

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

To,
The Shareholders,

Your Directors have pleasure in presenting their **Second (2nd)** Annual Report of your Company, together with the Audited Accounts for the Financial Year ended **31st March, 2022**.

1. FINANCIAL RESULTS:

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

| Particulars | For the year ended 31.03.2022 | For the year ended 31.03.2021 |
|------------------------------------|----------------------------------|----------------------------------|
| | Amount (in Rs. Lakhs) | Amount (in Rs. Lakhs) |
| Revenue from operations | -- | -- |
| Other Income | 47.50 | -- |
| Total Revenue | 47.50 | -- |
| Total expenditure | 98.45 | 11.80 |
| Profit/Loss before Tax | (50.95) | (11.80) |
| Current Tax | -- | -- |
| Deferred Tax | -- | -- |
| MAT Credit | -- | -- |
| Profit/ (Loss) for the year | (50.95) | (11.80) |

2. FINANCIAL PERFORMANCE OF THE COMPANY

Your Company has incurred Net loss of Rs. 50.95/- Lakhs in the current Financial Year as compared to Net loss of Rs. 11.80/- Lakhs in the previous Financial Year **as per Financial Statement**.

Your Directors are pleased to inform you that, your Company's plant situated at Lucknow has started its production in Q1 of the Financial Year 2022-23 for one of the branded FMCG Company. Your Directors are positive that your Company will achieve robust growth in coming years ahead.

3. DIVIDEND

Due to losses, the Directors of your Company does not propose any dividend during the Current Year.



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

Since your Company has incurred losses, there are no amount transferred to reserves.

5. FRAUD

Your Company did not or encountered any incidence or indication for existence of fraudulent activities in your Company during the Financial Year 31st March, 2022.

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

There are no material changes and commitments, affecting the financial position of your Company which has occurred between the end of Financial Year 2021-22 and the date of the Board's report.

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

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

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

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

9. DEPOSITS

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

10. STATUTORY AUDITORS

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

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



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

11. AUDITORS REPORT

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

12. SHARE CAPITAL OF THE COMPANY

During the Year under review, there were no changes in the Share Capital of your Company. As on 31st March, 2022 the Authorised Share Capital of Company is Rs. 15,00,000/- (Rupees Fifteen Lakhs only) divided into 1,50,000 (One Lakh Fifty Thousand only) Equity Shares of Rs.10/- (Rupees Ten Only) each and the Issued Subscribed and Paid-up Capital is Rs. 1,00,000/- (Rupees One Lakh only) divided into 10,000 (Ten Thousand) Equity Shares of Rs. 10/- (Rupees Ten only) each.

During the year under review, your Company has altered its Object Clause III (A) & Clause III (B) in the Main Object of the Memorandum of Association.

13. CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION, AND FOREIGN EXCHANGE EARNINGS AND OUTGO

A) Conservation of Energy: Nil

B) Technology Absorption: Nil

C) Foreign Exchange earnings and outgo: Nil

Your Company has no foreign exchange earnings and no outgo transactions during the current Financial Year.

14. SECRETARIAL STANDARDS

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

15. RELATED PARTY TRANSACTIONS

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



16. INTERNAL CONTROL SYSTEM

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

17. CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL DURING THE YEAR

During the Year under review, Mr. Sanjay Sehgal (DIN: 00057677) was appointed as an Additional Director with effect from February 8th, 2022 and seeks appointment as a Director of your Company subject to approval of the Members in the ensuing Annual General meeting.

18. MEETINGS OF BOARD OF DIRECTORS

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

During the period under review, the board of your Company met seven times, the details of which are provided below:

| Sr. No. | Date of Board Meeting | Presence of Director | | |
|---------|-----------------------|----------------------|----------------|----------------|
| | | Sameer Kothari | Ganesh Argekar | *Sanjay Sehgal |
| 1 | 26/05/2021 | PRESENT | PRESENT | - |
| 2 | 01/06/2021 | PRESENT | PRESENT | - |
| 3 | 11/08/2021 | PRESENT | PRESENT | - |
| 4 | 25/09/2021 | PRESENT | PRESENT | - |
| 5 | 27/10/2021 | PRESENT | PRESENT | - |
| 6 | 12/11/2021 | PRESENT | PRESENT | - |
| 7 | 08/02/2022 | PRESENT | PRESENT | - |

***Note:** - Mr. Sanjay Sehgal was appointed as an Additional Director with effect from February 8th, 2022.

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

19. LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

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



20. MANAGERIAL REMUNERATION

No Managerial Remuneration has been paid to the Directors of your Company as per the provision of Companies Act, 2013. There is no employee who is withdrawing remuneration more than 60 Lacs per annum, more than 5 Lacs per month and more than remuneration of Managing Director or Whole Time Director.

