

HFL CONSUMER PRODUCTS PRIVATE LIMITED**DIRECTOR'S REPORT**

To,
The Shareholders,

Your Directors have pleasure in presenting their **Fourth (4th)** Annual Report of your Company, together with the Audited Accounts for the Financial Year ended **March 31, 2024**.

1. FINANCIAL RESULTS:

Financial Statement of the Financial Year under review is as under:-

Particulars	For the year ended 31.03.2024	For the year ended 31.03.2023
	Amount (in Rs. Lakhs)	Amount (in Rs. Lakhs)
Revenue from operations	15,019.46	4,831.72
Other Income	10.45	12.50
Total Revenue	15,029.91	4,844.22
Total expenditure	15,174.36	4,601.53
Profit/Loss before Tax	(144.45)	242.69
Current Tax	--	--
Deferred Tax	27.28	32.62
MAT Credit	--	--
Profit/ (Loss) for the year	(117.17)	210.07

2. FINANCIAL PERFORMANCE OF THE COMPANY

Your Directors are pleased to inform you that, during the year under review, your Company has delivered record operational performance at its Ice Cream manufacturing plant in Uttar Pradesh for a branded Companies and has recorded a jump of Rs.15,019.46 Lakhs turnover as against the turnover of Rs.4,831.72 Lakhs in the previous financial year. Your Company further expanded its production capacity at its manufacturing location, which has already commercialized during the year under review.

Your Company has reported a loss of Rs. 117.17 lakhs as compared to its maiden Net Profit of Rs. 210.07/- Lakhs in the previous Financial Year.

3. DIVIDEND

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

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4. TRANSFER TO RESERVES IN TERMS OF SECTION 134 (3) (J) OF THE COMPANIES ACT, 2013

Your Company did not transfer any amount to the General Reserve during the year.

5. MATERIAL CHANGES AND COMMITMENTS OCCURRED BETWEEN THE DATE OF BALANCE SHEET AND THE DATE OF AUDIT REPORT

There are no material changes and commitments, affecting the financial position of your Company which has occurred between the end of Financial Year 2023-24 and the date of the Board's report.

6. SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS /COURTS/ TRIBUNALS

There are no significant and material orders passed by Regulators/Court/Tribunals against your Company.

7. SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES AND THEIR PERFORMANCE

Your Company do not have any Subsidiary/ Joint Venture and Associates of your Company. Further, Hindustan Foods Limited continues to be the Holding Company of your Company.

8. DEPOSITS

Your Company has not accepted any deposit falling within the purview of Section 73 of the Companies Act, 2013 read with rules made thereunder.

9. STATUTORY AUDITORS

M/s. M S K A & Associates, Chartered Accountants, (Registration No. 105047W) were appointed as Statutory Auditors of your Company from the conclusion of 1st Annual General Meeting held on October 18, 2021 till the conclusion of 5th AGM to be held in the year 2025. As required under the provisions of Section 139 of the Companies Act, 2013, your Company has obtained written confirmation from M/s. M S K A & Associates that their appointment, if made, would be in conformity with the limits specified in the said Section.

The report given by the Auditors on the Financial Statements of your Company is part of the Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

In accordance with the Companies Amendment Act, 2017, enforced on 7th May, 2018 by the Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every Annual General Meeting and M/s. M S K A & Associates, Chartered Accountants, will continue to act as auditor of your Company till Financial Year 2024-2025.

10. REPORTING OF FRAUD BY AUDITORS

During the year under review, the Statutory Auditors have not provided any instances of fraud committed against your Company by its officers or employees under section 143(12) of the Act, the details of which would need to be mentioned in this Report.



11. AUDITORS REPORT

The Auditor's report is self-explanatory. There were no observations/qualifications made by the Auditors in the Audit Report.

12. SHARE CAPITAL OF THE COMPANY

During the Year under review, there were no changes in the Share Capital of your Company. As on March 31, 2024 the Authorised Share Capital of Company is Rs. 15,00,000/- (Rupees Fifteen Lakhs only) divided into 1,50,000 (One Lakh Fifty Thousand only) Equity Shares of Rs. 10/- (Rupees Ten Only) each and the Issued Subscribed and Paid-up Capital is Rs. 1,00,000/- (Rupees One Lakh only) divided into 10,000 (Ten Thousand) Equity Shares of Rs. 10/- (Rupees Ten only) each.

13. CONSERVATION OF ENERGY, 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 – I** to this Report.

14. SECRETARIAL STANDARDS

Your Company has complied with SS-1 & SS-2 issued by ICSI on Board Meetings and General Meetings respectively.

15. RELATED PARTY TRANSACTIONS

As per the provisions of section 188 of the Companies Act, 2013, the transaction entered with Related Parties for the year under review were on arm's length basis and in the ordinary course of business. Accordingly no transactions are required to be reported in Form AOC-2 in terms of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014.

16. INTERNAL CONTROL SYSTEM

The internal control systems of your Company are effective and adequate for business processes with regards to size of the operation, compliance requirements with the applicable laws and regulations, financial reporting etc. commensurate with the size and complexities of the operations.

17. DIRECTORS DURING THE YEAR

During the Year under review, Mr. Sameer Kothari (DIN: 01361343), Mr. Ganesh Argekar (DIN: 06865379) and Mr. Sanjay Sehgal (DIN: 00057677) were the Directors on the Board of your Company as on March 31, 2024.

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18. MEETINGS OF BOARD OF DIRECTORS

The Board meets at regular intervals to discuss business plan and strategies. The notice of Board meeting is given well in advance to all the Directors.

During the period under review, the Board of your Company met 5 (five) times, the details of which are provided below:

Sr. No.	Date of Board Meeting	Presence of Directors		
		Sameer Kothari	Ganesh Argekar	Sanjay Sehgal
1	18/05/2023	PRESENT	PRESENT	PRESENT
2	11/08/2023	PRESENT	PRESENT	PRESENT
3	16/10/2023	PRESENT	PRESENT	PRESENT
4	08/11/2023	PRESENT	PRESENT	PRESENT
5	08/02/2024	PRESENT	PRESENT	PRESENT

The maximum interval between any two meetings was well within the maximum allowed gap of 120 days.

19. LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

During the year under review, there were no loans, guarantees or investments made by your Company under Section 186 of the Companies Act, 2013 and hence the said provision is not applicable. Also, There were no guarantees and investments made by your Company.

20. DISCLOSURE PURSUANT TO MANAGERIAL REMUNERATION

During the year under review, no Managerial Remuneration was required to be paid to the Directors of your Company. Further there were no employees who was drawing salary more than the prescribed limit under the provisions of the Companies Act, 2013. Hence, pursuant to Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company was not required to disclose the names of the top ten employees in terms of remuneration drawn and the name of every employee.

21. RISK MANAGEMENT POLICY

Your Company has no risk management policy and no formal committee is constituted for this purpose, since it is not applicable.

22. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Since your Company do not fall under any criteria specified in sub-section (1) of section 135 of the Companies Act, 2013, it is not required to constitute a Corporate Social Responsibility ("CSR") Committee.



23. DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to Section 134(3) (c) of the Companies Act, 2013, your Directors confirm that:

- (a) In the preparation of the accounts for the Financial Year ended March 31, 2024, the applicable Accounting Standards have been followed and there were no material departures from the Accounting Standards.
- (b) The Directors have selected such accounting policies and applied them consistently and make judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the said Financial Year and of the profit and loss of the Company for the said Financial Year;
- (c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) The Directors had prepared the accounts for the year ended 31st March, 2024 on a 'going concern' basis;
- (e) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

24. DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM

The provisions of Section 177 of the Companies Act, 2013 read with rule 6 and 7 of the Companies (Meetings of the Board and its Powers) Rules, 2013 is not applicable to your Company.

25. PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

Your Company is committed to provide a safe and conducive work environment to its employees.

Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

26. PARTICULARS OF EMPLOYEES

Your Directors express their deep appreciation for the co-operation and support by employees at all levels of your Company. Your Directors wish to emphasis safe working culture in the organization and urge all employees to not only follow safety standards but also excel in all safety parameters.

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27. ACKNOWLEDGEMENTS

Your Company takes this opportunity to thank all the Shareholders and investors of your Company for their continued support. Your Directors wish to place on record their appreciation for the co-operation and support received from employees, staff and other people associated with your Company and look forward for their continued support.

