicing Company Secretary (COP no. 4098), confirming that none of the Directors on the Board of your Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India and Ministry of Corporate Affairs or any such authority and the same forms part of this Corporate Governance Report.

13. General Shareholder Information

13.1 Annual General Meeting

Date and Time: Tuesday, September 24, 2024 at 4:30 p.m. IST

Venue Facility: Hybrid Annual General Meeting through Video Conferencing (VC) / Other Audio Visual Means (OAVM) [Deemed Venue for Meeting: Registered Office: Office no. 3, level-2, Centrium, Phoenix Market City, 15, LBS Road, Kurla (W), Mumbai 400 070, Maharashtra, India]

13.2 Financial Year:

a. The Company's Financial Year is from April 01 to March 31

b. Financial Year Dates (2024-25)

(Tentative and subject to change)

Results for quarter ending June 30, 2024	By August 14, 2024
Results for quarter ending September 30, 2024	By November 14, 2024
Results for quarter ending December 31, 2024	By February 14, 2025
Results for quarter ending March 31, 2025	By May 28, 2025
Annual General Meeting for the year ending March 31, 2025	By September 30, 2025

13.3 Dividend Payment Date:

Not Applicable

REPORT ON CORPORATE GOVERNANCE (Contd.)

13.4 Book Closure Date

Your Company's Share Transfer Books and Register of Members of Equity Shares shall remain closed from Wednesday, September 18, 2024 to Tuesday, September 24, 2024 (both days inclusive) for the purpose of Annual General Meeting.

13.5 Listing of Equity Shares

Your Company's Shares are listed on the BSE Limited ('BSE') as well as on the National Stock Exchange of India Limited ('NSE'). The address of BSE and NSE are as follows:

Name of Stock Exchanges	Address and Contact details
BSE Limited	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001 Tel.: (022) 22721233; Fax: (022) 22721919; Website: www.bseindia.com
National Stock Exchange of India Limited (w.e.f. June 06, 2023)	Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai 400 070 Tel No.: (022) 2659 8100; Fax No: (022) 2659 8120; Website: www.nseindia.com

Stock Codes

Name of Stock Exchanges	Scrip Code /Symbol	Demat ISIN Number in NSDL & CDSL
BSE Limited	519126	INE254N01026
National Stock Exchange of India Limited	HNDFDS (w.e.f. June 06, 2023)	

The Annual Listing Fee for the Financial Year 2023-24 has been paid to the BSE & NSE.

13.6 Market Price Data (In Rs.)

Month	BSE			NSE		
	High	Low	Volume	High	Low	Volume
April 2023*	669.00	512.30	1,42,555	669.00	512.00	6,21,095
May 2023*	629.00	556.60	1,34,065	632.45	560.00	8,28,293
June 2023*	578.80	504.55	2,22,449	578.80	504.00	12,52,050
July 2023	611.75	513.25	4,17,494	610.75	513.00	28,47,263
August 2023	587.35	535.90	2,22,183	587.40	531.30	12,03,298
September 2023	629.95	524.60	4,90,976	629.95	524.00	34,30,315
October 2023	549.55	514.00	2,38,445	549.80	514.00	11,69,001
November 2023	549.70	515.00	1,50,444	550.00	512.35	10,45,728
December 2023	584.00	534.60	2,06,356	584.00	535.00	15,18,929
January 2024	571.55	531.55	6,83,092	568.55	532.00	15,39,511
February 2024	572.25	510.10	6,95,188	585.00	504.00	43,15,572
March 2024	530.00	460.75	2,41,029	530.00	549.00	17,18,772

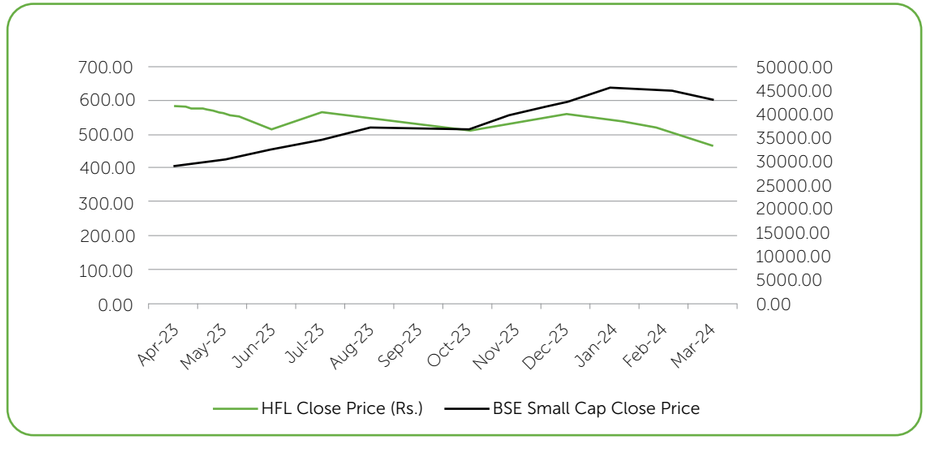
(Source: The information is compiled from the data available on the BSE and NSE website)

*Note: Till June 05, 2023, your Company's Equity Shares were under the permitted to trade category on NSE and subsequently effective June 06, 2023, your Company received the listing and trading permission from NSE.

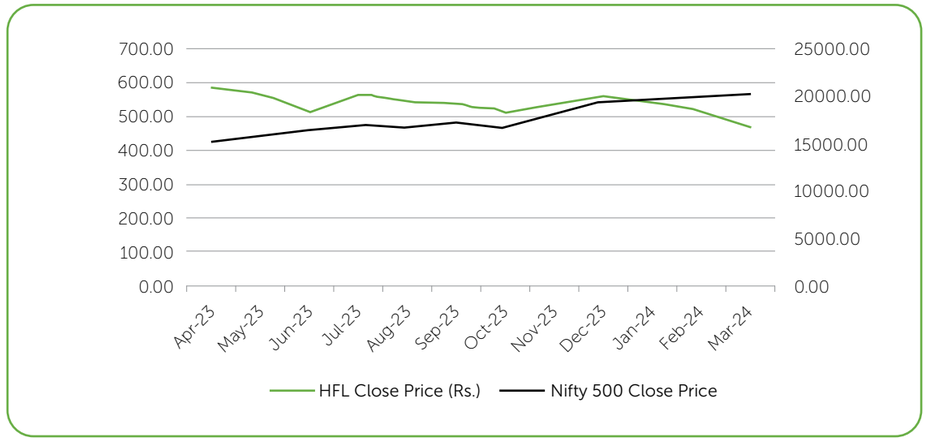
REPORT ON CORPORATE GOVERNANCE (Contd.)

13.7 Share price performance in comparison to broad based indices –BSE small cap & Nifty 500

Average monthly closing price of your Company's Shares on BSE as compared to BSE small cap



Average monthly closing price of your Company's Shares on NSE as compared to Nifty 500



REPORT ON CORPORATE GOVERNANCE (Contd.)

13.8 The security of your Company were not suspended from trading.

13.9 Registrar and Share Transfer Agent

Link Intime India Private Limited

C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai 400083.

Ph.: (022) 49186000 Fax: (022) 49186060

Email: rnt.helpdesk@linkintime.co.in

13.10 Share Transfer System

Your Board of Directors have delegated powers to the Registrar and Share Transfer Agents for effecting Share transfers, transmissions, splits, consolidation, sub-division, issue of duplicate Share Certificates, re-materialisation and dematerialisation etc., as and when such requests are received. Shares held in dematerialised form are traded electronically in the Depositories. As at March 31, 2024 no Equity Shares were pending for transfer.

As per the requirement of Regulation 40(9) of the Listing Regulations, your Company has obtained the yearly certificates from a Company Secretary in Practice for due compliance of Share transfer formalities.

Your Company conducts a Reconciliation of Share Capital Audit on a quarterly basis in accordance with the SEBIs requirements. The audit reports for the Financial Year under review have been filed with the Stock Exchanges within 30 days of the end of each quarter.

Trading in Equity Shares of your Company is permitted only in dematerialised form. SEBI has mandated that Securities of all Listed Companies can be transferred only in dematerialised form w.e.f. April 01, 2019. Accordingly, your Company/ its RTA has stopped accepting any fresh lodgment of transfer of Shares in physical form. Members holding Shares in physical form are advised to avail the facility of dematerialisation.

13.11 Distribution of Shareholding

Distribution Schedule as on March 31, 2024

No. of Shares	No. of Shareholders	% of Shareholders	No. of Shares	% of total No. of Shares
Upto 500	83981	96.1233	55,10,530	4.81
501 to 1000	1801	2.0614	15,00,792	1.31
1001 to 2000	805	0.9214	11,77,927	1.03
2001 to 3000	320	0.3663	8,14,059	0.71
3001 to 4000	86	0.0984	3,06,172	0.27
4001 to 5000	77	0.0881	3,63,955	0.32
5001 to 10000	123	0.1408	8,65,430	0.75
10001 and above	175	0.2003	10,40,34,488	90.80
Total	**87,368**	**100.00**	**11,45,73,353**	**100.00**

REPORT ON CORPORATE GOVERNANCE (Contd.)

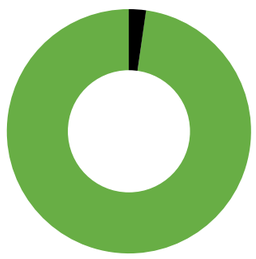
Distribution of Shareholding (Category wise) as on March 31, 2024

Category	No. of Shareholders	No of Shares held	% of share Holding
Promoters	6	7,31,09,975	63.8106
Relatives of Promoters (other than immediate relative)	2	33,164	0.0289
Directors and their relatives	5	31,78,331	2.7741
Key Managerial Personnel	2	1,25,450	0.1095
Financial Institutions / Banks	2	1,680	0.0015
Bodies Corporate	153	53,91,147	4.7054
Insurance Companies	3	11,37,464	0.9928
Non-Resident Indians (NRI's)	1381	6,96,357	0.6078
Resident Individuals / Trusts/Mutual Funds	85184	1,81,63,364	15.8531
Clearing Members	1	13	0.0000
NBFC registered with RBI	1	665	0.0006
HUF	571	2,34,780	0.2049
Alternate Investment Funds	6	48,03,345	4.1924
Foreign Portfolio Investors (Corporate)	40	76,80,378	6.7035
Partnership Firms/LLP	10	15,740	0.0136
HFL Suspense Escrow Account	2	1,500	0.0013
Total	**87,369**	**11,45,73,353**	**100.00**

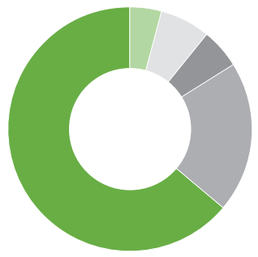
13.12 Dematerialisation of Shares and liquidity

As on March 31, 2024, 97.69% of your Company's listed Paid-up capital representing 11,19,21,738 Shares were held in dematerialised form as compared to 97.41% of your Company's Paid-up capital representing 10,98,17,525 Shares as on March 31, 2023.

Shares held in Demat/Physical form as at March 31, 2024



Shareholding Pattern as at March 31, 2024



REPORT ON CORPORATE GOVERNANCE (Contd.)

Physical Holding is 26,51,615	Alternate Investment Funds 4.19%	Foreign Portfolio Investors 6.70%
Shares i.e. 2.31%	NRIs/Corporate Bodies 5.31%	Institution 0.00% (Negligible)
Demat holding is 11,19,21,738	Public 19.99%	Promoters 63.81%
Shares i.e. 97.69%		

Shareholders who continue to hold their Shares in physical form are requested to dematerialise their Shares at the earliest and avail the benefits of dealing in Shares in demat form.

13.13 Outstanding GDRs/ADRs/Warrants or any Convertible instruments

During the year under review, your Board of Directors had allotted 56,75,054 Convertible Warrants at a price of Rs. 546.25/- each (including face value of Rs. 2/- each at a premium of Rs. 544.25/- each) to certain Qualified Institutional Buyers under Non-Promoter category and 15,96,027 Convertible Warrants at a price of Rs. 563.90/- each (including face value of Rs. 2/- each at a premium of Rs. 561.90/- each) to certain Non-Qualified Institutional Buyers under Non-Promoter category by way of Preferential Issue, total aggregating to 72,71,081 Convertible Warrants. The tenure of these warrants is for 18 months from the date of its allotment.

Out of which, one of the Warrant holders named Sixth Sense India Opportunities III had exercised their option for the conversion of 18,30,663 Warrants into equivalent Equity Shares having face value of Rs. 2/- (Rupees Two) each of the Company and upon receipt of an amount aggregating to Rs. 74,99,99,748/- (Rupees Seventy Four Crores Ninety-Nine lakhs Ninety-Nine Thousand Seven Hundred Forty Eight Only), being 75% of the balance amount on the said Warrants, the Share Allotment Committee of Board of Directors of the Company at their Meeting held on February 02, 2024, had allotted 18,30,663 Equity Shares having face value of Rs. 2/- (Rupees two) each at a premium of Rs. 544.25/- per shares to Sixth Sense India Opportunities III.

As at March 31, 2024, 54,40,418 Convertible Warrants are outstanding for conversion into Equity Shares.

13.14 Plant Locations:

- **Jammu:** IGC, SIDCO Phase II, Samba 184 121, Jammu & Kashmir
- **Baddi:** Khasra #701/534, Village Sandholi Baddi, Nalagarh Road, PO Baddi, Tehsil Nalagarh, Dist Solan 173 205, Himachal Pradesh
- **Silvassa:** Survey #452/3, Village Masat, Silvassa 396 230, Dadra and Nagar Haveli and Daman and Diu
- **Silvassa:** Unit #2, Plots #110 & 111, Piparia Industrial Estate, Piparia, Silvassa 396 230, Dadra and Nagar Haveli and Daman and Diu
- **Mumbai:** Industrial Gala #7 to 13, Survey #34 & 35, Rajprabha Landmark Industrial Estate Road, Gokhivare, Vasai (East), Palghar, Mumbai 401 208
- **Goa:** Usgaon, Ponda 403 406
- **Hyderabad/Telangana:** Survey #44, 49 & 50E, Peddaipally Village, Jadcherla Taluka, District Mahbubnagar, Telangana 509 202, Andhra Pradesh

REPORT ON CORPORATE GOVERNANCE (Contd.)

- **Mysuru:** Plot #11B & C, KIADB Industrial Area, Nanjangud 571 302, District Mysuru, Karnataka
- **Puducherry:** RS #254/1B, Gorimendu-Poothurai Road, Poothurai Rev Village, Vanur Taluk 605 111, Tamil Nadu
- **Tindivanam [TN]:** Survey #4/1 to 4/8, Shed A & B, Kambur Village, Tindivanam 604 101, District Villupuram, Tamil Nadu
- **Coimbatore:** SF No. 195/1A, 195/1B, 195/2A, Appanaickenpatti, Sulthanpet Road, Sulur, Coimbatore 641 402, Tamil Nadu

13.15 Address for correspondence

Investor correspondence for transfer / dematerialisation of Shares and any other query relating to the Shares of the Company should be addressed to –

Link Intime India Private Limited

C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai-400083.

Ph.: (022) 49186000 Fax: (022) 49186060

Email: rnt.helpdesk@linkintime.co.in

Investor complaints, if any, may be addressed to –

Mr Bankim Purohit

Company Secretary, Compliance Officer and Legal Head

Hindustan Foods Limited

Office No.3, Level-2, Centrium, Phoenix Market City,

15, Lal Bahadur Shastri Road, Kurla (West), Mumbai – 400070.

Maharashtra, India. Tel.: (022) 69801700

Email: investorrelations@thevanitycase.com

Service of documents through electronic mode

As a part of Green initiative, the Members who wish to receive the Notices/documents through e-mail, may kindly intimate their e-mail addresses to your Company's Registrar and Transfer Agents M/s. Link Intime Private Limited i.e. rnt.helpdesk@linkintime.co.in or to the Company to its dedicated e-mail id i.e. investorrelations@thevanitycase.com.

13.16 Credit Rating

During the year under review, India Ratings and Research (Ind-Ra) has re-affirmed the Long-Term Issuer Rating to 'IND A+/ Stable'. The outlook is Positive.

13.17 Status of compliance with discretionary requirements

The Listing Regulations requires disclosures of adoption by the Company of discretionary requirements as specified in Part E of Schedule II of the said regulations, which as the name suggests, the implementation of which is discretionary on the part of the Company. Accordingly, the adoption of the discretionary requirements is given below:-

a) The Board:

The Board of Directors periodically reviewed the compliance of all applicable laws and steps taken by the Company to rectify instances of non-compliance, if any. The Company is in compliance with all mandatory requirements

REPORT ON CORPORATE GOVERNANCE (Contd.)

of Listing Regulations. Your Company neither maintain any office to Non-Executive Chairman nor reimburse any expenses incurred by the Non-Executive Chairman in the performance of his duties.

b) Shareholders Rights:

Since the Quarterly, Half Yearly and Annual Financial Results of your Company are posted on the Company's website, these are not sent individually to the Shareholders of your Company. Further, significant events are informed to the Stock Exchanges from time to time and then the same is also posted on the website of your Company under the 'Investors' section. The complete Annual Report is sent to every Shareholder of your Company.

c) Modified opinion(s) in audit report:

There is no audit qualification in the Company's Financial Statements for the Financial Year ended March 31, 2024.

d) Separate posts of Chairperson and the Managing Director or the Chief Executive Officer:

As at March 31, 2024 Mr Shashi K Kalathil is the Chairman of your Company and Mr Sameer R Kothari is the Managing Director of your Company.

e) Reporting of Internal Auditor:

The Internal Auditor reports directly to the Audit Committee.

13.18 Disclosure with respect to Demat Suspense Account / Unclaimed Suspense Account

Pursuant to SEBI Circular dated January 25, 2022, to enhance the Shareholders experience in dealing with securities markets, the listed companies shall issue the securities in dematerialised form only, while processing any investor service requests viz., issue of duplicate share certificates, endorsement, transmission, transposition. After processing the investor service request(s), a Letter of Confirmation ('LOC') would be issued to the Shareholders in lieu of a physical securities certificate. LOC shall be valid for a period of 120 days, within which the Shareholder shall make a request to the Depository Participant for dematerialising the said securities/shares. In case the Shareholders fails to submit the dematerialisation request within 120 days, the Company shall then credit those securities to the SEDA held by the Company. The Shareholders can reclaim these shares from the Company's SEDA on submission of documentation prescribed by SEBI. The details of shares transferred to/released from SEDA during Financial Year 2023-24 are as under:

Details of shares transferred to / released from SEDA during the FY 2023-24 are as under:

Particulars	No. of Shares
Aggregate number of shareholders and the outstanding shares in the SEDA as on April 01, 2023	Nil
Shareholders who approached the Company for transfer of shares from SEDA during the year	Nil
Shareholders to whom shares were transferred from SEDA during the year	Nil
Aggregate number of shareholders and the outstanding shares in SEDA as on March 31, 2024	1,500 shares comprising 3 shareholders

In view of the aforesaid, the voting rights on these shares transferred to SEDA shall remain frozen till the rightful owner of such shares claims the shares.

13.19 Disclosure of certain type of agreements binding listed entites

There are no agreements with any party which impact the management or control of the Company or impose any restriction or create any liability upon the Company.

REPORT ON CORPORATE GOVERNANCE (Contd.)

COMPLIANCE CERTIFICATE UNDER REGULATION 17(8) AND AS SPECIFIED IN PART B OF SCHEDULE II OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

We, Sameer R Kothari, Managing Director, Chief Executive Officer and Mayank Samdani, Chief Financial Officer of Hindustan Foods Limited ('Company') hereby certify that:-

a) We have reviewed Financial Statement and the cash flow statement of the Company for the Financial Year ended March 31, 2024 and that to the best of our knowledge and belief:

   i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.

c) We accept responsibility for establishing and maintaining internal controls for Financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

d) We have indicated to the auditors and the Audit Committee that there is no:

   (i) Significant changes in internal control over financial reporting during the year;

   (ii) Significant changes in accounting policies during the year requiring disclosure in the notes to the financial statements; and

   (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place : Mumbai
Date : May 21, 2024

Sameer R Kothari
Managing Director
DIN: 01361343

Mayank Samdani
Chief Financial Officer

REPORT ON CORPORATE GOVERNANCE (Contd.)

PRACTICING COMPANY SECRETARY'S CERTIFICATE ON DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members
Hindustan Foods Limited
Office No. 03, Level 2, Centrium,
Phoenix Market City, 15, Lal Bahadur Shastri Road,
Kurla, Mumbai 400070

I, have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Hindustan Foods Limited having CIN L15139MH1984PLC316003 and having registered office at Office No. 03, Level 2, Centrium, Phoenix Market City, 15, Lal Bahadur Shastri Road, Kurla, Mumbai 400070 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I, hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment in Company*
1.	Mr Shashi Kumar Kalathil	02829333	November 09, 2015
2.	Mr Shrinivas Vasudeva Dempo	00043413	September 25, 1999
3.	Mr Sameer Ramanlal Kothari	01361343	May 22, 2017
4.	Mr Neeraj Chandra	00444694	January 25, 2019
5.	Mr Nikhil Kishorchandra Vora	05014606	May 22, 2017
6.	Mr Ganesh Tukaram Argekar	06865379	May 19, 2014
7.	Ms Honey Hiranand Vazirani	07508803	May 22, 2017
8.	Mr Sarvjit Singh Bedi	07710419	April 18, 2019
9.	Mr Sandeep Rajnikant Mehta	00031380	August 09, 2019
10.	Mr Harsha Raghavan	01761512	November 11, 2019**
11.	Ms Amruta Anurag Adukia	07877389	June 29, 2023**

* The date of appointment is as per the MCA Portal.

** Mr Harsha Raghavan resigned on June 20, 2023 and Ms Amruta Anurag Adukia was appointed as Additional Non-Executive Non-Independent Director on June 29, 2023 and later regularised in the AGM held on September 15, 2023.

REPORT ON CORPORATE GOVERNANCE (Contd.)

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Sd/-
Practicing Company Secretary: **Pankaj S. Desai**
ACS No. : 3398
C. P. No. : 4098
UDIN No. : A003398F000962422
Place : Mumbai
Date : August 13, 2024
Peer Review No. : 2702/2022

REPORT ON CORPORATE GOVERNANCE (Contd.)

CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To,
The Members
Hindustan Foods Limited

I have examined the compliance of conditions of Corporate Governance by HINDUSTAN FOODS LIMITED (the Company), for the Financial Year ended on March 31, 2024, as stipulated under the relevant clauses of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the Management. My examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me and based on the representations made by the Directors & the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Sd/-
Practicing Company Secretary: **Pankaj S. Desai**

ACS No.	:	3398
C. P. No.	:	4098
UDIN No.	:	A003398F000962884
Place	:	Mumbai
Date	:	August 13, 2024
Peer Review No.	:	2702/2022

INDEPENDENT AUDITOR'S REPORT

To the Members of Hindustan Foods Limited

Report on the Audit of the Standalone Financial Statements

OPINION

We have audited the accompanying standalone financial statements of Hindustan Foods Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, and the Statement of Profit and Loss, including Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including material accounting policy information and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and profit, other comprehensive income, changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in

our audit of the standalone financial statements for the year ended March 31, 2024. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	How the Key Audit Matter was addressed in our audit
1	<u>Acquisition of the Business undertaking- Business Combination accounting</u> Hindustan Foods Limited ("HFL" or the "Company"), on December 15, 2022, has entered into a business transfer agreement ("Principal Agreement" or "BTA") with Reckitt Benckiser Healthcare India Private Limited (Seller) to acquire a business undertaking located at Baddi, Himachal Pradesh on a slump sale basis. On December 16, 2023, upon completion of the terms and condition of the BTA, the transaction was finalised along with the purchase consideration of Rs. 12,775.00 Lakhs. Management of the Company has made the assessment of the said transaction and has, accordingly, accounted it as the business combination as per Ind AS 103 "Business Combination". Since, accounting for the business combination involves management judgement in order to:	Our audit procedures included and were not limited to the following: 1. Obtained an understanding of the process followed by the Company for assessment and determination of the effective date and the accounting treatment, including the identification of assets and liabilities and determination of their fair values. 2. Evaluated the design and implementation and testing the operating effectiveness of key internal controls related to the Company's valuation process. 3. Reviewed the Purchase Price Allocation report provided by the management of the company by involvement of registered valuer. 4. Verified the completeness of the identified assets acquired and liabilities assumed.

INDEPENDENT AUDITOR'S REPORT (CONTD.)

Sr. No.	Key Audit Matter	How the Key Audit Matter was addressed in our audit
	• Assessment of the transaction as the asset acquisition or business combination as per Ind AS 103. • Identify and measure the fair value of the identifiable assets acquired and liabilities assumed. • Allocate the consideration transferred towards identifiable assets, liability and goodwill/other intangible assets. Since, the amount of the acquisition is material to the Company and significant management judgement is required in identification of fair values and the allocation of the consideration into identifiable tangible and intangible assets, we have identified this as a Key Audit Matter.	5. Involved our internal experts to assess the appropriateness of methods and inputs used in the valuation of assets and liabilities acquired. 6. Assessed the adequacy and appropriateness of the disclosures made in the Standalone Financial Statements in compliance with the requirements of applicable Indian Accounting Standards and applicable financial reporting framework.
2	Acquisition of the subsidiary- Business Combination accounting Hindustan Foods Limited, on October 01, 2023, has acquired control of KNS Shoetech Private Limited through a Share Purchase Agreement for Rs. 371.76 Lakhs. Management of the Company has made the assessment of the said transaction and has, accordingly, accounted it as the business combination as per Ind AS 103 "Business Combination". Since, accounting for the business combination involves judgement in order to: • Assessment of the transactions as the asset acquisition or business combination as per Ind AS 103. • Identify and measure the fair value of the identifiable assets acquired and liabilities assumed. • Allocate the consideration transferred towards identifiable assets, liability and goodwill/other intangible assets. Since, significant management judgement is required in identification of fair values and the allocation of the consideration into identifiable tangible and intangible assets, we have identified this as a Key Audit Matter.	Our audit procedures included and were not limited to the following: 1. Obtained an understanding of the process followed by the Company for assessment and determination of the effective date and the accounting treatment, including the identification of assets and liabilities and determination of their fair values. 2. Evaluated the design and implementation and testing the operating effectiveness of key internal controls related to the Company's valuation process. 3. Reviewed the Purchase Price Allocation report provided by the management of the company by involvement of registered valuer. 4. Verified the completeness of the identified assets acquired and liabilities assumed. 5. Involved our internal experts to assess the appropriateness of methods and inputs used in the valuation of assets and liabilities. 6. Assessed the adequacy and appropriateness of the disclosures made in the Standalone Financial Statements in compliance with the requirements of applicable Indian Accounting Standards and applicable financial reporting framework.

INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance under SA 720 'The Auditor's responsibilities Relating to Other Information' and take necessary actions under the relevant laws and regulations.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Standalone Financial Statements.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except for the matters stated in the paragraph 2(g)(vi) below on reporting under Rule 11(g).

   (c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income,

INDEPENDENT AUDITOR'S REPORT (CONTD.)

the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act

(e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would impact its financial position.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. 1) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

2) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (Funding Parties), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

3) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, and according to the information and explanations provided to us by the Management in this regard nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.

v. The Company has neither declared nor paid any dividend during the year.

vi. Based on our examination, the Company has used Focus 7 for maintaining its books of account which has a feature of recording audit trail (edit log) facility, except in respect of certain fields of transactions wherein the accounting software did not capture changes from April 1, 2023 to December 31, 2023. The audit trail facility has been operated throughout the year for all relevant transactions recorded in the Focus 7, except the changes made in product line, Quantity etc. The logs/changes were available for amount field. Further, during the course of our examination, we did not come across any instance of audit trail feature being tampered with.

3. In our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits laid prescribed under Section 197 read with Schedule V of the Act and the rules thereunder.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Amrish Vaidya
Partner
Membership No. 101739
UDIN: 24101739BKEZRY6301

Place: Mumbai
Date: May 21, 2024

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

ON EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF HINDUSTAN FOODS LIMITED

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and Board of Directors.
- Conclude on the appropriateness of management and Board of Director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the year ended March 31, 2024 and are therefore, the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Amrish Vaidya
Partner
Membership No. 101739
UDIN: 24101739BKEZRY6301

Place: Mumbai
Date: May 21, 2024

ANNEXURE B TO INDEPENDENT AUDITOR'S REPORT

OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF HINDUSTAN FOODS LIMITED FOR THE YEAR ENDED MARCH 31, 2024

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

i. (a) A The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment and relevant details of right-of-use assets.

B The Company has maintained proper records showing full particulars of intangible assets.

(b) Property, Plant and Equipment, and right of use assets were physically verified by the management according to a phased programme designed to cover all items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of Property, plant and equipment and right of use assets have been physically verified by Management during the year. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us, the title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) as disclosed in the standalone financial statements are held in the name of the Company, except for the following which are not held in the name of the Company.

(Rs.in lakhs)

Sr. No.	Description of Property	Gross carrying value	Held in the name of	Whether promoter, director or their relative or employee	Period held – Indicate range, where appropriate	Reason for not being held in name of Company (also indicate if in dispute)
1	Leasehold Land	107.21	Karnataka Industrial Areas Development Board ('KIADB')	No	February 2022	The leasehold rights of the land were transferred to Company as per the NCLT Approved Scheme [refer note 46(b)] w.e.f. February 18, 2022. As per the lease agreement with KIADB, the Company has an option of purchasing the land. The Company is in process of applying to KIADB for purchase of the land.
2	Leasehold Land	214.44	Reckitt Benckiser Healthcare India Private Limited	No	December, 2023	The leasehold land was acquired by the Company as a part of business transfer agreement entered with Reckitt Benckiser Healthcare India Private Limited for acquisition of Baddi factory. The Company is in the process of transferring the title in the name of Hindustan Foods Limited.

i. (d) According to the information and explanations given to us, the Company has not revalued its property, plant and Equipment (including Right of Use assets) and intangible assets during the year. Accordingly, the provisions stated under clause 3(i)(d) of the Order are not applicable to the Company.

(e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988, as amended and rules made thereunder. Accordingly, the provisions stated under clause 3(i)(e) of the Order are not applicable to the Company.

ANNEXURE B TO INDEPENDENT AUDITOR'S REPORT (CONTD.)

ii. (a) The inventory (excluding stocks with third parties which is immaterial) has been physically verified by the management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency, coverage and procedure of such verification is reasonable. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.

(b) During the year the Company has been sanctioned working capital limits in excess of Rs. 5 crores in aggregate from Banks on the basis of security of current assets. Based on the records examined by us in the normal course of audit of the standalone financial statements , statements filed with such Banks/ financial institutions are in agreement with the books of accounts of the Company.

iii. (a) According to the information explanation provided to us, the Company has provided loans, advances in the nature of loans, stood guarantee, and/or provided security(ies) to other entities.

(A) The details of such loans, guarantee or security(ies) to subsidiaries are as follows:

(Rs.in lakhs)

	Guarantees	Security	Loans	Advances in the nature of loans
Aggregate amount granted/provided during the year - Subsidiaries	3,243.52	-	12,229.59	-
Balance Outstanding as at balance sheet date in respect of above cases - Subsidiaries	19,220.36	-	10,276.82	-

(b) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the investments made, guarantees provided and terms and conditions in relation to grant of all loans, investments made and guarantees provided are not prejudicial to the interest of the Company. Further, Company has not given any securities or advances in the nature of loans during the year.

(c) The loans and advances in the nature of loans are repayable on demand and interest on the same has been stipulated and the borrowers have been regular in the payment of interest. During the year, the Company has not demanded repayment of such loans. Accordingly, in our opinion the repayments of principal amounts and receipts of interest are regular (Refer reporting under clause 3(iii)(f) below).

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount remaining outstanding as at the balance sheet date as the loans and advances in the nature of loans are repayable on demand and the Company has not demanded such loans and advances in nature of loan (including receivable in nature of loan.)

(e) According to the information explanation provided to us, the loans or advances in the nature of loan granted has not been demanded by the Company during the year. Accordingly, the provisions stated under clause 3(iii)(e) of the Order are not applicable to the Company.

ANNEXURE B TO INDEPENDENT AUDITOR'S REPORT (CONTD.)