21. EMPLOYEES

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

22. RISK MANAGEMENT POLICY

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

23. CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

24. DIRECTOR'S RESPONSIBILITY STATEMENT

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

- (a) In the preparation of the accounts for the Financial Year ended 31st March, 2022, the applicable Accounting Standards have been followed and there were no material departures from the Accounting Standards.
- (b) The Directors have selected such accounting policies and applied them consistently and make judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the said Financial Year and of the profit and loss of the Company for the said Financial Year;
- (c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) The Directors had prepared the accounts for the year ended 31st March, 2022 on a 'going concern' basis;
- (e) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.



25. DISCLOSURE PURSUANT TO SECTION 197 AND RULE 5 OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 OF COMPANIES ACT, 2013

There was no employee who was drawing salary more than the limits prescribed Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Hence no disclosure is required.

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

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

27. PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

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

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

28. ACKNOWLEDGEMENTS

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

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

Date: 09th August, 2022
Place: Mumbai


Sameer Kothari
Director
(DIN: 01361343)




Ganesh Argekar
Director
(DIN: 06865379)

INDEPENDENT AUDITOR'S REPORT

To the Members of HFL Consumer Products Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of HFL Consumer Products Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

Our opinion on the financial statements does not cover the other information and we 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 in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is 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.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.



- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv.
 - (1) The Management has represented that, to the best of it's knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (2) The Management has represented that, to the best of it's knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities (Funding Parties), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any



MSKA & Associates

Chartered Accountants

manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (3) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, and according to the information and explanations provided to us by the Management in this regard nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material misstatement.

v. The Company has neither declared nor paid any dividend during the year.

3. As required by the Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder.

For M S K A & Associates

Chartered Accountants

ICAI Firm Registration No. 105047W

Amrish Vaidya

Partner

Membership No. 101739

UDIN: 22101739AJHJYY7159



Place: Mumbai

Date: May 20, 2022

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

Auditor's Responsibilities for the Audit of the Financial Statements

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of 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.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



MSKA & Associates

Chartered Accountants

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

For M S K A & Associates

Chartered Accountants

ICAI Firm Registration No. 105047W

Amrish Vaidya

Partner

Membership No. 101739

UDIN: 22101739AJHJYY7159



Place: Mumbai

Date: May 20, 2022

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF HFL CONSUMER PRODUCTS PRIVATE LIMITED FOR THE YEAR ENDED MARCH 31, 2022

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

i.

(a) A. The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.

B. The Company does not any have intangibles.

(b) Property, Plant and Equipment have been physically verified by the management at reasonable intervals during the year and no material discrepancies were identified on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) as disclosed in the financial statements are held in the name of the Company.

(d) According to the information and explanations given to us, the Company has not revalued its property, plant and Equipment (including Right of Use assets) and its intangible assets. Accordingly, the requirements under paragraph 3(i)(d) of the Order are not applicable to the Company.

(e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder. Accordingly, the provisions stated in paragraph 3(i)(e) of the Order are not applicable to the Company.

ii.

(a) The Company did not hold any inventory during the year. Accordingly, the provisions stated in paragraph 3(ii)(a) of the Order are not applicable to the Company.

(b) According to the information and explanations provided to us, the Company has not been sanctioned working capital limits. Accordingly, the requirements under paragraph 3(ii)(b) of the Order is not applicable to the Company.

iii. According to the information explanation provided to us, the Company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Hence, the requirements under paragraph 3(iii) of the Order are not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, the Company has not either directly or indirectly, granted any loan to any of its directors or to any other person in whom the director is interested, in accordance with the provisions of section 185 of the Act and the Company has not made investments through more than two layers of investment companies



MSKA & Associates

Chartered Accountants

in accordance with the provisions of section 186 of the Act. Accordingly, provisions stated in paragraph 3(iv) of the Order are not applicable to the Company.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under.

vi. The provisions of sub-section (1) of section 148 of the Act are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any of the products of the Company. Accordingly, the provisions stated in paragraph 3(vi) of the Order are not applicable to the Company.

vii.