Date: August 13, 2024

Place: Mumbai

For and on behalf of the Board of Directors
HFL Consumer Products Private Limited


Sameer Kothari
Director
(DIN: 01361343)




Ganesh Argekar
Director
(DIN: 06865379)

Annexure-I to the Director's 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 the 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 utilisation.
2. Total energy consumption and energy consumption per unit of production are as under:

POWER AND FUEL CONSUMPTION

		(Amount in Rs.)	
Particulars	Unit	Current Year	
1 Electricity			
Purchased Units	Kwh		8,045,212
Total amount	Rs.		65,403,281
Rate/ unit	Rs.		8.13
2 High Speed Diesel (For DG)			
Quantity consumed	Ltr.		32,020
Total amount	Rs.		2,952,357
Average Rate / Liter	Rs.		92.20
3 Briquettes – For Boiler			
Quantity	Kgs.		815,764
Total Amount	Rs.		6,316,296
Average Rate	Rs.		7.74

The steps taken or impact on conservation of energy:

- During the financial year company has used Bio-Mass Briquettes amounting to Rs. 6,316,296.



B. TECHNOLOGY ABSORPTION		
	(i) The efforts made towards technology absorption.	Not Applicable
	(ii) The benefits derived like product improvement, cost reduction, product development or import substitution.	
	(iii) In case of imported technology (imported during the last Five 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; and future plans of action.	Not Applicable
	(iv) The expenditure incurred on Research and Development.	Not Applicable
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 property plant and equipment were equivalent to Rs.1161.93 Lakhs.



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INDEPENDENT AUDITOR'S REPORT

To the Members of HFL Consumer Products Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of HFL Consumer Products Private 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 financial statements, including material accounting policy information and other explanatory information (hereinafter referred to as the "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 loss 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 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 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 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.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Director's report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Responsibilities of Management and Board of Directors for the 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 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the 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).



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- (c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, 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 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 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 misstatement.
 - 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



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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 provisions of Section 197 read with Schedule V of the Act and the rules thereunder are not applicable to the Company as it is a private Company.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W



Amrish Vaidya
Partner

Membership No. 101739
UDIN: 24101739BKEZSC5275



Place: Mumbai
Date: May 21, 2024

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE FINANCIAL STATEMENTS OF HFL CONSUMER PRODUCTS PRIVATE LIMITED

Auditor's Responsibilities for the Audit of the 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 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 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 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 financial statements, including the disclosures, and whether the 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.

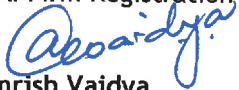


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We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W


Amrish Vaidya
Partner
Membership No. 101739
UDIN: 24101739BKEZSC5275



Place: Mumbai
Date: May 21, 2024

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF HFL CONSUMER PRODUCTS PRIVATE 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 have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, 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 financial statements, are held in the name of the Company.
- (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.
- ii. (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification, coverage and procedure of such verification is reasonable and appropriate, having regard to the size of the Company and the nature of its operations. 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 financial statements, statements filed with such Banks/ financial institutions are in agreement with the books of accounts of the Company.



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- iii. According to the information explanation provided to us, the Company has not made any investments in, or provided any guarantee or security, or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the provisions stated under clause 3(iii) of the Order are not applicable to the Company.
- iv. According to the information and explanations given to us, there are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Act, are applicable and accordingly, the provisions stated under clause 3(iv) of the Order is not applicable to the Company.
- 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 Act and the rules framed there under. Accordingly, the provisions stated under clause 3(iv) of the Order is not applicable to the Company. Also, there are no amounts outstanding as on March 31, 2024, which are in the nature of deposits.
- vi. The provisions of sub-Section (1) of Section 148 of the Act are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any of the products of the Company. Accordingly, the provisions stated under clause 3(vi) of the Order are not applicable to the Company.
- 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 been regularly deposited by the Company with appropriate authorities in all cases during the year.

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 or financial institution or government or any government authority.
- (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 13 to the financial statements.



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- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that the Company has used funds raised on short term basis by way of amounting to Rs. 827.63 lakhs for long-term purposes representing acquisition of property plant and equipment.
- (e) The Company does not have any subsidiary, associate, or joint venture. Accordingly, reporting under clause 3(ix)(e) of the order is not applicable to the Company.
- (f) The Company does not have any subsidiary, associate, or joint venture. Accordingly, reporting under clause 3(ix)(f) of the order is not applicable to the Company.
- 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 not made any preferential allotment or private placement of shares or fully, partly, or optionally convertible debentures during the year. Accordingly, the provisions stated under clause 3(x)(b) of the Order are not applicable to the Company.
- 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) As represented to us by the Management, there are no whistle-blower complaints received by the Company during the year.
- 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 188 of the Act, where applicable and details of such transactions have been disclosed in the financial statements as required by applicable accounting standards. Further, the Company is a private company and hence the provisions of section 177 of the Act are not applicable to the Company. Accordingly, provisions started under clause 3(xiii) of the Order insofar as it relates to section 177 of the Act, is not applicable to the Company.
- 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.



MSKA & Associates

Chartered Accountants

- 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 Act 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 more than one Core Investment Company as a 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 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 39 A to the financial statements), ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the 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) According to the information and explanations given to us and based on our verification, provisions of Section 135 of the Act are not applicable to the Company during the year. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

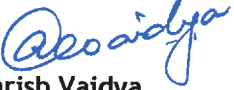


MSKA & Associates

Chartered Accountants

- xxi. According to the information and explanations given to us, the Company does not have any Subsidiary, Associate or Joint Venture. Accordingly, reporting under clause 3(xxi) of the Order is not applicable.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W


Amrish Vaidya
Partner
Membership No. 101739
UDIN: 24101739BKEZSC5275



Place: Mumbai
Date: May 21, 2024

ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF HFL CONSUMER PRODUCTS PRIVATE 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 HFL Consumer Products Private 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 financial statements of HFL Consumer Products Private Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Opinion

In our opinion, the Company, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the internal control with reference to 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 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 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 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to 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 financial statements, whether due to fraud or error.



We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

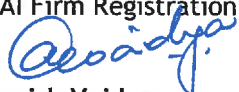
Meaning of Internal Financial Controls With reference to Financial Statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to 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 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 financial statements.

Inherent Limitations of Internal Financial Controls With reference to financial statements

Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial control with reference to 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: 24101739BKEZSC5275



Place: Mumbai
Date: May 21, 2024

HFL Consumer Products Private Limited
Balance Sheet as at 31 March 2024
(Amounts in Rs. lakhs, unless otherwise stated)

	Notes	As at 31 March 2024	As at 31 March 2023
ASSETS			
Non-current assets			
Property, plant and equipment	4 (a)	18,666.15	8,358.72
Right of use assets	4 (a)	432.32	438.78
Capital work-in-progress	4 (b)	-	8,155.05
Intangible assets	4 (c)	17.68	-
Financial assets			
Other financial assets	5	225.48	211.25
Non-current tax assets (net)	6	35.19	7.98
Other non-current assets	7	97.41	577.08
Total non-current assets		19,474.23	17,748.86
Current assets			
Inventories	8	2,271.20	2,024.79
Financial assets			
Trade receivables	9	1,065.86	589.50
Cash and cash equivalents	10	6.09	5.62
Other financial assets	5	783.21	335.70
Other current assets	7	1,543.74	2,070.63
Total current assets		5,670.10	5,026.24
Total assets		25,144.33	22,775.10
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11	1.00	1.00
Other equity	12	32.87	147.32
Total equity		33.87	148.32
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	13	13,284.82	12,060.41
Lease liabilities	31	9.18	8.73
Provisions	18	11.45	9.24
Deferred tax liabilities (net)	27	5.34	32.62
Total non-current liabilities		13,310.79	12,111.00
Current liabilities			
Financial liabilities			
Borrowings	14	8,569.43	7,565.64
Lease liabilities	31	0.78	0.78
Trade payables	15		
i) outstanding dues of micro enterprises and small enterprises		86.50	0.86
ii) outstanding dues of creditors other than micro enterprise and small enterprise		2,567.81	1,976.40
Other financial liabilities	16	550.11	946.47
Other current liabilities	17	24.54	25.10
Provisions	18	0.50	0.53
Total current liabilities		11,799.67	10,515.78
Total liabilities		25,110.46	22,626.78
Total equity and liabilities		25,144.33	22,775.10

Summary of significant accounting policies

2-3

The accompanying notes (1 to 43) are an integral part of the financial statements.

