

INDEPENDENT AUDITOR'S REPORT

To the Members of
KNS SHOETECH PRIVATE LIMITED

Report on the Audit of the Financials Statement

Opinion

We have audited the financial statements of **KNS SHOETECH PRIVATE LIMITED** (the "Company") which comprise the Balance Sheet as at March 31, 2026, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and notes to financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred as "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, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, its profit and total comprehensive income (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis of Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing ("SA"s) 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 made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that



the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

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 information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report and Shareholder's Information, 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 do 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 during the course of our 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 gives a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Ind AS 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 Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



In preparing the Financial Statements, 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 Company's 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.

As a 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 financial 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 the Management.



- Conclude on the appropriateness of the Management'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.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

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 financial control that we identify during our audit.

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

From the matters communicated with those charged with governance, we did not identify any matters that were of most significance in the audit of the Ind AS Financial Statements for the financial year ended March 31, 2026, that they would be considered key audit matters. Accordingly, no such matters have been described in our auditor's report. Furthermore, there were no circumstances where disclosure was precluded by law or regulation, or where adverse consequences were expected to outweigh the public interest benefits of such communication.



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 Section 143(11) of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit 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.
 - 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 Flows dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid Financial Statements comply with the Ind AS specified under section 133 of the Act.
 - e. On the basis of the written representations received from the directors as on March 31, 2026 taken on the record by the Board of Directors, none of the directors is disqualified as on March 31, 2026 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 B**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the Company is not a public company. Accordingly, the provisions of Section 197 of the Act are not applicable to the Company.



h. 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i) The Company has disclosed the impact of pending litigations as at March 31, 2026 on its financial position in its Financial Statements. Refer Note 34 to the Financial Statements.

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)

(i) The Management has represented that, to the best of its knowledge and belief, as disclosed in the Note 46 (ix) to the Financial Statements, 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 persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- whether, 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;

(ii) The Management has represented that, to the best of its knowledge and belief, as disclosed in the Note 46 (ix) to the Financial Statements, no funds have been received by the Company from any person or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:



- whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or
- provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, 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 (i) and (ii) above, contain any material misstatement.

v) The Company has not declared and paid any dividend during the year in accordance with Section 123 of the Act.

vi) Based on our examination which included test checks, the Company has used Focus 9 accounting software for maintaining its books of account for the financial year ended March 31, 2026 which have the feature of recording audit trail (edit log) facility except that the audit trail feature for Focus 9 accounting software at the application level was enabled from Jan 01, 2026 and was enabled at the database level from Jan 09, 2026. Further, the same has operated for all relevant transactions recorded in the accounting software. Also, during the course of our audit we did not come across any instance of the audit trail feature being tampered with respect of such accounting software. Additionally, the audit trail of prior years has been preserved by the Company as per the statutory requirements for record retention to the extent it was enabled and recorded in respective years.

For N K N AND CO
Chartered Accountants
[FRN: 152319W]



Nikita Mahadik
Nikita Mahadik
Partner [M. No. 160267]
UDIN: 26160267XIPLFS1873

Place: Mumbai
Date: May 20, 2026

**Annexure A to the Independent Auditor's Report on the Financial Statements of
KNS SHOETECH PRIVATE LIMITED for the year ended March 31, 2026**

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirement's section of our report to the Members of KNS Shoetech Private Limited of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we state that:

- i) In respect of the Company's property, plant and equipment, and right-of-use assets and intangible assets:
 - (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) The Company has a regular program of physical verification of its property, plant and equipment and right-of-use assets by which all property, plant and equipment and right-of-use assets are verified in phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its asset. In accordance with this program, the property, plant and equipment and right-of-use assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification.
 - (c) The title deeds of the immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in Note 03 to the Financial Statement are held in the name of the Company as at the balance sheet date, except for the following which are not held in the name of the Company:



Description of the Property	Gross Carrying value (Rs. In Crores)	Held in name of	Whether held in the name of promoter, director or their relative or employee	Period Held	Reason for that	Dispute, if any
Freehold Land at Poanta, Himachal Pradesh	4.85 Crores	SSIPL Retail Limited	No	April, 2024	The Land was purchased by the Company vide Agreement entered with SSIPL Retail Limited. The Company is in the process of transferring the title in the name of KNS Shoetech	No



					Private Limited	
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- (d) The Company has not revalued any of its property, plant and equipment (including right- of- use assets) and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2026 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii)
- (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.
- (b) The Company has been sanctioned working capital limits in excess of five crore rupees 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 are in agreement with the books of accounts of the Company.
- iii) The Company has not granted loans or given advances in the nature of loans or made investment or provided any guarantee or security to Companies, firms, limited liability partnerships or any other parties during the year.
- a)
- A. Based on the audit procedures carried on by us and as per information and explanations given to us, the Company has not given loans or advances in the nature of loans or stood guarantees or provided security to subsidiaries, joint ventures and associates during the year.
- B. Based on the audit procedures carried on by us and as per information and explanations given to us, the Company has not given loans or advances in the nature of loans or stood guarantees or provided security to parties other than subsidiaries, joint ventures and associates during the year.



- b) The reporting under this clause regarding loans, advances, investments, guarantee or security being prejudicial to the interest of the Company is not applicable since the Company has not granted loans or given advances in the nature of loans or made investment or provided any guarantee or security.
 - c) The reporting under this clause regarding repayment of principal and interest is not applicable since the Company has not given any loans or advances in the nature of loans.
 - d) The reporting under this clause regarding overdue of amount more than 90 days is not applicable since the Company has not given any loans or advances in the nature of loans.
 - e) The reporting under this clause regarding renewed or extended or fresh loans granted to settle over dues is not applicable since the Company has not given any loans or advances in the nature of loans.
 - f) The reporting under this clause regarding any loans or advances in the nature of loans granted which are either repayment on demand or without specifying any terms or period of repayment is not applicable since the Company has not given any loans or advances in the nature of loans.
- iv) According to information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or given guarantees or provided security to directors or to persons in whom the directors are interested and hence, the provisions of section 185 of the Companies Act, 2013 are not applicable and the Company has not given loans or advances in the nature of loans, made investment, provided guarantee or security to anybody corporate and hence, the provisions of section 186 of the Companies Act, 2013 are not applicable.
- v) The Company has not accepted any deposit from public nor any amounts which are deemed to be deposits within the meaning of section 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Hence, reporting under clause 3(v) of the Order is not applicable to the Company.
- vi) The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013,



in respect of Company's products. Hence, reporting under clause 3(vi) of the Order is not applicable to the Company.

- vii) In respect of statutory dues:
- (a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employee's State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with appropriate authorities. There were no undisputed amounts payable in respect of Goods and Services tax, Provident Fund, Employee's State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at 31st March, 2026 for a period of more than six months from the date they became payable.
 - (b) There are no statutory dues of Goods and Services Tax, Provident Fund, Employee's State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues which have not been deposited on account of any dispute.
- viii) The Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Hence, reporting under the clause 3(viii) of the Order is not applicable to the Company.
- ix)
- (a) In respect of term loans, the Company has not defaulted in repayment of loans or borrowings or in payment of interest thereon to lenders. The loans from the holding company are repayable on demand and the interest is payable on half yearly basis and the demand for repayment of principal to the extent made during the year was paid and the interest was paid.
 - (b) The Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
 - (c) The Company has not taken any term loans during the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
 - (d) The Company has used funds raised on short-term basis aggregating to ₹22.33 Crores during the year for long-term purposes. The Company has taken inter corporate loan from its holding company which as per the terms,



is repayable on demand (short-term) which has been used for the purpose of acquisition of property, plants and equipment, and other non-current assets and repayment of long-term borrowings.

- (e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
 - (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause 3(ix)(f) of the Order is not applicable to the Company.
- x)
- (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) Accordingly, clause 3(x)(a) of the Order is not applicable.
- xi)
- The Company has raised funds by private placement of fully convertible Preference Shares and fully convertible Debentures during the year. However, the compliance requirements of section 42 and section 62 of the Companies Act, 2013 are pending since the last date of receipt of call money is extended till 31st May, 2026. Further, since the entire amount of call money was not received till 31st March, 2026, the funds raised during the year are lying in the bank account of the company and are pending for utilisation for the purpose for which they were raised.
- xii)
- (a) Based on examination of the books and records of the Company and considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
 - (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
 - (c) To the best of our knowledge, the Company is not required to establish a vigil mechanism for whistleblower as per Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Power) Rules, 2014 and hence, reporting under clause 3(xi) (c) of the Order is not applicable.



- xiii) According to the information and explanations given to us, the Company is not a Nidhi Company. Hence, clause 3(xii) of the Order is not applicable.
- xiv) The Company is a private limited company and accordingly the requirements as stipulated by the provisions of Section 177 of the Act are not applicable to the Company. In our opinion and according to the information and explanations given to us and on the basis of our examination of records of the Company, transactions with the related parties are in compliance with Section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xv)
- (a) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
 - (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xvi) The Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- xvii)
- (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a) of the Order is not applicable.
 - (b) The Company has not conducted any Non- Banking Financial or Housing Finance activities.
 - (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Hence, reporting under clause 3(xvi)(c) of the Order is not applicable.
 - (d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Hence, reporting under clause 3(xvi)(d) are not applicable.



- xviii) 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.
- xix) There has been no resignation of the statutory auditors of the Company during the year.
- xx) On the basis of the financial ratios disclosed in Note 43 to the Financial Statements, ageing and expected dates of realisation 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 indicating 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.
- xxi) According to the information and explanations given to us, the provision of Section 135 of the Companies Act, 2013 is not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.
- xxii) Reporting under clause 3(xxi) is not applicable to the Company. Accordingly, no comment in respect of the said Clause has been included in the report.



For N K N AND CO
Chartered Accountants
[ERN: 152319W]

Nikita
Nikita Mahadik

Partner [M. No. 160267]
UDIN: 26160267XIPLFS1873

Place: Mumbai
Date: May 20, 2026

**Annexure B to the Independent Auditor's Report on the Financial Statements of
KNS SHOETECH PRIVATE LIMITED for the year ended March 31, 2026**

Report on the Internal Financial Controls with reference to the aforesaid Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of KNS Shoetech Private Limited of even date)

Opinion

We have audited the internal financial controls with reference to Financial Statements of KNS SHOETECH PRIVATE LIMITED (the "Company") as of March 31, 2026 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to Financial Statements and such internal financial controls were operating effectively as at March 31, 2026, based on the criteria for internal financial controls with reference to Financial Statements 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.

Management's and Board of Director's Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to Financial Statements based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "ICAI"). 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.