(f) According to the information explanation provided to us, the Company has granted loans in the nature of loans repayable on demand. The details of the same are as follows:

(Rs.in lakhs)

	All Parties	Promoters	Related Parties
Aggregate amount of loans in nature of loans			
- Repayable ondemand (A)	-	-	10,276.82
- Agreement does not specify any terms or period of repayment (B)	-	-	-
Total (A+B)	**-**	**-**	**10,276.82**
Percentage of loans in nature of loans to the total loans	-	-	100%

iv. According to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013, in respect of loans, investments, guarantees and security made.

v. According to the information and explanations given to us, the Company has neither accepted any deposits from the public nor any amounts which are deemed to be deposits, within the meaning of Sections 73, 74, 75 and 76 of the Companies Act, 2013 and the rules framed there under. Accordingly, the provisions stated under clause 3(iv) of the Order is not applicable to the Company.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Companies Act, 2013 in respect of its products/ services. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including Goods and Services tax, provident fund, employees' state insurance, income-tax, duty of customs, cess and other statutory dues have generally been regularly deposited with the appropriate authorities during the year, though there has been a slight delay in a few cases.

There are no undisputed amounts payable in respect of Goods and Services tax, provident fund, employees' state insurance, income-tax duty of customs, cess, and other statutory dues in arrears as at March 31, 2024, outstanding for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us and the records of the Company examined by us, there are no dues relating to goods and services tax, provident fund, employees' state insurance, income-tax, duty of customs, cess, and other statutory dues which have not been deposited on account of any dispute.

viii. According to the information and explanations given to us, there are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in Income-tax Assessment of the Company. Accordingly, the provision stated under clause 3(viii) of the Order is not applicable to the Company.

ix. (a) In our opinion and according to the information and explanations given to us and the records of the Company examined by us, the Company has not defaulted in repayment of loans or borrowings or in payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any Bank

ANNEXURE B TO INDEPENDENT AUDITOR'S REPORT (CONTD.)

or financial institution or government or any government authority as at March 31, 2024.

(c) In our opinion and according to the information and explanations provided to us, money raised by way of term loans during the year have been applied for the purpose for which they were raised. Refer Note 17 to the standalone financial statements.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information explanation given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries.

x. (a) In our opinion and according to the information explanation given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions stated under clause 3(x)(a) of the Order are not applicable to the Company.

(b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has made preferential allotment of convertible share warrants during the year and the requirements of Section 42 and Section 62 of the Companies Act, 2013, have been complied with. The amount raised has been used for the purposes for which they were raised except for idle/surplus funds amounting to Rs. 11,138.08 lakhs which were not required for immediate utilization and which have been invested in liquid investments payable on demand. The maximum amount of idle/surplus funds invested during the year was Rs 11,138.08 lakhs, of which Rs 11,138.08 lakhs was outstanding at the end of the year.

xi. (a) Based on our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we report that no material fraud by the Company or on the Company has been noticed or reported during the year in the course of our audit.

(b) Based on our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the provisions stated under clause 3(xi)(b) of the Order is not applicable to the Company.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing, and extent of audit procedures.

xii. The Company is not a Nidhi Company. Accordingly, the provisions stated under clause 3(xii)(a) to (c) of the Order are not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv. (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till the date of our audit report, for the period under audit.

xv. According to the information and explanations given to us, in our opinion, during the year, the Company has not entered into any non-cash transactions with directors or persons connected with its directors and accordingly, the reporting on compliance with the provisions of Section 192 of the Companies Act, 2013 in clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) The Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934 (2 of 1934) and accordingly, the provisions stated under clause 3(xvi)(a) of the Order are not applicable to the Company.

(b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities during the year and accordingly, the provisions stated under clause 3 (xvi)(b) of the Order are not applicable to the Company.

(c) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Accordingly, the provisions stated under clause 3 (xvi)(c) of the Order are not applicable to the Company.

(d) According to the information and explanations provided to us, the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any Core Investment Company as part of its group. Accordingly, the provisions stated under clause 3(xvi)(d) of the order are not applicable to the Company.

xvii. Based on the overall review of standalone financial statements, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Accordingly, the provisions stated under clause 3(xvii) of the Order are not applicable to the Company.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, the provisions stated under clause 3(xviii) of the Order are not applicable to the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios (as disclosed in note 46 to the standalone financial statements), ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. (a) In respect of other than ongoing projects, the Company has made the required contributions during the year and there are no unspent amount under sub-section (5) of the Section 135 of the Act in relation to project other than ongoing project which are required to be transferred to a Fund specified in Schedule VII of the Act. Accordingly, the provisions stated under clause 3(xx) of the Order are not applicable to the Company.

(b) In respect of ongoing projects, unspent amount transferred to the special account in relation to previous year has been spent during the year in compliance with CSR policy of the Company. In current year, there are no ongoing projects and accordingly reporting under Clause 3(xx)(b) of the Order is not applicable to the Company.

xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said Clause has been included in the report.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Amrish Vaidya
Partner
Membership No. 101739
UDIN: 24101739BKEZRY6301

Place: Mumbai
Date: May 21, 2024

ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT

OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF HINDUSTAN FOODS LIMITED

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Hindustan Foods Limited on the Financial Statements for the year ended March 31, 2024]

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of Hindustan Foods Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

OPINION

In our opinion, the Company, has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2024, based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note").

MANAGEMENTS' AND BOARD OF DIRECTOR'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

A company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone

financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Amrish Vaidya
Partner
Membership No. 101739
UDIN: 24101739BKEZRY6301

Place: Mumbai
Date: May 21, 2024

STANDALONE BALANCE SHEET

AS AT MARCH 31, 2024

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Notes	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non-current assets			
Property, plant and equipment	4 (a)	57,941.02	39,122.73
Right of use assets	4 (a)	1,118.10	929.26
Capital work-in-progress	4 (b)	474.14	4,453.06
Goodwill	5 (a)	157.70	157.70
Other intangible assets	5 (b)	92.18	4.36
Intangible assets under development	5 (c)	33.68	39.95
Financial assets			
Investments	11	8,412.44	8,039.68
Other financial assets	7	11,856.34	695.76
Non-current tax assets (net)	8	333.58	1,297.05
Other non-current assets	9	604.34	1,986.02
Total non-current assets		**81,023.52**	**56,725.57**
Current assets			
Inventories	10	40,112.37	28,320.27
Financial assets			
Trade receivables	12	10,076.58	8,532.50
Cash and cash equivalents	13	388.78	971.29
Other than cash and cash equivalents	14	610.82	1,059.65
Loans	6	10,276.82	4,733.20
Other financial assets	7	7,180.74	4,425.71
Other current assets	9	4,059.29	2,867.46
Total current assets		**72,705.40**	**50,910.08**
Total assets		**1,53,728.92**	**1,07,635.65**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	2,291.47	2,254.86
Other equity	16	60,544.29	34,967.51
Total equity		**62,835.76**	**37,222.37**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	17	34,899.26	26,135.04
Lease liabilities	36	340.72	339.19
Provisions	18	1,121.89	473.04
Deferred tax liabilities (net)	31	3,217.68	3,864.90
Total non-current liabilities		**39,579.55**	**30,812.17**
Current liabilities			
Financial liabilities			
Borrowings	17	15,413.26	8,246.45
Trade payables	19		
i) total outstanding dues of micro enterprises and small enterprises		42.83	39.82
ii) total outstanding dues of creditors other than micro enterprise and small enterprise		30,882.94	27,083.69
Lease liabilities	36	90.54	101.63
Other financial liabilities	20	1,999.27	1,608.95
Other current liabilities	21	2,774.93	2,440.53
Provisions	18	109.84	80.04
Total current liabilities		**51,313.61**	**39,601.11**
Total liabilities		**90,893.16**	**70,413.28**
Total equity and liabilities		**1,53,728.92**	**1,07,635.65**
Summary of material accounting policies	2-3		

The accompanying notes 1 to 52 are an integral part of the standalone financial statements.

As per our report of even date attached
For **M S K A & Associates**
Chartered Accountants
Firm's Registration No.:105047W

Amrish Vaidya
Partner
Membership No: 101739

Place : Mumbai
Date : May 21, 2024

For and on behalf of the Board of Directors of
Hindustan Foods Limited
CIN: L15139MH1984PLC316003

Sameer R. Kothari
Managing Director
DIN: 01361343

Mayank Samdani
Chief Financial Officer

Place : Mumbai
Date : May 21, 2024

Ganesh T. Argekar
Executive Director
DIN: 06865379

Bankim Purohit
Company Secretary
Membership No:ACS21865

STATEMENT OF STANDALONE PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2024

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Notes	Year ended March 31, 2024	Year ended March 31, 2023
Income			
Revenue from operations	22	2,38,137.34	2,38,319.80
Other income	23	1,002.32	525.21
Total income		**2,39,139.66**	**2,38,845.01**
Expenses			
Cost of material consumed	24	2,07,540.03	2,08,786.07
Purchase of stock-in-trade		-	180.81
Changes in inventories of finished goods, stock-in-trade and work-in-progress	25	(5,391.98)	(1,332.74)
Employee benefits expense	26	5,930.10	4,418.11
Finance costs	27	3,773.52	2,660.06
Depreciation and amortisation expenses	28	3,854.09	2,929.56
Manufacturing and operating costs	29	10,075.89	8,965.95
Other expenses	30	3,731.84	2,595.79
Total expenses		**2,29,513.49**	**2,29,203.61**
Profit before tax		**9,626.17**	**9,641.40**
Tax expense	31		
Current tax		2,333.28	3,042.54
Adjustment of tax relating to earlier periods		(14.59)	(181.07)
Deferred tax (excluding MAT credit utilisation)		(520.33)	328.58
Total tax expense		**1,798.36**	**3,190.05**
Profit for the year		**7,827.81**	**6,451.35**
Other comprehensive income			
Items not to be reclassified to profit or loss :			
- Re-measurement gains/(losses) on defined benefit plans		122.33	(52.10)
- Income tax effect on these items		(30.79)	18.21
Total other comprehensive income for the year		**91.54**	**(33.89)**
Total comprehensive income for the year		**7,919.35**	**6,417.46**
Earnings per share (face value Rs. 2 each) [refer note 15 (a)]			
Basic earnings per share (Rs)	32	6.92	5.72
Diluted earnings per share (Rs) (refer note 48)	32	6.92	5.72
Summary of material accounting policies	2-3		

The accompanying notes 1 to 52 are an integral part of the standalone financial statements.

As per our report of even date attached
For **M S K A & Associates**
Chartered Accountants
Firm's Registration No.:105047W

Amrish Vaidya
Partner
Membership No: 101739

Place : Mumbai
Date : May 21, 2024

For and on behalf of the Board of Directors of
Hindustan Foods Limited
CIN: L15139MH1984PLC316003

Sameer R. Kothari
Managing Director
DIN: 01361343

Mayank Samdani
Chief Financial Officer

Place : Mumbai
Date : May 21, 2024

Ganesh T. Argekar
Executive Director
DIN: 06865379

Bankim Purohit
Company Secretary
Membership No:ACS21865

STANDALONE STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2024

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	For the year ended on March 31, 2024	For the year ended on March 31, 2023
Cash flows from operating activities		
Profit before tax	9,626.17	9,641.40
Adjustments for:		
Depreciation and amortisation expenses	3,854.09	2,929.56
Finance cost	3,773.52	2,660.06
Interest income	(689.42)	(319.13)
Liabilities no longer required written back	(165.21)	(30.42)
Provision for doubtful debts written back	-	(64.39)
Bad debts written-off	30.24	5.18
Provision for doubtful advances	70.48	-
Advances written off	18.03	35.85
Provision for doubtful debts (net)	3.94	-
Other receivable written off	-	2.81
Unrealised foreign exchange translation (gain)/ loss	10.21	(17.07)
Operating profit before working capital changes	**16,532.05**	**14,843.85**
Changes in working capital		
Increase in inventories	(8,507.22)	(6,580.42)
Increase in trade receivables	(1,463.84)	(1,329.07)
(Increase)/ Decrease in other assets	(1,138.03)	921.20
(Increase)/ Decrease in financial assets	(2,176.57)	303.54
Increase in trade payables	1,844.70	2,076.67
Increase in other liabilities	334.40	1,686.64
Increase/ (Decrease) in financial liabilities	531.84	(86.58)
Increase in provisions	138.15	142.29
Cash generated from operations	**6,095.48**	**11,978.12**
Income tax paid (net)	(1,325.88)	(1,777.57)
Net cash generated from operating activities (A)	**4,769.60**	**10,200.55**
Cash flows from investing activities		
Purchase of property plant and equipment, capital work-in-progress, other intangible assets and intangible assets under development (net of capital creditors and including capital advances)	(6,949.60)	(7,572.77)
Payment against business transfer agreement (refer note 35 (A) (b))	-	(1,000.00)
Proceeds from disposal of property, plant and equipment	-	165.88
Proceeds from bank balances other than cash and cash equivalents	474.25	20.25
Investment in Fixed deposit from money received from issue of convertible warrants	(11,138.08)	-
Payment for acquisition of subsidiaries (refer note 35 (A)(a) and 49)	(372.76)	(7,349.02)
Repayment of loan from related party (net)	(5,543.62)	(1,510.00)
Payment for acquisition of business (refer note 35 (A) (b))	(11,775.00)	-
Interest received	579.55	548.37
Net cash used in investing activities (B)	**(34,725.26)**	**(16,697.29)**

STANDALONE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2024 (CONTD.)

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	For the year ended on March 31, 2024	For the year ended on March 31, 2023
Cash flows from financing activities		
Proceeds from issue of equity shares (net off issue expenses)	9,842.69	-
Proceeds from issue of convertible warrants	7,500.00	-
Proceeds from long-term borrowings	15,267.44	11,271.84
Repayment of long term borrowings	(6,510.14)	(4,884.53)
Proceeds from short-term borrowings (net)	7,170.24	1,037.68
Lease rentals paid against lease liability	(151.71)	(154.28)
Interest paid	(3,738.47)	(2,538.08)
Net cash generated from financing activities (C)	**29,380.05**	**4,732.63**
Net (decrease) in cash and cash equivalents (A+B+C)	**(575.61)**	**(1,764.10)**
Cash and cash equivalents at the beginning of the year	971.29	2,721.44
Exchange difference on translation of foreign currency cash and cash equivalents	(6.90)	13.95
Cash and cash equivalents at the end of the year	**388.78**	**971.29**
Cash and cash equivalents comprise of (refer note 13)		
Balances with banks:		
On current accounts	385.79	778.86
Fixed deposits with maturity of less than 3 months	-	189.58
Cash on hand	2.99	2.85
Total cash and cash equivalents at end of the year	**388.78**	**971.29**

Foot note :-

(i) Figures in brackets represent cash outflow.

(ii) The above Cash Flow Statement has been prepared under indirect method as set out in Ind AS-7-Cash Flow Statement notified under the Section 133 of the Companies Act, 2013.

The accompanying notes 1 to 52 are an integral part of the standalone financial statements.

As per our report of even date attached
For **M S K A & Associates**
Chartered Accountants
Firm's Registration No.:105047W

Amrish Vaidya
Partner
Membership No: 101739

Place : Mumbai
Date : May 21, 2024

For and on behalf of the Board of Directors of
Hindustan Foods Limited
CIN: L15139MH1984PLC316003

Sameer R. Kothari
Managing Director
DIN: 01361343

Ganesh T. Argekar
Executive Director
DIN: 06865379

Mayank Samdani
Chief Financial Officer

Bankim Purohit
Company Secretary
Membership No:ACS21865

Place : Mumbai
Date : May 21, 2024

STANDALONE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2024

(Amounts in Rs. lakhs, unless otherwise stated)

(A) EQUITY SHARE CAPITAL [REFER NOTE 15]

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of shares	Amount	No. of shares	Amount
Equity shares of Rs. 2/- each issued, subscribed and fully paid				
Balance at the beginning of the year	11,27,42,690	2,254.86	2,25,48,538	2,254.86
Add: Changes in equity share capital during the year [refer note 48]	18,30,663	36.61	-	-
Add: Equity shares arising on shares split from Rs. 10/- to Rs. 2/- per share [refer note 15 (a)]	-	-	9,01,94,152	-
Balance at the end of the year	**11,45,73,353**	**2,291.47**	**11,27,42,690**	**2,254.86**

(B) OTHER EQUITY [REFER NOTE 16]

Particulars	Equity component of redeemable non cumulative non convertible preference shares	Securities premium	Capital reserve [refer note 35 (A) (b)]	Retained earnings	Money received against share warrants (refer note 48)	Total
Balance as at April 01, 2022	**86.29**	**13,500.80**	**39.99**	**14,922.97**	**-**	**28,550.05**
Profit for the year	-	-	-	6,451.35	-	6,451.35
Other comprehensive income	-	-	-	(33.89)	-	(33.89)
Total comprehensive income for the year	**86.29**	**13,500.80**	**39.99**	**21,340.43**	**-**	**34,967.51**
Balance as at March 31, 2023	**86.29**	**13,500.80**	**39.99**	**21,340.43**	**-**	**34,967.51**
Balance as at April 01, 2023	**86.29**	**13,500.80**	**39.99**	**21,340.43**	**-**	**34,967.51**
Profit for the year	-	-	-	7,827.81	-	7,827.81
Other comprehensive income	-	-	-	91.54	-	91.54
Total comprehensive income for the year	**86.29**	**13,500.80**	**39.99**	**29,259.78**	**-**	**42,886.86**
Gain on bargain purchase on acquisition	-	-	351.35	-	-	351.35
Securities premium on shares issued [refer note 48]	-	9,963.38	-	-		9,963.38
Money received against share warrants [refer note 48]	-	-	-	-	7,500.00	7,500.00
Expenses on issue of share warrants [refer note 48]	-	(157.30)	-	-	-	(157.30)
Balance as at March 31, 2024	**86.29**	**23,306.88**	**391.34**	**29,259.78**	**7,500.00**	**60,544.29**

The accompanying notes 1 to 52 are an integral part of the standalone financial statements.

As per our report of even date attached
For **M S K A & Associates**
Chartered Accountants
Firm's Registration No.:105047W

Amrish Vaidya
Partner
Membership No: 101739

Place : Mumbai
Date : May 21, 2024

For and on behalf of the Board of Directors of
Hindustan Foods Limited
CIN: L15139MH1984PLC316003

Sameer R. Kothari
Managing Director
DIN: 01361343

Ganesh T. Argekar
Executive Director
DIN: 06865379

Mayank Samdani
Chief Financial Officer

Bankim Purohit
Company Secretary
Membership No:ACS21865

Place : Mumbai
Date : May 21, 2024

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

1. GENERAL INFORMATION

Hindustan Foods Limited (the "Company") is a public company domiciled in India and was incorporated in the year 1984 under the provisions of the Companies Act, 1956 applicable in India. It's registered and principal office of business is located at office No. 03, Level 2, Centrium, Phoenix Market City, Kurla, Mumbai- 400070. The Company 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. The equity shares of the Company are listed in India on the Bombay Stock Exchange.

2. MATERIAL ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

a) Statement of Compliance with Ind AS

These financial statements have been prepared in accordance with Indian Accounting Standards "(Ind AS)" notified under Section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Act (Ind AS compliant Schedule III), as applicable to the financial statements.

The financial statements have been prepared on accrual & going concern basis. Accounting policies have been consistently applied to all the years presented except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

b) Basis of measurement

The financial statements have been prepared on a historical cost convention on accrual basis, except for defined benefit plans -plan assets measured at fair value and certain financial assets and financial liabilities.

c) Current / non-current classification

The Company has ascertained its operating cycle as twelve months for the purpose of current/ non-current classification of its assets and liabilities. The Company presents its assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

d) Use of estimates

The preparation of financial statements in conformity with Ind AS requires the management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the balance sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the balance sheet date. The estimates and assumptions used in the accompanying financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates,

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (CONTD.)

if any, are recognised in the year in which the estimates are revised and in any future years affected. Refer Note 3 for detailed discussion on estimates and judgments.

e) Rounding off of amounts

The financial statements are reported in Indian Rupee which is functional currency of the Company and all the values are rounded to the nearest lakhs (Rs. 00,000).

2.2 Property, plant and equipment

Freehold land is carried at acquisition cost and is not depreciated. All other items of property, plant and equipment are stated at acquisition cost less accumulated depreciation and impairment, if any. Acquisition cost includes expenditure that is directly attributable to the acquisition of the items.

Spare parts are recognised when they meet the definition of property, plant and equipment, otherwise, such items are classified as inventory.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the year in which they are incurred.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets which are not ready for intended use before such date are disclosed under 'Capital work-in-progress'.

Depreciation methods, estimated useful lives

The Company depreciates property, plant and equipment over their estimated useful lives prescribed under Schedule II of Companies Act, 2013 using the straight-line method. The estimated useful lives of assets are as follows:

Property, plant and equipment	Estimated useful life
Leasehold improvement*	Lease period
Building	30 years
Plant & Machinery	15 years
Furniture and Fixtures	10 years
Office Equipment	5 to 10 years
Electrical equipment	10 years
Computers:	3 years
Vehicles	2 to 15 years

* Leasehold improvements are amortised over the lease period, which corresponds with the useful lives of the assets.

Based on the technical expert's assessment of useful life, certain items of property plant and equipment are being depreciated over useful lives different from the prescribed useful lives under Schedule II to the Companies Act, 2013. Management believes that such estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Depreciation on addition to property plant and equipment is provided on pro-rata basis from the date when assets are ready for intended use. Depreciation on sale from property plant and equipment is provided up to the date preceding the date of sale, deduction as the case may be. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit and Loss under 'Other Income'.

Depreciation methods, useful lives and residual values are reviewed periodically at each financial year end and adjusted prospectively, if any, as appropriate.

2.3 Other intangible assets

Other intangible assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation/ depletion and impairment loss, if any. The cost comprises of purchase price and any cost directly attributable to bringing the asset to its working condition for the intended use.

Expenditure incurred on acquisition of intangible assets which are not ready to use at the reporting date is disclosed under "Intangible assets under development".

Amortisation method and periods

Amortisation is charged on a straight-line basis over the estimated useful lives. The estimated useful lives and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in the estimate being accounted for on a prospective basis.

The Company amortised intangible assets over their estimated useful lives using the straight-line method. The estimated useful lives of intangible assets are as follows:

Other intangible assets	Estimated useful life
Brand	4 years
Computer software	6 years

2.4 Impairment of non-financial assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognised in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

For non-financial assets, an assessment is made at each reporting period end or whenever triggering event occurs as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company makes an estimation of the recoverable amount.

A previously recognised impairment loss is reversed only if there has been a change in the estimations used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, or had no impairment loss been recognised for the asset in prior years.

2.5 Foreign currency transactions

a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (Rs.), which is the Company's functional and presentation currency.

b) Transactions and balances

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. Gains/ losses arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognised in the Statement of Profit and Loss.

All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognised in the Statement of Profit and Loss.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (CONTD.)

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (CONTD.)

Revenue Recognition

The Company recognises revenue when (or as) the Company satisfies a performance obligation by transferring the promised goods or services to a customer. The promised good or service is transferred when (or as) the customer obtains control over a good or service and revenue is recognised at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is reported net of taxes and duties as applicable.

For sale of goods, the Company recognises revenue when it transfers control of goods to the customer. Control is passed on to the customer when goods are dispatched from Company's premises or as per terms with customers.

For sale of services, the Company recognises revenue as or when the performance obligation in relation the service is satisfied by the Company based on terms of the agreements with customers and there are no unfulfilled obligations.

Revenue in excess of invoices are classified as unbilled revenue, while invoicing in excess of revenue are classified income received in advance.

Insurance claims are recognised when its amount can be measured reliably, and ultimate collection is reasonably certain.

Interest income is recognised on a basis of effective interest method as set out in Ind AS 109, Financial Instruments, and where no significant uncertainty as to measurability or collectability exists.

Export Incentives under various schemes are accounted in the year of export on accrual basis.

2.6 Taxes

Tax expense for the year, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the year.

a) Current income tax

Current tax assets and liabilities are measured at the amount expected to be recovered or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the year-end date. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

b) Deferred tax

Deferred income tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current and deferred tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

2.7 Leases

The Company's lease asset classes primarily consist of leases for Land and Buildings and Plant & Machinery. The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

(i) The contract involves the use of an identified asset

(ii) The Company has substantially all of the economic benefits from use of the asset through the period of the lease and

(iii) The Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and leases of low value assets. For these short-term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

2.8 Inventories

Inventories are valued at lower of cost and net realisable value after providing cost of obsolescence, if any. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. The comparison of cost and net realisable value is made on an item-by-item basis. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Cost includes purchase price, (excluding those subsequently recoverable by the enterprise from

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (CONTD.)

the concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. In determining the cost, weighted average cost method is used.

Manufactured finished goods and traded goods are valued at the lower of cost and net realisable value. Cost of work in progress and manufactured finished goods is determined on the weighted average basis and comprises direct material, cost of conversion and other costs incurred in bringing these inventories to their present location and condition. Cost of traded goods is determined on a weighted average basis.

Provision of obsolescence on inventories is considered on the basis of management's estimate based on demand and market of the inventories.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

The comparison of cost and net realisable value is made on item by item basis.

2.9 Investments in subsidiary and associate

Investments in Subsidiary and Associate are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiary and associates, the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.

2.10 Provisions and contingent liabilities

Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

2.11 Corporate social responsibility (CSR)

Provisions are recognised for all CSR activity undertaken by the Company for which an obligation has arisen during the year and are recognised in Statement of profit on loss on accrual basis. Provision is made against unspent amount of CSR.

2.12 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks, cash on hand and short-term deposits net of bank overdraft with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, cash in banks and short-term deposits net of bank overdraft.

2.13 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (CONTD.)

2.14 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a) Financial assets

i. Initial recognition and measurement

At initial recognition, financial asset is measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

ii. Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

a) at amortised cost; or

b) at fair value through other comprehensive income; or

c) at fair value through profit or loss.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method (EIR).

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to Statement of Profit and Loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income

Equity instruments: All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument- by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the profit and loss.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (CONTD.)

Impairment of financial assets

In accordance with Ind AS 109, Financial Instruments, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets that are measured at amortised cost and FVOCI.

For recognition of impairment loss on financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent years, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Life time ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the year end.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

ECL impairment loss allowance (or reversal) recognise during the year is recognised as income/expense in the statement of profit and loss. In balance sheet ECL for financial assets measured at amortised cost is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

iii. **Derecognition of financial assets**

A financial asset is derecognised only when

a) the rights to receive cash flows from the financial asset is transferred or

b) retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the financial asset is transferred then in that case financial asset is derecognised only if substantially all risks and rewards of ownership of the financial asset is transferred. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

b) Financial liabilities

i. **Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and at amortised cost, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

ii. **Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

iii. **Non-cumulative redeemable non-cumulative non-convertible preference shares**

Redeemable non-cumulative non-convertible preference shares where payment of dividend is discretionary and which are mandatorily redeemable on a specific date, are classified as compounded Instruments. The fair value of the liabilities portion is determined by discounting amount repayable at maturity using market rate of interest. Difference between proceed receive and fair value of liability on initial recognition is included in shareholder equity, net off income tax effect and not subsequently re-measured. Subsequently liability component of preference share is measured at amortised cost.

iv. **Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss as finance costs.

c) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.15 Employee benefits

a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are recognised in respect of employees' services up to the end of the year and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

b) Other long-term employee benefit obligations

i. **Defined contribution plan**

Provident Fund: Contribution towards provident fund is made to the regulatory authorities, where the Company has no

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (CONTD.)

further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

Employee's State Insurance Scheme: Contribution towards employees' state insurance scheme is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

ii. Defined benefit plans

Gratuity (funded): The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognised in the other comprehensive income in the year in which they arise.

iii. Other long- term employee benefit obligations

Compensated Absences: Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognised in the statement of profit and loss in the year in which they arise.

2.16 Contributed equity

Equity shares are classified as equity share capital. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.17 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Company's earnings per share is the net profit or loss for the year after deducting preference dividends and any attributable tax thereto for the year. The weighted average number of equity shares outstanding during the year and for all the years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

2.18 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Chief Operating Decision Maker (CODM) reviews the operations of the Company as contract manufacturing. Consequently, no separate segment information has been furnished.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (CONTD.)

2.19 Business Combination

Business Combinations are accounted for using the acquisition accounting method as at the date of the acquisition, which is the date at which control is transferred to the Company. The consideration transferred in the acquisition and the identifiable assets acquired and liabilities assumed are recognised at fair values on their acquisition date. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. Consideration transferred does not include amounts related to settlement of pre-existing relationships. Such amounts are recognised in the Statement of Profit and Loss. Transaction costs are expensed as incurred, other than those incurred in relation to the issue of debt or equity securities. Any contingent consideration payable is measured at fair value at the acquisition date. Subsequent changes in the fair value of contingent consideration are recognised in the Statement of profit and loss.

Business Combinations under common control are accounted as per Appendix C in Ind AS 103 - Business combinations, at carrying amount of assets and liabilities acquired and any excess of consideration issued over the net assets acquired is recognised as capital reserve on common control business combination.

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future years.

3.1 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the year-end date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

a) Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

b) Defined benefit plans and other long-term benefits (gratuity benefits and leave encashment)

The cost of the defined benefit plans such as gratuity and leave encashment are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each year end.

The principal assumptions are the discount and salary growth rate. The discount rate is based upon the market yields available on government bonds at the accounting date with a term that matches that of liabilities. Salary increase rate takes into account of inflation, seniority, promotion and other relevant factors on long term basis. For details refer Note 36.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (CONTD.)

c) Impairment of non-financial assets

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

d) Provision against obsolete and slow-moving inventories

The Company reviews the condition of its inventories and makes provision against obsolete and slow-moving inventory items which are identified as no longer suitable for sale or use. Company estimates the net realisable value for such inventories based primarily on the latest invoice prices and current market conditions. The Company carries out an inventory review at each balance sheet date and makes provision against obsolete and slow-moving items.

e) Impairment of financial assets

The Company assesses impairment based on expected credit losses (ECL) model on trade receivables. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (CONTD.)

4 (a) Property, plant and equipment

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Gross carrying amount					Depreciation & Impairment					Net carrying amount
	As at April 01, 2023	Additions/ Adjustments	Acquisition through business combination [refer note 35(A)(b)]	Disposals	As at March 31, 2024	As at April 01, 2023	Acquisition through business combination [refer note 35(A)(b)]	Depreciation for the year	Disposals	As at March 31, 2024	As at March 31, 2024
I Owned assets											
Freehold land ###	2,031.77	2.68	3,118.12	-	5,152.57	-	-	-	-	-	5,152.57
Buildings ###	17,052.86	4,075.28	8,165.95	-	29,294.09	3,375.39	4,339.12	722.82	-	8,437.33	20,856.76
Plant and machinery#	29,596.64	6,089.58	21,142.77	570.53	56,258.46	8,377.82	16,424.14	2,538.13	25.83	27,314.26	28,944.20
Furniture and fixtures	329.95	39.48	782.79	-	1,152.22	182.88	588.92	26.01	-	797.81	354.41
Vehicles	212.19	-	-	-	212.19	59.45	-	20.08	-	79.53	132.66
Office equipment's	819.70	200.23	-	-	1,019.93	526.58	-	124.33	-	650.91	369.02
Electrical equipment	2,909.58	622.46	-	-	3,532.04	1,375.36	-	214.08	-	1,589.44	1,942.60
Computers	168.15	118.93	440.00	-	727.08	130.25	372.74	58.71	-	561.70	165.38
Leasehold improvement	45.49	1.99	-	-	47.48	15.87	-	8.19	-	24.06	23.42
Total	**53,166.33**	**11,150.63**	**33,649.63**	**570.53**	**97,396.06**	**14,043.60**	**21,724.92**	**3,712.35**	**25.83**	**39,455.04**	**57,941.02**
II Right of use assets											
Leasehold land ##, ^	701.53	-	214.44	-	915.97	31.15	5.76	7.27	-	44.18	871.79
Building ^	512.75	110.60	-	-	623.35	253.87	-	123.17	-	377.04	246.31
Plant and machinery	47.41	-	-	-	47.41	47.41	-	-	-	47.41	-
Total	**1,261.69**	**110.60**	**214.44**	**-**	**1,586.73**	**332.43**	**5.76**	**130.44**	**-**	**468.63**	**1,118.10**

Includes finance cost capitalised during the year amounting to Rs. 197.69 lakhs (March 31, 2023: Rs. NIL) in Plant and machinery. Further, Rs. NIL (March 31, 2023: Rs. 89.92 lakhs) capitalised in Capital Work-in-progress.