(a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, cess have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us and the records of the Company examined by us, there are no dues of income tax, goods and service tax, customs duty, cess and any other statutory dues which have not been deposited on account of any dispute.

viii. According to the information and explanations given to us, there are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in Tax Assessment of the Company. Also, there are no previously unrecorded income which has been now recorded in the books of account. Hence, the provision stated in paragraph 3(viii) of the Order is not applicable to the Company.

ix.

(a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings or in payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information explanation provided to us, money raised by way of term loans during the year have been applied for the purpose for which they were raised.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) The Company does not have any subsidiary, associate or joint venture, hence reporting under the clause 3(ix)(e) of the order is not applicable to the Company.



MSKA & Associates

Chartered Accountants

(f) The Company does not have any subsidiary, associate or joint venture, hence reporting under the clause 3(ix)(f) of the order is not applicable to the Company.

x.

(a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions stated in paragraph 3(x)(a) of the Order are not applicable to the Company.

(b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully, partly or optionally convertible debentures during the year. Accordingly, the provisions stated in paragraph 3(x)(b) of the Order are not applicable to the Company.

xi.

(a) During the course of our audit, examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company nor on the Company.

(b) We have not come across of any instance of material fraud by the Company or on the Company during the course of audit of the financial statement for the year ended March 31, 2022, accordingly the provisions stated in paragraph 3(xi)(b) of the Order is not applicable to the Company.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of audit procedures.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii)(a) to (c) of the Order are not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements. Further, the Company is not required to constitute an Audit Committee under section 177 of the Act, and accordingly, to this extent, the provisions stated in paragraph 3(xiii) of the Order are not applicable to the Company.

xiv. In our opinion and based on our examination, the Company is not required to comply with provision of section 138 of the Act. Hence, the provisions stated in paragraph 3(xiv)(a) to (b) of the Order are not applicable to the Company.

xv. According to the information and explanations given to us, in our opinion during the year the Company has not entered into non-cash transactions with directors or persons connected with its directors and hence, provisions of section 192 of the Act are not applicable to company. Accordingly, the provisions stated in paragraph 3(xv) of the Order are not applicable to the Company.



MSKA & Associates

Chartered Accountants

xvi.

- (a) In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph clause 3(xvi)(a) of the Order are not applicable to the Company.
- (b) In our opinion, the Company has not conducted any Non-Banking Financial or Housing Finance activities without any valid Certificate of Registration from Reserve Bank of India. Hence, the reporting under paragraph clause 3(xvi)(b) of the Order are not applicable to the Company
- (c) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Hence, the reporting under paragraph clause 3(xvi)(c) of the Order are not applicable to the Company.
- (d) The Company does not have more than one CIC as a part of its group. Hence, the provisions stated in paragraph clause 3(xvi)(d) of the Order are not applicable to the Company.

- xvii. Based on the overall review of financial statements, the Company has incurred cash losses in the current financial year and in the immediately preceding financial year. The details of the same are as follows:

| Particulars | Rs. in lakhs | |
|-------------|----------------------------------|-----------------------------------|
| | March 31, 2022 (Current year) | March 31, 2021 (Previous Year) |
| Cash losses | 51.03 | 11.80 |

- xviii. There has been no resignation of the statutory auditors during the year. Hence, the provisions stated in paragraph clause 3(xviii) of the Order are not applicable to the Company.
- xix. According to the information and explanations given to us and based on our examination of financial ratios, ageing and expected date of realisation of financial assets and payment of liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of audit report and the Company is 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.
- xx. According to the information and explanations given to us, the provisions of section 135 of the Act are not applicable to the Company. Hence, the provisions of paragraph (xx)(a) to (b) of the Order are not applicable to the Company.