Auditor's 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 on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to Financial Statements. 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 judgment, 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 controls 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 controls 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



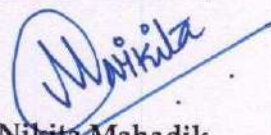
to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 over financial reporting, 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 N K N AND CO
Chartered Accountants
[FRN.: 152319W]




Nikita Mahadik
Proprietor [M. No. 160267]
UDIN: 26160267NEYSET8626

Place: Mumbai
Date: May 20, 2026

Particulars	Note No.	As at 31 March 2026	As at 31 March 2025
ASSETS			
Non-current assets			
(a) Property, plant and equipment	3(a)	76.47	69.18
(b) Capital Work in Progress	3(b)	0.06	2.65
(c) Right-of-use assets	3(a)	32.83	37.59
(d) Goodwill	4	2.15	2.15
(e) Other intangible assets	5	4.82	6.10
(f) Financial assets			
i. Other financial assets	6	11.09	12.32
(g) Other non-current assets	7	1.66	0.65
(h) Income tax assets (net)	12	0.64	0.29
(i) Deferred tax Assets (net)	19	6.11	6.89
		135.83	137.81
Current assets			
(a) Inventories	8	142.96	106.22
(b) Financial assets			
i. Trade receivables	9	35.66	46.24
ii. Cash and bank balances	10	6.49	0.03
iii. Loans	11	-	-
iv. Other financial assets	6	0.36	0.87
(c) Other current assets	7	9.58	7.83
		195.05	161.20
TOTAL ASSETS		330.88	299.02
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	13	47.00	47.00
(b) Instrument entirely equity in nature	14	1.64	0.71
(c) Other equity	15	13.00	1.69
TOTAL EQUITY		61.64	49.40
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
i. Borrowings	16	50.63	57.79
ii. Lease liabilities	17	21.43	23.85
(b) Provisions	18	13.16	13.18
(c) Deferred tax liabilities (net)	19	-	-
		85.22	94.82
Current liabilities			
(a) Financial liabilities			
i. Borrowings	20	97.19	72.82
ii. Lease liabilities	17	2.41	2.03
iii. Trade payables	21		
-Total outstanding dues of micro and small enterprises		0.58	2.06
-Total outstanding dues to creditors other than micro and small enterprises		65.76	51.80
iv. Other financial liabilities	22	15.67	21.84
(b) Other current liabilities	23	2.09	3.68
(c) Provisions	18	0.32	0.57
TOTAL LIABILITIES		184.02	154.80
TOTAL EQUITY AND LIABILITIES		330.88	299.02

Summary of material accounting policies 2
The accompanying notes 1 to 49 are an integral part of financial statements.
As per our report of even date

For N K N AND CO
Chartered Accountants
Firm Registration No.: 152319W

Nikita Mahadik
Partner
Membership No.: 160267

Place: Mumbai
Date: 20-May-2026



Sameer Ramanlal Kothari
Director
DIN: 01361343

Place: Mumbai
Date: 20-May-2026

Sunita Sunakar Rout
Company Secretary
Membership No.: 72852

Place: Mumbai
Date: 20-May-2026

Mayank Ashok Samdani
Director
DIN: 10417749

Place: Mumbai
Date: 20-May-2026



KNS Shoetech Private Limited
Statement of Profit and Loss for the year ended 31 March 2026

Amount in Rs Crore, unless otherwise stated (except earning per share)

Particulars	Note No.	Year ended 31 March 2026	Year ended 31 March 2025
Income			
Revenue from operations	24	409.83	388.98
Other income	25	1.25	1.93
Total income		411.07	390.91
Expenses			
Cost of materials consumed	26	229.08	251.98
Changes in inventories	27	(3.64)	(33.93)
Employee benefits expense	28	117.95	117.61
Finance costs	29	16.44	14.86
Depreciation and amortisation expense	30	13.60	13.47
Manufacturing and operating cost	31	20.19	20.39
Other expenses	32	15.38	17.41
Total expenses		409.02	401.79
Total profit / (Loss) before exceptional items and tax		2.05	(10.88)
Exceptional item (refer note no 48)		0.11	-
Profit / (Loss) before tax		1.95	(10.88)
Tax expense			
Current tax		-	-
Deferred tax Income / (Expenses)	33	(0.43)	2.71
Profit / (Loss) for the period		1.52	(8.17)
Other comprehensive income			
Items that will not to be reclassified to profit or loss in subsequent periods			
Re-measurement gains / (loss) on defined benefit plans		1.37	(0.23)
Income tax credit/(expense)		(0.34)	0.06
Other comprehensive income for the period, net of tax		1.02	(0.17)
Total comprehensive income/(loss) for the period		2.54	(8.34)
Earnings per equity share (face value of ₹ 10 each)	39		
Basic earnings per share (₹)		0.32	(2.93)
Diluted earnings per share (₹)		0.32	(2.93)

Summary of material accounting policies

2

The accompanying notes 1 to 49 are an integral part of financial statements.

As per our report of even date

For N K N AND CO

Chartered Accountants

Firm Registration No.: 152319W

 Nikita Mahadik
Partner

Membership No.: 160267

Place: Mumbai

Date: 20-May-2026


**For and on behalf of Board of Directors of
KNS Shoetech Private Limited**

Sameer Ramanlal Kothari

Director

DIN: 01361343

Place: Mumbai

Date: 20-May-2026

Sunita Sunakar Rout

Company Secretary

Membership No : 72852

Place: Mumbai

Date: 20-May-2026

Mayank Ashok Samdani

Director

DIN: 10417749

Place: Mumbai

Date: 20-May-2026



KNS Shoetech Private Limited
 Regist- Industrial Shed No. 159 New Okhla Phase-1, Industrial Complex, South Delhi, Delhi, India, 110019
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 March, 2026

Amount in Rs Crore, unless otherwise stated (except earning per share)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Cash flow from operating activities		
Profit before tax	1.95	(10.88)
Adjustments for:		
Depreciation and amortisation expense	13.60	13.47
Interest on borrowings	14.03	12.25
Interest on lease liability	2.41	2.60
Exchange Fluctuation Gain	(0.08)	(0.03)
Employee share based payment expenses (refer Note no 45)	5.06	-
Provision for doubtful debts	0.10	-
Other Receivable written off (refer note no -32)	0.45	-
(Gain)/Loss on Sales of Fixed assets	(0.01)	0.03
Interest income	(1.24)	(0.98)
Operating profit before working capital changes	36.27	16.46
Changes in working capital:		
Adjustments for (increase)/decrease in operating assets:		
Inventories	(36.74)	(46.70)
Trade receivables	10.52	25.18
Other assets	(1.59)	(4.56)
Other financial assets	2.47	(10.49)
Adjustments for increase/(decrease) in operating liabilities:		
Trade payables	12.37	(15.54)
Other financial liabilities	(4.28)	12.71
Other current liabilities	(1.59)	3.23
Provisions	1.10	1.99
Cash generated from operating activities	18.53	(17.72)
Income tax paid (net)	(0.35)	(0.25)
Net cash generated from/(used in) operating activities (A)	18.18	(17.96)
Cash flow from investing activities		
Investment in property, plant and equipment and intangible assets	(15.24)	(28.44)
Payment of acquisition of business	-	(69.76)
Sale proceeds of property, plant and equipment	0.07	0.28
Interest received	0.06	-
Net cash generated from/(used in) investing activities (B)	(15.11)	(97.92)
Cash flow from financing activities		
Interest paid	(14.01)	(11.99)
Repayment of lease liabilities	(4.44)	(4.29)
Proceeds from right issue of share	-	43.00
Proceed from issuance of Pref and Debenture fully convertible	4.64	3.56
Proceeds/(repayment) from/of long term borrowings (net)	(7.09)	64.68
Repayment of borrowings (Net)	24.29	20.53
Net cash generated from/(used in) financing activities (C)	3.39	115.49
Net increase/(decrease) in cash and cash equivalents (A+B+C)	6.46	(0.39)
Cash and cash equivalents at the beginning of the period	0.03	0.42
Cash and cash equivalents at the end of period	6.49	0.03
Cash and cash equivalents comprise of (refer note 10)		
Balances with banks		
- in current accounts	4.64	0.00
- in fixed deposit	1.84	0.02
Cash in Hand	0.01	0.01
Cash and cash equivalents at the end of period	6.49	0.03

Foot note :-

(i) Figures in brackets represent cash outflow.

(ii) The above Cash Flow Statement has been prepared under indirect method as set out in Ind AS-7 Cash Flow Statement notified under the section 133 of the companies Act, 2013.

For N K N AND CO

Chartered Accountants

Firm Registration No.: 152319W

Nikita Mahadik

Partner

Membership No.: 160267

Place: Mumbai

Date: 20-May-2026



For and on behalf of Board of Directors of
KNS Shoetech Private Limited

Sameer Ramanlal Kothari

Director

DIN: 01361343

Place: Mumbai

Date: 20-May-2026

Sumita Sunakar Rout

Company Secretary

Membership No : 72852

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Date: 20-May-2026

Mayank Ashok Samdani

Director

DIN: 10417749

Place: Mumbai

Date: 20-May-2026



KNS Shoetech Private Limited

Notes forming part of the Financial Statements for the year ended March 31, 2026

(Amounts in Rs. Crores, unless otherwise stated except EPS)

1. General information

KNS Shoetech Private Limited ('the Company') is a private limited company domiciled in India and incorporated under the provisions of the Companies Act, 2013. The Company was incorporated on 31 May 2022. The Company is engaged in the contract manufacturing of footwear and footwear components.

2. Material accounting policies

2.1 Basis of preparation of financial statements

a) Statement of Compliance with Ind AS

These financial statements have been prepared in accordance with Indian Accounting Standards "(Ind AS)" notified under Section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Act (Ind AS compliant Schedule III), as applicable to the financial statements.

The financial statements have been prepared on accrual & going concern basis. Accounting policies have been consistently applied to all the years presented except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

b) Basis of measurement

The financial statements have been prepared on a historical cost convention on accrual basis, except for defined benefit plans - plan assets measured at fair value and certain financial assets and financial liabilities.

c) Current / non-current classification

The Company has ascertained its operating cycle as twelve months for the purpose of current/ non-current classification of its assets and liabilities. The Company presents its assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Employee Stock Options plan measured at fair value
- 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.



KNS Shoetech Private Limited

Notes forming part of the Financial Statements for the year ended March 31, 2026

(Amounts in Rs. Crores, unless otherwise stated except EPS)

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 recognised in the year in which the estimates are revised and in any future years affected.

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 crores (INR 00,00,000).

2.2 Property, plant and equipment

Freehold land is carried at acquisition cost and is not depreciated. All other items of property, plant and equipment are stated at acquisition cost less accumulated depreciation and impairment, if any. Acquisition cost includes expenditure that is directly attributable to the acquisition of the items.

Spare parts are recognised when they meet the definition of property, plant and equipment, otherwise, such items are classified as inventory.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the year in which they are incurred.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets which are not ready for intended use before such date are disclosed under 'Capital work-in-progress'.



KNS Shoetech Private Limited**Notes forming part of the Financial Statements for the year ended March 31, 2026**

(Amounts in Rs. Crores, unless otherwise stated except EPS)

Depreciation methods, estimated useful lives

The Company depreciates property, plant and equipment over their estimated useful lives prescribed under Schedule II of Companies Act, 2013 using the straight-line method. The estimated useful lives of assets are as follows:

Property, plant and equipment	Estimated useful life
Leasehold improvement*	Lease period
Building	30 years
Plant & Machinery	15 years
Mould	8 years
Last	15 years
Furniture and Fixtures	10 years
Office Equipment	5 to 10 years
Electrical equipment	9 to 10 years
Computers:	3 years
Vehicles	8 years

* Leasehold improvements are amortised over the lease period, which corresponds with the useful lives of the assets.