Leasehold land aggregating to Rs. 321.65 lakhs (acquired as part of the business combinations) wherein the title deed is not held in name of the Company as on March 31, 2024 .

for title deeds of immovable properties not held in the name of the Company refer note 46(B)

^ For changes in the carrying value of lease liability refer note 36

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (CONTD.)

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Gross carrying amount					Depreciation & Impairment					Net carrying amount
	As at April 01, 2022	Additions/ Adjustments	Acquisition through business combination	Disposals	As at March 31, 2023	As at April 01, 2022	Acquisition through business combination	Depreciation for the year	Disposals	As at March 31, 2023	As at March 31, 2023
I Owned assets											
Freehold land ###	1,665.47	366.30	-	-	2,031.77	-	-	-	-	-	2,031.77
Buildings ###	16,371.61	681.25	-	-	17,052.86	2,810.95	-	564.44	-	3,375.39	13,677.47
Plant and machinery#	27,647.70	2,059.27	-	110.33	29,596.64	6,567.71	-	1,827.74	17.63	8,377.82	21,218.82
Furniture and fixtures	312.02	19.48	-	1.55	329.95	152.34	-	30.72	0.18	182.88	147.07
Vehicles	115.31	96.88	-	-	212.19	47.44	-	12.01	-	59.45	152.74
Office equipment's	645.02	176.03	-	1.35	819.70	466.85	-	59.73	-	526.58	293.12
Electrical equipment	2,745.09	277.38	-	112.89	2,909.58	1,112.46	-	281.08	18.18	1,375.36	1,534.22
Computers	143.56	24.59	-	-	168.15	111.38	-	18.87	-	130.25	37.90
Leasehold improvement	15.48	30.01	-	-	45.49	9.17	-	6.70	-	15.87	29.62
Total	**49,661.26**	**3,731.19**	**-**	**226.11**	**53,166.33**	**11,278.30**	**-**	**2,801.29**	**35.99**	**14,043.60**	**39,122.73**
II Right of use assets											
Leasehold land ##, ^	701.53	-	-	-	701.53	24.64	-	6.51	-	31.15	670.38
Building ^	512.75	-	-	-	512.75	134.59	-	119.27	-	253.87	258.88
Plant and machinery	47.41	-	-	-	47.41	47.41	-	-	-	47.41	-
Total	**1,261.69**	**-**	**-**	**-**	**1,261.69**	**206.64**	**-**	**125.78**	**-**	**332.43**	**929.26**

4 (b) Capital Work in Progress (CWIP)

Particulars	As at April 01, 2023	Expenditure during the year	Capitalised during the year	Impairment	Written off	Closing as at March 31, 2024
CWIP	4,453.06	2,683.74	(6,662.66)	-	-	474.14

Particulars	As at April 01, 2022	Expenditure during the year	Capitalised during the year	Impairment	Written off	Closing as at March 31, 2023
CWIP	880.80	4,900.49	(1,328.23)	-	-	4,453.06

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (CONTD.)

Ageing of capital work in progress

As at March 31, 2024

(Amounts in Rs. lakhs, unless otherwise stated)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	162.45	-	-	-	**162.45**
Projects temporarily suspended	-	-	311.69	-	**311.69**

As at March 31, 2023

(Amounts in Rs. lakhs, unless otherwise stated)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	4,014.43	126.94	-	-	4,141.37
Projects temporarily suspended	-	311.69	-	-	311.69

In case of the following projects, where completion is overdue as compared to it's original plan, completion schedule is as below:

As at March 31, 2024

(Amounts in Rs. lakhs, unless otherwise stated)

CWIP	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects temporarily suspended	311.69	-	-	-	**311.69**

There are no projects as Capital Work in Progess as at March 31, 2024 and March 31, 2023, the cost of which has exceeded in comparison to its original plan.

In case of the following projects (CWIP), where completion is overdue as compared to it's original plan, completion schedule is as below:

As at March 31, 2023

(Amounts in Rs. lakhs, unless otherwise stated)

CWIP	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects temporarily suspended*	311.69	-	-	-	311.69

* The Company is in the process of constructing a warehouse inside one of it's factory for storing inventories. The Company is planning to complete the construction work soon.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (CONTD.)

5 (a) Goodwill

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Amount
Cost	
As at April 01, 2022	**157.70**
Additions	-
Disposals/Adjustments	-
As at March 31, 2023	**157.70**
Additions	-
Disposals/Adjustments	-
As at March 31, 2024	**157.70**
Net book value	
As at March 31, 2024	**157.70**
As at March 31, 2023	**157.70**

No impairment loss required to be recognised on goodwill in current and previous year.

5 (b) Other intangible assets

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Gross carrying amount					Amortisation and impairment					Net carrying amount
	As at April 01, 2023	Additions/ Adjustments	Acquisition through business combination [refer note 35(A)(b)]	Disposals	As at March 31, 2024	As at April 01, 2023	Acquisition through business combination [refer note 35(A)(b)]	Amortisation for the year	Disposals	As at March 31, 2024	As at March 31, 2024
Other intangible assets											
Brand	200.00	-	-	-	200.00	200.00	-	-	-	200.00	-
Trademark	0.70	-	-	-	0.70	0.70	-	-	-	0.70	-
Computer software	17.47	67.85	617.33	-	702.65	13.11	586.06	11.30	-	610.47	92.18
Total	**218.17**	**67.85**	**617.33**	**-**	**903.35**	**213.81**	**586.06**	**11.30**	**-**	**811.17**	**92.18**

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Gross carrying amount					Amortisation and impairment					Net carrying amount
	As at April 01, 2022	Additions/ Adjustments	Acquisition through business combination	Disposals	As at March 31, 2023	As at April 01, 2022	Acquisition through business combination	Amortisation for the year	Disposals	As at March 31, 2023	As at March 31, 2023
Other intangible assets											
Brand	200.00	-	-	-	200.00	200.00	-	-	-	200.00	-
Trademark	0.70	-	-	-	0.70	0.69	-	0.01	-	0.70	-
Computer software	17.32	0.15	-	-	17.47	10.63	-	2.48	-	13.11	4.36
Total	**218.02**	**0.15**	**-**	**-**	**218.17**	**211.32**	**-**	**2.49**	**-**	**213.81**	**4.36**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (CONTD.)

5 (c) Intangible assets under development

Particulars	As at April 01, 2023	Expenditure during the year	Capitalised during the year	Impairment	Written off	Closing as at March 31, 2024
Intangible assets under development	39.95	51.15	(57.42)	-	-	33.68

Particulars	As at April 01, 2022	Expenditure during the year	Capitalised during the year	Impairment	Written off	Closing as at March 31, 2023
Intangible assets under development	-	39.95	-	-	-	39.95

Ageing of Intangible asset under development

As at March 31, 2024

(Amounts in Rs. lakhs, unless otherwise stated)

Intangible asset under development	Amount in intangible asset under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	33.68	-	-	-	**33.68**
Projects temporarily suspended	-	-	-	-	**-**

As at March 31, 2023

(Amounts in Rs. lakhs, unless otherwise stated)

Intangible asset under development	Amount in intangible asset under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	39.95	-	-	-	39.95
Projects temporarily suspended	-	-	-	-	-

There are no projects as Intangible assets under development as at March 31, 2024 and March 31, 2023, whose completion is overdue or cost of which has exceeds in comparison to its original plan.

6 FINANCIAL ASSETS - LOANS

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2024		As at March 31, 2023	
	Non- current	Current	Non- current	Current
Unsecured, considered good				
Loan to related parties, repayable on demand [refer note 37 (c)]	-	10,276.82	-	4,733.20
Total financial assets	**-**	**10,276.82**	**-**	**4,733.20**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (CONTD.)

Details of loans and advances in the nature of loans granted to promoters, directors, key managerial personnel and related parties (as defined under Companies Act, 2013):

(Amounts in Rs. lakhs, unless otherwise stated)

Type of Borrower	Loans/Advances granted Individually or Jointly with other (Individually / Jointly)	Repayable on demand	Terms/ Period of repayment is specified	31-Mar-24		31-Mar-23	
				Amount outstanding	% of Total	Amount outstanding	% of Total
Subsidiary Companies	Individually	Yes	No	10,276.82	100%	4,733.20	100%
Total				**10,276.82**		**4,733.20**	

The Company has not granted any loans or advances in the nature of loans to promoters, directors and KMPs, either severally or jointly with any other person.

7 OTHER FINANCIAL ASSETS

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2024		As at March 31, 2023	
	Non- current	Current	Non- current	Current
Financial instruments at amortised cost				
Security deposits	630.66	19.56	582.74	19.56
"In fixed deposit accounts with original maturity for more than 12 months#"	11,225.68	-	113.02	-
Interest accrued on deposits with bank	-	64.60	-	31.29
Interest accrued on loans given to related parties (refer note 37)	-	76.56	-	-
Unbilled revenue	-	6,198.23	-	4,074.71
Other receivable*	-	821.79	-	300.15
Total other financial assets	**11,856.34**	**7,180.74**	**695.76**	**4,425.71**

These Includes fixed deposits of Rs. 55.98 lakhs (previous year ended March 31, 2023: Rs. 50.12 lakhs) held as margin money deposit against guarantees and lien.

* Refer note 37 for other receivables from related party

8 NON-CURRENT TAX ASSETS

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
Advance income tax (net)	333.58	1,297.05
Total non-current tax assets	**333.58**	**1,297.05**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (CONTD.)

9 OTHER NON-CURRENT AND CURRENT ASSETS'

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2024		As at March 31, 2023	
	Non- current	Current	Non- current	Current
Capital advances*	577.25	-	959.75	-
Advance against business transfer agreement (refer note 35 (A) (b))	-	-	1,000.00	-
Prepaid expenses	27.09	292.62	26.27	230.94
Balance with government authorities (other than income tax)	-	2,383.42	-	1,860.82
Export incentive receivable	-	128.43	-	113.80
Advances to suppliers	-	1,246.39	-	660.83
Advances to employees	-	8.43	-	1.07
Total other assets	**604.34**	**4,059.29**	**1,986.02**	**2,867.46**

* Value of contracts in capital account remaining to be executed as at March 31, 2024 Rs. 339.37 lakhs (as at March 31, 2023: Rs. 890.31 lakhs)

10 INVENTORIES*

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
(Lower of cost or Net realisable value)		
Raw material	19,531.04	15,028.64
Work in progress	11,015.05	5,879.39
Finished goods	5,911.57	4,999.32
Packing material	3,138.04	2,223.66
Consumables, store and spares parts	516.67	189.26
Total inventories	**40,112.37**	**28,320.27**

During the year, an amount of Rs. NIL [previous year ended March 31, 2023: Rs. 19.44 lakhs] is charged to the statement of Profit and Loss on account of obsolete, damaged and slow moving inventories.

*Hypothecated as charge against short term-borrowings. Refer note 17(b).

11 INVESTMENTS

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2024		As at March 31, 2023	
	Non- current	Current	Non- current	Current
Investment in Subsidiaries (refer note 37)				
Unquoted equity shares				
10,000 (March 31, 2023 10,000) Equity Shares of Rs. 10 each fully paid up in HFL Consumer Products Private Limited	1.00	-	1.00	-

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (CONTD.)

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2024		As at March 31, 2023	
	Non- current	Current	Non- current	Current
10,000 (March 31, 2023 NIL) Equity Shares of Rs. 10 each fully paid up in HFL Multiproducts Private Limited (refer note 49)	1.00	-	-	-
50,000,000 (March 31, 2023 50,000,000) Equity Shares of Rs. 10 each fully paid up in HFL Healthcare and Wellness Private Limited (formally known as Reckitt Benckiser Scholl India Private Limited) (refer note 35(B))	7,349.02	-	7,349.02	-
4,000,000 (March 31, 2023 NIL) Equity Shares of Rs. 10 each fully paid up in KNS Shoetech Private Limited (refer note 35(A)(a))	371.76	-	-	-
Investment in Limited liability Partnership Firm (refer note 37)				
Aero Care Personal Products LLP	689.66	-	689.66	-
	8,412.44	**-**	**8,039.68**	**-**
Aggregate book value of:				
Unquoted investments	**8,412.44**	**-**	**8,039.68**	**-**

12 TRADE RECEIVABLES

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
Trade receivables *	10,118.10	8,570.08
Less: Allowance for bad and doubtful debts	(41.52)	(37.58)
Total trade receivables	**10,076.58**	**8,532.50**
Current portion	**10,076.58**	**8,532.50**
Non current portion	**-**	**-**

* Refer note 37 for trade receivables from related party

(a) Breakup of security details

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
Secured, considered good		
Unsecured		
- Considered good	10,076.58	8,532.50
- Considered doubtful	-	-
Receivables which have significant increase in credit risk	-	-
Receivables credit impaired	41.52	37.58
Total	**10,118.10**	**8,570.08**
Allowance for bad and doubtful debts	(41.52)	(37.58)
Total trade receivables	**10,076.58**	**8,532.50**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (CONTD.)

(b) The movement in allowances for doubtful receivables is as follows:

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	**37.58**	**101.58**
Additions	15.00	-
Write off (net of recovery)	11.06	64.39
Adjustment	-	0.39
Closing Balance	**41.52**	**37.58**

(c) Ageing of Trade Receivables

As at March 31, 2024

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Not Due	Outstanding for following periods from due date of receipts					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables – considered good	7,859.35	2,095.89	121.15	0.19	-	-	**10,076.58**
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	**-**
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	20.94	9.93	10.65	**41.52**
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	**-**
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	**-**
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	**-**
Less: Allowance for bad and doubtful debts (Disputed + Undisputed)	-	-	-	(20.94)	(9.93)	(10.65)	**(41.52)**
	7,859.35	**2,095.89**	**121.15**	**0.19**	**-**	**-**	**10,076.58**

As at March 31, 2023

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Not Due	Outstanding for following periods from due date of receipts					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables – considered good	7,831.86	665.40	23.65	11.60	-	-	**8,532.50**
(ii) Undisputed Trade Receivables –which have significant increase in credit risk	-	-	-	-	-	-	-

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (CONTD.)

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Not Due	Outstanding for following periods from due date of receipts					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	4.66	7.69	25.24	**37.58**
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Less: Allowance for bad and doubtful debts (Disputed + Undisputed)	-	-	-	(4.66)	(7.69)	(25.24)	**(37.58)**
	7,831.86	**665.40**	**23.65**	**11.60**	**-**	**-**	**8,532.50**

(d) No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person or firms or private companies in which any director is a partner, a director or a member

13 CASH AND CASH EQUIVALENTS

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
Cash and cash equivalents		
Balances with banks		
- In current accounts	385.79	778.86
- Fixed deposits with original maturity of less than 3 months	-	189.58
Cash on hand	2.99	2.85
Total cash and cash equivalents	**388.78**	**971.29**

14 OTHER THAN CASH AND CASH EQUIVALENTS

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
In fixed deposit with original maturity for more than 3 months but less than 12 months *	610.82	1,059.65
Total bank balances other than cash and cash equivalents	**610.82**	**1,059.65**

* These Includes fixed deposits of Rs. 594.20 lakhs (March 31, 2023: Rs. 522.21 lakhs) held as margin money deposit against guarantees and lien.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (CONTD.)

15 EQUITY SHARE CAPITAL

The Company has only one class of equity share capital having a par value of Rs. 2 /- per share (March 31, 2023 Rs. 2 /- per share), referred to herein as equity shares

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
Authorised		
26,57,61,265 (March 31, 2023 26,57,61,265 Equity Shares of Rs. 2/- each) Equity shares of Rs. 2/- each	5,315.23	5,315.23
	5,315.23	**5,315.23**
Issued, subscribed and paid up		
11,45,73,353 (March 31, 2023 11,27,42,690 Equity Shares of Rs. 2/- each) Equity shares of Rs. 2/- each fully paid up	2,291.47	2,254.86
Total	**2,291.47**	**2,254.86**

(a) Reconciliation of equity shares outstanding at the beginning and at the end of the year

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of shares of Rs. 2 each unless otherwise stated	Amount	No. of shares of Rs. 10 each unless otherwise stated	Amount
Outstanding at the beginning of the year	11,27,42,690	2,254.86	2,25,48,538	2,254.86
Add: Changes in equity share capital during the year [refer note 48]	18,30,663	36.61	-	-
Add: Sub-division of 1 share of face value of Rs. 10/- each into 5 share of face value Rs. 2/- each effective July 22, 2022 (Increase in shares on account of sub-division)*	-	-	9,01,94,152	-
Outstanding at the end of the year	**11,45,73,353**	**2,291.47**	**11,27,42,690**	**2,254.86**

* During the previous year ended March 31, 2023, the Shareholders of the Company, through Postal Ballot on July 01, 2022, approved the sub-division of one equity share of face value Rs. 10 each (fully paid-up) into 5 equity share of face value Rs. 2 each. The record date for the said sub-division was set at July 22, 2022.

(b) Rights, preferences and restrictions attached to shares

Equity Shares: The Company has only one class of equity shares having par value of Rs. 2 per share. Each shareholder is entitled to one vote per share held. Dividend if any declared is payable in Indian Rupees.

During the year ended March 31, 2024, the amount of per share dividend recognised as distributions to equity shareholders was Nil (March 31, 2023: Nil).

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (CONTD.)

(c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

(Amounts in Rs. lakhs, unless otherwise stated)

Name of the shareholder	As at March 31, 2024		As at March 31, 2023	
	No. of shares of Rs. 2 each unless otherwise stated	% of holding in the class	No. of shares of Rs. 2 each unless otherwise stated	% of holding in the class
Vanity Case (India) Private Limited	4,64,58,145	40.55%	4,64,58,145	41.21%
Asha R. Kothari	1,20,75,915	10.54%	1,20,75,915	10.71%
Sameer R. Kothari	1,20,75,915	10.54%	1,20,75,915	10.71%
M/s. Jwalamukhi Investment Holdings	65,95,062	5.76%	66,22,161	5.87%

(d) Details of Shares held by Promoters at the end of the year

(Amounts in Rs. lakhs, unless otherwise stated)

Promoter name	As at March 31, 2024			As at March 31, 2023		
	No. of shares of Rs. 2 each unless otherwise stated	% of total shares	% Change as compared to immediate preceding year	No. of shares of Rs. 2 each unless otherwise stated	% of total shares	% Change as compared to immediate preceding year
Vanity Case India Private Limited	4,64,58,145	40.55%	-0.66%	4,64,58,145	41.21%	0.00%
Asha R. Kothari	1,20,75,915	10.54%	-0.17%	1,20,75,915	10.71%	0.00%
Sameer R. Kothari	1,20,75,915	10.54%	-0.17%	1,20,75,915	10.71%	0.00%
Shrinivas Vasudeva Dempo	20,00,000	1.75%	-0.03%	20,00,000	1.77%	0.00%
Soiru Dempo Management Holding Private Limited	5,00,000	0.44%	-0.01%	5,00,000	0.44%	0.00%
V.S.Dempo Holdings Private Limited	-	-	-	-	-	-
Total	**7,31,09,975**	**63.82%**	**-1.04%**	**7,31,09,975**	**64.84%**	**0.00%**

(e) Information regarding issue of Equity Shares during last five years

(i) No shares have been issued as bonus shares by the Company during the period of five years immediately preceding the current year end.

(ii) No shares have been bought back by the Company during the period of five years immediately preceding the current year end.

16 OTHER EQUITY

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
Capital reserve	391.34	39.99
Securities premium	23,306.88	13,500.80

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (CONTD.)

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
Equity component of redeemable non cumulative non convertible preference shares	86.29	86.29
Retained earnings	29,259.78	21,340.43
Money received against share warrants	7,500.00	-
	60,544.29	**34,967.51**

Nature and purpose of other reserves	
Capital reserve (including reserve created on common control business combination)	The Company recognises profit or loss on purchase, sale, issue or cancellation of the Company's own equity instruments to capital reserve.
Securities premium	Securities premium is used to record the premium on issue of shares. This is utilised in accordance with the provisions of the Companies Act 2013.
Equity component of redeemable non cumulative non convertible preference shares	Equity component represents difference between consideration received and present value of liability component on initial recognition (net of deferred tax).
Retained earnings	Retained earnings are the profits that the Company has earned till date, dividends or other distributions paid to shareholders.
Money received against share warrants	25% amount received towards issue of convertible share warrants on preferential basis.

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
(A) Capital reserve		
Opening balance	39.99	39.99
Add : Gain on account of business acquisition (refer note 35(A)(b))	351.35	-
Closing balance	**391.34**	**39.99**
(B) Securities premium		
Opening balance	13,500.80	13,500.80
Add : Securities premium on shares issued [Refer note 48]	9,963.38	-
Less : Expenses on issue of share warrants	(157.30)	-
Closing balance	**23,306.88**	**13,500.80**
(C) Equity component of redeemable non cumulative non convertible preference shares	**86.29**	**86.29**
(D) Retained earnings		
Opening balance	21,340.43	14922.97
Add: Net profit for the year	7,827.81	6451.35
Add: Item of OCI for the year, net of tax	91.54	(33.89)
Closing balance	**29,259.78**	**21,340.43**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (CONTD.)

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
(E) Money received against share warrants		
Opening balance	-	-
Add: Received during the year	7,500.00	-
Closing balance	**7,500.00**	**-**
Total other equity	**60,544.29**	**34,967.51**

17 (a) **Non-current borrowings**

(Amounts in Rs. lakhs, unless otherwise stated)

	As at March 31, 2024	As at March 31, 2023
Secured		
Term loan		
From banks	37,894.91	26,374.37
From others	3,642.82	4,329.62
Vehicle Loan		
From bank	74.60	90.47
Unsecured		
Liability component of compound financial instruments		
9% redeemable non cumulative non convertible preference shares*	83.90	76.98
Less: Current maturities of long term borrowings [refer note 17(b)]	(6,796.97)	(4,736.40)
Total non-current borrowings	**34,899.26**	**26,135.04**

A) Terms of non-current borrowing are as under

Particulars	Rate of interest (p.a.)	Repayment terms
Non current, secured borrowings		
Term loan from Banks	Ranging from 9.25% to 11.5%	Repayable in monthly and quarterly instalments
Term loan from others	Ranging from 9.05% to 9.80%	Repayable in monthly instalments
Vehicle loan from Bank	8.00%	Repayable in monthly instalments
Non current, unsecured borrowings		
Redeemable non cumulative non convertible preference shares*	9.00%	Redeemable not later than 19 years from the date of issue i.e. September 27, 2012.

* The Company has authorised redeemable non cumulative non convertible preference shares of Rs.200 lakhs, of which the Company has issued preference shares amounting to Rs. 160 lakhs (previous year Rs. 160 lakhs) to V.S. Dempo Holdings Pvt Ltd

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (CONTD.)

B) Nature of security :

For term loan from banks

i. Term loan from SVC bank has been secured by exclusive charge on entire land and building and plant and machinery at Amli, Masat and Silvassa factory of the Company.

ii. Term loan from HDFC bank has been secured by charge on the current and future land and building and Plant and machinery of Hyderabad factory of the Company and first pari passu charge on stock and book debt along with yes bank and personal gurantee of Mr Sameer Kothari.

iii. Term loan from Yes bank has been secured by exclusive charge on the movable fixed assets and land and building of the Coimbatore and Jammu and Goa factory of the Company and Pari passu charge over the entire current assets of the Company with HDFC and SVC bank and personal gurantee of Mr Sameer Kothari.

iv. Term loan from IDFC bank has been secured by exclusive charge on the movable fixed assets and intangible assets including insurance assets and land and building of the Baddi factory of the Company and exclusive charge over the current assets of the Baddi factory of the Company and personal gurantee of Mr Sameer Kothari.

For term loan from others

i. Term loan from Bajaj Finance Limited has been secured by charge on the entire movable and immovable fixed assets of the HFL Healthcare and Wellness Private Limited (formally known as Reckitt Benckiser Scholl India Private Limited) and Company and current assets of the Reckitt Benckiser Scholl India Private Limited.

For vehicle loan

i. Vehicle loan from HDFC bank has been secured by charge on the vehicle.

C) Period and amount of default:

The Company has made no defaults in the payment of principal or interest during the year ended March 31, 2024.

D) The Bank loans contain certain debt covenants relating to limitation on indebtedness, debt-equity ratio, current ratio, net Borrowings to EBITDA ratio and debt service coverage ratio. The limitation on indebtedness covenant gets suspended if the Company meets certain prescribed criteria. The debt covenant related to limitation on indebtedness remained suspended as of the date of the authorisation of the financial statements.

The Company has also satisfied all other debt covenants prescribed in the terms of bank loan.

E)

Particulars of Loans	Purpose of loan	Whether used for the purpose stated in the loan Agreement
Term Loan - Yes Bank	Towards acquisition of manufacturing unit at samba industrial Area, Jammu.	Yes
Term Loan - Yes Bank	Towards Purchase of Land and Setting up of manufacturing plant in Coimbatore (Including reimbursement incurred)	Yes
Guaranteed Emergency Credit Line (GECL) - Yes Bank	Towards Working capital payments	Yes
Emergency Credit Line Guaranteed Scheme (ECGLS) - HDFC BANK LTD	Towards Working capital payments	Yes

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (CONTD.)

E)

Particulars of Loans	Purpose of loan	Whether used for the purpose stated in the loan Agreement
Term Loan - HDFC BANK LTD	Towards process engineering at existing Plant at Hyderabad	Yes
Term Loan - HDFC BANK LTD	Towards capital expenditure of plant at Hyderabad.	Yes
Term Loan - SVC BANK	Set up new factory at Silvassa, towards manufacturing of surface cleaning & toilet clearing product.	Yes
Term Loan - HDFC BANK LTD	Towards working capital and capacity addition at Hyderabad plant for making detergent bars and soaps	Yes
Term Loan - Bajaj Finance LTD	Towards General Corporate Purpose/ Share purchase of HFL Healthcare and wellness private limited (earlier know as "Reckitt Benckiser Scholl India Private Limited")	Yes
Term Loan - IDFC First Bank LTD	To part finance the slump sale transaction of manufacturing facility at Baddi.	Yes
Vehicle Loan - HDFC BANK LTD	Towards purchase of vehicle	Yes

F) The Company have not pledged any financial and non financial assets as security for current or non-current borrowings.

17 (b) Current borrowings

(Amounts in Rs. lakhs, unless otherwise stated)

	As at March 31, 2024	As at March 31, 2023
Secured		
From banks		
Cash credits	8,616.29	2,831.14
Current maturities of long term borrowings [refer note 17 (a)]	6,796.97	4,736.40
Unsecured		
Loan from related party [refer note 17(b)(A)]	-	678.91
Total current borrowings	**15,413.26**	**8,246.45**

A) Terms of current borrowing are as under

Particulars	Rate of interest (p.a)	Repayment terms
Current, secured borrowings	Ranging from 9.25% to 11.5%	Repayable on demand
Current, unsecured borrowings	10%	Repayable on demand

B) Nature of security :

i. Cash credit from Yes Bank has been secured by exclusive charge on the movable fixed assets of the Jammu & Goa factory of the Company, pari passu charge over the entire current assets of the Company with HDFC, exclusive charge on land and building of Jammu factory and pari passu charge on the land and building of Goa plant along with HDFC bank.

ii. Cash credit from HDFC Bank has been secured by first pari passu charge on the stock and book debt of the Company along with Yes bank, exclusive charge on current and future plant and machinery of the Hyderabad factory, first pari passu charge on the land and building of Goa factory and exclusive charge on current and future land and building of Hyderabad factory.

iii. Cash credit from IDFC bank has been secured by exclusive charge on the movable fixed assets and intangible assets including insurance assets and land and building of the Baddi factory of the Company and exclusive charge over the current assets of the Baddi factory of the Company.

C) Period and amount of default:

The Company has made no defaults in the payment of principal or interest.

D) The statements of current assets and stocks submitted by the Company with banks are in agreement with the books of accounts.

18 PROVISIONS

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2024		As at March 31, 2023	
	Non- current	Current	Non- current	Current
Provision for employee benefits (refer note 34)				
- Provision for gratuity (funded)	903.84	89.92	329.30	54.85
- Leave encashment (unfunded)	218.05	19.92	143.74	25.19
Total Provisions	**1,121.89**	**109.84**	**473.04**	**80.04**

19 TRADE PAYABLES

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
Total outstanding dues of micro enterprises and small enterprises	42.83	39.82
Total outstanding dues of creditors other than micro enterprises and small enterprises *	30,882.94	27,083.69
Total trade payables	**30,925.77**	**27,123.51**

* Refer note 37 for trade payables to related party

Disclosure relating to suppliers registered under MSMED Act, 2006 based on the information available with the Company:

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Amount remaining unpaid to any supplier at the end of each accounting year:		
Principal	42.83	39.82
Interest	0.05	0.11
Total	**42.88**	**39.93**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (CONTD.)

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
(b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	0.05	0.11
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

Trade Payables ageing schedule

As at March 31, 2024

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Unbilled dues	Payables Not Due	Outstanding for following periods from due date of Payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	32.22	10.61	-	-	-	**42.83**
(ii) Disputed dues – MSME	-	-	-	-	-	-	**-**
(iii) Others	617.80	13,981.39	15,898.19	62.53	172.94	150.09	**30,882.94**
(iv) Disputed dues - Others	-	-	-	-	-	-	**-**
	617.80	**14,013.61**	**15,908.80**	**62.53**	**172.94**	**150.09**	**30,925.77**

As at March 31, 2023

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Unbilled dues	Payables Not Due	Outstanding for following periods from due date of Payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	17.34	22.48	-	-	-	**39.82**
(ii) Disputed dues – MSME	-	-	-	-	-	-	**-**
(iii) Others	218.88	14,855.72	11,526.00	212.86	85.72	184.51	**27,083.69**
(iv) Disputed dues - Others	-	-	-	-	-	-	**-**
	218.88	**14,873.06**	**11,548.48**	**212.86**	**85.72**	**184.51**	**27,123.51**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (CONTD.)

20 OTHER CURRENT FINANCIAL LIABILITIES

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
Other financial liabilities at amortised cost		
Security deposit received	11.33	13.33
Employee related payable	925.20	410.57
Other Payables	139.06	204.82
Capital creditors	923.68	980.23
Total other financial liabilities	**1,999.27**	**1,608.95**

21 OTHER CURRENT LIABILITIES

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
Statutory dues payable	1,125.51	575.53
Advance from customers	1,551.86	1,776.69
Other payables	12.90	3.65
Security deposit received	84.66	84.66
Total other current liabilities	**2,774.93**	**2,440.53**

22 REVENUE FROM OPERATIONS

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Revenue from contracts with customers:		
- Sale of products	2,34,240.93	2,34,905.06
- Trading of goods	-	299.07
- Sale of services	3,287.82	2,542.53
Total (A)	**2,37,528.75**	**2,37,746.66**
Other operating revenue		
- Export incentive	217.58	203.99
- Scrap sales	318.98	301.77
- Trial charges	72.03	67.38
Total (B)	**608.59**	**573.14**
Total revenue from operations (A)+(B)	**2,38,137.34**	**2,38,319.80**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (CONTD.)

A. Disaggregation of revenue from contracts with customers

In the following table, revenue is disaggregated by major service lines.

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
- Sale of products - contract manufacturing	2,34,240.93	2,34,905.06
- Trading of goods	-	299.07
- Sale of services	3,287.82	2,542.53
Total	**2,37,528.75**	**2,37,746.66**
Geographic revenue		
- India	2,32,252.02	2,32,238.59
- Rest of the world	5,276.73	5,508.07
Total	**2,37,528.75**	**2,37,746.66**

B. Trade receivables and contract balances

The following table provides information about receivables, contract assets and current liabilities from contracts with customers:

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Receivables, which are included in trade receivables *	10,076.58	8,532.50
Unbilled revenue	6,198.23	4,074.71
Advances from customers ^	1,551.86	1,776.69
Total	**17,826.67**	**14,383.90**

* Trade Receivable represents the amount of consideration in exchange for goods or services transferred to the customers that is unconditional. Contract assets are initially recognised for revenue from sale of goods and services.

^ The Contract liability outstanding at the beginning of the year has been recognised as revenue during the year ended March 31, 2024.

C. Transaction price allocated to the remaining performance obligation

There are no unsatisfied long-term contracts / performance obligation that have impact on financial statements.

The Company applies the practical expedient in paragraph 121 of Ind AS 115 and does not disclose information about remaining performance obligations that have original expected durations of one year or less.