MSKA & Associates

Chartered Accountants

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

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



Amrish Vaidya
Partner
Membership No. 101739
UDIN: 22101739AJHJYY7159



Place: Mumbai
Date: May 20, 2022

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

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of HFL Consumer Products Private Limited on the Financial Statements for the year ended March 31, 2022]

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

Opinion

We have audited the internal financial controls with reference to financial statements of HFL Consumer Products Private Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk



that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls With reference to Financial Statements

A Company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls With reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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



Amrisha Vaidya
Partner
Membership No. 101739
UDIN: 22101739AJHJYY7159



Place: Mumbai
Date: May 20, 2022

HFL Consumer Products Private Limited
Balance Sheet as at 31 March 2022
(Amounts in Rs. lakhs, unless otherwise stated)

| | Notes | As at 31 March 2022 | As at 31 March 2021 |
|--|-------|------------------------|------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 4 (a) | 0.22 | - |
| Right of use assets | 4 (a) | 445.22 | - |
| Capital work-in-progress | 4 (b) | 7,835.67 | 65.98 |
| Financial assets | | | |
| Other financial assets | 5 | 155.57 | 0.17 |
| Non-current tax assets | 6 | 0.08 | - |
| Other non-current assets | 7 | 316.95 | 870.64 |
| Total non-current assets | | 8,753.71 | 936.79 |
| Current assets | | | |
| Financial assets | | | |
| Cash and cash equivalents | 8 | 478.67 | 1.38 |
| Other financial assets | 5 | 6.80 | - |
| Other current assets | 7 | 954.03 | 1.88 |
| Total current assets | | 1,439.50 | 3.26 |
| Total assets | | 10,193.21 | 940.05 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity share capital | 9 | 1.00 | 1.00 |
| Other equity | 10 | (62.75) | (11.80) |
| Total equity | | (61.75) | (10.80) |
| Liabilities | | | |
| Non-current liabilities | | | |
| Financial liabilities | | | |
| Borrowings | 11 | 5,689.46 | - |
| Lease liabilities | 22 | 8.40 | - |
| Total non-current liabilities | | 5,697.86 | - |
| Current liabilities | | | |
| Financial liabilities | | | |
| Borrowings | 12 | 3,594.06 | 939.78 |
| Lease liabilities | 22 | 0.32 | - |
| Trade payables | 13 | | |
| i) outstanding dues of micro enterprises and small enterprises | | 3.75 | 2.00 |
| ii) outstanding dues of creditors other than micro enterprise and small enterprise | | 146.05 | - |
| Other financial liabilities | 14 | 797.50 | 6.81 |
| Other current liabilities | 15 | 15.42 | 2.26 |
| Total current liabilities | | 4,557.10 | 950.85 |
| Total liabilities | | 10,254.96 | 950.85 |
| Total equity and liabilities | | 10,193.21 | 940.05 |
| Summary of significant accounting policies | 2-3 | | |

The accompanying notes (1 to 32) are an integral part of the financial statements.

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


Amrish Vaidya
Partner
Membership No: 101739



Place : Mumbai
May 20, 2022



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


Sameer R. Kothari
Director
DIN: 01361343


Ganesh T. Argekar
Director
DIN: 06865379

Place : Mumbai
May 20, 2022

HFL Consumer Products Private Limited
Statement of Profit and Loss for the year ended 31 March 2022
(Amounts in Rs. lakhs, unless otherwise stated)

| | Notes | Year ended 31 March 2022 | For the period 6 August 2020 to 31 March 2021 |
|--|-------|-----------------------------|--|
| Income | | | |
| Other income | 16 | 47.50 | - |
| Total income | | 47.50 | - |
| Expenses | | | |
| Finance costs | 17 | 84.90 | 8.42 |
| Depreciation expense | 18 | 9.77 | - |
| Other expenses | 19 | 3.78 | 3.38 |
| Total expenses | | 98.45 | 11.80 |
| Loss before tax | | (50.95) | (11.80) |
| Tax expense | | | |
| Current tax | | - | - |
| Deferred tax | | - | - |
| Total tax expense | | - | - |
| Loss for the year / period | | (50.95) | (11.80) |
| Other comprehensive income | | | |
| Items that will not be reclassified to profit or loss | | - | - |
| Total other comprehensive income, net of tax | | - | - |
| Total comprehensive income for the year / period | | (50.95) | (11.80) |
| Earnings per equity share (face value Rs 10 each) | | | |
| Basic earnings per share (Rs) | 20 | (509.55) | (157.78) |
| Diluted earnings per share (Rs) | 20 | (509.55) | (157.78) |
| Summary of significant accounting policies | 2-3 | | |

The accompanying notes (1 to 32) are an integral part of the financial statements.