As per our report of even date attached
For M S K A & Associates
Chartered Accountants
Firm's Registration No.:105047W

Amrisha Vaidya

Amrisha Vaidya
Partner
Membership No: 101739



Place : Mumbai
Date : May 21, 2024

For and on behalf of the Board of Directors of
HFL Consumer Products Private Limited
CIN: U15400MH2020PTC343381

Sameer R. Kothari

Sameer R. Kothari
Director
DIN: 01361343

Ganesh T. Argekar

Ganesh T. Argekar
Director
DIN: 06865379

Place : Mumbai
Date : May 21, 2024

HFL Consumer Products Private Limited
Statement of Profit and Loss for the year ended 31st March 2024
(Amounts in Rs. lakhs, unless otherwise stated)

	Notes	Year ended 31 March 2024	Year ended 31 March 2023
Income			
Revenue from operations	19	15,019.46	4,831.72
Other income	20	10.45	12.50
Total income		15,029.91	4,844.22
Expenses			
Cost of material consumed	21	9,395.68	3,000.91
Changes in inventories of finished goods and work-in-progress	21	378.97	(741.00)
Employee benefits expense	22	341.29	187.66
Finance costs	23	1,925.22	810.14
Depreciation expenses	24	1,094.63	472.55
Manufacturing & operating costs	25	1,787.41	745.58
Other expenses	26	251.16	125.69
Total expenses		15,174.36	4,601.53
Profit/(Loss) before tax		(144.45)	242.69
Tax expense	27		
Current tax		-	-
Deferred tax		(27.28)	32.62
Total tax expense		(27.28)	32.62
Profit/(Loss) for the year		(117.17)	210.07
Other comprehensive income			
Items that will not be reclassified to profit or loss			
- Re-measurement gains on defined benefit plans		2.72	-
- Income tax effect		-	-
Total other comprehensive income for the year, net of tax		2.72	-
Total comprehensive income for the year		(114.45)	210.07
Earnings per equity share (face value Rs 10 each)			
Basic earnings per share (Rs)	28	(1,171.69)	2,100.70
Diluted earnings per share (Rs)	28	(1,171.69)	2,100.70
Summary of significant accounting policies	2-3		

The accompanying notes (1 to 43) are an integral part of the financial statements.

As per our report of even date attached

For M S K A & Associates

Chartered Accountants

Firm's Registration No.:105047W

Amrisha Vaidya

Amrisha Vaidya
Partner

Membership No: 101739



Place : Mumbai

Date : May 21, 2024

For and on behalf of the Board of Directors of
HFL Consumer Products Private Limited
CIN: U15400MH2020PTC343381

Sameer R. Kothari

Sameer R. Kothari
Director
DIN: 01361343

Ganesh T. Argekar

Ganesh T. Argekar
Director
DIN: 06865379

Place : Mumbai

Date : May 21, 2024

HFL Consumer Products Private Limited
Statement of Cash flows for the year ended 31 March 2024
(Amounts in Rs. lakhs, unless otherwise stated)

	Year ended 31 March 2024	Year ended 31 March 2023
Cash flows from operating activities		
Profit before tax	(144.45)	242.69
Adjustments for:		
Depreciation expenses	1,094.63	472.55
Interest on borrowing	1,881.48	797.59
Interest on lease liability	0.77	1.12
Other finance charge	42.97	11.43
Interest income	(6.35)	(8.73)
Re-measurement gains on defined benefit plans reclassified to OCI	2.72	-
Unrealised foreign exchange translation Gain	(49.49)	-
Operating profit/(loss) before working capital changes	2,822.28	1,516.65
Changes in working capital		
(Increase) in inventories	(246.41)	(2,024.79)
(Increase) in trade receivables	(476.36)	(589.50)
(Increase)/decrease in other assets	526.89	(1,117.29)
(Increase) in financial assets	(456.33)	(374.38)
Increase in trade payables	726.54	1,827.46
(Decrease)/Increase in other liabilities	(0.56)	9.68
Increase in financial liabilities	7.40	148.97
Increase in provisions	2.18	9.77
Cash generated/ (used) from operations	2,905.63	(593.43)
Income taxes paid (net)	(27.09)	(7.90)
Net cash generated/ (used) from operating activities (A)	2,878.54	(601.33)
Cash flows from investing activities		
Outflow:		
Purchase of property, plant and equipment (net of capital creditors and including capital advances and capital work in progress)	(3,182.32)	(9,403.43)
Interest received	0.94	(1.47)
Net cash used in investing activities (B)	(3,181.38)	(9,404.90)
Cash flows from financing activities		
Proceeds from long-term borrowings	2,671.76	6,550.88
Repayment of long-term borrowings	(1,447.33)	(179.93)
Proceeds from short-term borrowings (net)	933.54	3,971.58
Lease rentals paid against lease liability	(0.45)	(0.33)
Interest paid	(1,854.21)	(809.02)
Net cash generated in financing activities (C)	303.31	9,533.18
Net (Decreased)/increase in cash and cash equivalents (A+B+C)	0.47	(473.05)
Cash and cash equivalents at the beginning of the year	5.62	478.67
Cash and cash equivalents at the end of the year	6.09	5.62
Cash and cash equivalents comprise of (refer note 10)		
Balance with bank		
On current accounts	5.59	5.59
Cash on hand	0.50	0.03
Total cash and cash equivalents at end of the year	6.09	5.62


(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 43) are an integral part of the financial statements.

As per our report of even date attached

For **M S K A & Associates**
Chartered Accountants
Firm's Registration No.:105047W



Amrith Vaidya


Partner
Membership No: 101739

Place : Mumbai
Date : May 21, 2024



For and on behalf of the Board of Directors of
HFL Consumer Products Private Limited
CIN: U15400MH2020PTC343381


Sameer R. Kothari
Director
DIN: 01361343


Ganesh T. Argekar
Director
DIN: 06865379

Place : Mumbai
Date : May 21, 2024

HFL Consumer Products Private Limited
Statement of Changes in Equity for the year ended 31 March 2024
(Amounts in Rs. lakhs, unless otherwise stated)

(A) Equity share capital (refer note 11)

Equity shares of Rs. 10/- each issued, subscribed and fully paid up
Balance at the beginning of the year
Add: issued during the year
Balance at the end of the year

As at 31 March 2024		As at 31 March 2023	
No. of shares	Amount	No. of shares	Amount
10,000	1.00	10,000	1.00
-	-	-	-
10,000	1.00	10,000	1.00

(B) Other equity (refer note 12)

Particulars	Retained earnings	Total
Balance as at 1 April 2022	(62.75)	(62.75)
Profit for the year	210.07	210.07
Other comprehensive income	-	-
Total comprehensive income for the year	147.32	147.32
Balance as at 31 March 2023	147.32	147.32
Balance as at 1 April 2023	147.32	147.32
Profit for the year	(117.17)	(117.17)
Other comprehensive income	2.72	2.72
Total comprehensive income for the year	32.87	32.87
Balance as at 31 March 2024	35.59	35.59

* There are no changes in other equity due to prior period errors

The accompanying notes (1 to 43) are an integral part of the financial statements.

As per our report of even date attached
For M S K A & Associates
Chartered Accountants
Firm's Registration No.:105047W

Amrisha Vaidya
Partner
Membership No: 101739

Place : Mumbai
Date : May 21, 2024



For and on behalf of the Board of Directors of
HFL Consumer Products Private Limited
CIN: U15400MH2020PTC043381

Sameer R. Kothari
Director
DIN: 01361343

Ganesh T. Argekar
Director
DIN: 06845379

Place : Mumbai
Date : May 21, 2024

1. General information

HFL Consumer Products Private Limited (the "Company") is a private company domiciled in India and was incorporated in the year 2020 under the provisions of the Companies Act, 2013 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 ice cream products.

2. Significant accounting policies

Significant accounting policies adopted by the Company are as under:

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, if any, are recognized 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 (INR 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 recognized 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 derecognized 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 and 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 Improvement 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 or Other expenses'.

Depreciation methods, useful lives and residual values are reviewed periodically at each financial year end and adjusted prospectively, if any, as appropriate.

2.3 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 (INR), 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.

2.4 Fair value measurement

The Company 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 Company.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. The Company'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 categorized 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.