D. Reconciliation of contract price with revenue during the year

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Revenue as per contract price	2,37,580.14	2,37,798.93
Adjustment for credit notes	(51.39)	(52.27)
Revenue from contract with customer	**2,37,528.75**	**2,37,746.66**

E. The Company does not have any significant adjustments between the contracted price and revenue recognised in the statement of profit and loss.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (CONTD.)

23 OTHER INCOME

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Interest income on fixed deposits	223.74	50.03
Interest on loan to related parties (refer note 37)	465.68	269.10
Foreign exchange Gain (net)	-	36.37
Liabilities no longer required written back	165.21	30.42
Provision for doubtful debts written back	11.06	64.39
Miscellaneous income	136.63	74.90
Total other income	**1,002.32**	**525.21**

24 COST OF MATERIAL CONSUMED

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Raw material		
Inventory at the beginning of the year	15,028.64	9,066.54
Inventory acquired on business combination - [refer note 35(A)(b)]	1,756.09	-
Add: Purchases	1,76,087.07	1,77,272.67
Less: Inventory at the end of the year	19,531.04	15,028.64
Cost of raw material consumed	**1,73,340.76**	**1,71,310.57**
Packaging material		
Inventory at the beginning of the year	2,223.66	3,048.12
Inventory acquired on business combination - [refer note 35(A)(b)]	641.26	-
Add : Purchases	34,472.39	36,651.04
Less : Inventory at the end of the year	3,138.04	2,223.66
Cost of packaging material consumed	**34,199.27**	**37,475.50**
Total cost of materials consumed	**2,07,540.03**	**2,08,786.07**

25 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Inventories at the beginning of the year		
- Finished goods	4,999.32	6,548.56
- Stock in trade	-	42.87
- Work-in-progress	5,879.39	2,954.54
- Inventory acquired on business combination - [refer note 35(A)(b)]	655.93	-
	11,534.64	**9,545.97**
Less: Inventories at the end of the year		
- Finished goods	5,911.57	4,999.32
- Work-in-progress	11,015.05	5,879.39
	16,926.62	**10,878.71**
Net increase	**(5,391.98)**	**(1,332.74)**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (CONTD.)

26 EMPLOYEE BENEFITS EXPENSE

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Salaries, wages, bonus and other allowances	5,353.18	3,994.96
Contribution to provident and other funds	231.93	179.85
Gratuity expense (refer note 34)	162.87	83.64
Staff welfare expenses	182.12	159.66
Total employee benefits expense	**5,930.10**	**4,418.11**

27 FINANCE COSTS

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Interest on borrowing	3,484.28	2,552.49
Interest expense on lease Liabilities	31.55	35.05
Interest on redeemable non cumulative non convertible preference shares	6.93	6.36
Other finance charge	250.76	66.16
Total finance costs	**3,773.52**	**2,660.06**

28 DEPRECIATION AND AMORTISATION EXPENSE

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Depreciation of property, plant and equipment [refer note 4 (a)]	3,712.35	2,801.29
Depreciation of right of use assets [refer note 4 (a)]	130.44	125.78
Amortisation of other intangible assets [refer note 5 (b)]	11.30	2.49
Total depreciation and amortisation expense	**3,854.09**	**2,929.56**

29 MANUFACTURING AND OPERATING COSTS

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Job work expenses	1,823.50	1,848.99
Power, fuel & electricity	2,981.48	2,677.03
Repairs and maintenance - plant & machinery	725.30	527.06
Repairs and maintenance - building	10.59	9.40
Repairs and maintenance - others	259.85	228.95
Contract labour charges	4,058.25	3,433.09
Other manufacturing expenses	216.92	241.43
Total manufacturing and operating costs	**10,075.89**	**8,965.95**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (CONTD.)

30 OTHER EXPENSES

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Stores and spares consumed	686.66	301.59
Insurance	206.26	148.84
Rent [refer note 36 (v)]	281.87	231.71
Rates and taxes	192.19	85.00
Carriage and freight	560.94	610.16
Travel and conveyance	270.08	266.00
Postage and courier	36.09	32.80
Printing & stationery	39.05	40.00
Legal and professional charges	423.90	226.66
Advertisement	2.86	6.94
Commission	-	2.72
Business promotion	10.82	2.44
Other balance written off	-	2.81
Provision for doubtful debts	15.00	-
Provision for doubtful advances	70.48	-
Foreign exchange loss (net)	37.71	-
CSR expenses (refer note 42)	155.44	111.45
Security charges	347.52	276.76
Bank charges	15.26	11.53
Advances written off	18.03	35.85
Donation	1.24	2.58
Auditors remuneration [refer note (a) below]	39.72	34.00
Bad debts	30.24	5.18
Director's sitting fees (refer note 37)	22.70	18.40
Miscellaneous expenses	267.78	142.37
Total other expenses	**3,731.84**	**2,595.79**

Note (a) Auditors remuneration (excluding GST)

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
As auditor:		
Statutory audit	28.00	25.00
Limited review fees	11.00	9.00
In other capacity:		
Other matters	0.72	-
Total	**39.72**	**34.00**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (CONTD.)

31 INCOME TAX AND DEFERRED TAX

A) Tax expense charged to the statement of profit or loss

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Current tax	2,333.28	3,042.54
Adjustment of tax relating to earlier periods	(14.59)	(181.07)
Deferred tax charge / (income)	(520.33)	328.58
Tax expense reported in the statement of profit or loss	**1,798.36**	**3,190.05**

B) Tax expense charged to OCI

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Net loss/(gain) on remeasurements of defined benefit plans	(30.79)	18.21
Tax expense charged to OCI	**(30.79)**	**18.21**

C) Reconciliation of tax charge

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Profit before tax	9,626.17	9,641.40
Enacted income tax rate in India applicable to the Company	25.17%	34.94%
Income tax expense at tax rates applicable	2,422.62	3,369.09
Tax effects of items that are not deductible in determining taxable income:		
CSR expenditure and donations	39.43	23.47
Others	22.50	(21.44)
Tax relating to earlier periods	(14.59)	(181.07)
Due to change in Income tax rate	(671.60)	-
Income tax expense	1,798.36	3,190.05

D) Deferred tax relates to the following:

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred tax assets		
On provision for employee benefits	255.71	241.04
On unamortised processing cost	-	27.62
Provision for doubtful debts	10.45	-
Provision for doubtful advance	17.74	-
On Others	8.96	0.90
	292.86	**269.56**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (CONTD.)

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred tax liabilities		
On property, plant and equipment	3,507.40	3,933.51
On unamortised processing cost	22.20	-
On lease liabilities (net)	107.83	153.17
	3,637.43	**4,086.68**
Deferred tax liabilities net	(3,344.57)	(3,817.12)
Deffered tax on prior period tax adjustments	(60.13)	-
Deferred tax liability on fair valuation of land on account of merger [refer note 35(b)]	-	(47.78)
Deferred tax assets on acquisition of baddi factory [refer note 35(A)(b)]	187.02	-
Deferred tax liability, net	**(3,217.68)**	**(3,864.90)**

E) Deferred tax assets/ (liabilities) to be recognised in statement of profit and loss

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred tax assets/(liabilities), net	(3217.68)	(3864.9)
Deffered tax on prior period tax adjustments	60.13	0.00
Deferred tax assets on acquisition of baddi factory [refer note 35(A)(b)]	(187.02)	0.00
Less: MAT credit utilisation	-	832.45
Less: Opening deferred tax liabilities	3,864.90	2,703.87
Deferred tax credit / (Charge) for the year	**520.33**	**(328.58)**
Tax liability recognised in statement of profit and loss	551.12	(346.79)
Tax liability recognised in OCI		
On re-measurements gain/(losses) of post-employment benefit obligations	(30.79)	18.21
Total deferred tax credit / (Charge) recognised in the statement of profit and loss	**520.33**	**(328.58)**

32 EARNINGS PER SHARE

The following reflects the income and share data used in the basic and diluted EPS computations:

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Profit attributable to equity holders	7,827.81	6,451.35
Weighted average number of equity shares (in lakhs) for basic and diluted EPS [refer note 15 (a) and note 48]	1,130.39	1,127.43
Basic per share Rs.	6.92	5.72
Diluted per share Rs.	6.92	5.72

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (CONTD.)

33 CONTINGENT LIABILITIES

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
Claim for expired goods	7.13	7.13
Letter of Credit issued	48.17	39.58
Bank Guarantees	111.60	65.40
Financial Guarantee issued on behalf of subsidiary (refer note 37)	19,220.36	16,260.00
	19,387.26	**16,372.11**
Capital commitments	**339.37**	**890.31**

34 EMPLOYEE BENEFITS

The Company has the following employee benefit plans:

(A) Defined contribution plans

Employers' Contribution to Provident Fund and Employee State Insurance (refer note 26)

(B) Defined benefit plans

Gratuity payable to employees

i) Actuarial assumptions

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Discount rate (per annum)	7.20%	7.40%
Rate of increase in Salary	7% -10%	7.00%
Expected average remaining working lives of employees (years)	22.98	23.53
Attrition rate	2% - 15%	2% - 10%

ii) Changes in the present value of defined benefit obligation

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Employee's gratuity fund	
	March 31, 2024	March 31, 2023
Present value of obligation at the beginning of the year	**384.15**	**256.49**
Transfer in/(out) obligation	613.54	-
Current service cost	136.47	66.36
Interest cost	26.40	16.99
Benefits paid	(44.47)	(7.79)
Actuarial (gain)/ loss on obligations	(122.33)	52.10
Present value of obligation at the end of the year	**993.76**	**384.15**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (CONTD.)

iii) Change in the fair value of plan assets:

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Employee's gratuity fund	
	March 31, 2024	March 31, 2023
Opening fair value of plan assets	-	0.29
Expenses of the fund	-	(0.29)
Interest income	-	-
Contributions by employer	-	-
Benefits paid	-	-
Actuarial (losses)/ gains	-	-
Closing fair value of plan assets	**-**	**-**

iv) Expense recognised in the Statement of Profit and Loss

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Employee's gratuity fund	
	March 31, 2024	March 31, 2023
Current service cost	136.47	66.36
Expenses of the fund	-	0.29
Interest cost	26.40	16.99
Total expenses recognised in the Statement Profit and Loss *	**162.87**	**83.64**

*Included in employee benefits expense (refer note 26)

v) Remeasurement (gain)/ loss recognised in other comprehensive income

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Employee's gratuity fund	
	March 31, 2024	March 31, 2023
Actuarial (gain) / loss on obligations	(122.33)	52.10
Actuarial gain /(loss) for the year on asset	-	-
Total remeasurement (gain)/ loss recognised in other comprehensive income	**(122.33)**	**52.10**

vi) Assets and liabilities recognised in the Balance Sheet:

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Employee's gratuity fund	
	March 31, 2024	March 31, 2023
Present value of funded obligation	993.76	384.15
Less: fair value of plan assets	-	-
Net asset / (liability) recognised in Balance Sheet*	**993.76**	**384.15**

*Included in provision for employee benefits (refer note 18)

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (CONTD.)

vii) Expected contribution to the fund in the next year

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	March 31, 2024	March 31, 2023
Gratuity	89.92	54.85

viii) A quantitative sensitivity analysis for significant assumption is as shown below:

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Employee's gratuity fund	
	March 31, 2024	March 31, 2023
Impact on defined benefit obligation		
Discount rate		
0.5% increase	943.39	370.02
0.5% decrease	1,048.52	399.34
Rate of increase in salary		
0.5% increase	1,044.99	397.47
0.5% decrease	945.74	371.52
Withdrawal rate		
110% change	985.96	384.05
90% change	1,002.05	384.19

ix) Maturity profile of defined benefit obligation

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Employee's gratuity fund	
	March 31, 2024	March 31, 2023
Year		
April 2023- March 2024	-	54.85
April 2024- March 2025	89.92	37.54
April 2025- March 2026	54.33	40.19
April 2026- March 2027	56.93	29.56
April 2027- March 2028	63.56	42.38
April 2028- March 2029	57.51	-
April 2028 onwards	-	165.28
April 2029 onwards	**355.04**	**-**

(C) Other long term employee benefit obligation

Leave entitlement

The liability for leave entitlement is recognised in the same manner as gratuity aggregating Rs.40.56 lakhs as at March 31, 2024 (March 31, 2023: Rs. 78.86 lakhs).

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (CONTD.)

35 (A) Business combinations during current year

(a) The Company on October 01, 2023, has acquired control of KNS shoetech Private Limited ("KNS Shoetech") for a cash consideration of Rs. 371.76 lakhs as per the terms and conditions of the Share Purchase Agreement including amendments thereof (if any) entered between the Company and KNS Shoetech.

(b) Acquisition of Baddi manufacturing facility of Reckitt Benckiser Healthcare India Private Limited

(i) The Company on December 16, 2023, has completed the acquisition of manufacturing facility of Reckitt Benckiser Healthcare India Private Limited ("Reckitt") situated at Baddi, Himachal Pradesh for a cash consideration of Rs.12,775.00 lakhs as per the terms and conditions of the Business Transfer Agreement dated December 15, 2022 including amendments thereof (if any) entered between the Company and Reckitt.

On acquisition, the Company has recognised the fair value of net assets acquired of Rs. 12,939.33 lakhs resulting in capital reserve of Rs. 351.35 lakhs (after adjustment of related tax).

(ii) Details of purchase consideration, assets and liabilities acquired are as follows:

(All amounts in Rs. lakhs, unless otherwise stated)

Particulars	Amount
A) Fair value of assets acquired on December 16, 2023	
Property, plant and equipment	11,924.72
Right of use assets	208.68
Other intangible assets	31.27
Inventories*	3,284.88
Trade receivables	117.74
Other current assets	72.65
Total Assets acquired (A)	**15,639.94**
B) Fair value of liabilities assumed on December 16, 2023	
Trade payables	1,806.93
Employee benefit obligations	743.07
Other current financial liabilities	150.61
Total Liabilities Assumed (B)	**2,700.61**
Net Assets acquired (C) = (A-B)	**12,939.33**
Purchase Consideration (D)	**12,775.00**
Capital reserve on acquisition (C-D)	**164.33**
Add: Deferred tax assets on employee benefit obligations (refer note iii below)	**187.02**
Adjusted capital reserve on acquisition	**351.35**

* It includes consumables, store and spares parts of Rs. 231.60 lakhs

(iii) On business combination of the Baddi manufacturing facility of Reckitt Benckiser Healthcare India Private Limited, deferred tax asset of Rs. 187.02 lakhs was created on employee benefit obligations assumed.

35 (B) Business combinations during previous year

The Company on July 01, 2022, has acquired 100% equity share capital of Reckitt Benckiser Scholl India Private Limited ("RBSIPL") for a cash consideration of Rs. 7,349.02 lakhs (Adjusted for contingent consideration amounting to Rs. 140.26 lakhs in year ended March 31, 2023) as per the terms and conditions of the Share Purchase Agreement dated January 24, 2022 including amendments thereof (if any) entered between the Company and RBSIPL.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (CONTD.)

36 LEASES

(i) For changes in the carrying value of Right-of-use Assets refer note 4 (a)

(ii) Changes in the Lease liabilities

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Category of ROU Asset		Total
	Leasehold land	Building	
Balance as at April 01, 2022	**150.14**	**409.91**	**560.05**
Interest	5.50	29.55	35.05
Lease Payments	3.60	150.68	154.28
Balance as at March 31, 2023	**152.04**	**288.78**	**440.82**
Interest	5.12	26.43	31.55
Additions	-	110.60	110.60
Lease Payments	3.60	148.11	151.71
Balance as at March 31, 2024	**153.56**	**277.70**	**431.26**

(iii) Break-up of current and non-current lease liabilities

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
Current Lease Liabilities	90.54	101.63
Non-current Lease Liabilities	340.72	339.19

(iv) Maturity analysis of lease liabilities

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
Less than one year	115.15	151.36
One to five years	217.93	328.76
More than five years	1,321.14	1,325.46
Total	**1,654.22**	**1,805.59**

As per Para B11 of Ind AS 107 Financial Instruments: Disclosure, In preparing the maturity analyse an entity uses its judgment to determine an appropriate number of time bands.

(v) Amounts recognised in statement of Profit and Loss account

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Interest on Lease Liabilities	31.55	35.05
Depreciation of right of use assets	130.44	125.78
Short-term and low value leases expensed	281.87	231.71
Total	**443.86**	**392.54**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (CONTD.)

(vi) Amounts recognised in statement of Cash Flows

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Total Cash outflow for leases	(151.71)	(154.28)

37 RELATED PARTY DISCLOSURES:

(A) Names of related parties and description of relationship as identified and certified by the Company:

Holding company

Vanity Case India Private Limited

Entity under common control

V.S Dempo Private Limited

Avalon Cosmetics Private Limited

Motown Trading Private Limited

Adonia Cosmetics Private Limited

Mahak Cosmetics and Credit Private Limited

Christine Valmy Institute Private Limited

Allies Logistics Private Limited

Firm in which Directors of Company are Partner

M/s Shivom Industries

M/s Athene Laboratories

M/s Sundaram Cosmetics

M/s Galaxy Healthcare Products

M/s Spans Healthcare

M/s J. Sagar Associates

Subsidiary

HFL Consumer Products Private Limited

Aero Care Personal Products LLP

HFL Multiproducts Private Limited (with effective from June 23, 2023) (refer note 49)

KNS Shoetech Private Limited (with effective from October 01, 2023) (refer note 35 (a))

HFL Healthcare and Wellness Private Limited (formally known as Reckitt Benckiser Scholl India Private Limited) (with effect from July 01, 2022) [refer note 35(B)]

Employee Benefit Trust

Hindustan Foods Management Staff Superannuation Fund Trust

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (CONTD.)

Key Management Personnel (KMP)	
Shashi Kalathil	Chairman (w.e.f. November 09, 2022)
Shashi Kalathil	Independent Non-Executive Director
Shrinivas Dempo	Chairman (upto November 08, 2022)
Shrinivas Dempo	Non-Independent Non-Executive Director
Sameer Kothari	Managing Director
Ganesh Argekar	Executive Director, Whole-Time Director
Nikhil Vora	Non-Independent Non-Executive Director
Honey Vazirani	Independent Non-Executive Director
Neeraj Chandra	Independent Non-Executive Director
Sarvjit Singh Bedi	Non-Independent Non-Executive Director
Sandeep Mehta	Independent Non-Executive Director
Harsha Raghavan	Non-Independent Non-Executive Director (upto June 20, 2023)
Amruta Adukia	Non-Independent Non-Executive Director (w.e.f. June 29, 2023)
Mayank Samdani	Chief Financial Officer and Group CFO
Bankim Purohit	Company Secretary and Legal Head
Relatives of Directors	
Asha R Kothari	Relative of Managing Director

(B) **Details of transactions with related party for the year ended:**

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
(i) **Avalon Cosmetics Private Limited**		
Reimbursement of expenses	-	0.01
Sale of spares	0.20	-
Other Recovery	0.40	-
(ii) **Motown Trading Private Limited**		
Interest on loan taken	67.70	86.91
Loans Repaid	(678.91)	(221.09)
Interest Payments	(76.23)	(287.60)
(iii) **Athene Laboratories**		
Purchase of consumables	-	0.13
Rent paid	60.00	60.00
Sale of product	0.29	-
Purchase of raw material	0.16	-
(iv) **Shivom Industries**		
Reimbursement of expenses	1.10	-
Purchase of export licenses	-	-
Purchase of consumables and other items	0.03	1.65
Sale of product	0.46	0.32

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (CONTD.)

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Purchase of property, plant and equipment	-	8.37
Purchase of raw material	0.03	-
(v) **HFL Healthcare and Wellness Private Limited (formally known as Reckitt Benckiser Scholl India Private Limited)**		
Investment in equity shares	-	7,349.01
Reimbursement of expenses	0.92	224.65
Loan given	31.21	-
Interest on loans given	0.12	-
Sale of product	35.20	-
Sale of property, plant and equipment	2.94	-
Purchase of property, plant and equipment	5.70	-
Purchase of consumables	0.14	-
(vi) **Aero Care Personal Products LLP**		
Additions /(Withdrawals) in current capital	-	(1,921.19)
Reimbursement of expenses	458.07	85.27
(vii) **Adonia Cosmetics Private Limited**		
Sales of product	0.31	0.02
(viii) **Christine Valmy Institute Private Limited**		
Sale of products	0.10	0.23
(ix) **HFL Consumer Products Private Limited**		
Loans given	6,628.00	5,395.20
Loans repaid	6,200.96	3,885.20
Recharge of salaries to Company	25.16	66.00
Interest on loans given	379.85	269.10
Interest received	379.82	471.19
Other receivable	-	2.69
Sale of Export Licenses	-	17.41
Reimbursement of expenses	560.59	712.25
Corporate guarantee given	1,811.12	7,260.00
Sale of property, plant and equipment	-	24.20
Purchase of export licenses	9.44	-
(x) **Spans Healthcare**		
Purchase of Raw Materials	1,494.40	1,500.90

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (CONTD.)

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars		Year ended March 31, 2024	Year ended March 31, 2023
(xi)	Allies Logistics Private Limited		
	Freight inward	-	78.73
(xii)	Sitting fees		
	Shrinivas Dempo	3.10	3.10
	Sandeep Mehta	1.20	0.60
	Shashi K. Kalathil	5.70	4.65
	Honey Vazirani	5.90	4.00
	Nikhil K Vora	3.00	2.50
	Neeraj Chandra	3.80	3.55
(xiii)	Compensation of key management personnel		
	Sameer Kothari	425.70	159.90
	Ganesh Argekar	94.81	79.71
	Mayank Samdani	90.06	71.90
	Bankim Purohit	25.58	21.05
(xiv)	J. Sagar Associates		
	Professional fees	-	45.00
(xv)	HFL Multiproducts Private Limited		
	Recharge of salaries to Company	60.88	-
	Loan given	891.31	-
	Loan repaid	260.00	-
	Interest on loans given	18.93	-
	Reimbursment of expenses	14.12	-
	Investment in equity shares	1.00	-
	Sale of products	11.99	-
	Corporate guarantee given	1,432.40	-
(xvi)	KNS Shoetech Private Limited		
	Loan given	4,679.07	-
	Loan repaid	225.00	-
	Interest on loans given	66.78	-
	Reimbursment of expenses	32.39	-
	Investment in equity shares	371.76	-
	Purchase of property, plant and Equipment	0.66	-
	Purchase of raw material	10.46	-

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (CONTD.)

(C) Amount due to/from related party as on:

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars		As at March 31, 2024	As at March 31, 2023
(i)	KNS Shoetech Private Limited		
	Loans given	4,454.07	-
	Other receivables	32.39	-
	Investment in equity shares	371.76	-
	Trade payables	11.12	-
	Interest receivable on loans given	59.96	-
(ii)	HFL Consumer Products Private Limited		
	Loans given	5,160.23	4,733.20
	Interest accrued on loan given	-	-
	Other receivables	-	2.30
	Financial guarantee given	16,818.95	16,260.00
(iii)	Aero Care Personal Products LLP		
	Investment in capital	689.66	689.66
	Financial guarantee given	969.01	568.72
(iv)	Spans Healthcare		
	Trade payables	498.78	614.34
(v)	HFL Healthcare and Wellness Private Limited (formally known as Reckitt Benckiser Scholl India Private Limited)		
	Investment in equity shares	7,349.02	7,349.02
	Loans given	31.21	-
	Trade Receivable	33.76	-
	Interest receivable on loans given	0.12	-
(vi)	Motown Trading Pvt Limited		
	Loans given	-	678.91
	Interest Accrued	-	8.54
(vii)	Athene Industries		
	Security deposit	42.00	42.00
(viii)	HFL Multiproducts Private Limited		
	Loans given	631.31	-
	Investment in equity shares	1.00	-
	Interest receivable on loans given	17.04	-
	Other receivables	108.33	-
	Financial guarantee given	1,432.40	-
(ix)	Sameer Kothari		
	Remuneration payable	153.68	7.71

^As the liabilities for defined benefit plans and compensated absences are provided on actuarial basis for the Company as a whole, the amounts pertaining to Key Management Personnel are not separately included.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (CONTD.)

(D) Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free except for borrowings and settlement occurs in cash. The Company, during the year ended March 31, 2024, has provided corporate guarantee to the bank of subsidiaries amounting upto Rs. 3,243.52 lakhs (March 31, 2023: 7,260 lakhs). The Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2023: Nil). This assessment is undertaken each financial year through examining the financial position of the related parties and the market in which the related parties operates.

38 SEGMENT REPORTING

The Company's operations predominantly relate to contract manufacturing. The Chief Operating Decision Maker (CODM) reviews the operations of the Company as contract manufacturing. Consequently, no separate segment information has been furnished herewith.

The Company has disclosed in the consolidated financial statement, the revenue contribution from major external customer.

39 FAIR VALUES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Financial Instrument measured at Amortised cost:

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The amortised cost using effective interest rate (EIR) of non-current financial assets/liabilities are not significantly different from the carrying amount and therefore the impact of fair value is not considered for above disclosure.

Financial assets that are neither past due nor impaired include cash and cash equivalents, security deposits, term deposits, and other financial assets.

The carrying value and fair value of financial instruments by categories as at March 31, 2024 were as follows

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Note	Amortised Cost	Fair value through profit or loss	Fair value through OCI	Total fair value	Total carrying value
Financial assets						
Other Non Current Financial Assets	7	11,856.34	-	-	-	11,856.34
Other Current Financial Assets	7	7,180.74	-	-	-	7,180.74
Trade receivable	12	10,076.58	-	-	-	10,076.58
Cash and cash equivalents	13	388.78	-	-	-	388.78
Bank balances other than cash and cash equivalents	14	610.82	-	-	-	610.82
Loan	6	10,276.82	-	-	-	10,276.82
		40,390.08	**-**	**-**	**-**	**40,390.08**
Financial liabilities						
Non current Borrowings	17(a)	34,899.26	-	-	-	34,899.26
Current Borrowings	17(b)	15,413.26	-	-	-	15,413.26

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (CONTD.)

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Note	Amortised Cost	Fair value through profit or loss	Fair value through OCI	Total fair value	Total carrying value
Non-current and Current lease liabilities	36	431.26	-	-	-	431.26
Other current financial liabilities	20	1,999.27	-	-	-	1,999.27
Trade payables	19	30,925.77	-	-	-	30,925.77
		83,668.82	**-**	**-**	**-**	**83,668.82**

The carrying value and fair value of financial instruments by categories as at March 31, 2023 were as follows

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Note	Amortised Cost	Fair value through profit or loss	Fair value through OCI	Total fair value	Total carrying value
Financial assets						
Other Non Current Financial Assets	7	695.76	-	-	-	695.76
Other Current Financial Assets	7	4,425.71	-	-	-	4,425.71
Trade receivable	12	8,532.50	-	-	-	8,532.50
Cash and cash equivalents	13	971.29	-	-	-	971.29
Other than cash and cash equivalents	14	1,059.65	-	-	-	1,059.65
Loan	6	4,733.20	-	-	-	4,733.20
		20,418.11	**-**	**-**	**-**	**20,418.11**
Financial liabilities						
Non current Borrowings	17(a)	26,135.04	-	-	-	26,135.04
Current Borrowings	17(b)	8,246.45	-	-	-	8,246.45
Non-current and Current lease liabilities	36	440.82				440.82
Other current financial liabilities	20	1,608.95	-	-	-	1,608.95
Trade payables	19	27,123.51	-	-	-	27,123.51
		63,554.77	**-**	**-**	**-**	**63,554.77**

40 FAIR VALUE HIERARCHY

The following is the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

No financial assets/liabilities have been valued using level 1 fair value measurements.

No fair value hierarchy of assets and liabilities which is measured at fair value in current year as well as previous financial year under level 3.

Management has assessed that Cash and cash equivalents, Other balances with banks, Loans, Trade receivables, Other financial assets, Short term Borrowings, Trade payables and Other financial liabilities carried at amortised cost approximate their carrying amounts largely due to the short-term maturities of these instruments.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (CONTD.)

41 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to various financial risks. These risks are categorised into market risk, credit risk and liquidity risk. The Company's risk management is coordinated by the Board of Directors and focuses on securing long term and short term cash flows. The Company does not engage in trading of financial assets for speculative purposes.

(A) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include borrowings and derivative financial instruments.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Exposure to interest risk	Increase/ decrease in basis points	Effect on profit before tax
2024		
Rs	+50	(251.14)
Rs	(50)	251.14
Exposure to interest risk	**Increase/ decrease in basis points**	**Effect on profit before tax**
2023		
Rs	+50	(170.34)
Rs	(50)	170.34

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a different currency from the Company's functional currency).

The following table shows unhedged foreign currency exposures receivable and payable at the end of the reporting period

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars		As at March 31, 2024		As at March 31, 2023	
		Foreign currency in lakhs	Rs. in lakhs	Foreign currency in lakhs	Rs. in lakhs
Trade receivables	EURO	2.19	197.18	2.95	270.89
Cash & cash equivalents	EURO	1.61	145.19	5.93	531.20
	USD	-	0.40	0.01	0.85
	GBP	-	-	0.00	0.14

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (CONTD.)

Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in the EURO, USD and GBP exchange rate , with all other variables held constant, of the Company's profit before tax (due to changes in the fair value of monetary assets and liabilities).

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Effect on profit- total gain / (loss)			
	5% increase in exchange rate		5% decrease in exchange rate	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Trade receivable	9.86	13.54	(9.86)	(13.54)
Cash & cash equivalents	7.28	26.61	(7.28)	(26.61)
	17.14	**40.15**	**(17.14)**	**(40.15)**

(B) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the Company's receivables from customers and other statutory deposits with regulatory agencies and also arises from cash held with banks. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

The Company measures the expected credit loss of trade receivables from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, loss on collection of receivable is not material hence no additional provision considered.

The ageing analysis for accounts receivables has been considered from the date the invoice falls due:

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
Not due	7,859.35	7,831.86
Less than 6 months	2,095.89	665.40
6 months to 12 months	121.15	23.65
beyond 12 months	0.19	11.60
	10,076.58	**8,532.50**

(C) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. Processes and policies related to such risks are overseen by senior management who monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (CONTD.)

The table below summarises the maturity profile of the Company's financial liabilities:

Particulars	Less than 1 year	More than 1 year	Total
As at March 31, 2024			
Long-term borrowings	-	34,899.26	34,899.26
Short term borrowings	15,413.26	-	15,413.26
Trade payables	30,925.77	-	30,925.77
Lease Liability	90.54	340.72	431.26
Other financial liability	1,999.27	-	1,999.27
	48,428.84	**35,239.98**	**83,668.82**

As at March 31, 2023	Less than 1 year	More than 1 year	Total
Long-term borrowings	-	26,135.04	26,135.04
Short term borrowings	8,246.45	-	8,246.45
Trade payables	27,123.51	-	27,123.51
Lease Liability	101.63	339.19	440.82
Other financial liability	1,844.96	-	1,844.96
	37,316.55	**26,474.23**	**63,790.78**

42 CORPORATE SOCIAL RESPONSIBILITY

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are in the field of promoting healthcare and education. A CSR committee has been formed by the Company as per the Act. The funds are utilised through the year on these activities which are specified in Schedule VII of the Companies Act, 2013.

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Gross amount required to be spent :	151.87	111.45
Add: Amount Unspent from previous years	-	-
Total Gross amount required to be spent during the year	151.87	111.45
Amount approved by the Board to be spent during the year	**151.87**	**111.45**
Amount spent during the year	**155.44**	**91.45**

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
i. construction/acquisition of any asset		
- under control of the Company for future use	-	-
- not under control of the Company for future use	-	-

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (CONTD.)

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
ii. On purpose other than (i) above	155.44	91.45
	155.44	91.45
Less: Amount capitalised as corporate social responsibility assets	-	-
Excess amount spent in previous year set off in current year	5.42	-
Provision for unspent CSR amount	-	20.00
	160.86	111.45

During the year ended March 31, 2024, the Company has spent Rs. 155.44 lakhs on activities for promoting preventive health care, poverty and malnutrition, promoting education, supporting homeless young women.

During the year ended March 31, 2024, the Company has not incurred any CSR Expenditure with related Party/ contribution made to related party.

43 CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital, equity component of redeemable non cumulative non convertible preference shares, share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value and to ensure the Company's ability to continue as a going concern.