Based on the technical expert's assessment of useful life, certain items of property plant and equipment are being depreciated over useful lives different from the prescribed useful lives under Schedule II to the Companies Act, 2013. Management believes that such estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Depreciation on addition to property plant and equipment is provided on pro-rata basis from the date when assets are ready for intended use. Depreciation on sale from property plant and equipment is provided up to the date preceding the date of sale, deduction as the case may be. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit and Loss under 'Other Income'.

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

2.3 Other intangible assets

Other intangible assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation/depletion and impairment loss, if any. The cost comprises of purchase price and any cost directly attributable to bringing the asset to its working condition for the intended use.

Expenditure incurred on acquisition of intangible assets which are not ready to use at the reporting date is disclosed under "Intangible assets under development".



KNS Shoetech Private Limited**Notes forming part of the Financial Statements for the year ended March 31, 2026**

(Amounts in Rs. Crores, unless otherwise stated except EPS)

Amortisation method and periods

Amortisation is charged on a straight-line basis over the estimated useful lives. The estimated useful lives and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in the estimate being accounted for on a prospective basis.

The Company amortised intangible assets over their estimated useful lives using the straight-line method. The estimated useful lives of intangible assets are as follows:

Other intangible assets	Estimated useful life
Computer software	6 years
Customer Relationship	6 years
Non-compete	3 years

2.4 Impairment of non-financial assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognised in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognised for the asset in prior years.

For non-financial assets, an assessment is made at each reporting period end or whenever triggering event occurs as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company makes an estimation of the recoverable amount.

A previously recognised impairment loss is reversed only if there has been a change in the estimations used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, or had no impairment loss been recognised for the asset in prior years.



KNS Shoetech Private Limited

Notes forming part of the Financial Statements for the year ended March 31, 2026

(Amounts in Rs. Crores, unless otherwise stated except EPS)

2.5 Foreign currency transactions

a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (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.

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.

For sale of services, the Company recognises revenue as or when the performance obligation in relation the service is satisfied by the Company based on terms of the agreements with customers and there are no unfulfilled obligations.

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

Insurance claims are recognised when its amount can be measured reliably, and ultimate collection is reasonably certain.

Interest income is recognised on a basis of effective interest method as set out in Ind AS 109, Financial Instruments, and where no significant uncertainty as to measurability or collectability exists.

Export Incentives under various schemes are accounted in the year of export on accrual basis.



KNS Shoetech Private Limited

Notes forming part of the Financial Statements for the year ended March 31, 2026

(Amounts in Rs. Crores, unless otherwise stated except EPS)

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 recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.7 Leases

The Company's lease asset classes primarily consist of leases for Land and Buildings and Plant & Machinery. The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time



KNS Shoetech Private Limited

Notes forming part of the Financial Statements for the year ended March 31, 2026

(Amounts in Rs. Crores, unless otherwise stated except EPS)

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.



KNS Shoetech Private Limited

Notes forming part of the Financial Statements for the year ended March 31, 2026

(Amounts in Rs. Crores, unless otherwise stated except EPS)

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 realizable 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 realizable value is made on item by item basis.

2.9 Provisions and contingent liabilities

Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

2.10 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



KNS Shoetech Private Limited

Notes forming part of the Financial Statements for the year ended March 31, 2026

(Amounts in Rs. Crores, unless otherwise stated except EPS)

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 amortised cost; or
- b) at fair value through other comprehensive income; or
- c) at fair value through profit or loss.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method (EIR).

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to Statement of Profit and Loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income



KNS Shoetech Private Limited

Notes forming part of the Financial Statements for the year ended March 31, 2026

(Amounts in Rs. Crores, unless otherwise stated except EPS)

Equity instruments: All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument- by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the profit and loss.

Impairment of financial assets

In accordance with Ind AS 109, Financial Instruments, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets that are measured at amortised cost and FVOCI.

For recognition of impairment loss on financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent years, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

Life time ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the year end.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

ECL impairment loss allowance (or reversal) recognize during the year is recognised as income/expense in the statement of profit and loss. In balance sheet ECL for financial assets measured at amortised cost is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.



KNS Shoetech Private Limited

Notes forming part of the Financial Statements for the year ended March 31, 2026

(Amounts in Rs. Crores, unless otherwise stated except EPS)

iii. Derecognition of financial assets

A financial asset is derecognised only when

- a) the rights to receive cash flows from the financial asset is transferred or
- b) retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the financial asset is transferred then in that case financial asset is derecognised only if substantially all risks and rewards of ownership of the financial asset is transferred. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

b) Financial liabilities

i. Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and at amortised cost, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

ii. Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortization process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

iii. Non-cumulative redeemable non-cumulative non-convertible preference shares

Redeemable non-cumulative non-convertible preference shares where payment of dividend is discretionary and which are mandatorily redeemable on a specific date, are classified as compounded Instruments. The fair value of the liabilities portion is determined by discounting amount repayable at maturity using market rate of interest. Difference between proceed receive and fair value of liability on initial recognition is included in



KNS Shoetech Private Limited

Notes forming part of the Financial Statements for the year ended March 31, 2026

(Amounts in Rs. Crores, unless otherwise stated except EPS)

shareholder equity, net off income tax effect and not subsequently re-measured. Subsequently liability component of preference share is measured at amortised cost.

iv. Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss as finance costs.

c) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.13 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 (funded): The Company provides for gratuity, a defined benefit plan (the 'Gratuity Plan') covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognised in the other comprehensive income in the year in which they arise.

iii. Other long- term employee benefit obligations

Compensated Absences: Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognised in the statement of profit and loss in the year in which they arise.

iv. Share-based Payments

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in share options outstanding account in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit and loss for a period represents the movement in cumulative expense recognised as at beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.



KNS Shoetech Private Limited

Notes forming part of the Financial Statements for the year ended March 31, 2026

(Amounts in Rs. Crores, unless otherwise stated except EPS)

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 segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Chief Operating Decision Maker (CODM) reviews the operations of the Company as contract manufacturing. Consequently, no separate segment information has been furnished

2.17 Business Combination

Business Combinations are accounted for using the acquisition accounting method as at the date of the acquisition, which is the date at which control is transferred to the Company. The consideration transferred in the acquisition and the identifiable assets acquired and liabilities assumed are recognised at fair values on their acquisition date. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. Consideration transferred does not include amounts related to settlement of pre-existing relationships. Such amounts are recognised in the Statement of Profit and Loss. Transaction costs are expensed as incurred, other than those incurred in relation to the issue of debt or equity securities. Any contingent consideration payable is measured at fair value at the acquisition date. Subsequent changes in the fair value of contingent consideration are recognised in the Statement of profit and loss.

Business Combinations under common control are accounted as per Appendix C in Ind AS 103 - Business combinations, at carrying amount of assets and liabilities acquired and any excess of consideration issued over the net assets acquired is recognised as capital reserve on common control business combination.



2.18 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.

i.) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the year-end date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

a) Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

b) Defined benefit plans and other long-term benefits (gratuity benefits and leave encashment)

The cost of the defined benefit plans such as gratuity and leave encashment are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each year end.

The principal assumptions are the discount and salary growth rate. The discount rate is based upon the market yields available on government bonds at the accounting date with a term that matches that of liabilities. Salary increase rate takes into account of inflation, seniority, promotion and other relevant factors on long term basis. For details refer Note 36.

c) Impairment of non-financial assets

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.



KNS Shoetech Private Limited

Notes forming part of the Financial Statements for the year ended March 31, 2026

(Amounts in Rs. Crores, unless otherwise stated except EPS)

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.



3 (a) Property, plant and equipment

Amount in Rs Crore, unless otherwise stated (except earning per share)

Particulars	Gross carrying amount					Depreciation & Impairment					Net Carrying amount	
	As at 01 April 2025	Additions /Adjustment during the year	Acquisition through Business purchase	Disposals	As at 31 March 2026	As at 01 April 2025	Acquisition through Business purchase	Depreciation for the year	Disposals	As at 31 March 2026	As at 31 March 2026	
I.) Owned Assets												
Freehold Buildings	12.54	0.34	-	-	12.88	3.47	-	0.37	-	3.84	9.04	
Computers	2.38	0.12	-	-	2.50	1.95	-	0.20	-	2.15	0.34	
Electrical Installation	2.66	0.01	-	-	2.67	1.02	-	0.14	-	1.16	1.50	
Furniture And Fixtures	1.96	0.12	-	-	2.09	1.04	-	0.11	-	1.16	0.93	
Freehold Land	4.85	-	-	-	4.85	-	-	-	-	-	4.85	
Last	5.48	0.66	-	0.04	6.10	2.84	-	0.51	0.00	3.35	2.75	
Lease Improvement	0.47	0.22	-	-	0.69	0.11	-	0.06	-	0.17	0.53	
Moulds	21.20	4.15	-	-	25.36	7.83	-	2.32	-	10.16	15.20	
Office Equipment	3.45	0.30	-	-	3.74	2.20	-	0.29	-	2.50	1.26	
Plant And Machinery	41.56	8.43	-	0.03	49.96	11.18	-	2.61	0.00	13.78	36.17	
Tools & Die	6.53	0.54	-	-	7.07	2.49	-	0.89	-	3.37	3.70	
Vehicles	0.55	-	-	-	0.55	0.32	-	0.03	-	0.34	0.20	
Total (A)	103.62	14.90	-	0.07	118.45	34.45	-	7.54	0.00	41.99	76.47	
II.) Right to use assets												
Leasehold Building	43.32	-	-	-	43.32	5.73	-	4.77	-	10.49	32.83	
Total (B)	43.32	-	-	-	43.32	5.73	-	4.77	-	10.49	32.83	

Notes:

a) The Company has not revalued its property plant and equipment during the current period and previous period.