2.5 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 recognized 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 recognizes 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.

Revenue in excess of invoices are classified as unbilled revenue, while invoicing in excess of revenue are classified income received in advance.

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.

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 realize 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 utilize 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 recognized 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.

2.7 Leases

The Company's lease asset classes primarily consist of leases for Land. 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 realizable 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 realizable 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 comparison of cost and net realisable value is made on item by item basis.

2.9 Provisions and contingent liabilities

Provisions are recognized 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 recognized 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.

2.10 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.

2.11 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.

2.12 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 amortized 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.

Amortized 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 amortized 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 recognized in Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss and recognized 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 amortized 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 recognized 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 recognized in the profit and loss.

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 amortized cost, as appropriate.

All financial liabilities are recognized 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 recognized in the Statement of Profit and Loss.

Loans and borrowings:

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized 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 amortization is included as finance costs in the Statement of Profit and Loss.

2.13 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 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 (unfunded): 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.

2.14 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.

2.15 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."

2.16 Segment Reporting

Operating segment 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 and consequently, no separate segment information has been furnished.

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 recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, 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 30.

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.



4 (a) Property, plant and equipment

	Gross carrying amount			Accumulated depreciation		Net book	
	As at 1 April 2023	Additions/ Adjustments	Deductions/ Adjustments	As at 31 March 2024	For the year Deductions/ Adjustments	As at 31 March 2024	As at 31 March 2024
1 Owned assets							
Buildings #	2,463.72	2,151.07	-	4,614.79	135.15	206.31	4,408.48
Plant and machinery #	5,443.75	8,554.52	-	13,998.27	789.66	1,105.57	12,892.70
Furniture and fixtures	85.41	131.70	-	217.11	19.70	27.10	190.01
Electrical equipment	816.32	472.40	-	1,288.72	119.80	189.02	1,099.70
Computers	3.33	6.54	-	9.87	2.51	3.34	6.53
Vehicles	9.20	-	-	9.20	1.05	2.15	7.05
Office equipment's	3.11	108.57	-	111.68	19.45	20.00	91.68
Leasehold improvement	-	-	-	-	-	-	-
Total	8,824.84	11,394.80	-	20,219.64	1,087.37	1,553.49	18,666.15
II Right of Use Assets							
Leasehold land*	454.98	-	-	454.98	6.44	22.66	432.32
Total	454.98	-	-	454.98	6.44	22.66	432.32

Includes finance cost capitalized during the year amounting to Rs.126.37 Lakhs (31 March 2023: Rs.271.63 Lakhs) in Plant and Machinery & Building. Further, Rs. Nil (31 March 2023: Rs.311.77 Lakhs) capitalised in capital work in progress.

* For changes in the carrying value of lease liability refer note 31

	Gross book			Accumulated depreciation		Net book	
	As at 1 April 2022	Additions/ Adjustments	Deductions/ Adjustments	As at 31 March 2023	For the year Deductions/ Adjustments	As at 31 March 2023	As at 31 March 2023
I Owned Assets							
Buildings	-	2,463.72	-	2,463.72	71.16	71.16	2,392.56
Plant and machinery	-	5,443.75	-	5,443.75	315.91	315.91	5,127.84
Furniture and fixtures	0.06	85.15	-	85.41	7.40	7.40	78.01
Vehicles	-	9.20	-	9.20	1.05	1.05	8.15
Office equipment's	0.17	2.94	-	3.11	0.01	0.54	2.56
Electrical equipment	-	816.32	-	816.32	69.22	69.22	747.10
Computers	-	3.33	-	3.33	0.83	0.83	2.50
Leasehold improvement	-	-	-	-	-	-	-
Total	0.23	8,824.61	-	8,824.84	466.11	466.12	8,358.72
II Right of Use Assets							
Leasehold land	454.98	-	-	454.98	6.44	16.20	438.78
Total	454.98	-	-	454.98	6.44	16.20	438.78

* For changes in the carrying value of lease liability refer note 31

4 (b) Capital Work in Progress (CWIP)

	As at 1 April 2023	Expenditure during the year	Capitalized during the year	Impairment	Written off	Closing as at 31 March 2024
CWIP	8,155.05	1,665.11	9,820.16	-	-	-
As at 1 April 2022	7,835.67	8,359.72	8,039.34	Impairment	Written off	Closing as at 31 March 2023
CWIP	-	-	-	-	-	8,155.05

Ageing of capital work in progress ("CWIP")

	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2023	-	-	-	-	-
CWIP	-	-	-	-	-
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
As at 31 March 2024	-	-	-	-	-
CWIP	-	-	-	-	-
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

There are no projects where completion is overdue or costs have exceeded the original plan or where activity has been suspended as at March 31, 2024 and March 31, 2023.

4 (c) Other Intangible assets

	Gross carrying amount			Amortisation and Impairment		Net book	
	As at 1 April 2023	Additions/ Adjustments	Disposals	As at 31 March 2024	Amortisation and Impairment for the year	As at 31 March 2024	As at 31 March 2024
Computer software	-	18.48	-	18.48	0.80	0.80	17.68
Total	-	18.48	-	18.48	0.80	0.80	17.68



5 Other financial assets

Financial Instruments at amortised cost

Security deposits	
In fixed deposit accounts with original maturity for more than 12 months#	
Interest accrued on deposits	
Unbilled revenue	
Other receivable	
Total other financial assets	
(# Includes Balance with bank held as margin money deposit against bank guarantee given to Uttar Pradesh Industrial Development Authority)	

As at 31 March 2024		As at March 2023	
Non-current	Current	Non-current	Current
99.87	-	91.05	7.95
110.00	-	110.00	-
15.61	-	10.20	-
-	731.79	-	325.06
-	51.42	-	2.69
225.48	783.21	211.25	335.70
110.00	-	110.00	-

6 Non-current tax assets

Advance income tax (net)

Total non-current tax assets

As at 31 March 2024	As at March 2023
35.19	7.98
35.19	7.98

7 Other assets

Capital advances
Export incentive receivable
Balance with government authorities (other than income tax)
Prepaid expenses
Advances to suppliers
Advances to others

As at 31 March 2024		As at March 2023	
Non-current	Current	Non-current	Current
96.72	-	576.39	-
-	-	-	9.44
-	1,502.24	-	2,023.33
0.69	1.06	0.69	3.00
-	40.44	-	34.85
-	-	-	0.01
97.41	1,543.74	577.08	2,070.63

Total other assets

* Value of contracts in capital account remaining to be executed as at March 31, 2024 Rs 194.72 (as at March 31, 2023: Rs 1,388.83 Lakhs)

8 Inventories *

Raw material and intermediate in stock
Finished goods in stock
Packing material in stock
Store and spares parts

Total Inventories

*Hypothecated as charge against short term-borrowings. Refer note 14

As at 31 March 2024	As at March 2023
1,336.25	888.00
362.03	741.00
500.82	373.00
72.10	22.79
2,271.20	2,024.79

9 Trade receivables

Trade receivables
Less: Loss allowance
Total trade receivables
Current portion
Non current

As at 31 March 2024	As at March 2023
1,065.86	589.50
1,065.86	589.50
1,065.86	589.50
-	-

(a) Breakup of security details

Trade receivable considered good- secured
Trade receivable considered good- unsecured
Trade receivable which have significant increase in credit risk
Trade receivable- credit impaired
Total
Loss allowance
Total trade receivables

As at 31 March 2024	As at March 2023
1,065.86	589.50
-	-
1,065.86	589.50
1,065.86	589.50

(b) Ageing of Trade Receivables

31-Mar-2024

	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	702.12	363.74	-	-	-	-	1,065.86
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
(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)	-	-	-	-	-	-	-
	702.12	363.74	-	-	-	-	1,065.86

31-Mar-2023

	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	454.78	134.72	-	-	-	-	589.50
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
(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)	-	-	-	-	-	-	-
	454.78	134.72	-	-	-	-	589.50

(c)

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

10 Cash and cash equivalents

Cash and cash equivalents
Balances with banks
- In current accounts
Cash on hand

Total cash and cash equivalents

As at 31 March 2024	As at March 2023
5.59	5.59
0.50	0.03
6.09	5.62



11 Equity share capital

The Company has only one class of equity share capital having a par value of Rs. 10 per share, referred to herein as equity shares

	As at 31 March 2024	As at 31 March 2022
Authorized		
1,50,000 (31st March 2023 - 1,50,000) Equity shares of Rs. 10 each	15.00	15.00
	15.00	15.00
Issued, subscribed and fully paid up		
10,000 (31st March 2023 - 10,000) Equity shares of Rs. 10 each	1.00	1.00
Total	1.00	1.00

(a) Reconciliation of equity shares outstanding at the beginning and at the end of the year

	As at 31 March 2024		As at March 2023	
	No. of shares	Amount	No. of shares	Amount
Outstanding at the beginning of the year	10,000	1.00	10,000	1.00
Add: Issued during the year	-	-	-	-
Outstanding at the end of the year	10,000	1.00	10,000	1.00

(b) Rights, preferences and restrictions attached to shares

Equity Shares: The Company has only one class of equity shares having par value of Rs.10/- 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 recognized as distributions to equity shareholders was Nil. (31 March 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.