The Company has not distributed any dividend to its shareholders. The Company monitors gearing ratio i.e. total debt in proportion to its overall financing structure, i.e. equity and debt. Total debt comprises of non-current borrowing, current borrowings and lease liabilities which represents borrowings from bank and others, lease liabilities and liability component of redeemable non cumulative non convertible preference shares. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars		As at March 31, 2024	As at March 31, 2023
Total equity	(i)	62,835.76	37,222.37
Total borrowings (including liability portion of redeemable non cumulative non convertible preference shares)		50,743.78	34,822.31
Less: cash and cash equivalents		(388.78)	(971.29)
Total debt	(ii)	50,355.00	33,851.02
Overall financing	(iii) = (i) + (ii)	1,13,190.76	71,073.39
Gearing ratio	(ii)/ (iii)	0.44	0.48

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2024 and March 31, 2023

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (CONTD.)

44 DISCLOSURE AS REQUIRED BY IND AS 7 - "CASH FLOW STATEMENTS" - CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES:

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	Cash flow changes		Non-cash flow changes	As at March 31, 2024
		Receipts	Payments		
Non-current borrowings (refer note 17(a))	26,135.04	15,267.44	(6,510.14)	6.92	34,899.26
Current borrowings (refer note 17(b))	8,246.45	7,170.24	-	(3.43)	15,413.26
Total	**34,381.49**	**22,437.67**	**(6,510.14)**	**3.49**	**50,312.52**

45 DISCLOSURES PURSUANT TO REGULATION 34 (3) OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECTION 186 OF THE COMPANIES ACT, 2013

(a) Loans

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
(i) Loans to subsidiary		
HFL Consumer Products Private Limited		
Balance as at the beginning of the year	4,733.20	3,223.20
Loans given during the year	6,628.00	5,395.20
Loans repaid during the year	6,200.96	3,885.20
Balance as at the end of the year	5,160.23	4,733.20
Maximum balance outstanding during the year	5,540.03	4,733.20
Rate of interest	9.50%	8.50%
HFL Healthcare and Wellness Private Limited (formally known as Reckitt Benckiser Scholl India Private Limited)		
Balance as at the beginning of the year	-	-
Loans given during the year	31.21	-
Loans repaid during the year	-	-
Balance as at the end of the year	31.21	-
Maximum balance outstanding during the year	31.21	-
Rate of interest	9.50%	-
HFL Multiproducts Private Limited		
Balance as at the beginning of the year	-	-
Loans given during the year	891.31	-
Loans repaid during the year	260.00	-
Balance as at the end of the year	631.31	-
Maximum balance outstanding during the year	631.31	-
Rate of interest	9.50%	-

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (CONTD.)

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
KNS Shoetech Private Limited		
Balance as at the beginning of the year	-	-
Loans given during the year	4,679.07	-
Loans repaid during the year	225.00	-
Balance as at the end of the year	4,454.07	-
Maximum balance outstanding during the year	4,454.07	-
Rate of interest	9.50%	-

(b) Investment by the loanees in the shares of the Company

The loanees have not made any investments in the shares of the Company.

(c) Guarantees given to subsidiary

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
HFL Consumer Products Private Limited	16,818.95	16,260.00
HFL Multiproducts Private Limited	1,432.40	-
Aero Care Personal Products LLP	969.01	568.72

(d) Details of investments made by the Company (refer note 11)

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Unquoted equity instruments		
10,000 (March 31, 2023 10,000) Equity Shares of Rs. 10 each fully paid up in HFL Consumer Products Private Limited	1.00	1.00
10,000 (March 31, 2023 NIL) Equity Shares of Rs. 10 each fully paid up in HFL Multiproducts Private Limited (refer note 49)	1.00	-
50,000,000 (March 31, 2023 50,000,000) Equity Shares of Rs. 10 each fully paid up in HFL Healthcare and Wellness Private Limited (formally known as Reckitt Benckiser Scholl India Private Limited) (refer note 35(B))	7,349.02	7,349.02
4,000,000 (March 31, 2023 NIL) Equity Shares of Rs. 10 each fully paid up in KNS Shoetech Private Limited (refer note 35(A)(a))	371.76	-
Investment in Limited liability Partnership Firm (refer note 37)		
Aero Care Personal Products LLP	689.66	689.66

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (CONTD.)

46 ADDITIONAL REGULATORY INFORMATION

(A) Accounting ratios

(Amounts in Rs. lakhs, unless otherwise stated)

Sr No.	Ratio	Formula	March 31, 2024		March 31, 2023		Ratio as on March 31, 2024	Ratio as on March 31, 2023	Variation (If variation is more than 25%)	Reason (If variation is more than 25%)
			Numerator	Denominator	Numerator	Denominator				
(a)	Current Ratio	Current Assets / Current Liabilities	72,705.40	51,313.61	50,910.08	39,601.11	1.42	1.29	10.21%	
(b)	Debt-Equity Ratio	Debt / Equity	50,312.52	62,835.76	34,145.48	37,222.37	0.80	0.92	(12.71%)	
(c)	Debt Service Coverage Ratio	Net Operating Income / Debt Service	11,607.58	10,400.32	9,116.84	7,576.89	1.12	1.20	(7.24%)	
(d)	Return on Equity Ratio	Profit after tax less pref. Dividend x 100 / Shareholder's Equity	7,827.81	50,029.07	6,451.35	34,013.64	15.65%	18.97%	(17.51%)	
(e)	Inventory Turnover Ratio	Cost of Goods Sold / Average Inventory	2,02,148.05	34,216.32	2,07,634.14	25,030.06	5.91	8.30	(28.78%)	- During the current year there was reduction in the commodity prices as compared to previous year which resulted in lower Cost of goods sold - Due to product mix there is reduction in cost of goods sold of current year as compared to previous year.
(f)	Trade Receivables Turnover Ratio	Net Credit Sales / Average Trade Receivables	2,38,137.34	9,304.54	2,38,319.80	7,836.80	25.59	30.41	(15.84%)	
(g)	Trade Payables Turnover Ratio	Net Credit Purchases / Average Trade Payables	2,10,559.46	29,024.64	2,13,923.71	26,086.02	7.25	8.20	(11.54%)	
(h)	Net Capital Turnover Ratio	Revenue / Average Working Capital	2,38,137.34	16,350.38	2,38,319.80	10,849.64	14.56	21.97	(33.69%)	- Additional loan granted to related party during the current year which resulted in higher average working capital as compared to previous year - Due to change in customer receivable mix there is increase in trade receivable which resulted in higher average working capital during current year.
(i)	Net Profit Ratio	Net Profit / Net Sales	7,827.81	2,38,137.34	6,451.35	2,38,319.80	3.29%	2.71%	21.43%	
(j)	Return on Capital Employed	EBIT / Capital Employed	12,488.91	1,02,415.31	11,742.36	68,034.54	12.19%	17.26%	(29.35%)	- Increase in share capital during the year resulted in higher capital employed . - Tem loan taken for acqusition of baddi factory resulted in higher capital employed during current year.
(k)	Return on Investment	Net Profit / Net Investment	7,827.81	62,835.76	6,451.35	37,222.37	12.46%	17.33%	(28.12%)	- Increase in share capital during the year resulted in higher capital employed

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (CONTD.)

(B) Title deeds of Immovable Properties not held in name of the Company as on March 31, 2024

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value (Rs. in lakhs)	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the Company
Right of Use	Leasehold land	214.44	Reckitt Benckiser Healthcare India Private Limited	No	December, 2023	The leasehold land was acquired by the Company as a part of business transfer agreement entered with Reckitt Benckiser Healthcare India Private Limited for acquisition of Baddi factory. The Company is in the process of transferring the title in the name of Hindustan Foods Limited.
Right of Use	Leasehold land	107.21	Karnataka Industrial Areas Development Board (KIADB)	No	February, 2022	The leasehold rights of the land were transferred to Company as per the NCLT approved scheme w.e.f February 18, 2022. As per the lease agreement with KIADB, the Company has an option of purchasing the land. The Company is in the process of applying to KIADB for purchase of the land.

(C) No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(D) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(E) The Company does not have any transactions or balance outstanding with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

(F) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(G) The Company is in compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017 (as amended).

(H) The Company does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year (previous year) in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)

(I) The Company has not traded or invested in Crypto currency or Virtual Currency during the year ended March 31, 2024.

(J) Utilisation of Borrowed funds and share premium

(i) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (CONTD.)

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(ii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(K) During the year the Company has not entered into scheme of arrangement and amalgamation having an accounting impact.

(L) The Company has not revalued its property, plant and equipment during the year ended March 31, 2023 and March 31, 2024.

(M) The Company has not given loans and advances to promoters and directors.

47 The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post-employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued. The Company will assess the impact of the Code and will give appropriate impact in the standalone financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

48 During the current year, the Company has received 25% amount towards issue of 72,71,081 Convertible Warrants ("Warrants") on Preferential basis to certain Qualified Institutional Buyers and to certain Non-Qualified Institutional Buyers under Non-Promoter category, approved by the shareholders in the Extra Ordinary General Meeting held on October 20, 2023. On January 25, 2024, the Company has received balance 75% amount towards 18,30,663 warrants from one of the allottee towards the conversion of Warrants into Equity Shares. The Share Allotment Committee of Board of Directors of the Company at their Meeting held on February 02, 2024, has allotted 18,30,663 Equity Shares having face value of Rs. 2/- each at a premium of Rs. 544.25/- per share. Impact being Anti-dilutive, hence no change in diluted EPS.

49 HFL Multiproducts Private Limited, a wholly owned subsidiary of the Company was incorporated on June 23, 2023.

50 No significant subsequent events have been observed which may require an adjustments to the financial statements.

51 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

52 These financial statements were authorised for issue by the Board of Directors on May 21, 2024.

As per our report of even date attached
For **M S K A & Associates**
Chartered Accountants
Firm's Registration No.:105047W

Amrish Vaidya
Partner
Membership No: 101739

Place : Mumbai
Date : May 21, 2024

For and on behalf of the Board of Directors of
Hindustan Foods Limited
CIN: L15139MH1984PLC316003

Sameer R. Kothari
Managing Director
DIN: 01361343

Ganesh T. Argekar
Executive Director
DIN: 06865379

Mayank Samdani
Chief Financial Officer

Bankim Purohit
Company Secretary
Membership No:ACS21865

Place : Mumbai
Date : May 21, 2024

INDEPENDENT AUDITOR'S REPORT

To the Members of Hindustan Foods Limited

Report on the Audit of the Consolidated Financial Statements

OPINION

We have audited the accompanying consolidated financial statements of Hindustan Foods Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2024, and the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including material accounting policy information and other explanatory information (hereinafter referred to as the "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of reports of other auditors on separate financial statements of subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at March 31, 2024, of consolidated profit and other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

BASIS FOR OPINION

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by Institute of Chartered Accountant of India ("ICAI"), and the relevant provisions of the Act and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and on consideration of audit reports of other auditors referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended March 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:

A. Key audit matters of the Holding Company

Sr. No.	Key Audit Matter	How the Key Audit Matter was addressed in our audit
1	Acquisition of the Business undertaking- Business Combination accounting Hindustan Foods Limited ("HFL" or the "Holding Company"), on December 15, 2022, has entered into a business transfer agreement ("Principal Agreement" or "BTA") with Reckitt Benckiser Healthcare India Private Limited (Seller) to acquire a business undertaking located at Baddi, Himachal Pradesh on a slump sale basis. On December 16, 2023, upon completion of the terms and condition of the BTA, the transaction was finalised along with the purchase consideration of Rs. 12,775.00 Lakhs.	Our audit procedures in respect of this area included: 1. Obtained an understanding of the process followed by the Holding Company for assessment and determination of the effective date and the accounting treatment, including the identification of assets and liabilities and determination of their fair values. 2. Evaluated the design and implementation and testing the operating effectiveness of key internal controls related to the Holding Company's valuation process.

INDEPENDENT AUDITOR'S REPORT (CONTD.)

Sr. No.	Key Audit Matter	How the Key Audit Matter was addressed in our audit
	Management of the Holding Company has made the assessment of the said transaction and has, accordingly, accounted it as the business combination as per Ind AS 103 "Business Combination". Since, accounting for the business combination involves management judgement in order to: • Assessment of the transaction as the asset acquisition or business combination as per Ind AS 103. • Identify and measure the fair value of the identifiable assets acquired and liabilities assumed. • Allocate the consideration transferred towards identifiable assets, liability and goodwill/other intangible assets. Since, the amount of the acquisition is material to the Holding Company and significant management judgement is required in identification of fair values and the allocation of the consideration into identifiable tangible and intangible assets, we have identified this as a Key Audit Matter.	3. Reviewed the Purchase Price Allocation report provided by the management of the Holding Company by involvement of registered valuer. 4. Verified the completeness of the identified assets acquired and liabilities assumed. 5. Involved our internal experts to assess the appropriateness of methods and inputs used in the valuation of assets and liabilities acquired. 6. Assessed the adequacy and appropriateness of the disclosures made in the Standalone Financial Statements in compliance with the requirements of applicable Indian Accounting Standards and applicable financial reporting framework.
2	Acquisition of the subsidiary- Business Combination accounting The Holding Company, on October 01, 2023, has acquired control of KNS Shoetech Private Limited through a Share Purchase Agreement for Rs. 371.76 Lakhs. Management of the Holding Company has made the assessment of the said transaction and has, accordingly, accounted it as the business combination as per Ind AS 103 "Business Combination". Since, accounting for the business combination involves judgement in order to: • Assessment of the transactions as the asset acquisition or business combination as per Ind AS 103. • Identify and measure the fair value of the identifiable assets acquired and liabilities assumed. • Allocate the consideration transferred towards identifiable assets, liability and goodwill/other intangible assets. Since, significant management judgement is required in identification of fair values and the allocation of the consideration into identifiable tangible and intangible assets, we have identified this as a Key Audit Matter.	Our audit procedures in respect of this area included: 1. Obtained an understanding of the process followed by the Holding Company for assessment and determination of the effective date and the accounting treatment, including the identification of assets and liabilities and determination of their fair values. 2. Evaluated the design and implementation and testing the operating effectiveness of key internal controls related to the Holding Company's valuation process. 3. Reviewed the Purchase Price Allocation report provided by the management of the Holding Company by involvement of registered valuer. 4. Verified the completeness of the identified assets acquired and liabilities assumed. 5. Involved our internal experts to assess the appropriateness of methods and inputs used in the valuation of assets and liabilities. 6. Assessed the adequacy and appropriateness of the disclosures made in the Standalone Financial Statements in compliance with the requirements of applicable Indian Accounting Standards and applicable financial reporting framework.

INDEPENDENT AUDITOR'S REPORT (CONTD.)

B. Key audit matters of Subsidiary Company – KNS Shoetech Private Limited as reported by the auditor of KNS Shoetech Private Limited

Sr. No.	Key Audit Matter	How the Key Audit Matter was addressed in our audit
1	Acquisition of the Business undertaking- Business Combination accounting KNS Shoetech Private Limited ("Subsidiary Company") has acquired business undertaking of KNS Trading Private Limited (Seller) comprising of manufacturing facility of short shoes components located at Kundli, Sonipat, Haryana on a slump sale basis pursuant to a Business Transfer Agreement ("BTA") dated December 26, 2023, addendum BTA dated February 2, 2024 and letter of agreement dated February 6, 2024. The effective date of transfer of business is February 1, 2024 as per the letter of agreement. The total purchase consideration for the said transaction is Rs. 3,108.00 lakhs. The Management of the Subsidiary Company has made the assessment of the said transaction and has, accordingly, accounted it as the business combination as per Ind AS 103 "Business Combination". Since, accounting for the business combination involves judgement in order to: • Assessment of the transactions as the asset acquisition or business combination as per Ind AS 103. • Identify and measure the fair value of the identifiable assets acquired and liabilities assumed. • Allocate the consideration transferred towards identifiable assets, liability and goodwill/other intangible assets. Since, the amount of the acquisition is material to the Subsidiary Company and significant management judgement is required in identification of fair values and the allocation of the consideration into identifiable tangible and intangible assets, we have identified this as a Key Audit Matter.	Our audit procedures included and were not limited to the following: 1. Obtained an understanding of the process followed by the Subsidiary Company for assessment and determination of the effective date and the accounting treatment, including the identification of assets and liabilities and determination of their fair values. 2. Evaluated the design and implementation and testing the operating effectiveness of key internal controls related to the Subsidiary Company's valuation process. 3. Reviewed the Purchase Price Allocation report provided by the management of the Subsidiary Company by involvement of registered valuer. 4. Verified the completeness of the identified assets acquired and liabilities assumed. 5. Assessed the appropriateness of methods and inputs used in the valuation of assets and liabilities. 6. Assessed the adequacy and appropriateness of the disclosures made in the Standalone Financial Statements in compliance with the requirements of applicable Indian Accounting Standards and applicable financial reporting framework.

INDEPENDENT AUDITOR'S REPORT (CONTD.)

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the included in the Holding Company's Annual Report but does not include the consolidated financial statements and our auditor's report thereon. The Holding Company's Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Holding Company's Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance under SA 720 'The Auditor's responsibilities Relating to Other Information' and take necessary action under the relevant laws and regulations.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing ("SAs") will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Consolidated Financial Statements.

OTHER MATTERS

We did not audit the financial statements of four subsidiaries, whose financial statements reflect total assets of Rs.30,463.55 lakhs as at March 31, 2024, total revenues of Rs. 22,373.14 lakhs and net cash flows amounting to Rs. 913.15 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements is not modified in respect of the above matters.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the Separate Financial Statements of the subsidiaries referred to in the Other Matters section above we report, to the extent applicable, that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors except for the matters stated in the paragraph 1(g)(vi) below on reporting under Rule 11(g).

   c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

   e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2024 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies are disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.

   f. With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group, and the operating effectiveness of such controls, refer to our separate report in "Annexure B".

   g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

INDEPENDENT AUDITOR'S REPORT (CONTD.)

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 31 to the consolidated financial statements.

ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies incorporated in India.

iv.

(1) The respective Managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries to or in any other person(s) or entity(ies), including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that such parties shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(2) The respective Managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, no funds have been received by the Holding Company or any of such subsidiaries from any person(s) or entity(ies), including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Holding Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(3) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, and according to the information and explanations provided to us by the Management of the Holding company in this regard nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.

INDEPENDENT AUDITOR'S REPORT (CONTD.)

v. The Holding Company and Its subsidiary companies have neither declared nor paid any dividend during the year.

vi. Based on our examination, and based on the other auditor's reports of its subsidiary companies incorporated in India whose financial statements have been audited under the Act, except for the instances mentioned below, the Holding Company and its subsidiary companies incorporated in India have used accounting software(s) for maintaining their respective books of account during the year ended March 31, 2024, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all the relevant transactions recorded in the software(s), and further, we did not come across any instance of audit trail feature being tampered with.:

a) In respect of Holding Company and its one subsidiary company, the accounting software used for maintaining books of account for the year ended March 31, 2024 had a feature of recording audit trail (edit log) facility, but the feature of recording audit trail was not maintained in respect of certain fields of transactions wherein the accounting software did not capture changes from April 1, 2023 to December 31, 2023. Further, the audit trail facility had operated throughout the year for all relevant transactions recorded in the accounting software, except the changes made in product line, Quantity etc. The logs/changes were available for Amount Field.

b) In respect of one subsidiary, as reported by the respective other auditor, the accounting software used for maintaining books of account for the year ended March 31, 2024 had a feature of recording audit trail (edit log) facility, but the feature of recording audit trail was not maintained in respect of certain fields of transactions wherein the accounting software did not capture changes from April 1, 2023 to December 31, 2023. Further, the audit trail facility had operated throughout the year for all relevant transactions recorded in the accounting software, except the changes made in product line, Quantity etc. The logs/changes were available for amount field, as reported by the respective other auditor.

c) In respect of one subsidiary, the accounting software used by the subsidiary for maintaining its books of account for the year ended March 31, 2024 had a feature of recording audit trail (edit log) facility, but the accounting software's audit trail feature / facility did not operate during the year ended March 31, 2024 as it was not enabled throughout the year, as reported by the respective other auditor. Further, other auditor is unable to comment whether there were any instances of the audit trail feature been tampered with.

2. In our opinion, according to information, explanations given to us, the remuneration paid by the Group to its directors of the Holding Company and its subsidiaries incorporated in India, is within the limits laid prescribed under Section 197 read with Schedule V of the Act and the rules thereunder.

INDEPENDENT AUDITOR'S REPORT (CONTD.)

3. According to the information and explanations given to us, the details of Qualifications/adverse remarks made by the respective auditors of the subsidiaries in the Companies (Auditor's Report) Order 2020 (CARO) Reports issued till the date of our audit report for the companies included in the consolidated financial statements are as follows:

Sr. No	Name of the Company	CIN	Type of Company (Holding / Subsidiary)	Clause number of the CARO Report which is qualified or Adverse
1	Hindustan Foods Limited	L15139MH1984PLC316003	Holding Company	(i)(c), vii(a)
2	KNS Shoetech Private Limited	U19119DL2022PTC399320	Wholly owned subsidiary	ix(d),xvii,xviii
3	HFL Multiproducts Private Limited	U10304MH2023PTC405319	Wholly owned subsidiary	ix(d)
4	HFL Consumer Products Private Limited	U15400MH2020PTC343381	Wholly owned subsidiary	ix(d)

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Amrish Vaidya
Partner
Membership No. 101739
UDIN: 24101739BKEZRZ6123

Place: Mumbai
Date: May 21, 2024

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

ON EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF HINDUSTAN FOODS LIMITED

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management and Board of Directors.
- Conclude on the appropriateness of the management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended March 31, 2024 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Amrish Vaidya
Partner
Membership No. 101739
UDIN: 24101739BKEZRZ6123

Place: Mumbai
Date: May 21, 2024

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF HINDUSTAN FOODS LIMITED

[Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Hindustan Foods Limited on the consolidated Financial Statements for the year ended March 31, 2024]

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

OPINION

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2024, we have audited the internal financial controls reference to consolidated financial statements of Hindustan Foods Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies (the Holding Company and its subsidiaries together referred to as "the Group"), which are companies incorporated in India, as of that date.

In our opinion, and to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary companies which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2024, based on the internal financial controls with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI").

MANAGEMENT AND BOARD OF DIRECTOR'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Management and the Board of Directors of the Holding Company, its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company, its subsidiary companies, which are companies incorporated in India.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OTHER MATTER

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to four subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not modified in respect of this matter.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Amrish Vaidya
Partner
Membership No. 101739
UDIN: 24101739BKEZRZ6123

Place: Mumbai
Date: May 21, 2024

CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2024

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Notes	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non-current assets			
Property, plant and equipments	4 (a)	84,686.57	51,965.63
Right of use assets	4 (a)	5,386.84	3,095.65
Capital work-in-progress	4 (b)	840.25	12,472.47
Goodwill	5 (a)	652.15	301.62
Other intangible assets	5 (b)	111.96	4.36
Intangible assets under development	5 (c)	33.68	39.95
Financial assets			
Other financial assets	6	12,464.54	1,896.21
Deferred tax asset (net)	30	75.65	42.53
Non-current tax assets (net)	7	374.39	1,368.78
Other non-current assets	8	1,145.53	2,563.10
Total non-current assets		**1,05,771.56**	**73,750.30**
Current assets			
Inventories	9	49,340.03	33,391.17
Financial assets			
Trade receivables	10	17,577.40	10,448.58
Cash and cash equivalents	11	4,318.09	3,986.92
Other than cash and cash equivalent	12	610.82	1,059.65
Other financial assets	6	7,807.20	5,133.12
Other current assets	8	7,099.59	5,748.71
Total current assets		**86,753.13**	**59,768.15**
Total assets		**1,92,524.69**	**1,33,518.45**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	2,291.47	2,254.86
Other equity	14	62,321.62	35,238.17
Total equity		**64,613.09**	**37,493.03**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	15	49,519.56	38,195.45
Lease liabilities	35	4,058.72	2,024.39
Provisions	16	1,295.57	537.20
Deferred tax liabilities (net)	30	4,133.45	4,775.91
Total non-current liabilities		**59,007.30**	**45,532.95**
Current liabilities			
Financial liabilities			
Borrowings	15	19,073.08	11,171.06
Trade payables	17		
i) outstanding dues of micro enterprises and small enterprises		412.85	68.53
ii) outstanding dues of creditors other than micro enterprise and small enterprise		42,167.27	33,462.74
Lease liabilities	35	330.29	102.41
Other financial liabilities	18	3,169.95	2,583.85
Other current liabilities	19	3,099.39	3,008.17
Provisions	16	139.85	95.71
Current tax liabilities (net)	20	511.62	-
Total current liabilities		**68,904.30**	**50,492.47**
Total liabilities		**1,27,911.60**	**96,025.42**
Total equity and liabilities		**1,92,524.69**	**1,33,518.45**
Summary of material accounting policies	2-3		

The accompanying notes 1 to 51 are an integral part of the consolidated financial statements.

As per our report of even date attached
For **M S K A & Associates**
Chartered Accountants
Firm's Registration No.:105047W

Amrish Vaidya
Partner
Membership No: 101739

Place : Mumbai
Date : May 21, 2024

For and on behalf of the Board of Directors of
Hindustan Foods Limited
CIN: L15139MH1984PLC316003

Sameer R. Kothari
Managing Director
DIN: 01361343

Mayank Samdani
Chief Financial Officer

Place : Mumbai
Date : May 21, 2024

Ganesh T. Argekar
Executive Director
DIN: 06865379

Bankim Purohit
Company Secretary
Membership No:ACS21865

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2024

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Notes	Year ended March 31, 2024	Year ended March 31, 2023
Income			
Revenue from operations	21	2,75,471.25	2,59,813.06
Other income	22	716.74	450.64
Total income		**2,76,187.99**	**2,60,263.70**
Expenses			
Cost of material consumed	23	2,33,239.44	2,24,429.87
Purchase of stock-in-trade		57.89	211.28
Changes in inventories of finished goods, stock-in-trade and work-in-progress	24	(5,983.16)	(1,419.54)
Employee benefits expense	25	8,261.82	5,560.58
Finance costs	26	5,668.16	3,580.19
Depreciation and amortisation expenses	27	5,479.80	3,740.52
Manufacturing and operating costs	28	13,270.87	10,596.38
Other expenses	29	4,451.76	3,113.51
Total expenses		**2,64,446.58**	**2,49,812.79**
Profit before tax		**11,741.41**	**10,450.91**
Tax expense	30		
Current tax		2,987.38	3,153.24
Adjustment of tax relating to earlier periods		(14.59)	(181.07)
Deferred tax (excluding MAT credit utilisation)		(533.10)	367.03
Total tax expense		**2,439.69**	**3,339.20**
Profit for the year		**9,301.72**	**7,111.71**
Other comprehensive income			
Items not to be reclassified to profit or loss :			
- Re-measurement gains/(losses) on defined benefit plans		152.18	(48.68)
- Income tax effect on these items		(27.87)	17.01
Total other comprehensive income for the year		**124.31**	**(31.67)**
Total comprehensive income for the year		**9,426.03**	**7,080.04**
Earnings per share (face value Rs. 10 each) [refer note 13 (a)]			
Basic earnings per share (Rs.)	31	8.23	6.31
Diluted earnings per share (Rs.)	31	8.23	6.31
Summary of material accounting policies	2-3		

The accompanying notes 1 to 51 are an integral part of the consolidated financial statements.

As per our report of even date attached
For **M S K A & Associates**
Chartered Accountants
Firm's Registration No.:105047W

Amrish Vaidya
Partner
Membership No: 101739

Place : Mumbai
Date : May 21, 2024

For and on behalf of the Board of Directors of
Hindustan Foods Limited
CIN: L15139MH1984PLC316003

Sameer R. Kothari
Managing Director
DIN: 01361343

Mayank Samdani
Chief Financial Officer

Place : Mumbai
Date : May 21, 2024

Ganesh T. Argekar
Executive Director
DIN: 06865379

Bankim Purohit
Company Secretary
Membership No:ACS21865

CONSOLIDATED STATEMENT OF CASH FLOW

FOR THE YEAR ENDED MARCH 31, 2024

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Cash flows from operating activities		
Profit before tax	11,741.41	10,450.91
Adjustments for:		
Depreciation and amortisation expenses	5,479.80	3,740.52
Finance cost	5,668.16	3,580.19
Interest income	(239.65)	(58.76)
Liabilities no longer required written back	(165.21)	(30.42)
Provision for doubtful debts written back	-	(64.39)
Bad debts written-off	30.24	5.18
Advances written off	18.03	35.85
Provision for doubtful debts	3.45	-
Provision for doubtful advances	70.48	-
Other receivable and advances written off	-	2.81
Unrealised foreign exchange translation (gain)/loss	(49.40)	(13.95)
Operating profit before working capital changes	**22,557.31**	**17,647.94**
Changes in working capital		
Increase in inventories	(11,632.01)	(8,128.69)
Increase in trade receivables	(4,102.21)	(2,160.85)
Increase in other assets	(748.37)	(344.40)
Increase in financial assets	(2,359.23)	(2,927.77)
Increase in trade payables	5,424.02	5,425.09
(Decrease)/Increase in other liabilities	(58.74)	2,226.09
Increase/(decrease) in financial liabilities	818.75	(76.97)
Increase in provisions	206.58	220.13
Cash generated from operations	**10,106.10**	**11,880.57**
Income tax paid (net)	(1,435.23)	(1,970.58)
Net cash generated from operating activities (A)	**8,670.87**	**9,909.99**
Cash flows from investing activities		
Purchase of property plant and equipment, capital work-in-progress, other intangible assets and intangible assets under development (net of capital creditors and including capital advances)	(13,252.08)	(16,575.33)
Payment against business transfer agreement (refer note 34 (A) (a))	-	(1,000.00)
Proceeds from disposal of property plant and equipment	9.92	165.88
Proceeds from other bank balances	1,302.85	20.25
Investment in fixed deposit from money received from issue of convertible warrants	(11,138.08)	-
Payment for acquisition of business (refer note 34)	(15,254.76)	(7,349.02)
Interest received	200.68	90.01
Net cash used in investing activities (B)	**(38,131.47)**	**(24,648.21)**

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2024 (CONTD.)

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Cash flows from financing activities		
Proceeds from issue of equity shares (net off share issue expenses)	9,842.69	-
Proceeds from issue of Convertible warrants	7,500.00	-
Proceeds from long-term borrowings	18,363.44	18,259.20
Repayment of long term borrowings	(7,953.97)	(5,500.94)
Proceeds from short-term borrowings	7,823.89	3,827.80
Lease rentals paid against lease liability	(395.38)	(451.73)
Interest paid	(5,381.71)	(3,345.18)
Net cash generated from financing activities (C)	**29,798.96**	**12,789.15**
Net decrease in cash and cash equivalents (A+B+C)	**338.36**	**(1,949.07)**
Cash and cash equivalents at the beginning of the year	3,986.92	3,259.75
Cash Acquired pursuant to business combination	-	2,665.41
Exchange difference on translation of foreign currency cash and cash equivalents	(7.19)	10.83
Cash and cash equivalents at the end of the year	**4,318.09**	**3,986.92**
Cash and cash equivalents comprise of		
Balance with bank		
On current accounts	4,312.72	3,789.06
Fixed deposits with maturity of less than 3 months	-	189.58
Cash on hand	5.37	8.28
Total cash and cash equivalents at end of the year	**4,318.09**	**3,986.92**

Foot note:

(i) Figures in brackets represent cash outflow.

(ii) The above Cash Flow Statement has been prepared under indirect method as set out in Ind AS-7-Cash Flow Statement notified under the Section 133 of the Companies Act, 2013.

The accompanying notes 1 to 51 are an integral part of the consolidated financial statements.