Particulars	Gross carrying amount					Depreciation & Impairment					Net Carrying amount	
	As at 01 April 2024	Additions /Adjustment during the year	Acquisition through Business purchase (refer note 44)	Disposals	As at 31 March 2025	As at 01 April 2024	Acquisition through Business purchase (refer note 44)	Depreciation for the year	Disposals	As at 31 March 2025	As at 31 March 2025	
I.) Owned Assets												
Freehold Buildings	-	0.16	12.38	-	12.54	-	3.11	0.36	-	3.47	9.07	
Computers	0.44	0.18	1.75	-	2.38	0.23	1.47	0.25	-	1.95	0.43	
Electrical Installation	0.21	0.05	2.41	-	2.66	0.04	0.84	0.14	-	1.02	1.64	
Furniture And Fixtures	0.67	0.17	1.12	-	1.96	0.20	0.74	0.10	-	1.04	0.92	
Freehold Land	-	-	4.85	-	4.85	-	-	-	-	-	4.85	
Last	0.28	0.76	4.51	0.08	5.48	0.09	2.15	0.67	0.06	2.84	2.64	
Lease Improvement	0.47	-	-	-	0.47	0.06	-	0.04	-	0.11	0.36	
Moulds	-	6.09	15.41	0.30	21.20	-	5.21	2.65	0.02	7.83	13.37	
Office Equipment	1.22	0.35	1.88	-	3.45	0.50	1.48	0.22	-	2.20	1.25	
Plant And Machinery	12.84	3.08	25.64	-	41.56	2.22	6.81	2.15	-	11.18	30.38	
Tools & Die	1.13	1.10	4.31	0.02	6.53	0.21	1.50	0.78	0.00	2.49	4.04	
Vehicles	0.07	0.14	0.34	-	0.55	0.02	0.28	0.02	-	0.32	0.23	
Total (A)	17.33	12.08	74.61	0.40	103.62	3.56	23.58	7.39	0.09	34.45	69.18	
II.) Right to use assets												
Leasehold Building	11.98	31.34	-	-	43.32	0.96	-	4.77	-	5.73	37.59	
Total (B)	11.98	31.34	-	-	43.32	0.96	-	4.77	-	5.73	37.59	

Notes:

a) The Company has not revalued its property plant and equipment during the current period and previous period.

3(b). Capital work-in-progress

The changes in the carrying value of capital work-in-progress for the year ended 31 March 2026 and 31 March 2025 are as follows:

Particulars	As At 1 April 2025	Expenditure during the year	Capitalisation during the year	Impairment	Written off	Closing as at 31 March 2026
CWIP	2.65	5.48	8.07	-	-	0.06

Particulars	As At 1 April 2024	Expenditure during the year	Capitalisation during the year	Impairment	Written off	Closing as at 31 March 2025
CWIP	-	2.96	0.31	-	-	2.65

Ageing of CWIP as on 31 March 2026

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	0.06	-	-	-	-
Projects temporarily suspended	-	-	-	-	0.06

Ageing of CWIP as on 31 March 2025

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2.65	-	-	-	2.65
Projects temporarily suspended	-	-	-	-	-



4 Goodwill

Cost	Amount
Balance as at 01 April 2024	2.15
Additions	
Disposals / Adjustments	
Balance as at 31 March 2025	2.15
Additions	
Disposals / Adjustments	
Balance as at 31 March 2026	2.15
Net book Value	
As at 31 March 2026	2.15
As at 31 March 2025	2.15

5 Other intangible assets

As at cost

Particulars	Software	Customer relationship	Non-compete	Total
Balance as at 01 April 2024	0.03	-	-	0.03
Additions- Acquisition through business combination (refer note 44)	0.45	6.56	0.75	7.76
Additions	-	0.00	0.00	0.00
Disposals	-	-	-	-
Balance as at 31 March 2025	0.47	6.56	0.75	7.79
Additions	0.02	0.00	0	0.02
Disposals	-	-	-	-
Balance as at 31 March 2026	0.49	6.56	0.75	7.81
Accumulated amortisation				
Balance as at 01 April 2024	0.00	-	-	0.00
Add : Accumulated Dep on Acquisition through business combination (refer note 44)	0.38	-	-	0.38
Charge for the period	0.03	0.00	0.24	1.31
Disposals	-	1.04	-	-
Balance as at 31 March 2025	0.42	1.04	0.24	1.69
Charge for the year	0.02	1.04	0.24	1.29
Disposals	-	-	-	-
Balance as at 31 March 2026	0.43	2.08	0.48	2.99
Net carrying amount				
As at 31 March 2026	0.06	4.49	0.28	4.82
As at 31 March 2025	0.06	5.53	0.51	6.10



	As at 31 March 2026	As at 31 March 2025
6 Other financial assets (Unsecured, considered good, valued at amortised cost)		
Non-current		
Security deposits	11.09	12.32
	11.09	12.32
Current		
Interest Accrued	0.03	0.00
Other receivable	0.33	0.87
	0.36	0.87
7 Other assets (Unsecured, considered good)		
Non-current		
Capital advances	1.66	0.65
	1.66	0.65
Current		
Advance to suppliers	3.18	4.69
Loans to employees	0.39	0.40
Prepaid expenses	1.46	0.86
Balance with government authorities	4.56	1.89
	9.58	7.83
8 Inventories (Valued at lower of cost and net realisable value)		
Raw materials	76.73	45.85
Packing materials	5.03	3.27
Work-in-progress	49.60	39.90
Consumable, spares and tools	1.21	0.80
Diesel	0.04	-
Finished goods	10.35	15.41
	142.96	106.22
9 Trade receivables (Unsecured, considered good unless otherwise stated)		
- From related parties	-	-
- From others	35.76	46.24
	35.76	46.24
Less: Allowances for doubtful debts	0.10	-
	35.66	46.24
Trade receivables		
Secured, considered good	-	-
Unsecured, considered good	35.76	46.24
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
	35.76	46.24
Impairment allowance (allowance for bad and doubtful debts)		
Secured, considered good	-	-
Unsecured, considered good	0.10	-
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
	0.10	-
Trade receivables (Net)	35.66	46.24

Ageing for trade receivables as at 31 March 2025 is as follows:

	Outstanding for the following periods from due date of payment						Total
	Not due	Less than 6 months	6 -12 months	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables- considered good	28.51	1.79	5.46	-	-	-	35.76
Undisputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables- credit impaired	-	-	-	-	-	-	-
Disputed trade receivables - considered good	-	-	-	-	-	-	-
Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
Less: Allowance for bad and doubtful debts	-	-	(0.10)	-	-	-	(0.10)
	28.51	1.79	5.36	-	-	-	35.66



KNS Shoetech Private Limited

Notes forming part of the financial statements for the year ended 31 March 2026

Amount in Rs Crore, unless otherwise stated (except earning per share)

Ageing for trade receivables as at 31 March, 2025 is as follows:

	Outstanding for the following periods from due date of payment						Total
	Not due	Less than 6 months	6 -12 months	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables— considered good	28.80	17.44	-	-	-	-	46.24
Undisputed trade receivables— which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables— credit impaired	-	-	-	-	-	-	-
Disputed trade receivables - considered good	-	-	-	-	-	-	-
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	-	-	-	-	-	-
Less: Allowance for bad and doubtful debts	-	-	-	-	-	-	-
	28.80	17.44	-	-	-	-	46.24

Notes:

i Trade receivables ageing have been disclosed from due date.

10 Cash and bank balances

Balances with banks

- in current accounts

- in fixed deposit

Cash in Hand

	As at 31 March 2026	As at 31 March 2025
	4.64	0.00
	1.84	0.02
	0.01	0.01
	6.49	0.03

Note:

Balances with banks to the extent of Rs 0.87 crore held as margin money for issuing the letter of credit.

11 Loans

(At amortised cost)

Current

- Loan receivables considered good - Unsecured

	-	-
	0.64	0.29
	0.64	0.29

12 Income Tax Assets

Advance income tax



	As at 31 March 2026		As at 31 March 2025	
	No. of shares	Amount	No. of shares	Amount
13 Equity share capital				
Authorised				
Equity shares of Rs. 10 each	5,00,00,000	50.00	5,00,00,000	50.00
Issued, subscribed and fully paid-up				
Equity shares of Rs. 10 each	4,70,00,000	47.00	4,70,00,000	47.00
a) Reconciliation of equity shares				
Balance as at the beginning of the period	4,70,00,000	47.00	40,00,000	4.00
Share issued during the period			4,30,00,000	43.00
Balance as at the end of the period	4,70,00,000	47.00	4,70,00,000	47.00

b) Terms and rights of equity shareholders

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each shareholder is entitled to one vote per share. In the event of the liquidation of the company, the holder of the equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion of the number of the equity shares held by the equity shareholders.

c) Details of shareholders holding more than 5% shares in the Company

Hindustan Foods Limited

Ganesh Tukaram Argekar jointly with Hindustan Food Limited

As at 31 March 2026		As at 31 March 2025	
No. of shares	% holding	No. of shares	% holding
4,69,99,999	100.00%	4,69,99,999	100.00%
1	0.00%	1	0.00%
4,70,00,000	100.00%	4,70,00,000	100.00%

d) Details of shareholding of promoters as given below

Hindustan Foods Limited

As at 31 March 2026		As at 31 March 2025		% change during the period
No. of shares	Amount	No. of shares	Amount	
4,69,99,999	47.00	4,69,99,999	47.00	-

(e) Information regarding issue of Equity Shares since the date of

- (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

14 Instrument entirely equity in nature
(a) Compulsory Convertible Preference Share
(b) Compulsory Convertible Debenture

As at 31 March 2026	As at 31 March 2025
0.55	0.23
1.09	0.48
1.64	0.71

(i) During the previous year, KNS Shootech Private Limited ('KNS'), had allotted 9,33,100 (Nine Lakhs Thirty Three Thousand One Hundred) Compulsorily Convertible Preference Shares ('CCPS') of face value of Rs. 10/- each at an issue price of Rs. 50/- each. During the current year further amount was received from the allottees and balance amount will be received in the subsequent year in tranches as agreed with allottees.

(ii) In the previous year, KNS Shootech Private Limited ('KNS'), has allotment of 19,15,640 (Nineteen Lakhs Fifteen Thousand Six Hundred Forty) Compulsorily Convertible Debentures ('CCDs') of face value of Rs. 10/- each at an issue price of Rs. 50/- each. During the current year further amount was received from the allottees and balance amount will be received in the subsequent year in tranches as agreed with allottees.

15 Other equity

- a) Retained earnings
b) Other comprehensive income
c) Capital reserve
d) Securities Premium
e) Share Based Payment Reserve (Other Equity)

(8.18)	(9.70)
1.02	0.00
8.54	8.54
6.56	2.85
5.06	
13.00	1.69

a) Retained earnings

Opening balance
Add: Loss for the period
Closing balance

(9.70)	(1.53)
1.52	(8.17)
(8.18)	(9.70)

b) Other comprehensive income

Opening
Movement during the period
Closing balance

0.00	0.18
1.02	(0.17)
1.02	0.00

c) Capital Reserve

Opening
Add: Acquire through business acquisition (refer Note 44)
Closing balance

8.54	-
8.54	8.54

d) Securities Premium

Opening
Add: Securities premium on shares issued
Less: Share issues expenses
Less: Expenses on issue of share warrants
Closing balance

2.85	-
3.71	2.85
-	-
-	-
6.56	2.85

e) Share Based Payment Reserve (Other Equity)

Opening
Add: Issued during the year
Closing balance

-	-
5.06	-
5.06	-

Nature and purpose of other reserves

Retained earnings	The above balance represents profits/(losses) earned by the Company that can be distributed by the Company as dividends to its equity shareholders, same is determined based on the financial statements of the Company and also considering the requirements of the Companies Act, 2013.
Other comprehensive income	Other comprehensive income comprises the balance of remeasurement of retirement benefit plans.
Capital reserve	The Company recognises profit or loss on purchase of the Company's under BTA to capital reserve.
Securities Premium	Securities premium is used to record the premium on issue of shares. This is utilised in accordance with the provisions of the Companies Act 2013.