(c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

	As at 31 March 2024		As at March 2023	
Name of the shareholder	No. of shares	% of holding in the class	No. of shares	% of holding in the class
Hindustan Foods Limited	10,000	100.00%	10,000	100.00%

As per records of the Company, including its register of shareholders and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

(d) Shares held by holding company

	As at 31 March 2024		As at March 2023	
Name of the shareholder	No. of shares	Amount	No. of shares	Amount
Hindustan Foods Limited	10,000	1.00	10,000	1.00

(e) Details of Shares held by Promoters at the end of the year / period

	As at 31 March 2024			As at March 2023		
Promoter name	No. of shares	% of total shares	% Change during the year	No. of shares	% of total shares	% Change during the period
Hindustan Foods Limited	10,000	100%	0%	10,000	100%	100%
	10,000	100%	0%	10,000	100%	100%

(f) Information regarding issue of Equity Shares since the date of incorporation

- (i) No share is allotted pursuant to contracts without payment being received in cash.
- (ii) No bonus share has been issued
- (iii) No share has been bought back

12 Other equity

	As at 31 March 2024	As at March 2023
Retained earnings	32.87	147.32
	32.87	147.32

Nature and purpose of other reserves

Retained earnings	Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders
-------------------	---

	As at 31 March 2024	As at March 2023
Retained earnings		
Opening balance	147.32	(62.75)
Add: Net loss for the year / period	(117.17)	210.07
Add/(Less): Item of OCI for the year / period, net of tax	2.72	-
Less: Re-measurement (gain)/loss on post employment benefit obligation	-	-
Closing balance	32.87	147.32



13 Non-current borrowings

	As at 31 March 2024	As at March 2023
Secured		
Term loan		
From bank	14,823.29	13,008.56
Less: Current maturities of long term borrowings (refer note 14)	(1,538.47)	(948.15)
Total non-current borrowings	13,284.82	12,060.41

A) Terms of non-current borrowing are as under

Particulars	Rate of interest (p.a.)	Repayment terms
Non current, secured borrowings		
Term loan with Bank	9.45% to 10.75%	144 month(s) 12 years (Including moratorium of 12 months)

B) Nature of security :

i. Term Loan from 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 mortgage on 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 Company has made no defaults in the payment of principal or interest during the year ended 31st March 2024.

D) Term loans from Bank contain certain debt covenants relating to debt-net worth ratio, Debt to EBITDA ratio and debt service coverage ratio. The company has also satisfied all other debt covenants prescribed in the terms of bank loan.

Particulars of Loans	Particulars of Loans	Purpose	Whether used for the purpose stated in the loan Agreement
Yes Bank	Term Loan	1. Towards purchase of Land and setting up manufacturing plant in Uttar Pradesh. 2. Toward purchase of building, Plant & Machinery and Material for Expansion of plant in Uttar Pradesh. 3. Towards purchase of Plant & machinery (stick project) for expansion of Uttar Pradesh manufacturing plant.	Yes

F) The Company have not pledged any financial and non financial assets as security for current or non-current borrowings.

14 Current borrowings

	As at 31 March 2024	As at March 2023
Secured		
From bank		
Cash credits	1,870.73	1,884.29
Current maturities of long term borrowings (refer note 13)	1,538.47	748.15
Unsecured		
From related party (refer note 32)	5,160.23	4,733.20
Total current borrowings	8,569.43	7,565.64

A) Terms of current borrowing are as under

Particulars	Rate of interest (p.a.)	Repayment terms
Current - Secured borrowings		
Bank (cash credits)	1 Month MCLR + 0.7%	Repayable on demand
Current - Unsecured borrowings		
Hindustan Foods Limited	9.50%	Repayable on demand

B) Nature of security :

i. Cash Credit from Bank has been secured by exclusive 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 Company has made no defaults in the payment of principal or interest during the year ended 31st March 2024.

D) The statements of current assets (Inventory & debtors) submitted by the Company with banks are materially in agreement with the books of accounts.

15 Trade payables

	As at 31 March 2024	As at March 2023
Outstanding dues of micro enterprises and small enterprises	86.50	0.86
Outstanding dues of creditors other than micro enterprises and small enterprises	2,567.81	1,976.40
Total trade payables	2,654.31	1,977.26

Disclosure relating to suppliers registered under MSMED Act, 2006 based on the information available with the Company:

Particulars	As at 31 March 2024	As at March 2023
(a) Amount remaining unpaid to any supplier at the end of each accounting year / period:		
Principal	86.50	0.86
Interest	-	-
Total	86.50	0.86
(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 / period.	-	-
(c) The amount of interest due and payable for the year / 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 / period.	-	-
(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.	-	-



HFL Consumer Products Private Limited
Notes forming part of the Financial Statements for the year ended 31 March 2024
(Amounts in Rs. lakhs, unless otherwise stated)

Trade Payables ageing schedule

As at 31 March 2024

Particulars	Unbilled	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	-	77.04	9.46	-	-	-	86.50
(ii) Disputed dues - MSME	-	-	-	-	-	-	-
(iii) Others	88.59	1,082.02	1,379.62	15.64	1.94	-	2,567.81
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	88.59	1,159.06	1,389.08	15.64	1.94	-	2,654.31

As at 31 March 2023

Particulars	Unbilled	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	-	-	-	-	-	0.86
(ii) Disputed dues - MSME	-	-	-	-	-	-	-
(iii) Others	-	911.09	1,065.31	-	-	-	1,976.40
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	0.86	911.09	1,065.31	-	-	-	1,977.26



16	Other current financial liabilities	As at 31 March 2024	As at March 2023		
	Capital creditors	511.79	915.55		
	Employee related payable	37.32	28.62		
	Other payable to related party (refer note 32)	-	2.30		
	Security deposit received	1.00	-		
	Total other current financial liabilities	550.11	946.47		
17	Other current liabilities	As at 31 March 2024	As at March 2023		
	Statutory dues payable	24.24	24.62		
	Advance From Customers	0.30	0.48		
	Total other current liabilities	24.54	25.10		
18	Provisions	As at 31 March 2024	As at March 2023		
		Non- current	Current	Non- current	Current
	Provision for gratuity (unfunded) (refer note 30)	7.34	0.11	4.59	0.09
	Provision for leave encashment (unfunded) (refer note 30)	4.11	0.39	4.65	0.44
		11.45	0.50	9.24	0.53
19	Revenue From operations	Year ended	Year ended		
		31 March 2024	31 March 2023		
	Revenue from contracts with customers:				
	- Sale of products- Manufacturing	14,931.17	4,809.95		
	- Trading of goods	36.37	-		
	Total	14,967.54	4,809.95		
	Other operating revenue:				
	- Scrap sales	51.92	21.77		
	Total	51.92	21.77		
	Total Revenue from operations	Total	(15,019.46 4,831.72		
	A. Disaggregation of revenue from contracts with customers				
	In the following table, revenue is disaggregated by major service lines.				
		Year ended	Year ended		
		31 March 2024	31 March 2023		
	- Sale of products - contract manufacturing	14,931.17	4,809.95		
	- Trading of goods	36.37	-		
	Total	14,967.54	4,809.95		
	Geographic revenue				
	- India	14,967.54	4,809.95		
	- Rest of the world	-	-		
		14,967.54	4,809.95		
	B. Trade receivables and contract balances				
	The following table provides information about receivables, contract assets and current liabilities from contracts with customers:				
		Year ended	Year ended		
		31 March 2024	31 March 2023		
	Receivables, which are included in trade receivables *	1,065.86	589.50		
	Unbilled revenue	731.79	325.06		
	Advances from customers	0.30	0.48		
	Income received in advance	-	-		
	Total	1,797.95	915.04		
	* 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.				
	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 revenue recognised:				
		Year ended	Year ended		
		31 March 2024	31 March 2023		
	Gross revenue	15,019.46	4,831.72		
	Adjustment for credit notes:	-	-		
		15,019.46	4,831.72		
20	Other income	Year ended	Year ended		
		31 March 2024	31 March 2023		
	Interest income on fixed deposits	6.35	8.73		
	Foreign exchange gain (net)	2.69	-		
	Miscellaneous income	1.41	3.77		
	Total other income	10.45	12.50		