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

Amrisha Vaidya

Amrisha Vaidya
Partner
Membership No: 101739



For and on behalf of the Board of Directors of
HFL Consumer Products Private Limited
CIN: U15400MH2020PTC243381

Sameer R. Kothari

Sameer R. Kothari
Director
DIN: 01361343

Ganesh T. Argekar

Ganesh T. Argekar
Director
DIN: 06845379

Place : Mumbai
May 20, 2022

Place : Mumbai
May 20, 2022

HFL Consumer Products Private Limited
Statement of Changes in Equity for the year ended 31 March 2022
(Amounts in Rs. lakhs, unless otherwise stated)

(A) Equity share capital

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

| As at 31 March 2022 | | As at 31 March 2021 | |
|------------------------|--------|------------------------|--------|
| No. of shares | Amount | No. of shares | Amount |
| 10,000 | 1.00 | - | - |
| - | - | 10,000 | 1.00 |
| 10,000 | 1.00 | 10,000 | 1.00 |

(B) Other equity

| Particulars | Retained earnings | Total |
|---|-------------------|---------|
| Balance as at beginning of the period * | - | - |
| Loss for the period | (11.80) | (11.80) |
| Other comprehensive income | - | - |
| Total comprehensive income for the period | (11.80) | (11.80) |
| Balance as at 31 March 2021 | (11.80) | (11.80) |
| Balance as at 1 April 2021 * | (11.80) | (11.80) |
| Loss for the year | (50.95) | (50.95) |
| Other comprehensive income | - | - |
| Total comprehensive income for the year | (62.75) | (62.75) |
| Balance as at 31 March 2022 | (62.75) | (62.75) |

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

The accompanying notes (1 to 32) are an integral part of the financial statements.

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

Amrisha Vaidya

Amrisha Vaidya
Partner
Membership No: 101739



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

Sameer R. Kothari

Sameer R. Kothari
Director
DIN: 01361343

Ganesh T. Angekar
Ganesh T. Angekar
Director
DIN: 06865379

Place : Mumbai
May 20, 2022

Place : Mumbai
May 20, 2022

HFL Consumer Products Private Limited
Statement of Cash flows for the year ended 31 March 2022
(Amounts in Rs. lakhs, unless otherwise stated)

| | Year ended 31 March 2022 | For the period 6 August 2020 to 31 March 2021 |
|---|-----------------------------|--|
| Cash flows from operating activities | | |
| Loss before tax | (50.95) | (11.80) |
| Adjustments for: | | |
| Depreciation expense | 9.77 | - |
| Interest expense | 82.61 | 8.42 |
| Other finance charge | 2.29 | - |
| Interest income | (4.11) | - |
| Unrealised foreign exchange translation gain | (9.85) | - |
| Operating profit/(loss) before working capital changes | 29.76 | (3.38) |
| Changes in working capital | | |
| Increase in other assets | (952.15) | (1.88) |
| Increase in financial assets | (48.09) | (0.17) |
| Increase in trade payables | 147.80 | 2.00 |
| Increase in other liabilities | 13.16 | 2.82 |
| Increase in financial liabilities | 300.05 | - |
| Cash used in operations | (509.47) | (0.61) |
| Income taxes paid (net) | 0.08 | - |
| Net cash used in operating activities (A) | (509.39) | (0.61) |
| Cash flows from investing activities | | |
| Capital expenditure on property, plant and equipment (net of capital creditors and including capital advances and capital work in progress) | (6,919.98) | (931.01) |
| Investment in bank balances other than cash and cash equivalents | (110.00) | - |
| Net cash used in investing activities (B) | (7,029.98) | (931.01) |
| Cash flows from financing activities | | |
| Proceeds from issue of equity shares | - | 1.00 |
| Proceeds from long-term borrowings | 5,689.46 | - |
| Proceeds from short-term borrowings (net) | 2,439.37 | 932.00 |
| Interest paid | (112.17) | - |
| Net cash flow from financing activities (C) | 8,016.66 | 933.00 |
| Net increase in cash and cash equivalents (A+B+C) | 477.29 | 1.38 |
| Cash and cash equivalents at the beginning of the year / period | 1.38 | - |
| Cash and cash equivalents at the end of the year / period | 478.67 | 1.38 |
| Cash and cash equivalents comprise of (refer note 8) | | |
| On current accounts | 478.66 | 1.38 |
| Cash on hand | 0.01 | - |
| Total cash and cash equivalents at end of the year / period | 478.67 | 1.38 |

(i) Figures in brackets represent cash outflow.