	As at 31 March 2026	As at 31 March 2025
16 Borrowings (at amortised cost)		
Non current borrowings		
i) Secured		
Term loan		
From banks	57.85	64.94
	<u>57.85</u>	<u>64.94</u>
Less: Current maturities of long term borrowings (refer note 20)	7.22	7.15
	<u>50.63</u>	<u>57.79</u>

Notes:

A) Terms of non-current borrowing are as under

Particulars	Rate of interest (p.a.)	Repayment terms
Non current, secured borrowings		
Term loan from Banks	Ranging from 8.00% to 9.50%	Repayment to commence after a moratorium period of 12 months from the date of 1st disbursement & thereafter in 108 monthly principal instalments of Repayable

B) Nature of security :

For term loan from banks

i. Term loan from SVC bank has been secured by exclusive charge on land & building of the company bearing plot no 110 & 111 at Amli in the Dan Udyog Sahkari Sangh Limited and Factory building admeasuring 789.6758sq Mtrs constructed on land bearing survey no 452/ 3, Hector 25 of Village Masat of UT of Dadra & Nagar Haveli belonging to Hindustan Food Limited.

Personal Guarantee of Mr Sameer Kothari and Corporate Guarantee of Hindustan Food Limited.

ii. Term loan from Yes bank has been secured by First Charge Pari Passu by way of Registered/ Equitable Mortgage on the Land and Building of Ponta factories Purchased under the BTA from SSIPL Retail limited.

Personal Guarantee of Mr. Sameer Kothari and Corporate Guarantee of Hindustan Foods Limited to the extent of 50 Crores.

C) Period and amount of default:

The Company has not made any defaults in the payment of principal or interest during the year ended 31 March 2026.

D) The Bank loans contain certain debt covenants relating to limitation on indebtedness, debt-equity ratio, current ratio, net Borrowings to EBITDA ratio and debt service coverage ratio. The limitation on indebtedness covenant gets suspended if the Company meets certain prescribed criteria.

The Company has also satisfied all other debt covenants prescribed in the terms of bank loan.

Particulars of Loans	Purpose of loan	Whether used for the purpose stated in the loan Agreement
Term Loan - SVC BANK	Towards acquisition of manufacturing unit of KNS Trading Pvt Ltd. and SSIPL Retail Ltd	Yes
Term Loan - Yes Bank	Part Takeover of SVC Bank Term loan (disbursed for purchase of machines taken under BTA with SSIPL Retail Ltd)	Yes

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

	As at 31 March 2026	As at 31 March 2025
17 Lease liabilities (see note below)		
Non-current Lease liabilities	21.43	23.85
	<u>21.43</u>	<u>23.85</u>
Current Lease liabilities	2.41	2.03
	<u>2.41</u>	<u>2.03</u>
Movement in lease liabilities during the period:		
a) Lease liabilities		
Non current	21.43	23.85
Current	2.41	2.03
	<u>23.85</u>	<u>25.88</u>
b) Balance at the beginning of the period	25.87	11.26
Additions during the period	-	16.29
	<u>25.87</u>	<u>27.55</u>
Finance costs accrued during the period	2.41	2.60
Payment of lease liabilities	(4.44)	(4.29)
Derecognised during the period	-	-
Balance as at end of the period	<u>23.84</u>	<u>25.87</u>



		As at 31 March 2026	As at 31 March 2025
c) Maturity analysis of lease liabilities			
The table below provides details regarding the maturities of lease liabilities			
Due within one year		4.61	4.31
Due later than one year and not later than five years		19.90	18.98
Due later than five years		8.45	13.34
		32.97	36.63
d) Expenses recognised in the Statement of Profit and Loss			
	Note No.		
Interest on lease obligations	29	2.41	2.60
Amortization of right to use assets	30	4.77	4.77
		7.18	7.37
e) Cash outflow of the leases			
Payment of lease liabilities		4.44	4.29
		4.44	4.29
		As at	As at
		31 March 2026	31 March 2025
18 Provisions			
Non-current			
Provision for gratuity (refer note 41)		9.17	9.03
Provision for compensated absence		3.99	4.15
		13.16	13.18
Current			
Provision for gratuity (refer note 41)		0.19	0.40
Provision for compensated absence		0.13	0.17
		0.32	0.57
19 Deferred tax assets / liabilities (net)			
Deferred tax liability			
Arising on account of timing differences in depreciation or		1.87	0.99
Deferred tax assets			
Arising on account of timing differences in accrued expenses		7.98	7.88
		6.11	6.89
Note:			
For deferred tax movement and tax reconciliation refer note 33.			
20 Current borrowings			
i) Secured			
a) From banks (Secured)			
Cash credit facility		33.00	30.91
Current maturities of long term debt (Refer note 16 above)		7.22	7.15
		40.22	38.06
ii) Unsecured			
Repayable on Demand			
From related parties (see note 42 below)		56.97	34.76
		56.97	34.76
		97.19	72.82

Note:

A) Terms of current borrowing are as under

Particulars	Rate of interest (p.a)	Repayment terms
Current, secured borrowings	Ranging from 8.00% to 9.50%	Repayable on demand
Current, unsecured borrowings	Ranging from 8.70% to 9.50%	Repayable on demand

B) Nature of security :

i. Cash Credit from SVC bank has been secured by First pari passu charges by way of hypothecation charge on company current assets and (existing & future) with Yes bank, and collateral security of land & building of the company bearing plot no 110 & 111 at Amli in the Dan Udyog Sahkari Sangh Limited and Factory building admeasuring 789.6758sq Mtrs constructed on land bearing survey no 452/ 3, Hector 25 of Village Masat of UT of Dadra & Nagar Haveli belonging to Hindustan Food Limited.
Pari Pasu Chrges on by way of mortgage on the land and building of Ponta factories purchased under the BTA from SSIPL Retails Limited and by way of hypothecation of the the plant and machinery of KNS Shoetech Pvt Ltd at Ponta and at other leased premises.
Personal Guarantee of Mr Sameer Kothari and Corporate Guarantee of Hindustan Food Limited.

ii. Cash credit from Yes bank has been secured by First Charge Pari Passu by way of Hypothecation on Current Assets and First Charge Pari Passu by way of Registered/ Equitable Mortgage on the Land and Building of Ponta factories Purchased under the BTA from SSIPL Retail limited.
Personal Guarantee of Mr. Sameer Kothari and Corporate Guarantee of Hindustan Foods Limited to the extent of 50 Crores.



C) During the year, Company has taken loan from Hindustan Foods Limited ("Holding Company"), on short term basis and out of which amounting to Rs 22.33 Crore has been used for long term basis.

D) **Period and amount of default:**

The Company has not made any defaults in the payment of principal or interest.

E) The statements of current assets and stocks submitted by the Company with banks are in agreement with the books of accounts.

	As at 31 March 2026	As at 31 March 2025
21 Trade payables		
- Total outstanding dues of micro enterprises and small enterprises*	0.58	2.06
- Total outstanding dues of creditors other than micro enterprises and small enterprises	65.76	51.82
	66.34	53.88

* For detailed disclosure of micro and small enterprises see note 36.

Notes:

a) Trade payable to related parties (see note 42).

b) The ageing analysis has been considered from the transaction date.

Ageing for trade payables outstanding as at 31st March 2026 is as follows:

	Not due	Outstanding for the following periods from due date of payment				Total
		Less than 1 year	1-2 years	2 to 3 year	More than 3 Year	
Total outstanding dues of micro enterprises and small enterprises	0.55	0.03	-	-	-	0.58
Total outstanding dues of creditors other than micro enterprises and small enterprises	26.07	38.87	0.81	0.00	-	65.76
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
	26.62	38.90	0.81	0.00	-	66.34

Note: The above balances includes unbilled dues of Rs. 1.27 Crore

Ageing for trade payables outstanding as at 31 March 2025 is as follows:

	Not due	Outstanding for the following periods from due date of payment				Total
		Less than 1 year	1-2 years	2 to 3 year	More than 3 Year	
Total outstanding dues of micro enterprises and small enterprises	1.63	0.43	-	-	-	2.06
Total outstanding dues of creditors other than micro enterprises and small enterprises	29.47	22.36	-	-	-	51.82
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
	31.10	22.78	-	-	-	53.88

Note: The above balances includes unbilled dues of Rs 0.89 Crore

	As at 31 March 2026	As at 31 March 2025
22 Other financial liabilities		
(At amortised cost)		
Employee related payable	13.79	18.05
Security deposit received	0.04	0.06
Payable against Business acquisition	1.23	1.23
Capital Creditors	0.61	2.50
	15.67	21.84

23 Other current liabilities

Advance from customers
Interest payable to MSME vendor
Statutory dues payable

	0.04	0.02
	0.01	0.01
	2.05	3.64
	2.09	3.68



KNS Shoetech Private Limited

Notes forming part of the financial statements for the year ended 31 March 2026

Amount in Rs Crore, unless otherwise stated (except earning per share)

	Year ended 31 March 2026	Year ended 31 March 2025
24 Revenue from operations		
Revenue from contracts with customers		
Sale of products	406.64	387.31
Sale of services	0.49	0.02
Total (A)	407.13	387.33
Other operating revenue		
Export incentive	0.02	0.02
Scrap Sales	2.66	1.62
Total (B)	2.70	1.65
Total revenue from operations (A)+(B)	409.83	388.98
Notes:		
A. Revenue from contracts with customers disaggregated based on nature of product or service		
a. Revenue from sale of products		
Manufactured goods (refer note below)	406.64	387.31
	406.64	387.31
b. Revenue from sale of services		
Job work charges	0.49	0.02
	0.49	0.02
Total revenue from operations	407.13	387.33
B. Revenue from contracts with customers disaggregated based on geography		
a. Domestic	405.39	388.30
b. Exports	1.25	1.01
	406.64	387.31
C. Reconciliation of gross revenue from contracts with customers		
Gross revenue from contract with customers	411.31	393.35
Add/ less: Cash discount and credit note etc	4.67	6.04
	406.64	387.31
D. Contract balances		
Advance from customers	0.04	0.02
25 Other income		
Interest received on:		
- Bank deposits	0.09	0.00
- Interest on Security deposit	1.15	1.05
- Interest on income tax refund	-	0.00
Insurance Income	-	0.75
Gain on Sale of Fixed Assets	0.01	-
Exchange Fluctuation Gain	-	0.12
	1.25	1.93
26 Cost of materials consumed		
Material at the beginning of the period		
- Raw materials & packing material	49.11	9.30
- Consumables, spares and tools	-	0.26
Inventory Acquired on business combination (refer note no 44)		
- Raw materials	-	27.57
- Consumables, spares and tools	-	-
	49.11	37.13
- Purchase of raw materials and packing material	261.74	263.97
	310.85	301.10
Material at the end of the period		
- Raw materials & packing material	81.77	49.11
- Consumables, spares and tools	-	-
	81.77	49.11
	229.08	251.98
27 Changes in inventories of finished goods, stock in trade and work in progress		
Inventories at the beginning of the period		
Finished goods	16.41	1.79
Work-in-progress	39.90	1.97
Inventory Acquired on business combination (refer note no 44)		
Finished goods	-	13.81
Work-in-progress	-	4.81
	56.31	22.38