21	Cost of Material Consumed	Year ended 31 March 2024	Year ended 31 March 2023
	Raw Material		
	Inventory at the beginning of the year	888.00	-
	Add: Purchase	6,455.22	3,015.48
	Less: Inventory at the end of the year	1,336.25	888.00
	Cost of Raw Material consumed	<u>6,006.97</u>	<u>2,127.48</u>
	Packaging Material		
	Inventory at the beginning of the year	373.00	-
	Add: Purchase	3,516.53	1,246.43
	Less: Inventory at the end of the year	500.82	373.00
	Cost of packaging Material consumed	<u>3,388.71</u>	<u>873.43</u>
	Total Cost of Materials consumed	<u>9,395.68</u>	<u>3,000.91</u>
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	Year ended 31 March 2024	Year ended 31 March 2023
	Inventories at the beginning of the year		
	- Finished goods	741.00	-
	- Stock in trade	-	-
		<u>741.00</u>	<u>-</u>
	Less: Inventories at the end of the year		
	- Finished goods	362.03	741.00
	- Stock in trade	-	-
		<u>362.03</u>	<u>741.00</u>
	Net decrease/(increase)	<u>378.97</u>	<u>(741.00)</u>
22	Employee Benefit Expenses	Year ended 31 March 2024	Year ended 31 March 2023
	Salaries, wages, bonus and other allowances	312.12	166.45
	Contribution to provident and other funds	19.87	8.68
	Gratuity expense (refer note 30)	5.49	4.68
	Staff welfare expenses	3.81	7.85
	Total Employee benefit expenses	<u>341.29</u>	<u>187.66</u>
23	Finance costs	Year ended 31 March 2024	Year ended 31 March 2023
	Interest on borrowing	1,541.74	690.67
	Interest on loan from related party (refer note 32) *	339.74	106.92
	Interest expense on lease liabilities	0.77	1.12
	Other finance charge	42.97	11.43
	Total finance costs	<u>1,925.22</u>	<u>810.14</u>
	* During the current financial year, interest amounting to Rs.40.09 Lakh capitalised. (FY 2022-23 Rs.162.18 Lakh)		
24	Depreciation expenses	Year ended 31 March 2024	Year ended 31 March 2023
	Depreciation on property, plant and equipment [refer note 4 (a) I]	1,087.37	466.11
	Depreciation on right of use assets [refer note 4 (a) II]	6.46	6.44
	Amortization on intangibles assets [refer note 4 (c)]	0.80	-
	Total depreciation expense	<u>1,094.63</u>	<u>472.55</u>
25	Manufacturing & operating cost	Year ended 31 March 2024	Year ended 31 March 2023
	Power, fuel & electricity	746.72	327.64
	Repairs and maintenance - plant & machinery	112.77	23.12
	Repairs and maintenance - others	17.01	22.47
	Contract labour charges	704.07	304.16
	Other manufacturing expenses	206.84	68.19
	Total Manufacturing & operating cost	<u>1,787.41</u>	<u>745.58</u>



26 Other expenses

Insurance
Rent (refer note 31(iv))
Rates and taxes
Postage and courier
Legal and professional expenses
Auditors remuneration [refer note (a) below]
Foreign exchange loss (net)
CSR expenses
Security charges
Bank charges
Miscellaneous expenses

Total other expenses

Note (a) Auditors remuneration (excluding GST)

As auditor:
Statutory audit
Limited review fees
In other capacity:
Other matters
Total

27 Income tax expense & Deferred tax

A) Income tax expense charged to the statement of profit or loss

Current tax
Deferred tax charge / (income)

Deferred tax

(Increase) in deferred tax asset
Increase in deferred tax liabilities

Income tax expense reported in statement of profit and loss account

Total

B) Reconciliation of tax charge

Profit before tax
Enacted income tax rate in India applicable to the Company
Income tax expense at tax rates applicable
Tax effects of:
Pertaining to previous years
Income tax expense

C) Deferred tax relates to the following:

Deferred tax assets
On provision for employee benefits
On tax losses
On MSME Vendors due
On lease liabilities

Deferred tax liabilities
On property, plant and equipment
On unamortised processing cost
On lease liabilities

Deferred tax liabilities net
Deferred tax asset/(liability), net

D) Deferred tax assets/ (liabilities) to be recognized in Statement of Profit and Loss

Deferred tax assets/(liabilities), net
Less: Opening deferred tax liabilities
Deferred tax expense for the year

Tax liability recognized in Statement of Profit and Loss

Total deferred tax expenses recognised in the statement of profit and loss

28 Earnings per equity shares

The following reflects the income and share data used in the basic and diluted EPS computations:

Profit/(Loss) attributable to equity holders
Attributable to equity holders adjusted for the effect of dilution

Weighted average number of equity shares (in lakhs) for basic and diluted EPS

Basic earnings per share (Rs)
Diluted earnings per share (Rs)

29 Contingencies and commitments

Bank guarantees

Capital commitments:
Capital expenses for Lucknow factory

Year ended 31 March 2024	Year ended 31 March 2023
21.48	18.70
63.23	1.15
0.48	0.98
8.39	1.61
20.65	18.80
5.25	2.75
12.36	23.44
-	0.43
45.72	26.87
3.27	2.89
70.35	28.07
251.16	125.69

Year ended 31 March 2024	Year ended 31 March 2023
3.00	1.25
2.25	0.75
-	0.75
5.25	2.75

Year ended 31 March 2024	Year ended 31 March 2023
-	-
(27.28)	32.62
(27.28)	32.62
(271.57)	(82.59)
244.29	115.21
(27.28)	32.62
(27.28)	32.62

Year ended 31 March 2024	Year ended 31 March 2023
(144.45)	242.69
17.16%	17.16%
(24.79)	41.65
-	(41.65)
(24.79)	(0.00)

Year ended 31 March 2024	Year ended 31 March 2023
3.80	0.81
348.38	81.78
1.62	-
0.36	-
354.16	82.59
347.84	115.02
11.66	-
-	0.19
359.50	115.21
(5.34)	(32.62)
(5.34)	(32.62)

Year ended 31 March 2024	Year ended 31 March 2023
(5.34)	(32.62)
(32.62)	-
27.28	(32.62)
27.28	(32.62)
27.28	(32.62)

Year ended 31 March 2024	Year ended 31 March 2023
(117.17)	210.07
(117.17)	210.07
0.10	0.10
(1,171.69)	2,100.70
(1,171.69)	2,100.70

Year ended 31 March 2024	Year ended 31 March 2023
110.00	110.00
194.72	1,388.83



30 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 22)

(B) Defined benefit plans

Gratuity payable to employees

Actuarial assumptions

i)

Discount rate (per annum)
Rate of increase in Salary
Expected average remaining working lives of employees (years)
Attrition rate

Year ended 31 March 2024	Year ended 31 March 2023
7.20%	7.40%
7.00%	7.00%
26.83	32.01
2% to 10%	2% to 10%

ii) Changes in the present value of defined benefit obligation

Present value of obligation at the beginning of the year
Current service cost
Past service cost
Interest cost
Benefits paid
Actuarial (gain)/ loss on obligations
Present value of obligation at the end of the year

Employee's gratuity fund	
Year ended 31 March 2024	Year ended 31 March 2023
4.68	-
5.15	4.68
-	-
0.34	-
-	-
(2.72)	-
7.45	4.68

iii) Change in the fair value of plan assets:

Opening fair value of plan assets
Interest income
Contributions by employer
Benefits paid
Actuarial (losses)/ gains
Closing fair value of plan assets