As per our report of even date attached
For **M S K A & Associates**
Chartered Accountants
Firm's Registration No.:105047W

Amrish Vaidya
Partner
Membership No: 101739

Place : Mumbai
Date : May 21, 2024

For and on behalf of the Board of Directors of
Hindustan Foods Limited
CIN: L15139MH1984PLC316003

Sameer R. Kothari
Managing Director
DIN: 01361343

Mayank Samdani
Chief Financial Officer

Place : Mumbai
Date : May 21, 2024

Ganesh T. Argekar
Executive Director
DIN: 06865379

Bankim Purohit
Company Secretary
Membership No:ACS21865

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2024

(Amounts in Rs. lakhs, unless otherwise stated)

(A) EQUITY SHARE CAPITAL (REFER NOTE 13)

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of shares	Amount	No. of shares	Amount
Equity shares of Rs. 2/- each issued, subscribed and fully paid				
Balance at the beginning of the year	11,27,42,690	2,254.86	2,25,48,538	2,254.86
Add: Changes in equity share capital during the year [refer note 49]	18,30,663	36.61	-	-
Add: Sub-division of 1 share of face value of Rs. 10/- each into 5 share of face value Rs. 2/- each effective July 22, 2022 (Increase in shares on account of sub-division)	-	-	9,01,94,152	-
Balance at the end of the year	**11,45,73,353**	**2,291.47**	**11,27,42,690**	**2,254.86**

(B) OTHER EQUITY (REFER NOTE 14)

Particulars	Equity component of redeemable non cumulative non convertible preference shares	Securities premium	Capital reserve [refer note 34]	Retained earnings [refer note 34]	Money received against share warrants (refer note 49)	Total
Balance as at April 01, 2022 *	**86.29**	**13,500.80**	**477.63**	**14,093.39**	**-**	**28,158.12**
Profit for the year	-	-	-	7,111.71	-	7,111.71
Other comprehensive income	-	-		(31.67)	-	(31.67)
Total comprehensive income for the year	**86.29**	**13,500.80**	**477.63**	**21,173.45**	**-**	**35,238.17**
Balance as at March 31, 2023	**86.29**	**13,500.80**	**477.63**	**21,173.45**	**-**	**35,238.17**
Balance as at April 01, 2023 *	**86.29**	**13,500.80**	**477.63**	**21,173.45**	**-**	**35,238.17**
Profit for the year	-	-	-	9,301.73	-	9,301.73
Other comprehensive income	-	-		124.31	-	124.31
Total comprehensive income for the year	**86.29**	**13,500.80**	**477.63**	**30,599.49**	**-**	**44,664.21**
Gain on bargain purchase on acquisition	-	-	351.35	-	-	351.35
Securities premium on shares issued (refer note 49)	-	9,963.38	-	-	-	9,963.38
Money received against share warrants (refer note 49)	-	-	-	-	7,500.00	7,500.00
Expenses on issue of share warrants (refer note 49)	-	(157.30)	-	-	-	(157.30)
Balance as at March 31, 2024	**86.29**	**23,306.88**	**828.98**	**30,599.49**	**7,500.00**	**62,321.62**

* There are no changes in other equity due to prior period errors

The accompanying notes 1 to 51 are an integral part of the consolidated financial statements.

As per our report of even date attached
For **M S K A & Associates**
Chartered Accountants
Firm's Registration No.:105047W

Amrish Vaidya
Partner
Membership No: 101739

Place : Mumbai
Date : May 21, 2024

For and on behalf of the Board of Directors of
Hindustan Foods Limited
CIN: L15139MH1984PLC316003

Sameer R. Kothari
Managing Director
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Executive Director
DIN: 06865379

Mayank Samdani
Chief Financial Officer

Bankim Purohit
Company Secretary
Membership No:ACS21865

Place : Mumbai
Date : May 21, 2024

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

1. GENERAL INFORMATION

Hindustan Foods Limited (the 'Company' or the 'Holding Company') is a public company domiciled in India and was incorporated in the year 1984 under the provisions of the Companies Act, 1956 applicable in India. The registered and principal office of business for the Company is located at office No. 03, Level 2, Centrium, Phoenix Market City, Kurla, Mumbai-400070. The equity shares of the Company are listed in India on the Bombay Stock Exchange and National Stock Exchange. The Holding Company, its subsidiaries (the Holding Company, its subsidiaries together referred to as 'Group') mainly 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.

2. MATERIAL ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

a) Statement of Compliance with Ind AS

These financial statements have been prepared in accordance with Indian Accounting Standards "(Ind AS)" notified under Section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The financial statements have been prepared on accrual & going concern basis. Accounting policies have been consistently applied to all the years presented except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

b) Basis of measurement

The financial statements have been prepared on a historical cost convention on accrual basis, except for defined benefit plans -plan assets measured at fair value and certain financial assets and financial liabilities.

c) Current / non-current classification

The Group has ascertained its operating cycle as twelve months for the purpose of current/ non-current classification of its assets and liabilities. The Group presents its assets and liabilities in the consolidated balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

d) Use of estimates

The preparation of financial statements in conformity with Ind AS requires the Management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the balance sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the balance sheet date. The estimates and assumptions used in the accompanying consolidated financial statements

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTD.)

are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates, if any, are recognised in the year in which the estimates are revised and in any future years affected. Refer Note 3 for detailed discussion on estimates and judgments.

e) Rounding off of amounts

The financial statements are reported in Indian Rupee which is functional currency of the Group and all the values are rounded to the nearest lakhs (Rs. 00,000).

2.2 Principles of consolidation

The financial statements have been prepared on the following basis:

a) Subsidiary

Subsidiaries is entity over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiary is fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. A change in the owenership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

The acquisition method of accounting is used to account for business combinations by the Group. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non controlling interests in the acquiree. At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

The Group combines the financial statements of the Holding Company and its subsidiary line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between Companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policy of subsidiary has been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiary are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and consolidated balance sheet, respectively.

The consolidated financial statements have been presented to the extent possible, in the same manner as Holding Company's standalone financial statements. The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the holding company, i.e., year ended on March 31.

b) Equity Method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in statement of profit and loss, and the Group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associate are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described in note 2.5 below.

c) New and amended standards adopted by the Group

The Group has applied the following amendments to Ind AS for the first time for their annual reporting period commencing April 01, 2021:

- Extension of COVID-19 related concessions – amendments to Ind AS 116
- Interest rate benchmark reform – amendments to Ind AS 109, Financial Instruments, Ind AS 107, Financial Instruments: Disclosures, Ind AS 104, Insurance Contracts and Ind AS 116, Leases.

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

d) New amendments issued but not effective

The Ministry of Corporate Affairs has vide notification dated March 23, 2022, notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective April 01, 2022. These amendments are not expected to have a material impact on the group in the current or future reporting periods and on foreseeable future transactions. Refer Note 2.24 below.

e) Reclassifications consequent to amendments to Schedule III

The Ministry of Corporate Affairs amended the Schedule III to the Companies Act, 2013 on March 24, 2021 to increase the transparency and provide additional disclosures to users of financial statements. These amendments are effective from April 01, 2021.

Consequent to above, the group has changed the classification/presentation of (i) current maturities of long-term borrowings (ii) security deposits, in the current year.

The current maturities of long-term borrowings have now been included in the "Current borrowings" line item. Previously, current maturities of long-term borrowings were included in 'other financial liabilities' line item.

Further, security deposits (which meet the definition of a financial asset as per Ind AS 32) have been included in 'other financial assets' line item. Previously, these deposits were included in 'loans' line item.

The Group has reclassified comparative amounts to conform with current year presentation as per the requirements of Ind AS 1.

2.3 Property, plant and equipment

Freehold land is carried at acquisition cost and is not depreciated. All other items of property, plant and equipment are stated at acquisition cost less accumulated depreciation and impairment, if any. Acquisition cost includes expenditure that is directly attributable to the acquisition of the items. The cost comprises purchase price, borrowing costs if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTD.)

the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Borrowing costs directly attributable to acquisition or construction of qualifying PPE are capitalised.

Spare parts are recognised when they meet the definition of property, plant and equipment, otherwise, such items are classified as inventory.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the year in which they are incurred.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets which are not ready for intended use before such date are disclosed under 'Capital work-in-progress'.

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the Property, plant and equipment is de-recognised.

Costs of assets not ready for use at the balance sheet date are disclosed under capital work- in-progress.

Depreciation methods, estimated useful lives

The Group depreciates property, plant and equipment over their estimated useful lives prescribed under Schedule II of Companies Act, 2013 using the straight-line method. The estimated useful lives of assets are as follows:

Property, plant and equipment	Estimated useful life
Leasehold improvement*	Lease period
Building	30 years
Plant & Machinery	15 years
Furniture and Fixtures	10 years
Office Equipment	5 to 10 years
Electrical equipment	10 years
Computers	3 years
Vehicles	2 to 15 years

* Leasehold improvements are amortised over the lease period, which corresponds with the useful lives of the assets.

Depreciation on addition to property plant and equipment is provided on pro-rata basis from the date when assets are ready for intended use. Depreciation on sale from property plant and equipment is provided up to the date preceding the date of sale, deduction as the case may be. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Consolidated Statement of Profit and Loss under 'Other Income'.

Depreciation methods, useful lives and residual values are reviewed periodically at each financial year end and adjusted prospectively, if any, as appropriate.

2.4 Other intangible assets

Other intangible assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation/ depletion and impairment loss, if any. The cost comprises of purchase price, borrowing costs and any cost directly attributable to bringing the asset to its working condition for the intended use.

Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates. An intangible asset is derecognised on disposal or when no future economic benefits are expected from its use and disposal.

Losses arising from retirement and gains or losses arising from disposal of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss.

Expenditure incurred on acquisition of intangible assets which are not ready to use at the reporting date is disclosed under "Intangible assets under development".

Amortisation method and periods

Amortisation is charged on a straight-line basis over the estimated useful lives. The estimated useful lives and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in the estimate being accounted for on a prospective basis.

The Group amortised intangible assets over their estimated useful lives using the straight-line method. The estimated useful lives of intangible assets are as follows:

Other intangible assets	Estimated useful life
Brand	4 years
Computer software	6 years

2.5 Impairment of non-financial assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognised in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

For non financial assets, an assessment is made at each reporting period end or whenever triggering event occurs as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group makes an estimation of the recoverable amount.

A previously recognised impairment loss is reversed only if there has been a change in the estimations used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, or had no impairment loss been recognised for the asset in prior years.

2.6 Foreign currency transactions

a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (Rs.), which is the Group's functional and presentation currency.

b) Transactions and balances

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. Gains/ losses arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognised in the Statement of Profit and Loss.

All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognised in the Consolidated Statement of Profit and Loss.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTD.)

2.7 Fair value measurement

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability accessible to the Group.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. The Group's management determines the policies and procedures for fair value measurement such as derivative instrument.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

2.8 Revenue Recognition

The Group recognises revenue when (or as) the Group satisfies a performance obligation by transferring a promised goods or services to a customer. The promised good or service is transferred when (or as) the customer obtains control over a good or service. Revenue is reported net of taxes and duties as applicable.

For sale of goods, the Group recognises revenue when it transfers control of goods to the customer. Control is passed on to the customer when goods are dispatched from Group's premises or as per the terms with customers.

For sale of services, the Group recognises revenue as or when the performance obligation in relation the service is satisfied by the Group based on terms of the agreements with customers and there are no unfulfilled obligation.

Revenue in excess of invoices are classified as unbilled revenue, while invoicing in excess of revenue are classified income received in advance.

Insurance claims are recognised when its amount can be measured reliably, and ultimate collection is reasonably certain.

Interest income is recognised on a basis of effective interest method as set out in Ind AS 109, Financial Instruments, and where no significant uncertainty as to measurability or collectability exists.

Export Incentives under various schemes are accounted in the year of export on accrual basis.

2.9 Taxes

Tax expense for the year, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the year.

a) Current income tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years, items that are never taxable or deductible and tax incentives. Current tax assets and liabilities are measured at the amount expected to be recovered or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the year end date. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

b) Deferred tax

Deferred income tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current and deferred tax is recognised in Consolidated Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Group will pay normal income tax during the specified period.

2.10 Leases

The Group's lease asset classes primarily consist of leases for Land and Buildings and Plant & Machinery. The Group assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

(i) the contract involves the use of an identified asset

(ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and

(iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and leases of low value assets. For these short-term and leases of low value assets, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTD.)

any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

2.11 Inventories

Inventories are valued at lower of cost and net realisable value after providing cost of obsolescence, if any. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. The comparison of cost and net realisable value is made on an item-by-item basis. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Cost includes purchase price, (excluding those subsequently recoverable by the enterprise from the concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. In determining the cost, weighted average cost method is used.

Manufactured finished goods and traded goods are valued at the lower of cost and net realisable value. Cost of work in progress and manufactured finished goods is determined on the weighted average basis and comprises direct material, cost of conversion and other costs incurred in bringing these inventories to their present location and condition. Cost of traded goods is determined on a weighted average basis.

Provision of obsolescence on inventories is considered on the basis of management's estimate based on demand and market of the inventories.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials and other supplies held for use in production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

The comparison of cost and net realisable value is made on item by item basis.

2.12 Provisions, contingent liabilities and contingent assets

Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

The Group records a provision for decommissioning costs. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

2.13 Cash and cash equivalents

Cash and cash equivalent in the consolidated balance sheet comprise cash at banks, cash on hand and short-term deposits net of bank overdraft with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, cash in banks and short-term deposits net of bank overdraft.

2.14 Borrowing costs

Interest and other borrowing costs attributable to qualifying assets are capitalised. Other interest and borrowing costs are charged to Consolidated Statement of Profit and Loss.

2.15 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a) Financial assets

i. Initial recognition and measurement

At initial recognition, financial asset is measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

ii. Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

a) at amortised cost; or

b) at fair value through other comprehensive income; or

c) at fair value through profit or loss.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method (EIR).

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTD.)

principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to Statement of Profit and Loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

Equity instruments: All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the profit and loss.

iii. **Impairment of financial assets**

In accordance with Ind AS 109, Financial Instruments, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets that are measured at amortised cost and FVOCI.

For recognition of impairment loss on financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent years, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Life time ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the year end.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTD.)

However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

ECL impairment loss allowance (or reversal) recognised during the year is recognised as income/expense in the statement of profit and loss. In Consolidated balance sheet ECL for financial assets measured at amortised cost is presented as an allowance, i.e. as an integral part of the measurement of those assets in the consolidated balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

iv. **Derecognition of financial assets**

A financial asset is derecognised only when

a) the rights to receive cash flows from the financial asset is transferred or

b) retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the financial asset is transferred then in that case financial asset is derecognised only if substantially all risks and rewards of ownership of the financial asset is transferred. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

b) Financial liabilities

i. **Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and at amortised cost, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

ii. **Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

iii. **Non cumulative redeemable non cumulative non convertible preference shares**

Redeemable non cumulative non convertible preference shares where payment of dividend is discretionary and

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTD.)

which are mandatorily redeemable on a specific date, are classified as compounded Instruments. The fair value of the liabilities portion is determined by discounting amount repayable at maturity using market rate of interest. Difference between proceed receive and fair value of liability on initial recognition is included in shareholder equity, net off income tax effect and not subsequently remeasured. Subsequently liability component of preference share is measured at amortised cost.

iv. Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss as finance costs.

c) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the consolidated balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

2.16 Employee benefits

a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are recognised in respect of employees' services up to the end of the year and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the consolidated balance sheet.

b) Other long-term employee benefit obligations

i. Defined contribution plan

Provident Fund: Contribution towards provident fund is made to the regulatory authorities, where the Group has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Group does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

Employee's State Insurance Scheme: Contribution towards employees' state insurance scheme is made to the regulatory authorities, where the Group has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Group does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

ii. Defined benefit plans

Gratuity (funded): The Group provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary. The Group's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognised in the other comprehensive income in the year in which they arise.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTD.)

iii. Other long- term employee benefit obligations

Compensated Absences: Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Group's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognised in the statement of profit and loss in the year in which they arise.

2.17 Contributed equity

Equity shares are classified as equity share capital. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.18 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Group's earnings per share is the net profit or loss for the year after deducting preference dividends and any attributable tax thereto for the year. The weighted average number of equity shares outstanding during the year and for all the years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

2.19 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Chief Operating Decision Maker (CODM) reviews the operations of the Group as contract manufacturing. Consequently, no separate segment information has been furnished.

2.20 Business Combination

Business Combinations are accounted for using the acquisition accounting method as at the date of the acquisition, which is the date at which control is transferred to the Group. The consideration transferred in the acquisition and the identifiable assets acquired and liabilities assumed are recognised at fair values on their acquisition date. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. Consideration transferred does not include amounts related to settlement of pre-existing relationships. Such amounts are recognised in the Consolidated Statement of Profit and Loss. Transaction costs are expensed as incurred, other than those incurred in relation to the issue of debt or equity securities. Any contingent consideration payable is measured at fair value at the acquisition date. Subsequent changes in the fair value of contingent consideration are recognised in the Consolidated Statement of profit and loss.

Business Combinations under common control are accounted as per Appendix C in Ind AS 103 - Business combinations, at carrying amount of assets and liabilities acquired and any excess of consideration issued over the net assets acquired is recognised as capital reserve on common control business combination.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTD.)

2.21 Convertible preference shares

Convertible preference shares are separated into liability and equity components based on the terms of the contract.

On issuance of the convertible preference shares, the fair value of the liability portion of an optionally convertible preference shares is determined using a market interest rate for an equivalent non-convertible bonds. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or redemption of the bonds. The remainder of the proceeds is attributable to the equity portion of the compound instrument since it meets Ind AS 32, Financial Instruments: Presentation, criteria for fixed to fixed classification. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not subsequently re-measured.

Transaction costs are apportioned between the liability and equity components of the convertible preference shares based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future years.

3.1 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the year-end date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

a) Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

b) Defined benefit plans and other long-term benefits (gratuity benefits and leave encashment)

The cost of the defined benefit plans such as gratuity and leave encashment are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each year end.

The principal assumptions are the discount and salary growth rate. The discount rate is based upon the market yields available on government bonds at the accounting date with a term that matches that of liabilities. Salary increase rate takes into account of inflation, seniority, promotion and other relevant factors on long term basis. For details refer Note 36.

c) Impairment of non-financial assets

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

d) Provision against obsolete and slow-moving inventories

The Group reviews the condition of its inventories and makes provision against obsolete and slow-moving inventory items which are identified as no longer suitable for sale or use. Group estimates the net realisable value for such inventories based primarily on the latest invoice prices and current market conditions. The Group carries out an inventory review at each balance sheet date and makes provision against obsolete and slow-moving items. The Group reassesses the estimation on each balance sheet date.

e) Impairment of financial assets

The Group assesses impairment based on expected credit losses (ECL) model on trade receivables. The Group uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTD.)

4 (a) Property, plant and equipment

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Gross carrying amount					Depreciation & Impairment					Net carrying amount
	As at April 01, 2023	Additions/ Adjustments	Acquisition through business combination [refer note 34(A)]	Disposals	As at March 31, 2024	As at April 01, 2023	Acquisition through business combination [refer note 34(A)]	Depreciation for the year	Disposals	As at March 31, 2024	As at March 31, 2024
I Owned Assets											
Freehold land	3,997.70	2.68	3,118.12	-	7,118.50	-	-	-	-	-	7,118.50
Buildings#	20,777.61	6,226.35	8,165.95	-	35,169.91	3,726.84	4,339.12	915.50	-	8,981.46	26,188.45
Plant and machinery#	36,606.03	15,713.47	22,474.75	635.01	74,159.24	9,242.69	16,620.45	3,477.45	86.05	29,254.54	44,904.70
Furniture and fixtures	574.34	230.42	877.77	16.41	1,666.12	245.85	615.96	61.15	16.35	906.61	759.51
Vehicles	224.97	-	6.99	-	231.96	61.29	1.77	22.22	-	85.28	146.68
Office equipment's	983.60	1,264.86	215.32	0.84	2,462.94	596.40	66.58	170.92	0.01	833.89	1,629.05
Electrical equipment	3,863.52	1,416.87	20.59	-	5,300.98	1,476.76	3.81	350.36	-	1,830.93	3,470.05
Computers	224.84	142.91	484.16	0.20	851.71	166.35	392.22	72.68	-	631.25	220.46
Leasehold improvement	293.48	15.39	41.57	-	350.44	64.28	4.31	32.70	-	101.29	249.15
	67,546.10	**25,012.95**	**35,405.22**	**652.46**	**1,27,311.80**	**15,580.46**	**22,044.21**	**5,102.98**	**102.41**	**42,625.23**	**84,686.57**
II Right of Use Assets											
Leasehold land ##, ^	1,328.74	1,182.35	214.44	-	2,725.53	61.11	5.76	25.75	-	92.62	2,632.91
Building ^	2,293.78	951.28	356.63	-	3,601.69	465.76	43.33	338.67	-	847.76	2,753.93
Plant and machinery	47.41	-	-	-	47.41	47.41	-	-	-	47.41	-
Total	**3,669.93**	**2,133.63**	**571.07**	**-**	**6,374.63**	**574.28**	**49.09**	**364.42**	**-**	**987.79**	**5,386.84**

Includes finance cost capitalised during the year amounting to Rs. 139.07 lakhs (March 31, 2023: Rs. 139.07 lakhs) in Building and Plant and Machinery. Further, Rs. lakhs (March 31, 2023: Rs. 239.52 lakhs) capitalised in Capital Work-in-progress.

Leasehold land aggregating to Rs. 321.65 lakhs (acquired as part of the business combinations) wherein the title deed is not held in name of the Holding Company as on March 31, 2024 .

^ For changes in the carrying value of Lease Liability refer note 35

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTD.)

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Gross carrying amount					Depreciation & Impairment					Net carrying amount
	As at April 01, 2022	Additions/ Adjustments	Acquisition through business Combination [refer note 34(A)]	Disposals	As at March 31, 2023	As at April 01, 2022	Acquisition through business Combination [refer note 34(A)]	Depreciation for the year	Disposals	As at March 31, 2023	As at March 31, 2023
I Owned Assets											
Freehold land	1,665.47	366.30	1,965.93	-	3,997.70	-	-	-	-	-	3,997.70
Buildings#	16,371.61	3,144.97	1,261.03	-	20,777.61	2,810.95	253.55	662.34	-	3,726.84	17,050.77
Plant and machinery#	28,490.94	7,530.64	694.78	110.33	36,606.03	6,670.22	351.47	2,238.63	17.63	9,242.69	27,363.34
Furniture and fixtures	349.72	139.65	86.51	1.55	574.34	153.16	45.55	47.32	0.18	245.85	328.49
Vehicles	115.31	106.08	3.58	-	224.97	47.44	0.63	13.22	-	61.29	163.68
Office equipment's	652.50	223.27	109.18	1.35	983.60	467.30	62.43	66.67	-	596.40	387.20
Electrical equipment	2,870.33	1,106.08	-	112.89	3,863.52	1,131.01	-	363.93	18.18	1,476.76	2,386.76
Computers	144.39	41.01	39.46	-	224.84	111.67	33.12	21.56	-	166.35	58.49
Leasehold improvement	229.73	63.75	-	-	293.48	36.77		27.51	-	64.28	229.20
	50,890.00	**12,721.76**	**4,160.47**	**226.11**	**67,546.10**	**11,428.52**	**746.75**	**3,441.18**	**35.99**	**15,580.46**	**51,965.63**
II Right of Use Assets											
Leasehold land ##, ^	1,156.51	25.76	146.47	-	1,328.74	34.41	12.40	14.30	-	61.11	1,267.63
Building ^	2,293.78	-	-	-	2,293.78	183.21		282.55	-	465.76	1,828.02
Plant and machinery	47.41	-	-	-	47.41	47.41	-	-	-	47.41	-
Total	**3,497.70**	**25.76**	**146.47**	**-**	**3,669.93**	**265.03**	**12.40**	**296.85**	**-**	**574.28**	**3,095.65**

4 (b) Capital Work in Progress (CWIP)

Particulars	As at April 01, 2023	Expenditure during the year	Capitalised during the year	Impairment	Written off	Closing as at March 31, 2024
CWIP	12,472.47	5,483.94	17,116.16	-	-	840.25

Particulars	As at April 01, 2022	Expenditure during the year	Capitalised during the year	Impairment	Written off	Closing as at March 31, 2023
CWIP	8,716.47	13,123.58	9,367.57	-	-	12,472.47

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTD.)

Ageing of capital work in progress ("CWIP")

March 31, 2024

(Amounts in Rs. lakhs, unless otherwise stated)

CWIP	Amount in CWIP				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	511.63	16.93	-	-	**528.56**
Projects temporarily suspended	-	-	311.69	-	**311.69**

March 31, 2023

(Amounts in Rs. lakhs, unless otherwise stated)

CWIP	Amount in CWIP				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	12,007.30	153.48	-	-	12,160.78
Projects temporarily suspended	-	311.69	-	-	311.69

In case of the following projects (CWIP), where completion is overdue as compared to it's original plan, completion schedule is as below:

As at March 31, 2024

(Amounts in Rs. lakhs, unless otherwise stated)

CWIP	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects temporarily suspended	311.69	-	-	-	311.69

* The Group is in the process of constructing a warehouse inside one of it's factory for storing inventories. The Group is planning to complete the construction work soon.

There are no projects as Capital Work in Progess as at March 31, 2024 and March 31, 2023, the cost of which has exceeded in comparison to its original plan.

In case of the following projects (CWIP), where completion is overdue as compared to it's original plan, completion schedule is as below:

CWIP

(Amounts in Rs. lakhs, unless otherwise stated)

CWIP	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects temporarily suspended	311.69	-	-	-	311.69

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTD.)

5 (a) Goodwill

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Amount
Cost	
As at April 01, 2022	**-**
Additions [refer note 34 (B)]	301.62
Disposals/Adjustments	-
As at March 31, 2023	**301.62**
Additions (Refer Note 34 (A))	350.53
Disposals/Adjustments	-
As at March 31, 2024	**652.15**
Net book value	
As at March 31, 2024	**652.15**
As at March 31, 2023	**301.62**

No impairment loss required to be recognised on goodwill in current and previous year.

5 (b) Other intangible assets

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Gross carrying amount					Amortisation and impairment					Net carrying amount
	As at April 01, 2023	Additions/ Adjustments	Acquisition through business combination	Disposals	As at March 31, 2024	As at April 01, 2023	Acquisition through business combination	Amortisation the year	Disposals	As at March 31, 2024	As at March 31, 2024
Other intangible assets											
Brand	200.00	-	-	-	200.00	200.00	-	-	-	200.00	-
Trademark	0.70	-	-	-	0.70	0.70	-	-	-	0.70	-
Computer software	17.47	86.39	620.10	-	723.96	13.11	586.49	12.40	-	612.00	111.96
Total	**218.17**	**86.39**	**620.10**	**-**	**924.66**	**213.81**	**586.49**	**12.40**	**-**	**812.70**	**111.96**

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Gross carrying amount					Amortisation and impairment					Net carrying amount
	As at April 01, 2022	Additions/ Adjustments	Acquisition through business combination	Disposals	As at March 31, 2023	As at April 01, 2022	Acquisition through business combination	Amortisation the year	Disposals	As at March 31, 2023	As at March 31, 2023
Other intangible assets											
Brand	200.00	-	-	-	200.00	200.00	-	-	-	200.00	-
Trademark	0.70	-	-	-	0.70	0.69	-	0.01	-	0.70	-
Computer software	17.32	0.15	-	-	17.47	10.63	-	2.48	-	13.11	4.36
Total	**218.02**	**0.15**	**-**	**-**	**218.17**	**211.32**	**-**	**2.49**	**-**	**213.81**	**4.36**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTD.)

5 (c) Intangible assets under development

Particulars	As at April 01, 2023	Expenditure during the year	Capitalised during the year	Impairment	Written off	Closing as at March 31, 2024
Intangible assets under development	39.95	51.15	(57.42)	-	-	33.68

Particulars	As at April 01, 2022	Expenditure during the year	Capitalised during the year	Impairment	Written off	Closing as at March 31, 2023
Intangible assets under development	-	39.95	-	-	-	39.95

Ageing of Intangible asset under development

As at March 31, 2024

(Amounts in Rs. lakhs, unless otherwise stated)

Intangible asset under development	Amount in intangible asset under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	33.68	-	-	-	**33.68**
Projects temporarily suspended	-	-	-	-	**-**

As at March 31, 2023

(Amounts in Rs. lakhs, unless otherwise stated)

Intangible asset under development	Amount in intangible asset under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	39.95	-	-	-	39.95
Projects temporarily suspended	-	-	-	-	-

There are no projects as Intangible assets under development as at March 31, 2024 and March 31, 2023, whose completion is overdue or cost of which has exceeds in comparison to its original plan.

6 OTHER FINANCIAL ASSETS

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2024		As at March 31, 2023	
	Non- current	Current	Non- current	Current
Financial instruments at amortised cost				
Security deposits	1,037.46	19.56	759.29	27.51
In fixed deposit accounts with original maturity for more than 12 months#	11,410.78	-	1,126.72	-
Interest accrued on deposits with bank	16.30	64.60	10.20	31.29
Unbilled revenue	-	7,035.72	-	4,771.48
Other receivable	-	687.76	-	302.84
Total other financial assets	**12,464.54**	**7,807.20**	**1,896.21**	**5,133.12**

These Includes fixed deposits of Rs. 165.98 lakhs (previous year ended March 31, 2023: Rs. 158.61 lakhs) held as margin money deposit against guarantees and lien.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTD.)

7 NON-CURRENT TAX ASSETS

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
Advance income tax (net)	374.39	1,368.78
Total non-current tax assets	**374.39**	**1,368.78**

8 OTHER NON-CURRENT AND CURRENT ASSETS

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2024		As at March 31, 2023	
	Non- current	Current	Non- current	Current
Capital advances*	1,092.53	-	1,536.14	-
Advance against business transfer agreement	-	-	1,000.00	-
Prepaid expenses	52.99	338.94	26.96	254.34
Balance with government authorities (other than income tax)	-	4,963.01	-	4,607.75
Export incentive receivable	-	128.43	-	123.24
Advances to suppliers	-	1,646.24	-	750.32
Advances to employees	-	13.29	-	5.87
Other receivables	-	9.67	-	7.19
Total other assets	**1,145.53**	**7,099.59**	**2,563.10**	**5,748.71**

* Value of contracts in capital account remaining to be executed as at March 31, 2024 Rs. 1331.91 lakhs (as at March 31, 2023: Rs. 2279.14 lakhs)

9 INVENTORIES*

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
(Lower of cost or Net realisable value)		
Raw material and intermediate	23,717.80	17,207.68
Work in progress	11,488.45	5,937.05
Finished goods	7,493.31	6,159.58
Packing material	5,986.54	3,867.55
Consumables, store and spares parts	653.93	219.31
Total inventories	**49,340.03**	**33,391.17**

During the year, an amount of Rs. NIL [previous year ended March 31, 2023: Rs. 19.44 lakhs] is charged to the statement of Profit and Loss on account of obsolete, damaged and slow moving inventories.

*Hypothecated as charge against short term-borrowings. Refer note 15(b).

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTD.)

10 TRADE RECEIVABLES

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
Trade receivables	17,619.98	10,487.23
Less: Allowance for bad and doubtful debts	(42.58)	(38.65)
Total trade receivables	**17,577.40**	**10,448.58**
Current portion	**17,577.40**	**10,448.58**
Non current	**-**	**-**

(a) Breakup of security details

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
Secured, considered good		
Unsecured	-	-
- Considered good	17,577.40	10,448.58
- Considered doubtful		
Receivables which have significant increase in credit risk	-	-
Receivables credit impaired	42.58	38.65
Total	**17,619.98**	**10,487.23**
Allowance for bad and doubtful debts	(42.58)	(38.65)
Total trade receivables	**17,577.40**	**10,448.58**

(b) The movement in allowances for doubtful receivables is as follows:

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	**38.65**	**101.58**
Additions	15.00	1.07
Write off (net of recovery)	11.55	64.39
Adjustment	0.49	0.39
Closing Balance	**42.59**	**38.65**

(c) Ageing of Trade Receivables

As at March 31, 2024

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Not Due	Outstanding for following periods from due date of receipts					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	10,496.15	6,188.07	893.19	-	-	-	**17,577.40**
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	**-**
(iii) Undisputed Trade Receivables – credit impaired	-	-	1.04	20.96	9.93	10.65	**42.58**
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	**-**
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	**-**
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	**-**
Less: Allowance for bad and doubtful debts (Disputed + Undisputed)	-	-	(1.04)	(20.96)	(9.93)	(10.65)	**(42.58)**
	10,496.15	**6,188.07**	**893.19**	**-**	**-**	**-**	**17,577.40**

As at March 31, 2023

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Not Due	Outstanding for following periods from due date of receipts					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	8,883.95	1,529.57	24.52	10.54	-	-	**10,448.58**
(ii) Undisputed Trade Receivables –which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	5.72	7.69	25.24	**38.65**
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Less: Allowance for bad and doubtful debts (Disputed + Undisputed)	-	-	-	(5.72)	(7.69)	(25.24)	**(38.65)**
	8,883.95	**1,529.57**	**24.52**	**10.54**	**-**	**-**	**10,448.58**

(d) No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person or firms or private companies in which any director is a partner, a director or a member.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTD.)