KNS Shoetech Private Limited
Notes forming part of the financial statements for the year ended 31 March 2026

Amount in Rs Crore, unless otherwise stated (except earning per share)

	Year ended 31 March 2026	Year ended 31 March 2025
Inventories at the end of the period		
Finished goods	10.35	16.41
Work-in-progress	49.60	39.90
	59.95	56.31
	(3.64)	(33.93)
28 Employee benefits expense		
Salaries, wages and bonus	96.82	101.86
Provision for gratuity (refer note 41)	2.84	2.93
Contribution to provident and other funds	11.58	11.13
Employee share-based compensation expense (refer note 45)	5.06	-
Staff welfare expenses	1.85	1.69
	117.95	117.61
29 Finance costs		
Interest on borrowings to bank	9.03	8.51
Interest on borrowings to related party	4.86	3.61
Interest on lease liabilities	2.41	2.60
Other finance charge	0.14	0.13
	16.44	14.86
30 Depreciation and amortization expense		
Depreciation on property, plant and equipment	7.54	7.39
Amortization of other intangible assets	1.30	1.31
Amortization of right to use assets	4.77	4.77
	13.60	13.47
31 Manufacturing and Operating Cost		
Job Work Expenses	2.14	2.99
Power and fuel	12.52	11.06
Repairs and maintenance - plant and machinery	3.17	3.80
Repairs and maintenance - building	0.16	0.18
Repairs and maintenance - others	1.29	1.62
Other Manufacturing Expenses	0.92	0.74
	20.19	20.39
32 Other expenses		
Auditors remuneration	0.09	0.07
Bank charges	0.41	0.85
Business Promotion Expenses	0.01	0.02
Communication expenses	0.28	0.25
Factory Rent (Other than lease)	1.70	0.65
Foreign exchange fluctuation (net)	0.04	-
Freight Outwards Expenses	6.47	8.71
Insurance	0.33	0.32
Legal and professional fee	0.97	1.70
Loss on sale of Fixed Assets	-	0.03
Miscellaneous expenses	0.26	0.34
Printing and stationery	0.18	0.14
Rates and taxes	0.30	0.21
Stores and spares consumed	2.14	2.41
Security charges	0.73	0.44
Provision for doubtful debts	0.10	-
Other Receivable written off	0.45	-
Travelling and conveyance	0.94	1.27
	15.38	17.41
Auditors remuneration		
As auditors		
Statutory audit fees	0.05	0.05
Limited review fees	0.04	0.02
	0.09	0.07



	Period ended 31 March 2026	Period ended 31 March 2025
33 Tax expense		
Current tax expense	-	-
Deferred tax expenses	(0.43)	2.71
	<u>(0.43)</u>	<u>2.71</u>
Income tax for earlier years (net)	-	-
Tax expenses for the year recognised in profit and loss	<u>(0.43)</u>	<u>2.71</u>
Tax expense recognised in other comprehensive income ('OCI')	(0.34)	0.06
	<u>(0.34)</u>	<u>0.06</u>

A. Reconciliation of tax expenses and accounting profit multiplied by India's domestic tax rate for 31 March 2026 and 31 March 2025

Profit / (Loss) before tax	1.95	(10.88)
Applicable income tax rate	25.17%	25.17%
Estimated income tax expense	0.49	(2.74)
Tax effect of adjustments to reconcile expected income tax expense to reported		
Non taxable income	-	-
Others	0.06	(0.03)
Income tax expense in the Statement of Profit and Loss	<u>0.43</u>	<u>(2.71)</u>

B. Movement in the deferred tax liabilities (net)

Deferred tax (net)		
a. Deferred tax liability	1.87	0.99
b. Deferred tax assets	7.98	7.88
	<u>6.11</u>	<u>6.89</u>

	As at 1 April 2025	Recognised in profit and loss	Deferred tax on Acquisition	As at 31 March 2026
Deferred tax liabilities				
Written down value of property, plant and equipment and intangible assets	0.99	0.81	-	1.81
Loan Processing Charges		0.06		0.06
	<u>0.99</u>	<u>0.88</u>	<u>-</u>	<u>1.87</u>
Deferred tax assets				
Expenses allowed on payment basis (Bonus)	1.20	0.06		1.27
Provision for employee benefits	3.46	(0.07)		3.39
Security Deposit	0.12	0.12		0.24
Net lease liability - 116	0.46	0.34	-	0.80
MSME Vendor overdue	0.11	0.04	-	0.15
Provision for Doubtful Debts		0.03		0.03
Carry forward business losses	2.52	(0.42)	-	2.10
	<u>7.88</u>	<u>0.10</u>	<u>-</u>	<u>7.98</u>
	<u>6.89</u>	<u>(0.76)</u>	<u>-</u>	<u>6.11</u>

	As at 1 April 2024	Recognised in profit and loss	Deferred tax on Acquisition	As at 31 March 2025
Deferred tax liabilities				
Written down value of property, plant and equipment and intangible assets	0.32	0.67	-	0.99
	<u>0.32</u>	<u>0.67</u>	<u>-</u>	<u>0.99</u>
Deferred tax assets				
Expenses allowed on payment basis (Bonus)	0.18	0.18	0.84	1.20
Provision for employee benefits	0.25	0.56	2.65	3.46
Security Deposit		0.12	-	0.12
Net lease liability - 116	0.06	0.40	-	0.46
MSME Vendor overdue	0.02	0.09	-	0.11
Carry forward business losses	0.44	2.08		2.52
	<u>0.95</u>	<u>3.44</u>	<u>3.49</u>	<u>7.88</u>
	<u>0.63</u>	<u>2.77</u>	<u>3.49</u>	<u>6.89</u>

Note:

The recognition of deferred tax assets related to carried forward business losses and unabsorbed depreciation is recognised up to the deferred tax liabilities, in accordance with the principle of prudence in the last year.



34 Contingent liabilities (to the extent not provided for)

- As confirmed by the management, the Company does not have any pending litigations.
- There are no amounts which were required to be transferred to Investor Education and Protection Fund by the Company.
- The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
- The Company has issued the LC of Rs 0.87 Crore to import suppliers for procurement of raw material.

35 The Company does not have capital commitments as on 31 March 2026 and 31 March 2025.

36 Statement under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED)

	As at 31 March 2026	As at 31 March 2025
a. The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
- Principal amount due to micro and small enterprises	0.58	2.06
- Interest due on above	-	0.01
b. The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
c. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
d. The amount of interest accrued and remaining unpaid at the end of each accounting year	0.01	0.01
e. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act 2006	-	-

The information have been disclosed based on the information available with the Company, the same have been relied upon by the auditor.

37 Segment reporting

The Company is engaged in a manufacturing industry (manufacturing of shoes and other products related to shoes), which is as per Ind AS 108, 'Operating Segments', is recognized to be the only reportable business segment. The Company is operating in India, which is considered a single geographical segment.

38 Corporate Social Responsibility

The Company did not have average net profit of more than Rs. 500 lakhs in the past three years and therefore was not required to spend any amount towards Corporate Social Responsibility (CSR). Accordingly, there is no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VI of the Companies Act or special account in compliance with the provision of sub-section (6) of Section 135 of the said Act.

39 Earnings per share

	As at 31 March 2026	As at 31 March 2025
a. Basic earnings per share		
Profit / (Loss) for the period	1.52	(8.17)
Weighted average number of equity shares outstanding	4,70,00,000	2,79,15,068
Face value of per share	10.00	10.00
Basic earnings per share	0.32	(2.93)
b. Diluted earnings per share		
Profit / (Loss) for the period	1.52	(8.17)
Weighted average number of equity shares for calculation of diluted EPS	4,70,00,000	2,79,15,068
Face value of per share	10.00	10.00
Diluted earnings per share	0.32	(2.93)



40 Financial instruments

a. Categories of financial instruments

The carrying amount of the Company's financial instruments is as below

	As at 31 March 2026	As at 31 March 2025
A. Financial assets		
I Measured at amortised cost		
i. Other financial assets		
- Non-current		
- Current	11.09	12.32
ii. Trade receivables	0.36	1.27
iii. Cash and cash equivalents	35.66	46.24
iv. Loans	6.49	0.03
- Current	-	-
B. Financial liabilities		
I Measured at amortised cost		
i. Borrowings		
- Non current	50.63	57.79
- Current (including current maturities of long term borrowings)	97.19	72.82
ii. Lease liabilities		
- Non current	21.43	23.85
- Current	2.41	2.03
iii. Trade payables	66.34	53.86
iv. Other current financial liabilities	15.67	21.84

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

Level I: includes financial instruments measured using quoted prices (for example, listed equity instruments, traded bonds, ETFs and mutual funds that have quoted price).

Level II: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level III: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset are included in level 3.

The management assessed that cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is 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 following methods and assumptions were used to estimate the fair values:

- Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.
- The fair values of the quoted notes and bonds are based on price quotations at the reporting date. The fair value of unquoted instruments, loans from banks and other financial liabilities, obligations under finance leases, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. In addition to being sensitive to a reasonably possible change in the forecast cash flows or the discount rate, the fair value of the equity instruments is also sensitive to a reasonably possible change in the growth rates. The valuation requires management to use unobservable inputs in the model, of which the significant unobservable inputs are disclosed in the tables below. Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.
- The fair values of the remaining fair value through other comprehensive income "FVTOCI" financial assets are derived from quoted market prices in active markets.



b. Fair value hierarchy

There is no financial instruments, which need to be recognised at fair value according this.

c. Financials risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks.

The Company's senior management oversees the management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for the Company are accountable to the Board of Directors and Audit Committee. This process provides assurance to Company's senior management that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risk are identified, measured and managed in accordance with Company policies and Company risk objective.

d. Financial risk management

The Company's senior management oversees the risk management framework and developing and monitoring the Company's risk management policies. The risk management policies are established to ensure timely identification and evaluation of risks, setting acceptable risk thresholds, identifying and mapping controls against these risks, monitor the risks and their limits, improve risk awareness and transparency. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Company's activities to provide reliable information to the Management and the Board to evaluate the adequacy of the risk management framework in relation to the risk faced by the Company.

The risk management policies aims to mitigate the following risks arising from the financial instruments:

- Market risk
- Credit risk
- Liquidity risk

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 the market prices.

I. 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 2026		As at 31 March 2025	
		Foreign currency in Crores	Rs. in Crores	Foreign currency in Crores	Rs. in Crores
Trade Payable	EUR	0.00	0.03	-	-
	USD	0.07	6.17	-	-
Trade Receivables	USD	0.01	0.65	-	-

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	Currency	Effect on profit- total gain / (loss)			
		5% decrease in exchange rate		5% increase in exchange rate	
		As at 31 March 2026	As at 31 March 2025	As at 31 March 2026	As at 31 March 2025
Trade Payable	EURO	0.00	-	(0.00)	-
	USD	0.31	-	(0.31)	-
Trade Receivables	USD	0.03	-	(0.03)	-

II. 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 is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Company are principally denominated in rupees and US dollars with a mix of fixed and floating rates of interest. The Company hedges its US dollar interest rate risk through interest rate swaps to reduce the floating interest rate risk. The Company has exposure to interest rate risk, arising principally on changes in base lending rate and LIBOR rates. The Company uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day-to-day operations like non-convertible bonds and short term loans. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings, and by the use of interest rate swap contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied.