-	-
-	-
-	-
-	-
-	-
-	-

iv) Expense recognized in the Statement of Profit and Loss

Current service cost
Past service cost
Interest cost
Total expenses recognized in the Statement Profit and Loss

Employee's gratuity fund	
Year ended 31 March 2024	Year ended 31 March 2023
5.15	4.68
-	-
0.34	-
5.49	4.68

v) Expense recognized in the statement of other comprehensive income

Actuarial (gain) / loss on obligations
Actuarial gain / (loss) for the year on asset
Total expenses recognized in the statement of other comprehensive Income

Employee's gratuity fund	
Year ended 31 March 2024	Year ended 31 March 2023
(2.72)	-
-	-
(2.72)	-

vi) Assets and liabilities recognized in the Balance Sheet:

Present value of funded obligation
Less: fair value of plan assets
Net asset / (liability) recognized in Balance Sheet*

Employee's gratuity fund	
Year ended 31 March 2024	Year ended 31 March 2023
7.45	4.68
-	-
7.45	4.68

vii) Expected contribution to the fund in the next year

Gratuity

Year ended 31 March 2024	Year ended 31 March 2023
0.11	0.10

viii) A quantitative sensitivity analysis for significant assumption is as shown below:

Impact on defined benefit obligation

Discount rate
0.5% increase
0.5% decrease

Rate of increase in salary
0.5% increase
0.5% decrease

Withdrawal rate
110% change
90% change

Employee's gratuity fund	
Year ended 31 March 2024	Year ended 31 March 2023
6.99	4.40
7.96	5.00
7.93	4.98
7.01	4.41
7.31	4.60
7.60	4.77



ix) Maturity profile of defined benefit obligation

Year

Apr 2023- Mar 2024
 Apr 2024- Mar 2025
 Apr 2025- Mar 2026
 Apr 2026- Mar 2027
 Apr 2027- Mar 2028
 Apr 2028 onwards
 Apr 2029 onwards

Employee's gratuity fund		
	Year ended 31 March 2024	Year ended 31 March 2023
	-	0.10
	0.11	0.10
	0.10	0.09
	0.09	0.12
	0.36	0.35
	0.54	1.80
	3.12	-

(C) Other long term employee benefit obligation

Leave entitlement

The liability for leave entitlement is recognized in the same manner as gratuity aggregating Rs. 4.50 lakhs as at 31 March 2024 (31 March 2023: Rs. 5.09 lakhs)

31 Leases

(A)(ia) For changes in the carrying value of Right-of-use Assets refer note 4 (a) II

(ib) Changes in the lease liabilities

Particulars
Balance as at 31 March 2022
Interest
Additions
Lease Payments
Balance as at 1 April 2023
Interest
Additions
Lease payments
Balance as at 31 March 2024

Category of ROU Asset	Total
Leasehold land	
8.72	8.72
1.12	1.12
-	-
(0.33)	(0.33)
9.51	9.51
0.77	0.77
-	-
(0.32)	(0.32)
9.96	9.96

(ii) Break-up of current and non-current lease liabilities

Particulars
Current lease liabilities
Non-current lease liabilities

As at 31 March 2024	As at March 2023
0.78	0.78
9.18	8.73

(iii) Maturity analysis of lease liabilities

Particulars
Less than one year
One to five years
More than five years
Total

As at 31 March 2024	As at March 2023
0.57	0.32
2.27	2.27
71.04	71.60
73.88	74.19

As per Para B11 of Ind AS 107 Financial Instruments: Disclosure, in preparing the maturity analyse an entity uses its judgement to determine an appropriate number of time bands.

(iv) Amounts recognised in statement of profit and loss account

Particulars
Interest on lease liabilities
Expense relating to short-term leases
Total

As at 31 March 2024	As at March 2023
0.77	1.12
63.23	1.15
64.00	2.27

(v) Amounts recognised in statement of cash flows

Particulars
Total Cash outflow for leases

Year ended 31 March 2024	Year ended 31 March 2023
(0.45)	(0.33)



32 Related party disclosures:

(A) Names of related parties and description of relationship as identified and certified by the Company:

Holding company

Hindustan Foods Limited

Company in which Director of Company is Director/Partners:

HFL Multiproducts Private Limited

Avalon Cosmetics Private Limited

HFL Healthcare and Wellness Private Limited

Aero Care Personal Products LLP

KNS Shoetech Private Limited (with effective from 1 October 2023)

Key Management Personnel (KMP)

Sameer Kothari

Director

Ganesh Argekar

Director

Sanjay Sehgal

Director

(B) Details of transactions with related party for the year ended:

	Year ended 31 March 2024	Year ended 31 March 2023
Hindustan Foods Limited		
Recharge of salaries	25.16	66.00
Loans availed	6,628.00	5,395.20
Loans repaid	6,200.96	3,885.20
Interest expense on above loan	379.82	269.10
Interest payment	379.82	471.19
Purchase of export licences	9.44	17.41
Reimbursement of expenses	560.60	712.25
Other payable	-	2.69
Purchase of property, plant and equipment	-	24.20
Corporate guarantee received	1,811.12	7,260.00
HFL Multiproducts Private Limited		
Reimbursement of expenses	48.73	-
Avalon Cosmetics Private Limited		
Purchase of Consumables	0.03	-
Reimbursement of expenses	0.88	-

(C) Amount due to/from related party as on:

	As at 31 March 2024	As at March 2023
Hindustan Foods Limited		
Loan, repayable on demand	5,160.23	4,733.20
Other payables including reimbursements	-	2.30
Corporate guarantee received	16,818.95	16,260.00
HFL Multiproducts Private Limited		
Reimbursement of expenses	48.73	-

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. There have been no guarantees provided or received for any related party receivables or payables, except for the disclosure made above. For the year ended 31 March 2024, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2024: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

33 Fair values of financial assets and financial liabilities

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 amortized 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

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	5	225.48	-	-	-	225.48
Other current financial assets	5	783.21	-	-	-	783.21
Trade receivable	9	1,065.86	-	-	-	1,065.86
Cash and cash equivalents	10	6.09	-	-	-	6.09
		<u>2,080.64</u>	-	-	-	<u>2,080.64</u>
Financial liabilities						
Non current borrowings	13	13,284.82	-	-	-	13,284.82
Current borrowings	14	8,569.43	-	-	-	8,569.43
Current and Non-current lease liabilities	31	9.96	-	-	-	9.96
Other current financial liabilities	16	550.11	-	-	-	550.11
Trade payables	15	2,654.31	-	-	-	2,654.31
		<u>25,068.63</u>	-	-	-	<u>25,068.63</u>



The carrying value and fair value of financial instruments by categories as at March 31, 2023 were as follows

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	5	211.25	-	-	-	211.25
Other current financial assets	5	335.70	-	-	-	335.70
Trade receivable	9	589.50	-	-	-	589.50
Cash and cash equivalents	10	5.62	-	-	-	5.62
		1,142.07	-	-	-	1,142.07
Financial liabilities						
Non-current borrowings	13	12,060.41	-	-	-	12,060.41
Current borrowings	14	7,565.64	-	-	-	7,565.64
Current and Non-current lease liabilities	31	9.51	-	-	-	9.51
Other current financial liabilities	16	946.47	-	-	-	946.47
Trade payables	15	1,977.26	-	-	-	1,977.26
		22,559.29	-	-	-	22,559.29

34 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.

35 Financial risk management objectives and policies

The Company is exposed to various financial risks. These risks are categorized 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 loss 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	109.27
Rs	-50	(109.27)
2023		
Rs	+50	98.13
Rs	-50	(98.13)

(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

Particulars	Currency	As at 31 March 2024		As at March 2023	
		Foreign currency in lakhs	Rs. in lakhs	Foreign currency in lakhs	Rs. in lakhs
Capital creditors	Euro	2.80	252.72	-	-

Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in the EURO 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).