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

The accompanying notes (1 to 32) are an integral part of the financial statements.

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

Amrisha Vaidya
Partner
Membership No: 101739

Place : Mumbai
May 20, 2022



For and on behalf of the Board of Directors of
HFL Consumer Products Private Limited
CIN: U115400MH2020PTC343381

Sameer R. Kothari
Director
DIN: 01361343

Place : Mumbai
May 20, 2022

Ganesh T. Angekar
Director
DIN: 06865379

1. General information

HFL Consumer Products Private Limited (the "Company") is a private company domiciled in India and was incorporated in the year 2020 under the provisions of the Companies Act, 2013 applicable in India. It's registered and principal office of business is located at office No. 03, Level 2, Centrium, Phoenix Market City, Kurla, Mumbai - 400070. The Company is incorporated to engage in the business of contract manufacturing of FMCG products comprising primarily of various food products, refreshments, beverages, home care and personal care.

2. Significant accounting policies

Significant accounting policies adopted by the Company are as under:

2.1 Basis of preparation of financial statements

a) Statement of Compliance with Ind AS

These financial statements have been prepared in accordance with Indian Accounting Standards "(Ind AS)" notified under Section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

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

b) Basis of measurement

The financial statements have been prepared on a historical cost convention on accrual basis, except for certain financial assets and financial liabilities.

c) Current / non-current classification

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

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.



A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

d) Use of estimates

The preparation of financial statements in conformity with Ind AS requires the Management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the balance sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the balance sheet date. The estimates and assumptions used in the accompanying financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected. Refer Note 3 for detailed discussion on estimates and judgments.

e) Rounding off of amounts

The financial statements are reported in Indian Rupee which is functional currency of the Company and all the values are rounded to the nearest lakhs (INR 00,000).

2.2 Property, plant and equipment

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

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

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

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



Depreciation methods, estimated useful lives

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

| Property, plant and equipment | Estimated useful life |
|-------------------------------|-----------------------|
| Furniture and Fixtures | 10 years |
| Office Equipment | 15 years |

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

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

2.3 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 recognized 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 recognized for the asset in prior years.

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

A previously recognised impairment loss is reversed only if there has been a change in the estimations used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable



amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, or had no impairment loss been recognised for the asset in prior years.

2.4 Foreign currency transactions

a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (Rs), which is the Company's functional and presentation currency.

b) Transactions and balances

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. Gains/losses arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognised in the Statement of Profit and Loss. All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognised in the Statement of Profit and Loss.

2.5 Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- ▶ In the principal market for the asset or liability, or
- ▶ In the absence of a principal market, in the most advantageous market for the asset or liability accessible to the Company.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. The Company's management determines the policies and procedures for fair value measurement such as derivative instrument.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- ▶ Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- ▶ Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable



- ▶ Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

2.6 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. 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.

During the year ended March 31, 2022, the Company has not commenced business and as a result has not generated revenue from operations.

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

2.7 Taxes

Tax expense for the year, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the year.

a) Current income tax

Current tax assets and liabilities are measured at the amount expected to be recovered or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the year end date. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

b) Deferred tax

Deferred income tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.



Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

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

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified year. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

2.8 Leases

The Company's lease asset classes primarily consist of leases for Land. The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and leases of low value assets. For these short-term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.



The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

2.9 Provisions and contingent liabilities

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

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

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

2.10 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks, cash on hand and short-term deposits net of bank overdraft with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, cash in banks and short-term deposits net of bank overdraft.

2.11 Borrowing costs



Interest and other borrowing costs attributable to qualifying assets are capitalised. Other interest and borrowing costs are charged to Statement of Profit and Loss.

2.12 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a) Financial assets

i. Initial recognition and measurement

At initial recognition, financial asset is measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

ii. Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

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

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

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

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

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



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

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

iii. 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 amortized 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) recognized during the year is recognized as income/expense in the statement of profit and loss. In balance sheet ECL for financial assets measured at amortized 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.



iv. Derecognition of financial assets

A financial asset is derecognized 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 derecognized 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 derecognized.

b) Financial liabilities

i. Initial recognition and measurement

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

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

ii. Subsequent measurement

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

Financial liabilities at fair value through profit or loss

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

Loans and borrowings

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

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

Redeemable non-cumulative non-convertible preference shares where payment of dividend is discretionary and which are mandatorily redeemable on a specific date, are classified as compounded Instruments. The fair value of the liabilities portion is determined by discounting amount repayable at maturity using market rate of interest. Difference between proceed receive and fair value of liability on initial recognition is included in shareholder equity, net off income tax effect and not subsequently remeasured. Subsequently liability component of preference share is measured at amortised cost.



iv. Derecognition

A financial liability is derecognized 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 recognized 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 recognized 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

The Company does not have any employees during the year ended March 31, 2022.