The following table provides a break-up of the Company's fixed and floating rate borrowings:



a. Interest rate risk exposure

	As at 31 March 2026	As at 31 March 2025
Variable rate borrowings	90.85	95.85
Fixed rate borrowings	56.97	34.76
Total borrowings	147.82	130.61

b. Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for floating rate liabilities, after the impact of hedge accounting, assuming the amount of the liability outstanding at the period-end was outstanding for the whole year.

	As at 31 March 2026	As at 31 March 2025
The details of the Company's sensitivity to a 1% increase and decrease in interest rate are as follows		
Impact on loss for the period	0.91	0.96
Impact on total equity as at the end of reporting period	0.68	0.72

Impact on loss for the period are gross of tax and impact on total equity is net of tax

B Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk encompasses both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

For other financial assets, the Company assesses and manages credit risk based on internal credit rating system. The finance function consists of a separate team who assesses and maintains an internal credit rating system. Internal credit rating is performed on a group basis for each class of financial instruments with different characteristics.

The Company does not expect any credit loss.

C Liquidity risk management

a. Liquidity risk refers to the risk of financial distress or extraordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. The Company requires funds both for short term operational needs as well as for long term capital expenditure growth projects. The Company generates sufficient cash flow for operations, which together with the available cash and cash equivalents and short term investments provide liquidity in the short-term and long-term. The Company has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

b. The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

The tables include principal cash flows. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Maturities of financial liabilities

	<12 months	>12 months	Total	Carrying value
As on 31 March 2026				
Non derivative				
Long term borrowings	-	50.63	50.63	50.63
Short term borrowings including current maturities of long term debt	97.19	-	97.19	97.19
Trade payables	65.52	0.81	66.34	66.34
Lease liabilities	2.41	21.43	23.85	23.85
Other financial liabilities	14.44	1.23	15.67	15.67
As on 31 March 2025				
Non derivative				
Long term borrowings	-	57.79	57.79	57.79
Short term borrowings including current maturities of long term debt	72.82	-	72.82	72.82
Trade payables	53.86	-	53.86	53.86
Lease liabilities	2.03	23.85	25.88	25.88
Other financial liabilities	21.84	-	21.84	21.84

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.



Maturities of financial assets

As on 31 March 2026	<12 months	>12 months	Total	Carrying value
Non derivative				
Other financial assets	0.36	11.09	11.45	11.45
Investments	-	-	-	-
Trade receivables	35.66	-	35.66	35.66
Cash and bank balance	6.49	-	6.49	6.49
Bank balances other than cash and bank balance above	-	-	-	-
Loans	-	-	-	-
As on 31 March 2025				
Non derivative				
Other financial assets	1.27	12.32	13.59	13.59
Investments	-	-	-	-
Trade receivables	46.24	-	46.24	46.24
Cash and bank balance	0.03	-	0.03	0.03
Bank balances other than cash and bank balance above	-	-	-	-
Loans	-	-	-	-

e. 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 of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio between 20% and 40%. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

The Company monitors its capital using gearing ratio, which is net debt divided to total equity. Net debt includes, interest bearing loans and borrowings less cash and cash equivalents and current investments.

	As at 31 March 2026	As at 31 March 2025
Net debt		
a. Borrowings		
- Non current	50.63	57.79
- Current (including current maturities of long term debt)	97.19	72.82
	147.82	130.61
b. Cash and bank balance	6.49	5.77
	6.49	5.77
Net debt/(surplus)	141.33	124.84
Total equity	55.08	49.40
Net debt to equity ratio	2.57	2.53

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.

41 Employee benefit obligations

a. Defined Contribution Plan

Contribution to defined contribution plans recognised as expenses for the year Rs 11.62 crore (previous year Rs 11.13 crore)

b. Defined benefits plan

Gratuity: The Company provides gratuity benefits to its employees in accordance with the provisions of the Payment of Gratuity Act, 1972. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method.

(i) Principal actuarial assumptions

	As at 31 March 2026	As at 31 March 2025
Future salary increase	5.25%	5.25%
Discount rate	7.78%	6.99%
Mortality rates	100% of IALM (2012 - 14)	100% of IALM (2012 - 14)
Attributes of ages: withdrawal rate (%)		
Upto 30 years	3.00%	3.00%
From 31 to 44 years	2.00%	2.00%
Above 44 years	1.00%	1.00%
Retirement age (years)	58	58
(ii) Amount recognised in the Statement of Profit and Loss		
Current service cost	2.26	2.35
Net interest cost	0.66	0.58
Expense recognised in the Statement of Profit and Loss *	2.92	2.93

* Past service cost amounting of Rs 0.07 Crore shown as exceptional item



(iii) Amount recognised in Other Comprehensive Income (OCI)

	As at 31 March 2026	As at 31 March 2025
Remeasurement on the net defined benefit liability:		
Actuarial (gains) / losses arising from experience adjustments	(1.37)	0.23
Amount recognised in other comprehensive income	(1.37)	0.23

Notes:

- The current service cost and the net interest expense for the period are included in the 'Employee benefits expense' in the Statement of Profit and Loss.
- The remeasurement of the net defined benefit liability is included in other comprehensive income.
- The Company gratuity scheme is unfunded.

(iv) Movements in the present value of the defined benefit obligation

	As at 31 March 2026	As at 31 March 2025
Liability at the beginning of the period	9.44	0.60
Interest costs	0.66	0.58
Acquisition adjustment		7.49
Current service costs	2.18	2.35
Past service cost including curtailment gain/losses	0.07	
Benefits paid	(1.63)	(1.82)
Actuarial (gain)/ loss on obligations due to change in obligation	(1.37)	0.23
Liability at the end of the period	9.36	9.44

The amount included in the financial statements arising from the entity's obligation in respect of its defined benefit plans is as follows:

	As at 31 March 2026	As at 31 March 2025
Provision for gratuity		
Non-current	9.17	9.03
Current	0.19	0.40
	9.36	9.43

(v) Experience adjustments

	Year ended 31 March 2026	Year ended 31 March 2025
Present value of Defined Benefit Obligation	9.36	9.44
Fair value of plan assets	-	-
Funded status	-	-
(Gain)/loss on obligation	(1.37)	0.23
(Gain)/loss on plan assets	-	-

(vi) Sensitivity analysis

	As at 31 March 2026	As at 31 March 2025
A. Impact of the change in discount rate		
Present value of obligation at the end of the period	9.36	9.44
Impact due to increase of 0.50 %	(0.56)	(0.57)
Impact due to decrease of 0.50 %	0.61	0.63
B. Impact of the change in salary increase		
Present value of obligation at the end of the period	9.36	9.44
Impact due to increase of 0.50 %	0.62	0.64
Impact due to decrease of 0.50 %	(0.57)	(0.59)

Notes:

- Sensitivities due to mortality and withdrawals are not material, hence impact of change not calculated.
- Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement.
- The above sensitivity analysis are without giving the impact of tax.

(iv) Maturity profile of Defined Benefit Obligation

Financial year	Amount As at 31 March 2026	Amount As at 31 March 2025
Within 1 year	0.19	0.40
Between 1 to 5 years	1.36	1.26
Above 5 years	7.81	7.77
	9.36	9.44

*During the year, consequent to revisions in employee benefit obligations arising from the proposed implementation of the new labour codes, the Company has recognised a past service cost of Rs 0.07 crore based on actuarial valuation. The said amount has been charged to the Statement of Profit and Loss under exceptional expenses.

C. Other long term employee benefit obligation

Leave entitlement

Employee benefit expenses for the year the year include Rs 2.06 Crore (Previous year Rs 2.71 Crore) towards leave entitlement.

The liability for leave entitlement is recognised in the same manner as gratuity aggregating Rs 4.12 Crore as at March 31, 2026 (March 31, 2025 Rs 4.31 Crore)



KNS Shoetech Private Limited

Notes forming part of the financial statements for the year ended 31 March 2026

Amount in Rs Crore, unless otherwise stated (except earning per share)

42 Related party disclosures:**(A) Names of related parties and description of relationship as identified and certified by the Company:****(i) Holding company**

Hindustan Foods Limited

(ii) Entity under common control

HFL Healthcare and Wellness Private Limited

HFL Multiproducts Private Limited

HFL Consumer Products Private Limited

Aero Care Personal Products LLP

Spans Healthcare

Athene Laboratories- Paonta

Avalon Cosmetics Private Limited

(iii) Company in which the Director of the Company or their relative is a Director

M/s Asar Green Kabadi Private Limited

(iv) Key Management Personnel (KMP)

Ganesh Tukaram Argekar

Sunita Sunakar Rout

Non-executive Directors

Sameer Ramanlal Kothari

Mayank Ashok Samdani

Honey Vazirani

Whole-time Director

Company Secretary

Director

Director

Director

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

Amount in Rs Crore, unless otherwise stated (except earning per share)

Particulars	Year Ended March 31, 2026	Year Ended March 31, 2025
(i) Avalon Cosmetics Private Limited		
Purchase of Production Expenses	0.10	0.09
CCD application money received	-	0.31
(ii) Athene Laboratories		
Purchase of consumables	0.01	0.00
(iii) HFL HEALTHCARE AND WELLNESS PRIVATE LIMITED		
Rent paid	0.18	-
Sale of Fixed assets	0.03	0.01
Sales of Goods	9.18	6.05
Purchase of Goods	25.12	7.23
(iv) Spans Healthcare		
Rent paid	0.12	0.06



(v) **Hindustan Foods Limited**

Reimbursement of Expenses	4.55	28.69
Loan received	172.20	80.75
Loan Repaid	149.98	90.54
Interest paid on loan received	4.86	3.61
Sales of Goods	4.73	4.08
Sales of Fixed Assets	-	0.02
Purchase of Goods	3.98	3.54
Purchase of Fixed Assets	0.03	-
ESOP issued by holding company	5.06	-
Corporate guarantee received	0.14	95.85
Issue of share capital	-	43.00

(vi) **Compensation of key management personal**

Sunita Rout	0.08	0.02
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(vii) **CCD application money received from key management personal**

Ganesh Tukaram Argekar	0.43	0.29
Mayank Ashok Samdani	0.19	0.13

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

Amount in Rs Crore, unless otherwise stated (except earning per share)

Particulars	Year Ended March 31, 2026	Year Ended March 31, 2025
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(i) **Avalon Cosmetics Private Limited**

Trade Payable	0.04	-
Investment in CCD & CCPS	0.43	0.31

(ii) **Hindustan Foods Limited**

Loan Received	56.97	34.76
Investment in Equity Shares	47.00	47.00
Share Based Payment Reserve (Other Equity)	5.06	-
Corporate guarantee received	90.80	95.85