11 CASH AND CASH EQUIVALENTS

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
Cash and cash equivalents		
Balances with banks		
- In current accounts	4,312.72	3,789.06
- Fixed deposits with original maturity of less than 3 months	-	189.58
Cash on hand	5.37	8.28
Total cash and cash equivalents	**4,318.09**	**3,986.92**

12 OTHER THAN CASH AND CASH EQUIVALENT

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
In fixed deposit with original maturity for more than 3 months but less than 12 months *	610.82	1,059.65
Total bank balances other than cash and cash equivalents	**610.82**	**1,059.65**

* These Includes fixed deposits of Rs. 594.20 lakhs (previous year ended March 31, 2023: Rs. 522.21 lakhs) held as margin money deposit against guarantees and lien.

13 EQUITY SHARE CAPITAL

The Holding Company has only one class of equity share capital having a par value of Rs. 2/- per share (March 31, 2023 Rs. 10/- per share), referred to herein as equity shares

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
Authorised		
26,57,61,265 (March 31, 2023 26,57,61,265 Equity Shares of Rs. 2/- each) Equity shares of Rs. 2/- each	5,315.23	5,315.23
	5,315.23	**5,315.23**
Issued, subscribed and paid up		
11,45,73,353 (March 31, 2023 11,27,42,690 Equity Shares of Rs. 2/- each) Equity shares of Rs. 2/- each fully paid up	2,291.47	2,254.86
Total	**2,291.47**	**2,254.86**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTD.)

(a) Reconciliation of equity shares outstanding at the beginning and at the end of the year

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of shares of Rs. 2 each unless otherwise stated	Amount	No. of shares of Rs. 10 each unless otherwise stated	Amount
Outstanding at the beginning of the year	11,27,42,690	2,254.86	2,25,48,538	2,254.86
Add: Changes in equity share capital during the year [refer note 49]	18,30,663	36.61	-	-
Add: Sub-division of 1 share of face value of Rs. 10/- each into 5 share of face value Rs. 2/- each effective July 22, 2022 (Increase in shares on account of sub-division)*	-	-	9,01,94,152	-
Outstanding at the end of the year	**11,45,73,353**	**2,291.47**	**11,27,42,690**	**2,254.86**

* During the previous year ended March 31, 2023, the Shareholders of the Holding Company, through Postal Ballot on July 01, 2022, approved the sub-division of one equity share of face value Rs. 10 each (fully paid-up) into 5 equity share of face value Rs. 2 each. The record date for the said sub-division was set at July 22, 2022.

(b) Rights, preferences and restrictions attached to shares

Equity Shares: The Holding Company has only one class of equity shares having par value of Rs. 2 per share. Each shareholder is entitled to one vote per share held. Dividend if any declared is payable in Indian Rupees.

During the year ended March 31, 2024, the amount of per share dividend recognised as distributions to equity shareholders was Nil (March 31, 2023: Nil).

In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to receive remaining assets of the Holding Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Holding Company

(Amounts in Rs. lakhs, unless otherwise stated)

Name of the shareholder	As at March 31, 2024		As at March 31, 2023	
	No. of shares of Rs. 2 each unless otherwise stated	% of holding	No. of shares of Rs. 2 each unless otherwise stated	% of holding
Vanity Case (India) Private Limited	4,64,58,145	40.55%	4,64,58,145	41.21%
Asha R. Kothari	1,20,75,915	10.54%	1,20,75,915	10.71%
Sameer R. Kothari	1,20,75,915	10.54%	1,20,75,915	10.71%
M/s. Jwalamukhi Investment Holdings	65,95,062	5.76%	66,22,161	5.87%

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTD.)

(d) Details of Shares held by Promoters at the end of the year

(Amounts in Rs. lakhs, unless otherwise stated)

Promoter name	As at March 31, 2024			As at March 31, 2023		
	No. of shares of Rs. 2 each unless otherwise stated	% of total shares	% Change as compared to immediate preceding year	No. of shares of Rs. 2 each unless otherwise stated	% of total shares	% Change as compared to immediate preceding year
Vanity Case (India) Private Limited	4,64,58,145	40.55%	(0.66%)	4,64,58,145	41.21%	0.00%
Asha R. Kothari	1,20,75,915	10.54%	(0.17%)	1,20,75,915	10.71%	0.00%
Sameer R. Kothari	1,20,75,915	10.54%	'(0.17%)	1,20,75,915	10.71%	0.00%
Shrinivas Vasudeva Dempo	20,00,000	1.75%	(0.03%)	20,00,000	1.77%	0.00%
Soiru Dempo Management Holding Private Limited	5,00,000	0.44%	(0.01%)	5,00,000	0.44%	0.00%
V.S.Dempo Holdings Private Limited	-	-	-	-	-	-
Total	**7,31,09,975**	**63.81%**	**(1.04%)**	**7,31,09,975**	**64.85%**	**0.00%**

(e) Information regarding issue of Equity Shares during last five years

(i) No shares have been issued as bonus shares by the Holding Company during the period of five years immediately preceding the current year end.

(ii) No shares have been bought back by the Holding Company during the period of five years immediately preceding the current year end.

14 OTHER EQUITY

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
Capital reserve	828.98	477.63
Securities premium	23,306.88	13,500.80
Equity component of redeemable non cumulative non convertible preference shares	86.29	86.29
Retained earnings	30,599.47	21,173.45
Money received against share warrant	7,500.00	-
	62,321.62	**35,238.17**

Nature and purpose of other reserves	
Capital reserve (including reserve created on common control business combination)	The Group recognises profit or loss on purchase, sale, issue or cancellation of the Holding Company's own equity instruments to capital reserve.
Securities premium	Securities premium is used to record the premium on issue of shares. This is utilised in accordance with the provisions of the Companies Act 2013.
Equity component of redeemable non cumulative non convertible preference shares	Equity component represents difference between consideration received and present value of liability component on initial recognition (net of deferred tax).
Retained earnings	Retained earnings are the profits that the Group has earned till date, dividends or other distributions paid to shareholders.
Money received against share warrant	25% amount received towards issue of convertible share warrants on preferential basis.

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
(A) Capital reserve		
Opening balance	477.63	477.63
Add : Gain on account of business acquisition (refer note 34 (A))	351.35	-
Closing balance	**828.98**	**477.63**
(B) Securities premium		
Opening balance	13,500.80	13,500.80
Add : Securities premium on share issued [refer note 49]	9,963.38	-
Less : Expenses on issue of share warrants	(157.30)	-
Closing balance	**23,306.88**	**13,500.80**
(C) Equity component of redeemable non cumulative non convertible preference shares	**86.29**	**86.29**
(D) Retained earnings		
Opening balance	21,173.45	14093.39
Add: Net profit for the year	9,301.73	7111.71
Add/(Less): Item of OCI for the year, net of tax	124.31	(31.67)
Closing balance	**30,599.47**	**21,173.45**
(E) Money received against share warrants		
Opening balance	-	-
Add: Received during the year	7,500.00	-
Closing balance	**7,500.00**	**-**
Total other equity	**62,321.62**	**35,238.19**

15 (a) Non-current borrowings

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
Secured		
Term loan		
From banks	54,150.59	39,412.86
From others	3,642.82	4,299.69

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTD.)

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
Vehicle Loan		
From bank	74.60	90.47
Unsecured		
Liability component of compound financial instruments		
9% redeemable non cumulative non convertible preference shares*	83.90	76.98
From related parties (see note (ii) below)	-	-
Less: Current maturities of long term borrowings [refer note 15(b)]	(8,432.35)	(5,684.55)
Total non-current borrowings	**49,519.56**	**38,195.45**

A) Terms of non-current borrowing are as under

Particulars	Rate of interest (p.a.)	Repayment terms
Non current, secured borrowings		
Term loan from Banks	Ranging from 9.25% to 11.5%	Repayable in monthly and quarterly instalments
Term loan from Others	Ranging from 9.05% to 9.80%	Repayable in monthly instalments
Vehicle loan from Bank	8.00%	Repayable in monthly instalments
Non current, unsecured borrowings		
Redeemable non cumulative non convertible preference shares*	9.00%	Redeemable not later than 19 years from the date of issue i.e. September 27, 2012.

* The Holding Company has authorised redeemable non cumulative non convertible preference shares of Rs. 200 lakhs, of which the Holding Company has issued preference shares amounting to Rs. 160 lakhs to V.S. Dempo Holdings Pvt Ltd

B) Nature of security :

For term loan from banks

i. Term loan from SVC bank has been secured by exclusive charge on entire land and building and plant and machinery at Amli, Masat and Silvassa factory of the Holding Company.

ii. Term loan from HDFC bank has been secured by charge on the current and future land and building and Plant and machinery of Hyderabad factory of the Holding Company and first pari passu charge on stock and book debt along with yes bank and personal gurantee of Mr Sameer Kothari.

iii. Term loan from Yes bank has been secured by exclusive charge on the movable fixed assets and land and building of the Coimbatore, Jammu and Goa factory of the Holding Company and Pari passu charge over the entire current assets of the Holding Company with HDFC and SVC bank and personal gurantee of Mr Sameer Kothari.

iv. Term loan from IDFC bank has been secured by exclusive charge on the movable fixed assets and intangible assets including insurance assets and land and building of the Baddi factory of the Holding Company and exclusive charge over the current assets of the Baddi factory of the Holding Company and personal gurantee of Mr Sameer Kothari.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTD.)

v. Term Loan from Yes Bank has been secured by exclusive charge by way of hypothecation on the current assets (inventory and debtors), plant and machinery (All movable Fixed Assets), exclusive charge by way of Equitable motgage on Industrial Land and building of Lucknow factory, personal guarantee of Director Mr Sameer Kothari and Corporate guarantee of holding company Hindustan Foods Limited.

vi. Term Loan from Yes bank has been secured by charge on the Current & Future current assets, current and future plant and machinery (movable Fixed Assets), Industrial Land and building of Guwahati factory, personal guarantee of Director Mr Sameer Kothari and Corporate guarantee of Holding Company Hindustan Foods Limited.

For term loan from others

i. Term loan from Bajaj Finance Limited has been secured by charge on the entire movable and immovable fixed assets of the HFL Healthcare and Wellness Private Limited (formally known as Reckitt Benckiser Scholl India Private Limited) and Company and current assets of the HFL Healthcare and Wellness Private Limited.

For vehicle loan

i. Vehicle loan from HDFC bank has been secured by charge on the vehicle.

C) Period and amount of default:

The Group has made no defaults in the payment of principal or interest during the year ended March 31, 2024.

D) The Bank loans contain certain debt covenants relating to limitation on indebtedness, debt-equity ratio, net Borrowings to EBITDA ratio and debt service coverage ratio. The limitation on indebtedness covenant gets suspended if the Group meets certain prescribed criteria. The debt covenant related to limitation on indebtedness remained suspended as of the date of the authorisation of the financial statements.

The Group has also satisfied all other debt covenants prescribed in the terms of bank loan. The other loans do not carry any debt covenant.

E)

Particulars of Loans	Purpose (as per Loan Agreement)	Whether used for the purpose stated in the loan Agreement
Term Loan - Yes Bank	Towards acquistion of manufacturing unit at samba industrial Area, Jammu.	Yes
Term Loan - Yes Bank	Towards Purchase of Land and Setting up of manufacturing plant in Coimbatore (Including reimbursement incurred)	Yes
Term Loan - Yes Bank	1. Towards purchase of Land and setting up manufacturing plant in Uttar Pradesh. 2. Toward Expansion of Plant & Machinary and Material for Expansion of plant in Uttar Pradesh.	Yes
Guaranteed Emergency Credit Line (GECL) - Yes Bank	Towards Working capital payments	Yes
Emergency Credit Line Guaranteed Scheme (ECGLS) - HDFC BANK LTD	Towards Working capital payments	Yes
Term Loan - HDFC BANK LTD	Towards process engineering at existing Plant at Hyderabad	Yes

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTD.)

Particulars of Loans	Purpose (as per Loan Agreement)	Whether used for the purpose stated in the loan Agreement
Term Loan - HDFC BANK LTD	Towards capital expenditure of plant at Hyderabad	Yes
Term Loan - SVC BANK	Set up new factory at Silvassa, towards manufacturing of surface cleaning & toilet clearing product.	Yes
Term Loan - HDFC BANK LTD	Towards working capital and capacity addition at Hyderabad plant for making detergent bars and soaps	Yes
Term Loan - Bajaj Finance LTD	Towards General Corporate Purpose/ Share purchase of the Reckitt Benckiser Scholl India Private Limited	Yes
Term Loan - IDFC First Bank LTD	To part finance the slump sale transaction of manufacturing facility at Baddi.	Yes
Term Loan - Yes bank	Towards setting up manufacturing unit of real-fruit juice.	Yes
Vehicle Loan - HDFC BANK LTD	Towards purchase of vehicle	Yes

F) The Group have not pledged any financial and non financial assets as security for current or non-current borrowings.

15 (b) Current borrowings

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
Secured		
From banks		
Cash credits	10,640.73	4,807.60
Current maturities of long term borrowings [refer note 15 (a)]	8,432.35	5,684.55
Unsecured		
Loan from related party [refer note 15(b)(A)]	-	678.91
Total current borrowings	**19,073.08**	**11,171.06**

A) Terms of current borrowing are as under

Particulars	Rate of interest (p.a)	Repayment terms
Current, secured borrowings	Ranging from 9.25% to 11.5%	Repayable on demand
Current, unsecured borrowings	10%	Repayable on demand

B) Nature of security :

i. Cash credit from Yes Bank has been secured by exclusive charge on the movable fixed assets of the Jammu & Goa factory of the Holding Company, pari passu charge over the entire current assets of the Holding Company with HDFC exclusive charge on land and building of Jammu factory and pari passu charge on the land and building of Goa plant along with HDFC bank.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTD.)

ii. Cash credit from HDFC Bank has been secured by first pari passu charge on the stock and book debt of the Holding Company along with Yes bank, exclusive charge on current and future plant and machinery of the Hyderabad factory, first pari passu charge on the land and building of Goa factory and exclusive charge on current and future land and building of Hyderabad factory.

iii. Cash credit from Yes bank has been secured by exclusive charge by way of hypothecation on the current assets (inventory and debtors), plant and machinery (movable fixed assets), Industrial Land and building of factory and corporate guarantee of holding company Hindustan Foods Limited.

iv. Cash credit from IDFC bank has been secured by exclusive charge on the movable fixed assets and intangible assets including insurance assets and land and building of the Baddi factory of the Holding Company and exclusive charge over the current assets of the Baddi factory of the Holding Company.

v. Cash Credit from Bank has been secured by charge on the current assets (inventory and debtors), current and future plant and machinery (movable Fixed Assets), Industrial Land and building of factory, personal guarantee of Director Mr Sameer Kothari and Corporate guarantee of holding company Hindustan Foods Limited.

C) Period and amount of default:

The Group has made no defaults in the payment of principal or interest in the current year.

D) The statements of current assets and stocks submitted by the Group with banks are materially in agreement with the books of accounts.

16 PROVISIONS

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2024		As at March 31, 2023	
	Non- current	Current	Non- current	Current
Provision for employee benefits (refer note 33)				
- Provision for gratuity (funded)	1,007.57	103.84	368.02	67.38
- Leave encashment (unfunded)	288.00	36.02	169.18	28.33
Total employee benefits obligation	**1,295.57**	**139.85**	**537.20**	**95.71**

17 TRADE PAYABLES

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
Total outstanding dues of micro enterprises and small enterprises	412.85	68.53
Total outstanding dues of creditors other than micro enterprises and small enterprises *	42,167.27	33,462.74
Total trade payables	**42,580.12**	**33,531.27**

* Refer note 35 for trade payables to related party

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTD.)

Disclosure relating to suppliers registered under MSMED Act, 2006 based on the information available with the Holding Company:

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Amount remaining unpaid to any supplier at the end of each accounting year:		
Principal	412.85	68.53
Interest	0.07	0.11
Total	**412.92**	**68.64**
(b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	0.07	0.11
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

Trade payables ageing schedule

March 31, 2024

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Unbilled dues	Payables not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	238.00	174.84	-	-	-	**412.83**
(ii) Disputed dues – MSME	-	-	-	-	-	-	**-**
(iii) Others	706.39	18,620.24	22,378.12	129.00	183.44	150.09	**42,167.28**
(iv) Disputed dues - Others	-	-	-	-	-	-	**-**
	706.39	**18,858.24**	**22,552.95**	**129.00**	**183.44**	**150.09**	**42,580.12**

March 31, 2023

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Unbilled dues	Payables not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	0.86	45.19	22.48	-	-	-	**68.53**
(ii) Disputed dues – MSME	-	-	-	-	-	-	
(iii) Others	397.85	17,747.43	14,815.85	231.25	85.85	184.51	**33,462.74**
(iv) Disputed dues - Others	-	-	-	-	-	-	
	398.72	**17,792.62**	**14,838.33**	**231.25**	**85.85**	**184.51**	**33,531.27**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTD.)

18 OTHER CURRENT FINANCIAL LIABILITIES

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
Other financial liabilities at amortised cost		
Security deposit received	12.33	13.33
Employee related payable	1,303.10	459.42
Other Payables	139.07	207.12
Capital creditors	1,715.46	1,903.98
Total other financial liabilities	**3,169.95**	**2,583.85**

19 OTHER CURRENT LIABILITIES

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
Statutory dues payable	1,220.39	678.79
Advance from customers	1,682.42	2,216.59
Other payables	82.90	28.13
Provision for expenses	29.03	-
Security deposit received	84.66	84.66
Total other current liabilities	**3,099.39**	**3,008.17**

20 CURRENT TAX LIABILITIES

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
Current tax payable (net)	511.62	-
Total current tax liabilities	**511.62**	**-**

21 REVENUE FROM OPERATIONS

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Revenue from contracts with customers:		
- Sale of products	2,71,075.80	2,56,419.67
- Trading of goods	-	391.33
- Sale of services	3,444.83	2,403.97
Total (A)	**2,74,520.63**	**2,59,214.97**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTD.)

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Other operating revenue		
- Export incentive	217.58	203.99
- Scrap sales	389.97	326.72
- Trial charges	343.07	67.38
Total (B)	**950.62**	**598.09**
Total revenue from operations (A)+(B)	**2,75,471.25**	**2,59,813.06**

A. **Disaggregation of revenue from contracts with customers**

In the following table, revenue is disaggregated by major service lines.

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
- Sale of products - contract manufacturing	2,71,075.80	2,56,419.67
- Trading of goods	-	391.33
- Sale of services	3,444.83	2,403.97
Total	**2,74,520.63**	**2,59,214.97**
Geographic revenue		
- India	2,65,187.69	2,50,019.01
- Rest of the world	9,332.94	9,195.96
Total	**2,74,520.63**	**2,59,214.97**

B. **Trade receivables and contract balances**

The following table provides information about receivables, contract assets and current liabilities from contracts with customers:

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Receivables, which are included in trade receivables *	17,577.40	10,448.58
Unbilled revenue	7,035.72	4,771.48
Advances from customers ^	1,682.42	2,216.59

* Trade Receivable represents the amount of consideration in exchange for goods or services transferred to the customers that is unconditional. Contract assets are initially recognised for revenue from sale of goods and services.

^ The Contract liability outstanding at the beginning of the year has been recognised as revenue during the year ended March 31, 2024.

C. **Transaction price allocated to the remaining performance obligation**

There are no unsatisfied long-term contracts / performance obligation that have impact on financial statements.

The Group applies the practical expedient in paragraph 121 of Ind AS 115 and does not disclose information about remaining performance obligations that have original expected durations of one year or less.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTD.)

D. **Reconciliation of contract price with revenue during the year**

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Revenue as per contract price	2,74,572.02	2,59,267.24
Adjustment for credit notes	(51.39)	(52.27)
Revenue from contract with customer	**2,74,520.63**	**2,59,214.97**

22 OTHER INCOME

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Interest income on fixed deposits	239.65	58.76
Liabilities no longer required written back	165.21	30.42
Provision for doubtful debts written back	11.55	64.39
Miscellaneous income	231.21	111.91
Gain on sale of property, plant and equipment	5.64	-
Foreign exchange gain (net)	63.48	185.16
Total other income	**716.74**	**450.64**

23 COST OF MATERIAL CONSUMED

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Raw material		
Inventory at the beginning of the year	17,207.68	9,612.37
Inventory acquired [refer note 34(A)]	2,520.68	597.00
Add: Purchases	1,93,466.50	1,86,453.01
Less: Inventory at the end of the year	23,717.80	17,207.68
Cost of raw material consumed	**1,89,477.05**	**1,79,454.70**
Packaging material		
Inventory at the beginning of the year	3,867.55	4,178.08
Inventory acquired [refer note 34(A)]	641.26	86.47
Add : Purchases	45,240.11	44,578.17
Less : Inventory at the end of the year	5,986.54	3,867.55
Cost of packaging material consumed	**43,762.39**	**44,975.17**
Total cost of materials consumed	**2,33,239.44**	**2,24,429.87**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTD.)

24 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Inventories at the beginning of the year		
- Finished goods	6,159.58	6,873.41
- Stock in trade	-	42.86
- Work-in-progress	5,937.05	2,990.98
	12,096.64	**9,907.26**
Add : Inventory acquired on business combination [refer note 34(A)]	901.94	769.81
Less: Inventories at the end of the year		
- Finished goods	7,493.31	6,159.58
- Work-in-progress	11,488.45	5,937.05
	18,981.76	**12,096.63**
Net decrease/(increase)	**(5,983.16)**	**(1,419.54)**

25 EMPLOYEE BENEFITS EXPENSE

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Salaries, wages, bonus and other allowances	7,351.52	4,959.12
Contribution to provident and other funds	358.87	221.84
Gratuity expense (refer note 33)	213.57	105.07
Staff welfare expenses	337.87	274.55
Total employee benefits expense	**8,261.82**	**5,560.58**

26 FINANCE COSTS

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Interest on borrowing	5,162.38	3,243.16
Interest expense on lease Liabilities	201.41	182.36
Interest on redeemable non cumulative non convertible preference shares	6.93	67.76
Other finance charge	297.44	86.91
Total finance costs	**5,668.16**	**3,580.19**

27 DEPRECIATION AND AMORTISATION EXPENSE

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Depreciation of property, plant and equipment [refer note 4 (a)]	5,102.98	3,441.18
Depreciation of right of use assets [refer note 4 (a)]	364.42	296.85
Amortisation of other intangible assets [refer note 5 (b)]	12.40	2.49
Total depreciation and amortisation expense	**5,479.80**	**3,740.52**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTD.)

28 MANUFACTURING AND OPERATING COSTS

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Job work expenses	1,902.73	1,848.99
Power, fuel & electricity	3,992.19	3,160.01
Repairs and maintenance - plant & machinery	878.13	570.48
Repairs and maintenance - building	51.13	44.51
Repairs and maintenance - others	292.07	269.28
Contract labour charges	5,512.64	4,270.08
Other manufacturing expenses	641.98	433.03
Total manufacturing and operating costs	**13,270.87**	**10,596.38**

29 OTHER EXPENSES

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Stores and spares consumed	700.98	319.32
Insurance	259.56	197.70
Rent [refer note 35(v)]	345.31	234.03
Rates and taxes	238.56	111.72
Carriage and freight	561.45	614.55
Travel and conveyance	326.85	305.78
Postage and courier	48.49	34.76
Printing & stationery	57.85	50.01
Legal and professional charges	530.49	341.74
Advertisement	2.86	6.94
Commission	-	2.72
Business promotion	10.88	2.44
Other receivable written off	-	2.81
Provision for doubtful debts	15.00	1.07
Provision for doubtful advances	70.48	-
Foreign exchange loss (net)	50.35	23.44
CSR Expenses	172.88	141.45
Security charges	466.18	386.39
Bank charges	20.17	14.42
Advances written off	18.03	35.85
Donation	1.24	3.01
Auditors remuneration [refer note (a) below]	44.98	36.75
Bad debts	30.24	5.18
Director's sitting fees (refer note 36)	22.70	18.40
Miscellaneous expenses	456.23	223.03
Total other expenses	**4,451.76**	**3,113.51**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTD.)

Note (a) Auditors remuneration (excluding GST)

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
As auditor:		
Statutory audit	31.00	26.25
Limited review fees	13.26	9.75
In other capacity:		
Other matters	0.72	0.75
Total	**44.98**	**36.75**

30 INCOME TAX AND DEFERRED TAX

A) Tax expense charged to the statement of profit or loss

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Current tax	2,987.38	3,153.24
Adjustment of tax relating to earlier periods	(14.59)	(181.07)
Deferred tax charge / (income)	(533.10)	367.03
Tax expense reported in the statement of profit or loss	**2,439.69**	**3,339.20**

B) Tax expense charged to OCI

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Net loss/(gain) on remeasurements of defined benefit plans	(27.87)	17.01
Tax charged to OCI	**(27.87)**	**17.01**

C) Reconciliation of tax charge

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Profit before tax	11,741.41	10,450.91
Enacted income tax rate in India applicable to the Holding Company	25.17%	34.94%
Income tax expense at tax rates applicable	2,954.96	3,651.97
Tax effects of items that are not deductible in determining taxable income:		
Due to change in Income tax rate of Holding Company	(671.60)	
Loss of subsidiaries not taxable	36.35	(71.34)
CSR expenditure and donations	43.82	38.47
Different tax rates in the components	110.54	(69.54)
Tax relating to earlier periods	(14.59)	(181.07)
Others	(19.80)	(29.29)
Income tax expense	**2,439.69**	**3,339.20**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTD.)

D) Deferred tax relates to the following:

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred tax assets		
On provision for employee benefits	341.07	265.82
On provision for doubtful debts	10.45	-
On provision for doubtful advances	17.74	-
On lease liabilities	100.93	-
On unamortised processing cost	-	27.62
On unussed tax losses	413.15	158.90
On others	12.89	1.17
	896.23	**453.51**
Deferred tax liabilities		
On property, plant and equipment	4,919.12	4,177.08
On unamortised processing cost	37.77	-
On lease liabilities (net)	112.35	83.64
	5,069.24	**4,260.73**
Deferred tax liabilities net	(4173.02)	(3,807.21)
Deferred tax assets on acquisition of baddi factory [refer note 33(A)(b)]	187.02	-
Deffered tax on prior period tax adjustments	(60.13)	-
Deferred tax liability on fair valuation of assets taken over pursuant to Business Combination [refer note 33(A)]	(11.67)	-
Deferred tax liability on fair valuation of assets taken over pursuant to Business Combination	-	(878.39)
Deferred tax liability on fair valuation of land on account of merger [refer note 33(b)]	-	(47.78)
Deferred tax asset/(liability), net	**(4057.80)**	**(4733.38)**

E) Deferred tax assets/ (liabilities) to be recognised in Statement of Profit and Loss

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred tax assets/(liabilities), net	(4057.80)	(4733.38)
Deferred tax assets on acquisition of baddi factory [refer note 33(A)(b)]	(187.02)	-
Deffered tax on prior period tax adjustments	60.13	-
Deferred tax liability on fair valuation of assets taken over pursuant to Business Combination [refer note 33(A)]	11.67	878.39
Others	(27.26)	(15.08)
Less: MAT credit utilisation	-	832.45
Less: Opening deferred tax liabilities	4,733.38	2,670.59
Deferred tax credit / (Charge) for the year	**533.10**	**(367.03)**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTD.)

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
Tax liability recognised in Statement of Profit and Loss	560.97	(384.04)
Tax liability recognised in OCI		
On re-measurements gain/(losses) of post-employment benefit obligations	(27.87)	17.01
Total deferred tax credit / (Charge) recognised in the statement of profit and loss	**533.10**	**(367.03)**

31 EARNINGS PER SHARE

The following reflects the income and share data used in the basic and diluted EPS computations:

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Profit attributable to equity holders	9,301.73	7,111.71
Weighted average number of equity shares (in lakhs) for basic and diluted EPS [refer note 13 (a) and note 49]	1,130.39	1,127.43
Basic per share (Rs.) [refer note 13 (a)]	8.23	6.31
Diluted per share (Rs.) [refer note 13 (a)]	8.23	6.31

32 CONTINGENT LIABILITIES

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
Claim for expired goods	7.13	7.13
Letter of credit issued	48.17	39.58
Bank guarantees	221.60	175.40
Demand relating to income tax	277.28	277.28
Financial guarantee issued on behalf of subsidiary	19,220.36	16260.00
	19,774.54	**16,759.39**
Capital commitments	1,331.91	2,279.14

33 EMPLOYEE BENEFITS

The Group has the following employee benefit plans:

(A) Defined contribution plans

Employers' Contribution to Provident Fund and Employee State Insurance (refer note 25)

(B) Defined benefit plans

Gratuity payable to employees

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTD.)

i) Actuarial assumptions

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Discount rate (per annum)	7.20% -7.22%	7.40%
Rate of increase in Salary	5%- 10%	7.00%
Expected average remaining working lives of employees (years)	18.19 -27.73	18.83 to 23.53
Attrition rate	2% - 15%	2% - 10%

ii) Changes in the present value of defined benefit obligation

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Employee's gratuity fund	
	March 31, 2024	March 31, 2023
Present value of obligation at the beginning of the year	**538.78**	**258.13**
Acquired through business combination	50.43	129.87
Transfer in/(out) obligation	613.54	-
Current service cost	183.60	85.33
Interest cost	37.74	26.47
Benefits paid	(49.34)	(9.17)
Actuarial (gain)/ loss on obligations	(153.00)	48.16
Present value of obligation at the end of the year	**1,221.75**	**538.78**

iii) Change in the fair value of plan assets:

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Employee's gratuity fund	
	March 31, 2024	March 31, 2023
Opening fair value of plan assets	(103.38)	0.29
Acquired through business combination	-	(95.52)
Expenses of the fund	-	(0.29)
Interest income	(7.77)	(7.02)
Contributions by employer	-	-
Benefits paid	-	(1.38)
Actuarial (losses)/ gains	0.82	0.53
Closing fair value of plan assets	**(110.33)**	**(103.38)**

iv) Expense recognised in the Statement of Profit and Loss

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Employee's gratuity fund	
	March 31, 2024	March 31, 2023
Current service cost	183.60	85.33
Past service cost	-	0.29
Interest cost	29.97	19.45
Total expenses recognised in the Statement Profit and Loss *	**213.57**	**105.07**

*Included in employee benefits expense (refer note 24)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTD.)

v) Remeasurement (gain)/ loss recognised in other comprehensive income

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Employee's gratuity fund	
	March 31, 2024	March 31, 2023
Actuarial (gain) / loss on obligations	(153.00)	48.16
Actuarial gain /(loss) for the year on asset	0.82	0.53
Total remeasurement (gain)/ loss recognised in other comprehensive income	**(152.18)**	**48.68**

vi) Assets and liabilities recognised in the Balance Sheet:

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Employee's gratuity fund	
	March 31, 2024	March 31, 2023
Present value of funded obligation	1,221.75	538.78
Less: fair value of plan assets	(110.33)	(103.38)
Net asset / (liability) recognised in Balance Sheet*	**1,111.41**	**435.40**

*Included in provision for employee benefits (refer note 16)

vii) Expected contribution to the fund in the next year

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	March 31, 2024	March 31, 2023
Gratuity	156.22	66.98

viii) A quantitative sensitivity analysis for significant assumption is as shown below:

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Employee's gratuity fund	
	March 31, 2024	March 31, 2023
Impact on defined benefit obligation		
Discount rate		
0.5% increase	1,099.59	379.76
0.5% decrease	1,229.39	410.34
Rate of increase in salary		
0.5% increase	1,225.52	408.44
0.5% decrease	1,102.24	381.26
Withdrawal rate		
110% change	1,153.88	394.21
90% change	1,170.02	394.72

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTD.)

ix) Maturity profile of defined benefit obligation

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Employee's gratuity fund	
	March 31, 2024	March 31, 2023
Year		
April 2023- March 2024	-	54.98
April 2024- March 2025	103.63	37.67
April 2025- March 2026	64.11	40.33
April 2026- March 2027	67.59	29.90
April 2027 -March 2028	76.97	48.15
April 2028 -March 2029	79.18	-
April 2028 onwards	-	165.28
April 2029 onwards	490.49	-

(C) **Other long term employee benefit obligation**

Leave entitlement

The liability for leave entitlement is recognised in the same manner as gratuity aggregating Rs. 80.57 lakhs as at March 31, 2024 (March 31, 2023: Rs. 86.15 lakhs).