Particulars	Effect on profit- total gain / (loss)			
	5% decrease in exchange rate		5% increase in exchange rate	
	As at 31 March 2024	As at March 2023	As at 31 March 2024	As at March 2023
Capital creditors	12.64	-	-12.64	-
	12.64	-	-12.64	-



(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 deposits with landlords and other statutory deposits with regulatory agencies and also arises from cash held with banks and financial institutions. 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 limits its exposure to credit risk of cash held with banks by dealing with highly rated banks and institutions and retaining sufficient balances in bank accounts required to meet a month's operational costs. The Management reviews the bank accounts on regular basis and fund drawdowns are planned to ensure that there is minimal surplus cash in bank accounts. The Company does a proper financial and credibility check on the landlords before taking any property on lease and hasn't had a single instance of non-refund of security deposit on vacating the leased property. The Company also in some cases ensure that the notice period rentals are adjusted against the security deposits and only differential, if any, is paid out thereby further mitigating the non-realization risk. The Company does not foresee any credit risks on deposits with regulatory authorities.

During the financial year company have trade receivables at the March 31, 2024 is Rs. 1065.86 Lakhs and at the March 31, 2023 is Rs. 589.50 Lakhs.

The ageing analysis for accounts receivables has been considered from the date the invoice falls due:

	As at 31 March 2024	As at March 2023
Not due	702.12	454.78
Less than 6 months	363.74	134.72
6 months to 12 months	-	-
beyond 12 months	-	-
	1,065.86	589.50

(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.

The table below summarizes the maturity profile of the Company's financial liabilities:

	Less than 1 year	More than 1 Year	Total
As at 31 March 2024			
Long-term borrowings	-	13,284.82	13,284.82
Current borrowings	8,569.43	-	8,569.43
Lease liabilities	0.78	9.18	9.96
Trade payables	2,654.31	-	2,654.31
Other current financial liabilities	550.11	-	550.11
	11,774.63	13,294.00	25,068.63
As at March 2023			
Long-term borrowings	-	12,060.41	12,060.41
Current borrowings	7,565.64	-	7,565.64
Lease liabilities	0.78	8.73	9.51
Trade payables	1,977.26	-	1,977.26
Other current financial liabilities	946.47	-	946.47
	10,490.15	12,069.14	22,559.29

36 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximize 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 which represents borrowings from bank & current borrowings represents loan from holding company. 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.

		As at 31 March 2024	As at March 2023
Total equity	(i)	33.87	148.32
Total borrowings		21,864.21	19,635.56
Less: cash and cash equivalents		(6.09)	(5.62)
Total debt	(ii)	21,858.12	19,629.94
Overall financing	(iii) = (i) + (ii)	21,891.99	19,778.26
Gearing ratio	(ii) / (iii)	1.00	0.99

Capital Management

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the Interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2024 and 31 March 2023.

37 Disclosure as required by Ind AS 7 - "Cash Flow Statements" - changes in liabilities arising from financing activities:

Particulars	As at March 2023	Cash flow changes		Non-cash flow changes	As at 31 March 2024
		Receipts	Payments		
Non-current borrowings (refer note 13)	12,060.41	2,671.76	(1,447.33)	-	13,284.82
Current borrowings (refer note 14)	7,565.64	933.54	-	70.25	8,569.43
Total	19,626.05	3,605.30	(1,447.33)	70.25	21,854.25

38 The Company is predominantly engaged in a single business segment which is "contract manufacturing" and the Chief Operating Decision Maker (CODM) reviews the operations of the Company as contract manufacturing. Consequently, no separate segment information has been furnished herewith.



Additional regulatory information

Accounting ratios

Ratio	Formula	Particulars		March 31, 2024		March 31, 2023		Ratio as on		Variation	Reason (if variation is more than 25%)
		Numerator	Denominator	Numerator	Denominator	Numerator	Denominator	31 March 2024	31-Mar-23		
Current Ratio	Current Assets / Current Liabilities	Current Assets= Cash & Cash Equivalents + Other Current Assets + Other current financial assets	Current Liability= Short term borrowings + Trade Payables + Other current financial Liability+ Current lease liabilities + Other Current Liability	5,670.10	11,791.67	5,026.24	10,515.78	0.48	0.48	0.54%	
Debt-Equity Ratio	Debt / Equity	Debt= long term borrowing + Short term borrowings	Equity= Equity + Reserve and Surplus	21,854.25	33.87	19,626.05	148.32	645.21	132.32	387.61%	The Company is in ramp up stage. Also there are debts given by the Holding Company.
Debt Service Coverage Ratio	Net Operating Income / Debt Service	Net Operating Income= Net profit after taxes + Non-cash operating expenses + finance cost	Debt Service= Interest & Lease Payments + Principal Repayments	2,901.91	3,372.55	1,491.64	990.07	0.86	1.51	-42.89%	Since the Company has ramped up in the current year.
Return on Equity Ratio	Profit after tax less pref. Dividend x 100 / Shareholder's Equity	Net Income= Net Profits after taxes - Preference Dividend	Shareholder's Equity	(117.17)	33.87	210.07	148.32	-345.92%	141.63%	-344.24%	The company has suffered losses during the financial year therefore return on equity is significantly declined to negative.
Inventory Turnover Ratio	Cost of Goods Sold / Average Inventory	Cost of Goods Sold	(Opening Inventory + Closing Inventory)/2	9,774.65	2,147.99	2,259.91	1,012.40	4.55	2.23	103.86%	The Company started its operation in the previous year and was in a ramp up stage for most of the period.
Trade Receivables Turnover Ratio	Net Credit Sales / Average Trade Receivables	Net Credit Sales	(Opening Trade Receivables + Closing Trade Receivable)/2	15,019.46	827.68	4,831.72	294.75	18.15	16.39	10.70%	
Trade Payables Turnover Ratio	Net Credit Purchases / Average Trade Payables	Net Credit Purchases	(Opening Trade Payables + Closing Trade Payables)/2	9,971.75	2,315.79	4,261.91	1,063.53	4.31	4.01	7.45%	
Net Capital Turnover Ratio	Revenue / Average Working Capital	Revenue	Average Working Capital= Average of Current assets - Current liabilities	15,019.46	8,734.68	4,831.72	(4,305.63)	1.72	(1.12)	-253.23%	The company has started its commercial production in current financial year as a result the ratio are not comparable.
Net Profit Ratio	Net Profit / Net Sales	Net Profit	Net Sales	(117.17)	15,019.46	210.07	4,831.72	-0.78%	4.35%	-117.94%	During the financial year, company has suffered losses.
Return on Capital Employed	EBIT / Capital Employed	EBIT= Earnings before interest and taxes	Capital Employed= Total Assets - Current Liability	1,780.77	13,344.66	1,052.83	12,259.32	13.34%	8.59%	55.38%	During the financial year, company has suffered losses.
Return on Investment	Net Profit / Net Investment	Net Profit	Net Investments= Net Equity	(117.17)	33.87	210.07	148.32	-345.92%	141.63%	-344.24%	The Company has losses in the current year as a result the ratio has declined.



39 Additional regulatory information

(B) Title deeds of Immovable Properties not held in name of the Company

The Company does not hold any

(C) Details of benami property held

No proceedings have been initiated
on or are pending against the

(D) Wilful defaulter

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(E) Relationship with Struck off Companies under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956
transactions or balance outstanding

(F) Registration of charges or satisfaction with Registrar of Companies

The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(G) Compliance with number of layers of companies
number of layers prescribed under

(H) Undisclosed income

The Company does not have any

(I) Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in Crypto currency or Virtual Currency during the year ended 31 March 2024.

(J) Utilisation of Borrowed funds and share premium

(i) The Company has not advanced

(K) Compliance with approved scheme(s) of arrangements

The Company has not entered into any scheme of arrangement which has an accounting impact on current year or previous period.

(L) Valuation of Property plant and equipment

The Company has not revalued its property, plant and equipment during the year ended 31st March 2024 and 31st March 2023.

(M) Loans and advances to promoters and directors

The Company has not given loans and advances to promoters and directors.

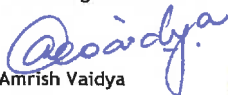
40 The Code on Social Security 2020

41 Previous year's figure have been

42 These financial statements were authorised for issue by the Board of Directors on Date : May 21, 2024

43 No Significant Subsequent events have been observed which may require an adjustments to the financial statements.

As per our report of even date
For M S K A & Associates
Chartered Accountants
Firm's Registration No.:105047W


Amrisha Vaidya
Partner

Membership No: 101739

Place : Mumbai
Date : May 21, 2024



For and on behalf of the Board of Directors of
HFL Consumer Products Private Limited


Sameer R. Kothari
Director
DIN: 01361343

Place : Mumbai
Date : May 21, 2024


Ganesh T. Argekar
Director
DIN: 06865379