(iii) **HFL HEALTHCARE AND WELLNESS PRIVATE LIMITED**

Trade Payable	18.63	1.27
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(iv) **CCD application money received from key management personal**

Ganesh Tukaram Argekar	0.72	0.29
Mayank Ashok Samdani	0.31	0.13



43 Disclosure of financial ratios

Particulars	Numerator	Denominator	As at 31 March 2026	As at 31 March 2025	Variance %	Reason (if variance is more than 25%)
Current Ratio	Current assets	Current liabilities	1.06	1.04	2%	NA
Debt-Equity Ratio	Total debt	Total equity	2.68	2.64	2%	NA
Debt Service Coverage ratio	Net operating Income	Total debt service	0.70	0.41	71%	In the current year due to ramping of the business the net operating income has increased.
Return on Equity ratio	Profit/ (loss) after tax	Total equity	0.06	(0.33)	-117%	Profit after tax improved due to ramping of business.
Inventory Turnover ratio	Cost of goods sold	Average inventory	1.81	4.11	-56%	In the previous year inventory is not comparable due to acquisition of unit 3,4 & 5 with significant inventory took place on 1st April 2024.
Trade Receivable Turnover Ratio	Net sales	Average trade receivables	11.49	9.69	19%	NA
Trade Payable Turnover Ratio	Net purchases	Average trade payables	4.36	7.57	-42%	In the previous year trade payable is not comparable due to acquisition of unit 3,4 & 5 with significant trade payable took place on 1st April 2024.
Net Capital Turnover Ratio	Net sales	Working capital	47.04	(100.15)	-147%	In the previous year working capital is not comparable due to acquisition of unit 3,4 & 5 took place on 1st April 2024.
Net Profit Ratio	Profit/ (loss) after tax	Net sales	0%	-2%	-118%	In the current year due to ramping of the business the net profit has increased.
Return on Capital Employed	Earning before interest and tax	Capital employed	22%	12%	81%	EBIT is improved due to ramping of business.
Return on investment	Net Profit	Net Investment	3%	-17%	-117%	The Return on investment is improved from due to ramping of business.

(i) Working of the ratios

Basis of ratios	Year ended 31 March 2026 Rs. Crore	Ratio	Year ended 31 March 2025 Rs. Crore	Ratio
a. Current ratio				
Current assets	195.05	1.06	181.20	1.04
Current liability	184.02		154.80	
b. Debt Equity ratio				
Total debt (see note ii)	147.82	2.68	130.61	2.64
Total equity (Equity share capital+ other equity)	55.08		49.40	
c. Debt service coverage ratio				
Net operating Income	17.96	0.70	6.68	0.41
Total debt service (Finance Cost + Lease Payment+Principal Repayments)	25.55		16.28	
d. Inventory turnover ratio				
Cost of goods sold	225.44	1.81	218.05	4.11
Average Inventory = (Opening stock + Closing stock) / 2	124.59		53.11	
e. Trade receivables turnover ratio				
Net sales (Total sales - Sales return)	409.83	11.49	388.98	9.69
Average trade receivables = (Opening debtors +Closing debtors) / 2	35.66		40.14	
f. Trade payables turnover ratio				
Total purchases (Net of purchase return)	261.74	4.36	263.97	7.57
Average trade payables = (Opening creditors + Closing creditors) / 2	60.10		34.89	
g. Net capital turnover ratio				
Net sales (Total sales - Sales return)	409.83	47.04	388.98	(100.15)
Average working capital = Current assets - Current liabilities	8.71		(3.88)	
h. Net profit ratio				
Profit/ (loss) after tax	1.52	0.00	(8.17)	(0.02)
Net sales (Total sales - Sales return)	409.83		388.98	
i. Return on equity ratio				
Profit/ (loss) after tax	1.52	0.06	(8.17)	(0.33)
Average equity (Equity share capital+ other equity)	27.54		24.70	
j. Return on Capital Employed				
Earnings before interest and tax	32.09	0.22	17.45	0.12
Capital employed = Total Assets- current liability	146.85		144.23	
k. Return on investment				
Profit/ (loss) after tax	1.52	0.03	(8.17)	(0.17)
Net Investment= Net Equity	55.08		49.40	



44 Business combinations during the previous year

(b) Acquisition of manufacturing facilities of SSIPL Retail Limited ("SSIPL")

- (i) The Company on April 1, 2024, has completed the acquisition of two manufacturing facility of SSIPL Retail Limited ("SSIPL") situated at Sirmour, Himachal Pradesh and one manufacturing facility situated at Sonipat, Haryana for a cash consideration of Rs. 70.98 Crores as per the terms and conditions of the Business Transfer Agreement dated (including amendments thereof (if any)).
On acquisition, the Company has recognised the fair value of net assets acquired of Rs 79.52 Crores resulting in capital reserve of Rs 8.54 Crores (after adjustment of related tax).

(ii) Details of purchase consideration, assets and liabilities acquired are as follows:

Particulars	Amount
A) Fair value of assets acquired on April 01, 2024	
Property, plant and equipment	51.02
Right of use assets	
Other intangible assets	7.38
Inventories*	46.20
Trade receivables	37.39
Other non current financial assets	1.49
Other current assets	0.55
Total Assets acquired (A)	144.03
B) Fair value of liabilities assumed on April 1, 2024	
Trade payables	53.52
Employee benefit obligations	10.53
Other current financial liabilities	3.94
Total Liabilities Assumed (B)	68.00
Net Assets acquired (C) = (A-B)	76.03
Purchase Consideration (D)	70.98
Capital reserve on acquisition (C-D)	5.05
Add: Deferred tax assets on employee benefit obligations (refer note iii below)	3.49
Adjusted capital reserve on acquisition	8.54

- (iii) On business combination of the three manufacturing facility of SSIPL Retail Limited ("SSIPL"), deferred tax asset of Rs. 3.49 Crores was created on employee benefit obligations assumed.



Notes forming part of the financial statements for the year ended 31 March 2026
Amount in Rs Crore, unless otherwise stated (except earning per share)

45 Share - based payments

(A) Equity settled options - Hindustan Foods Limited employee stock option scheme 2025 (HFL ESOS 2025 scheme)

The Holding Company has established Hindustan Foods Limited employee stock option scheme 2025 (HFL ESOS 2025 scheme) with effect from April 10, 2025.

The objective of the HFL ESOS 2025 is to reward the eligible and potential Employees of Hindustan Foods Limited ("the Company") or its Subsidiary Company(ies) (whether now or hereafter existing, whether incorporated in India or overseas, whether working in India or outside India) for their performance and to motivate them to contribute to the growth and profitability of the Company. The Company also intends to use this scheme to retain the talent.

The Company has below share based payment arrangement under HFL ESOS 2025 scheme for the year ended March 31, 2026

	Year ended 31 March 2026		Year ended 31 March 2025	
	Weighted average exercise price (in INR)	Number of options	Weighted average exercise price	Number of options
Opening as at beginning of the year	-	-	-	-
Granted during the year	2.00	1,38,500.00	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Lapsed during the year	-	-	-	-
Outstanding as at the closing of the year	2.00	1,38,500.00	-	-

Of the total number of options outstanding at 31 March 2026, no options had vested and were exercisable during the year ended March 31, 2026.
The weighted average fair value of each option granted during the year was Rs.539.76 per option.

(B) Information relevant to the determination of fair value of options granted during the year under the equity-settled share based remuneration schemes operated by the Group:

	Year Ended 31-March-2026	Year Ended 31-March-2025
Equity settled		
Option pricing model used	Black Scholes Model	-
Weighted average share price at grant date (in Rs.)	541.65	-
Exercise price (in Rs.)	2	-
Weighted average contractual life (in days)	365	-
Equity and cash settled		
Expected volatility	32.21%	-
Risk-free interest rate	5.54%	-

(C) Expense recognised in the profit and loss (Note 28)

Equity settled scheme

	Year Ended 31-March-2026	Year Ended 31-March-2025
	5.06	-
	5.06	-



46 Additional Disclosure

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

The Company does not hold any immovable property (other than properties where the company is the lessee and the lease agreement are duly executed in favour of the lessee)- whose title deeds are not held in the name of the Company, at anytime during the year ended 31 March 2026 other than properties mentioned below :-

Relevant line item in the balance sheet	Description of item of property	Gross carrying Value(Rs in Crores)	Title deed held in the name of the Company	Whether title deed holder is a promoter/ Director or Relative of Promoter / Director or employee of Promoter / Director	Property held since which date	Reason for not being held in the name of the Company
Property, plant and equipment	Freehold Land	4.85	SSIPL Retail Limited	No	1st April 2024	The Land was purchase by the Company vide Agreement entered with SSIPL Retail Limited. The Company is in the process of transferring the title in the name of KNS Shootech Private Limited.

ii) Details of benami property held

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

iii) Wilful defaulter

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

iv) Relationship with Struck off Companies under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956

The Company does not have any transactions or balance outstanding with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

v) 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.

vi) Compliance with number of layers of companies

The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

vii) Undisclosed income

The Company does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year (previous year) in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)

viii) 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 2025.



KNS Shootech Private Limited

Notes forming part of the financial statements for the year ended 31 March 2026

ix) Utilisation of Borrowed funds and share premium

- (i) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (ii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

x) 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.

xi) Valuation of Property plant and equipment

The Company has not revalued its property, plant and equipment during the current year. Further, There were no revaluation on property, plant and equipment during the previous period.

xii) Loans and advances to promoters and directors

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

xiii) Company having borrowings from Banks or FIs on the basis of security of Current Assets

The company have borrowings from Bank on the basis of security of current assets. The company has filed the statement with the banks which are in agreement with the books of accounts of the Company.

xiv) Details of intangible assets under development

There are no any intangible assets under development.

47 During the period the Company has not declared or approved any dividend.

48 The Government of India has notified four New Labour Codes ("NLC") on November 21, 2025: the Code on Wages, 2019; Industrial Relations Code, 2020; the Code on Social Security, 2020; and the Occupational Safety, Health and Working Conditions Code, 2020.

The Company has carried out an assessment of the impact past service cost relating to gratuity and leave encashment, arising primarily from the revision in the definition of Wages. As a result, an incremental expense of Rs. 0.11 Crores has been recorded in the books of account. Given the non-recurring nature and the quantum of the amount involved the same has been disclosed as an exceptional item in the results for the year ended March 31, 2026.

49 Previous year's figure have been regrouped/ reclassified whenever necessary to correspond with current year's classification/ disclosure.

As per our report of even date

For N K N AND CO

Chartered Accountants

Firm Registration No.: 152319W

Nikita Mahadik

Partner

Membership No.: 160267

Place: Mumbai

Date: 20 May 2026



For and on behalf of Board of Directors of

KNS Shootech Private Limited

Sameer Ramanlal Kothari

Director

DIN: 01361343

Place: Mumbai

Date: 20 May 2026

Sunita Sunakar Rout

Company Secretary

Membership No.: 72852

Place: Mumbai

Date: 20 May 2026



Mayank Ashok Samdani

Director

DIN: 10417749

Place: Mumbai

Date: 20 May 2026