34 (A) **Business combinations during current year**

a) **Acquisition of Baddi manufacturing facility of Reckitt Benckiser Healthcare India Private Limited**

(i) The Holding Company on December 16, 2023, has completed the acquisition of manufacturing facility of Reckitt Benckiser Healthcare India Private Limited ("Reckitt") situated at Baddi, Himachal Pradesh for a cash consideration of Rs.12,775.00 lakhs as per the terms and conditions of the Business Transfer Agreement dated December 15, 2022 including amendments thereof (if any) entered between the Company and Reckitt.

On acquisition, the Holding Company has recognised the fair value of net assets acquired of Rs. 12,939.33 lakhs resulting in capital reserve of Rs. 351.35 lakhs (after adjustment of related tax).

(ii) **Details of purchase consideration, assets and liabilities acquired are as follows:**

(All amounts in Rs. lakhs, unless otherwise stated)

Particulars	Amount
A) **Fair value of assets acquired on December 16, 2023**	
Property, plant and equipment	11,924.72
Right of use assets	208.68
Other intangible assets	31.27
Inventories*	3,284.88
Trade receivables	117.74
Other current assets	72.65
Total Assets acquired (A)	**15,639.94**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTD.)

(All amounts in Rs. lakhs, unless otherwise stated)

Particulars	Amount
B) Fair value of liabilities assumed on December 16, 2023	
Trade payables	1,806.93
Employee benefit obligations	743.07
Other current financial liabilities	150.61
Total Liabilities Assumed (B)	2,700.61
Net Assets acquired (C) = (A-B)	12,939.33
Purchase Consideration (D)	12,775.00
Capital reserve on acquisition (C-D)	164.33
Add: Deferred tax assets on employee benefit obligations (refer note iii below)	187.02
Adjusted capital reserve on acquisition	351.35

* It includes consumables, store and spares parts of Rs. 231.60 lakhs

(iii) On business combination of the Baddi manufacturing facility of Reckitt Benckiser Healthcare India Private Limited, deferred tax asset of Rs. 187.02 lakhs was created on employee benefit obligations assumed.

b) Acquistions of 100% equity share capital of KNS shoetech Private Limited ("KNS Shoetech")

(i) The Holding Company on October 01, 2023, has acquired control of KNS shoetech Private Limited ("KNS Shoetech") for a cash consideration of Rs.371.76 lakhs as per the terms and conditions of the Share Purchase Agreement including amendments thereof (if any) entered between the Company and KNS Shoetech.

(ii) Details of purchase consideration, assets and liabilities acquired are as follows:

(All amounts in Rs. lakhs, unless otherwise stated)

Particulars	Amount
A) Fair value of assets acquired on October 01, 2023	
Property, plant and equipment	709.58
Right of use assets	313.30
Other intangible assets	2.34
Other financials assets	17.89
Non current tax assets (net)	3.88
Inventories	392.20
Trade receivables	25.76
Loans	31.52
Other financials assets	1.59
Other current assets	537.72
Total Assets acquired (A)	2,035.78
B) Fair value of liabilities assumed on October 01, 2023	
Non-current liabilities	
Borrowings	288.32
Lease liabilities	301.61
Provisions	15.00
Current liabilities	
Borrowings	619.40
Lease liabilities	20.41

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTD.)

(All amounts in Rs. lakhs, unless otherwise stated)

Particulars	Amount
Trade payables	392.01
Other financial liabilities	34.03
Other current liabilities	115.93
Provisions	0.73
Total Liabilities Assumed (B)	1,787.44
Net Assets acquired (C) = (A-B)	248.34
Purchase Consideration (D)	371.76
Add: Deferred tax liability on fair valuation of assets taken over pursuant to Business Combination	(12.14)
Goodwill on Consolidation	(135.56)

(iii) The acquired business of KNS Shotech contributed revenues and profits to the group for the year March 31, 2024 as follows:

Revenue of Rs. 2,718.76 lakhs and profit of Rs. 69.94 lakhs for the period from October 01, 2023 till March 31, 2024

If the acquisition had occurred on April 01, 2023, consolidated pro-forma revenue and profit for the year ended March 31, 2024 would have been Rs. 276,087.45 lakhs and Rs. 9,185.64 lakhs respectively.

c) Acquisition of Kundli Manufacturing Unit of KNS Trading Private Limited

(i) KNS Shoetech Private Limited , a Wholly Owned Subsidiary Company of Hindustan Foods Limited has completed the acquisition of Manufacturing facility of KNS Trading Private Limited ("KNS Trading") situated at Sonipat, Haryana for a cash consideration of Rs.3,108.00 lakhs as per the terms and conditions of the Business Transfer Agreement entered between the KNS Shoetech and KNS Trading dated December 26, 2023, addendum BTA dated February 02, 2024 and letter of agreement dated February 06, 2024. The effective date of transfer of business is February 01, 2024 as per the letter of agreement.

(ii) **Details of purchase consideration, assets and liabilities acquired are as follows:**

(All amounts in Rs. lakhs, unless otherwise stated)

Particulars	Amount
A) Fair value of assets acquired on February 01, 2024	
Property, plant and equipment	726.71
Financial assets	
Non-current assets	21.14
Inventories	639.77
Trade receivables	2,911.58
Other current assets	4.14
Total Assets acquired (A)	4,303.33
B) Fair value of liabilities assumed on February 01, 2024	
Trade Payable	1,327.42
Capital creditors	2.98
Employee related provision	107.42
Total Liabilities Assumed (B)	1,437.81

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTD.)

(All amounts in Rs. lakhs, unless otherwise stated)

Particulars	Amount
Net Assets acquired (C) = (A-B)	2,865.52
Purchase Consideration (D)	3,108.00
Goodwill on acquisition (C-D)	(242.48)
Add: Deferred tax assets (refer note iii below)	27.03
Adjusted goodwill on acquisition	(215.44)

(iii) On business combination of the KNS trading manufacturing facility , deferred tax asset of Rs. 27.03 lakhs was created on employee related provisions.

(B) Business combinations during previous year

Acquisition of Reckitt Benckiser Scholl India Private Limited ('RBSIPL')

(i) On January 24, 2022, the Holding Company had entered into an agreement with Reckitt Benckiser (India) Private Limited ('RBIPL') and nominee shareholder of RBSIPL and acquired all shares of RBSIPL with effect from July 01, 2022. As a result of this acquisition, RBSIPL became subsidiary of the Company. The acquisition of RBSIPL has been accounted in accordance with Ind AS 103 - Business Combinations. The acquisition was made to increase the contract manufacturing business of the Company.

(ii) **Details of purchase consideration, assets and liabilities acquired are as follows:**

(All amounts in Rs. lakhs, unless otherwise stated)

Particulars	Amount
A) Fair vaue of Assets acquired on July 01, 2022	
Property, plant and equipment	3,547.79
Capital work-in-progress	6.95
Financial assets	
Non-current tax assets	30.70
Other non current financial assets	38.13
Deferred tax assets (net)	13.10
Inventories*	1,485.57
Trade receivables	1,006.39
Cash and cash equivalents	2,665.41
Other current financial assets	0.78
Other current assets	206.48
Total Assets acquired (A)	**9,001.30**
B) fair value of Liabilities assumed on July 01, 2022	
Provisions - Non - Current	51.14
Financial liabilities	
Lease liabilities	
Trade payables	991.21
Other current financial liabilities	26.70
Other current liabilities	5.14
Provisions - Current	1.32
Total Liabilities Assumed (B)	**1,075.51**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTD.)

(All amounts in Rs. lakhs, unless otherwise stated)

Particulars	Amount
Net Assets acquired (A-B)	7,925.79
Less: Purchase consideration	(7,489.28)
Add : Contingent consideration	140.26
Add: Deferred tax liability on fair valuation of assets taken over pursuant to Business Combination	(878.39)
Goodwill on Consolidation	(301.62)

* It includes consumables, store and spares parts of Rs. 32.29 lakhs

The acquired business of RBSIPL contributed revenues and profits to the group for the year March 31, 2023 as follows:

Revenue of 5949.49 lakhs and profit of Rs. 269.80 lakhs for the period from July 01, 2022 till March 31, 2023

If the acquisition had occurred on April 01, 2022, consolidated pro-forma revenue and profit for the year ended March 31, 2023 would have been Rs. 261,707.02 lakhs and Rs. 6,796.98 lakhs respectively.

35 LEASES

(i) For changes in the carrying value of Right-of-use Assets refer note 4 (a)

(ii) Changes in the Lease liabilities

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Category of ROU Asset			Total
	Leasehold land	Building	Plant and Machinery	
Balance as at April 01, 2022	**158.86**	**2,237.30**	**-**	**2,396.16**
Additions	6.62	175.74	-	182.36
Lease Payments	(3.93)	(447.80)	-	(451.73)
Balance as at March 31, 2023	**161.55**	**1,965.24**	**-**	**2,126.79**
Interest	15.75	185.66	-	201.41
Additions	1,182.35	1,308.46	-	2,490.80
Lease Payments	(50.97)	(379.02)	-	(430.00)
Balance as at March 31, 2024	**1,308.68**	**3,080.33**	**-**	**4,389.01**

(iii) Break-up of current and non-current lease liabilities

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
Current Lease Liabilities	330.29	102.41
Non-current Lease Liabilities	4,058.72	2,024.39

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTD.)

(iv) Maturity analysis of lease liabilities

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
Less than one year	406.38	336.67
One to five years	2,033.78	1,594.18
More than five years	3,400.55	2,464.22
Total	**5,840.71**	**4,395.07**

As per Para B11 of Ind AS 107 Financial Instruments: Disclosure, In preparing the maturity analyse an entity uses its judgment to determine an appropriate number of time bands.

(v) Amounts recognised in statement of Profit and Loss account

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Interest on Lease Liabilities	201.41	182.36
Depreciation of right of use assets	364.42	296.85
Short-term and low value leases expensed	345.31	234.03
Total	**911.15**	**713.24**

(vi) Amounts recognised in statement of Cash Flows

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Total Cash outflow for leases	(395.38)	(451.73)

36 RELATED PARTY DISCLOSURES:

(A) Names of related parties and description of relationship as identified and certified by the Group:

Holding company

Vanity Case India Private Limited

Entity under common control

V.S Dempo Private Limited

Avalon Cosmetics Private Limited

Motown Trading Private Limited

Adonia Cosmetics Private Limited

Mahak Cosmetics and Credit Private Limited

Christine Valmy Institute Private Limited

Allies Logistics Private Limited

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTD.)

Firm in which Directors of Group are Partner

M/s Shivom Industries

M/s Athene Laboratories

M/s Sundaram Cosmetics

M/s Galaxy Healthcare Products

M/s Spans Heathcare

M/s J. Sagar Associates

Employee Benefit Trust

Hindustan Foods Management staff Superannuation Fund Trust

Key Management Personnel (KMP)	
Shashi Kalathil	Chairman (w.e.f. November 09, 2022)
Shashi Kalathil	Independent Non-Executive Director
Shrinivas Dempo	Chairman (upto November 08, 2022)
Shrinivas Dempo	Non-Independent Non-Executive Director
Sameer Kothari	Managing Director
Ganesh Argekar	Executive Director, Whole-Time Director
Nikhil Vora	Non-Independent Non-Executive Director
Honey Vazirani	Independent Non-Executive Director
Neeraj Chandra	Independent Non-Executive Director
Sarvjit Singh Bedi	Non-Independent Non-Executive Director
Sandeep Mehta	Independent Non-Executive Director
Harsha Raghavan	Non-Independent Non-Executive Director (upto June 20, 2023)
Amruta Adukia	Non-Independent Non-Executive Director (w.e.f. June 29, 2023)
Mayank Samdani	Chief Financial Officer and Group CFO
Bankim Purohit	Company Secretary and Legal Head
Relatives of Directors	
Asha R Kothari	Relative of Managing Director

(B) Details of transactions with related party for the year ended:

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
(i) Avalon Cosmetics Private Limited		
Reimbursement of expenses	0.88	0.01
Purchase of Consumables	0.03	-
Sale of spares	0.20	-
Other Recovery	0.40	-
(ii) Motown Trading Private Limited		
Interest on loan taken	67.70	86.91
Loans repaid	(678.91)	(221.09)
Interest payment	(76.23)	(287.60)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTD.)

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars		Year ended March 31, 2024	Year ended March 31, 2023
(iii)	**Athene Laboratories**		
	Purchase of consumables	-	0.13
	Rent paid	61.20	60.90
	Sale of product	0.29	-
	Purchase of raw material	0.16	-
(iv)	**Shivom Industries**		
	Reimbursement of expenses	1.13	-
	Purchase of consumables and other items	0.03	1.65
	Sales of product	0.46	0.32
	Purchase of property, plant and equipment	-	8.37
	Purchase of raw material	0.03	-
(v)	**Adonia Cosmetics Private Limited**		
	Sales of product	0.31	0.02
(vi)	**Christine Valmy Institute Private Limited**		
	Sale of products	0.10	0.23
(vii)	**Spans Healthcare**		
	Purchase of raw material	1,494.40	1,500.90
(viii)	**Allies Logistics Private Limited**		
	Freight inward	-	78.73
(ix)	**J. Sagar Associates**		
	Professional fees	-	45.00
(x)	**Sitting fees**		
	Shrinivas Dempo	3.10	3.10
	Sandeep Mehta	1.20	0.60
	Shashi K. Kalathil	5.70	4.65
	Honey Vazirani	5.90	4.00
	Nikhil K Vora	3.00	2.50
	Neeraj Chandra	3.80	3.55
(xi)	**Compensation of key management personnel**		
	Sameer Kothari	425.70	159.90
	Ganesh Argekar	94.81	79.71
	Mayank Samdani	90.06	71.90
	Bankim Purohit	25.58	21.05

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTD.)

(C) **Amount due to/from related party as on:**

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars		Year ended March 31, 2024	Year ended March 31, 2023
(i)	**Spans Healthcare**		
	Trade payables	498.78	614.34
(ii)	**Motown Trading Pvt Limited**		
	Loans given	-	678.91
	Interest accrued	-	8.54
(iii)	**Athene Industries**		
	Security deposit	42.00	42.00
(iv)	**Sameer Kothari**		
	Remuneration payable	153.68	7.71

(D) **Terms and conditions of transactions with related parties**

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free except for borrowings and settlement occurs in cash. The Group has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2023: Nil). This assessment is undertaken each financial year through examining the financial position of the related parties and the market in which the related parties operates.

37 SEGMENT REPORTING

The Group's operations predominantly relate to contract manufacturing. The Chief Operating Decision Maker (CODM) reviews the operations of the Group as contract manufacturing. Since, the quantitative threshold as per para 13 of Ind AS 108 on Segment Reporting are not met, no separate segment information has been furnished herewith.

Majority of the revenue is derived from one geography and two external customers amounting to 253,288.72 lakhs (Previous year: Rs. 243,151.56 lakhs From two external customers).

38 FAIR VALUES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Financial Instrument measured at Amortised cost:

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The amortised cost using effective interest rate (EIR) of non-current financial assets/liabilities are not significantly different from the carrying amount and therefore the impact of fair value is not considered for above disclosure.

Financial assets that are neither past due nor impaired include cash and cash equivalents, security deposits, term deposits, and other financial assets.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTD.)

The carrying value and fair value of financial instruments by categories as at March 31, 2024 were as follows

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Note	Amortised Cost	Fair value through profit or loss	Fair value through OCI	Total fair value	Total carrying value
Financial assets						
Other Non Current Financial Assets	6	12,464.54	-	-	-	12,464.54
Other Current Financial Assets	6	7,807.20	-	-	-	7,807.20
Trade receivable	10	17,577.40	-	-	-	17,577.40
Cash and cash equivalents	11	4,318.09	-	-	-	4,318.09
Bank balances other than cash and cash equivalents	12	610.82	-	-	-	610.82
		42,778.05	**-**	**-**	**-**	**42,778.05**
Financial liabilities						
Non current Borrowings	15(a)	49,519.56	-	-	-	49,519.56
Current Borrowings	15(b)	19,073.08	-	-	-	19,073.08
Non-current and Current lease liabilities	35	4,389.01	-	-	-	4,389.01
Other current financial liabilities	18	3,169.95	-	-	-	3,169.95
Trade payables	17	42,580.12	-	-	-	42,580.12
		1,18,731.72	**-**	**-**	**-**	**1,18,731.72**

The carrying value and fair value of financial instruments by categories as at March 31, 2023 were as follows

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Note	Amortised Cost	Fair value through profit or loss	Fair value through OCI	Total fair value	Total carrying value
Financial assets						
Other Non Current Financial Assets	6	1,896.21	-	-	-	1,896.21
Other Current Financial Assets	6	5,133.12	-	-	-	5,133.12
Trade receivable	10	10,448.58	-	-	-	10,448.58
Cash and cash equivalents	11	3,986.92	-	-	-	3,986.92
Bank balances other than cash and cash equivalents	12	1,059.65	-	-	-	1,059.65
		22,524.48	**-**	**-**	**-**	**22,524.48**
Financial liabilities						
Non current Borrowings	15(a)	38,195.45	-	-	-	38,195.45
Current Borrowings	15(b)	11,171.06	-	-	-	11,171.06
Non-current and Current lease liabilities	35	2,126.80				2,126.80
Other current financial liabilities	18	2,583.85	-	-	-	2,583.85
Trade payables	17	33,531.27	-	-	-	33,531.27
		87,608.43	**-**	**-**	**-**	**87,608.43**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTD.)

39 FAIR VALUE HIERARCHY

The following is the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

No financial assets/liabilities have been valued using level 1 fair value measurements.

No fair value hierarchy of assets and liabilities which is measured at fair value in current year as well as previous financial year under level 3.

Management has assessed that Cash and cash equivalents, Other balances with banks, Loans, Trade receivables, Other financial assets, Short term Borrowings, Trade payables and Other financial liabilities carried at amortised cost approximate their carrying amounts largely due to the short-term maturities of these instruments.

40 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to various financial risks. These risks are categorised into market risk, credit risk and liquidity risk. The Group's risk management is coordinated by the Board of Directors and focuses on securing long term and short term cash flows. The Group does not engage in trading of financial assets for speculative purposes.

(A) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include borrowings and derivative financial instruments.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

Exposure to interest risk	Increase/ decreasein basis points	Effect on profit before tax
2024		
Rs	+50	(342.54)
Rs	-50	342.54
Exposure to interest risk	**Increase/ decrease in basis points**	**Effect on profit before tax**
2023		
Rs	+50	(245.27)
Rs	-50	245.27

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTD.)

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a different currency from the Group's functional currency).

The following table shows foreign currency exposures receivable and payable at the end of the reporting period

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars		As at March 31, 2024		As at March 31, 2023	
		Foreign currency in lakhs	Rs. in lakhs	Foreign currency in lakhs	Rs. in lakhs
Trade receivable	EURO	2.19	197.18	2.95	270.89
	USD	7.10	592.09	5.75	466.08
	GBP	0.01	1.47	-	-
Cash & cash equivalents	EURO	1.61	145.19	5.93	531.20
	USD	-	0.40	1.68	139.74
	GBP	-	-	-	0.14
Trade Payables	EURO	0.01	0.63	0.03	2.81
	GBP	0.16	16.97	0.07	6.76
	USD	3.92	327.13	1.44	119.44
Capital Creditors	EURO	2.80	252.72	-	-

Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in the EURO, USD and GBP exchange rate , with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities).

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Effect on profit- total gain / (loss)			
	5% increase in exchange rate		5% decrease in exchange rate	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Trade receivable	39.54	36.85	(39.54)	(36.85)
Cash & cash equivalents	7.28	33.55	(7.28)	(33.55)
Trade Payables	(17.24)	(6.45)	17.24	6.45
Capital Creditors	(12.64)	0.00	12.64	0.00
	16.94	**63.96**	**(16.94)**	**(63.95)**

(B) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk is primarily attributable to the Group's trade and other receivables. The amounts presented in this consolidated statement of financial position are net of allowances for doubtful receivables, estimated by management based on prior experience and their assessment of the current economic environment.

The Group measures the expected credit loss of trade receivables from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, loss on collection of receivable is not material hence no additional provision considered.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTD.)

The ageing analysis for accounts receivables has been considered from the date the invoice falls due:

(Amounts in Rs. lakhs, unless otherwise stated)

Fair value measurement hierarchy for liability	As at March 31, 2024	As at March 31, 2023
Not due	10,496.15	8,883.95
Less than 6 months	6,188.07	1,529.57
6 months to 12 months	893.19	24.52
beyond 12 months	-	10.54
	17,577.41	**10,448.58**

(C) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. The Group manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. Processes and policies related to such risks are overseen by senior management who monitors the Group's net liquidity position through rolling forecasts on the basis of expected cash flows.

The table below summarises the maturity profile of the Group's financial liabilities:

Particulars	Less than 1 year	More than 1 Years	Total
As at March 31, 2024			
Long-term borrowings	-	49,519.56	49,519.56
Short term borrowings	19,073.08	-	19,073.08
Trade payables	42,580.13	-	42,580.13
Lease Liability	330.29	4,058.72	4,389.01
Other financial liability	3,169.95	-	3,169.95
	65,153.45	**53,578.29**	**1,18,731.73**

As at March 31, 2023	Less than 1 year	More than 1 year	Total
Long-term borrowings	-	38,195.45	38,195.45
Short term borrowings	11,171.06	-	11,171.06
Trade payables	33,531.27	-	33,531.27
Lease Liability	102.41	2,024.39	2,126.80
Other financial liability	2,583.85	-	2,583.85
	47,388.58	**40,219.84**	**87,608.43**

41 CAPITAL MANAGEMENT

For the purpose of the Group's capital management, capital includes issued equity capital, equity component of redeemable non cumulative non convertible preference shares, share premium and all other equity reserves attributable to the equity holders. The primary objective of the Group's capital management is to maximise the shareholder value and to ensure the Group's ability to continue as a going concern.

The Group has not distributed any dividend to its shareholders. The Group monitors gearing ratio i.e. total debt in proportion to its overall financing structure, i.e. equity and debt. Total debt comprises of non-current borrowing, current borrowings and lease liabilities which represents borrowings from bank and others, lease liabilities and liability

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTD.)

component of redeemable non cumulative non convertible preference shares. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars		As at March 31, 2024	As at March 31, 2023
Total equity	(i)	64,613.09	37,493.03
Total non current borrowings (including liability portion of redeemable non cumulative non convertible preference shares)		72,981.66	51,561.84
Less: cash and cash equivalents		(4,318.09)	(3,986.92)
Total debt	(ii)	68,663.57	47,574.92
Overall financing	(iii) = (i) + (ii)	1,33,276.66	85,067.95
Gearing ratio	(ii)/ (iii)	0.52	0.56

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2024 and March 31, 2023.

42 DISCLOSURE AS REQUIRED BY IND AS 7 - "CASH FLOW STATEMENTS" - CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES:

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	Cash flow changes		Non-cash flow changes	As at March 31, 2024
		Receipts	Payments		
Non-current borrowings (refer note 15(a)	38,195.45	18,363.44	(7,953.97)	914.64	49,519.56
Current borrowings (refer note 15(b)	11,171.06	7,823.89	-	78.13	19,073.08
Total	**49,366.51**	**26,187.32**	**(7,953.97)**	**992.77**	**68,592.64**

43 DISCLOSURES PURSUANT TO REGULATION 34 (3) OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECTION 186 OF THE COMPANIES ACT, 2013

(a) There is no loans given by the group.

(b) **Investment by the loanees in the shares of the Holding Company**

The loanees have not made any investments in the shares of the Holding Company.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTD.)

44 DISCLOSURES MANDATED BY SCHEDULE III OF COMPANIES ACT 2013, BY WAY OF ADDITIONAL INFORMATION :

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	FY 2023-24							
	Net Assets i.e. total assets minus total liabilities		Share in profit / (loss)		Share in OCI		Share in total comprehensive income	
	As a % of consolidated net assets	Amount	As a % of consolidated profit	Amount	As a % of consolidated profit	Amount	As a % of consolidated profit	Amount
Parent :								
Hindustan Foods Limited	97.25%	62,836.31	84.16%	7,828.35	73.64%	91.54	84.02%	7,919.89
Subsidiary :								
HFL Consumer Products Private Limited	0.05%	32.87	(1.26%)	(117.17)	2.19%	2.72	(1.21%)	(114.45)
Aerocare personal care products LLP	1.49%	963.24	7.86%	731.42	(1.61%)	(2.00)	7.74%	729.42
HFL Healthcare and Wellness Private Limited (formally known as Reckitt Benckiser Scholl India Private Limited)	1.86%	1,198.80	9.51%	884.23	11.66%	14.49	9.53%	898.72
HFL Multiproducts Private Limited (with effective from June 23, 2023)	0.03%	18.38	0.20%	18.38	0.00%	-	0.19%	18.38
KNS Shoetech Private Limited (with effective from October 01, 2023)	0.14%	87.50	0.75%	69.93	14.13%	17.56	0.93%	87.49
Elimination	(0.81)%	(524.02)	(1.22%)	(113.42)	0.00%	-	(1.20%)	(113.42)
Grand Total	**100.00%**	**64,613.09**	**100.00%**	**9,301.73**	**100.00%**	**124.31**	**100.00%**	**9,426.04**

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	FY 2022-23							
	Net Assets i.e. total assets minus total liabilities		Share in profit / (loss)		Share in OCI		Share in total comprehensive income	
	As a % of consolidated net assets	Amount	As a % of consolidated profit	Amount	As a % of consolidated profit	Amount	As a % of consolidated profit	Amount
Parent :								
Hindustan Foods Limited	99.28%	37,222.37	90.71%	6,451.35	107.01%	(33.89)	90.64%	6,417.46
Subsidiary :								
HFL Consumer Products Private Limited	0.39%	147.32	2.95%	210.07	0.00%	-	2.97%	210.07
Aerocare personal care products LLP (From January 01, 2022)	0.62%	233.83	4.43%	314.96	2.05%	(0.65)	4.44%	314.31

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTD.)

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	FY 2022-23							
	Net Assets i.e. total assets minus total liabilities		Share in profit / (loss)		Share in OCI		Share in total comprehensive income	
	As a % of consolidated net assets	Amount	As a % of consolidated profit	Amount	As a % of consolidated profit	Amount	As a % of consolidated profit	Amount
Reckitt Benkiser Scholl India Private Limited	0.80%	300.09	4.16%	295.67	(9.06%)	2.87	4.22%	298.55
Elimination	(1.10%)	(410.58)	(2.25%)	(160.34)	0.00%	-	(2.26%)	(160.34)
Grand Total	**100.00%**	**37,493.03**	**100.00%**	**7,111.71**	**100.00%**	**(31.67)**	**100.00%**	**7,080.05**

45 DISCLOSURE OF INTEREST IN OTHER ENTITIES

The Consolidated Financial Statements present the consolidated accounts of Hindustan Foods Limited with its following subsidiaries:

A. Subsidiary

Name	Country of incorporation	Activities	Percentage of ownership interest As at March 31, 2024	Percentage of ownership interest As at March 31, 2023
HFL Consumer Products Private Limited	India	Contract Manufacturing	100%	100%
Aero Care Personal Products LLP	India	Contract Manufacturing	100%	100%
HFL Healthcare and Wellness Private limited (Earlier know as - Reckitt Benckiser Scholl India Private Limited) (w.e.f. July 01, 2022)	India	Contract Manufacturing	100%	100%
KNS Shoetech Private Limited (w.e.f September 01, 2023)	India	Contract Manufacturing	100%	-
HFL Multiproducts Private limited (w.e.f June 23, 2023)	India	Contract Manufacturing	100%	-

46 ADDITIONAL REGULATORY INFORMATION

(A) No proceedings have been initiated on or are pending against the Group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(B) The Group has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(C) The Group does not have any transactions or balance outstanding with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

(D) The Group is in compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017 (as amended).

(E) The Group does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year (previous year) in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)

(F) The Group has not traded or invested in Crypto currency or Virtual currency during the year ended March 31, 2024.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (CONTD.)

(G) Utilisation of borrowed funds and share premium

(i) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (ultimate beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

(ii) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

(H) During the year the Group has not entered into scheme of arrangement and amalgamation having an accounting impact.

(I) The Group has not revalued its property, plant and equipment during the current year or during the previous year.

(J) The Group has not given loans and advances to promoters and directors.

47 The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post-employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued. The Group will assess the impact of the Code and will give appropriate impact in the consolidated financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

48 HFL Multiproducts Private Limited, a wholly owned subsidiary of the Company was incorporated on June 23, 2023.

49 During the current year, the Holding Company has received 25% amount towards issue of 72,71,081 Convertible Warrants ("Warrants") on Preferential basis to certain Qualified Institutional Buyers and to certain Non-Qualified Institutional Buyers under Non-Promoter category, approved by the shareholders in the Extra Ordinary General Meeting held on October 20, 2023. On January 25, 2024, the Holding Company has received balance 75% amount towards 18,30,663 warrants from one of the allottee towards the conversion of Warrants into Equity Shares. The Share Allotment Committee of Board of Directors of the Holding Company at their Meeting held on February 02, 2024, has allotted 18,30,663 Equity Shares having face value of Rs. 2/- each at a premium of Rs. 544.25/- per share. The effect being anti - dilutive, hence there is no change in diluted EPS.

50 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

51 These consolidated financial statements were authorised for issue by the Board of Directors on May 21, 2024.

As per our report of even date attached
For **M S K A & Associates**
Chartered Accountants
Firm's Registration No.:105047W

Amrish Vaidya
Partner
Membership No: 101739

Place : Mumbai
Date : May 21, 2024

For and on behalf of the Board of Directors of
Hindustan Foods Limited
CIN: L15139MH1984PLC316003

Sameer R. Kothari
Managing Director
DIN: 01361343

Mayank Samdani
Chief Financial Officer

Place : Mumbai
Date : May 21, 2024

Ganesh T. Argekar
Executive Director
DIN: 06865379

Bankim Purohit
Company Secretary
Membership No:ACS21865

ANNEXURE

FORM NO. AOC.1

Statement containing salient features of the Financial Statement of Subsidiaries/ Associate Companies/ Joint Ventures

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries

Amount (Rs. in Lakhs)

Sr. No.	Particulars	Name of Wholly Owned Subsidiaries			
		HFL Consumer Products Private Limited ('HCPPL')	HFL Healthcare and Wellness Private Limited (Formerly Known as Reckitt Benckiser Scholl India Private Limited) ('HHWPL')	HFL Multiproducts Private Limited ('HMPL')	KNS Shoetech Private Limited ('KNS Shoetech')
1	Date since when Subsidiary was acquired	August 06, 2020	July 1, 2022	June 23, 2023	October 01, 2023
2	Reporting period	FY 2023-2024	FY 2023-2024	FY 2023-2024	FY 2023-2024
3	Reporting Currency	Rs.	Rs.	Rs.	Rs.
4	Share Capital	1.00	5000.00	1.00	400.00
5	Reserves & Surplus	32.87	1,610.94	18.38	(134.92)
6	Total Assets	25,144.34	10,969.66	3,862.31	7,845.72
7	Total Liabilities	25,110.47	4,358.72	3,842.93	7,580.64
8	Investments	Nil	286.58	Nil	Nil
9	Turnover	15,019.47	7,280.21	157.91	2,718.76
10	Profit/(Loss) before taxation	(144.45)	1,187.13	22.18	34.26
11	Provision for taxation	27.28	(302.90)	(3.80)	35.67
12	Profit/(Loss) after taxation	(117.17)	884.23	18.38	69.93
13	Proposed Dividend	Nil	Nil	Nil	Nil
14	% of Shareholding	100%	100%	100%	100%

Notes:

1. Names of Subsidiaries which are yet to commence operations – Not Applicable
2. The Financial Statements are as on March 31, 2024
3. Names of Subsidiaries which have been liquidated or sold during the year - Not Applicable.

Part "B": Associates and Joint Ventures

Associates and Joint Ventures-**Not Applicable**

Notes:

1. HMPL incorporated on June 23, 2023 is a Wholly Owned Subsidiary of the Company.
2. Effective October 01, 2023, KNS Shoetech became wholly owned subsidiary of the Company after acquisition of 100% Issued, Subscribed & Paid-up Capital by the Holding Company. The acquisition of KNS Shoetech has been accounted in accordance with Ind AS 103 - Business Combinations.

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