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 Dividends



Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

2.17 Recent accounting development

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below:

Ind AS 103 - Business Combination

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date.

For example, costs the acquirer expects but is not obliged to incur in the future to effect its plan to exit an activity of an acquiree or to terminate the employment of or relocate an acquiree's employees are not liabilities at the acquisition date. Therefore, the acquirer does not recognise those costs as part of applying the acquisition method and instead, the acquirer recognises those costs in its post combination financial statements in accordance with other Ind AS.

This amendment do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 - Property Plant and Equipment

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, is not to be recognised in the profit or loss but is to be deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The Company is in the process of evaluating the impact of this amendment.

Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets.

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 - Financial Instruments



The amendment clarifies that while performing the '10 percent test' for derecognition of a financial liability, for computing the discounted present value of the cash flows under the new terms, for determining fees paid net of fees received, a borrower should include only fees paid or received between borrower and lender, including fees paid or received by either the borrower or lender on the other's behalf. This amendment is under Annual Improvements to Ind AS (2021). The Company does not expect the above amendment/ improvement to have any significant impact on its standalone financial statements.

The amendments to Ind AS 101 - First Time Adoption and Ind AS 41 - Agriculture have not been specified here since both Standards are presently not applicable to the Company.

3. Significant accounting judgments, estimates and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future years.

3.1 Estimates and assumptions

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

a) Taxes

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

b) 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.



4 (a) Property, plant and equipment

| | Gross block | | Accumulated depreciation | | Net block |
|------------------------|-----------------------|--|--------------------------|--|------------------------|
| | As at 1 April 2021 | Additions/ Deductions/ Adjustments | As at 31 March 2022 | For the year Deductions/ Adjustments | As at 31 March 2022 |
| I Owned assets | | | | | |
| Furniture and fixtures | | 0.06 | 0.06 | | 0.06 |
| Office equipment's | | 0.17 | 0.17 | 0.01 | 0.16 |
| II Right of Use assets | | | | | |
| Leasehold land | | 454.98 | 454.98 | 9.76 | 445.22 |
| Total | | 455.21 | 455.21 | 9.77 | 445.44 |

4 (b) Ageing of capital work in progress ("CWIP")

| | As at 31 March 2022 | | |
|--------------------------------|---------------------|-----------|-----------|
| | Less than 1 year | 1-2 years | 2-3 years |
| CWIP | | | |
| Projects in progress | 7,769.69 | | |
| Projects temporarily suspended | | 65.98 | |
| Total | 7,835.67 | | |
| As at 31 March 2021 | | | |
| CWIP | | | |
| Projects in progress | | | |
| Projects temporarily suspended | 65.98 | | |
| Total | 65.98 | | |

There are no projects where completion is overdue or costs have exceeded the original plan or where activity has been suspended as at March 31, 2022 and March 31, 2021.



5 Other financial assets

In fixed deposit accounts with original maturity for more than 12 months#
Interest accrued on deposits
Security deposits
Other receivable

Total other financial assets

(# Includes Balance with bank held as margin money deposit against bank guarantee given to Uttar Pradesh Industrial Development Authority)

| As at 31 March 2022 | | As at 31 March 2021 | |
|---------------------|---------|---------------------|---------|
| Non- current | Current | Non- current | Current |
| 110.00 | - | - | - |
| 45.57 | 4.11 | - | - |
| - | 2.69 | 0.17 | - |
| 155.57 | 6.80 | 0.17 | - |
| 110.00 | - | - | - |

6 Non-current tax assets

Advance income tax (net)

Total non-current tax assets

As at 31 March 2022 As at 31 March 2021

0.08

0.08

7 Other assets

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

Total other assets

| As at 31 March 2022 | | As at 31 March 2021 | |
|---------------------|---------|---------------------|---------|
| Non- current | Current | Non- current | Current |
| 316.95 | - | 870.64 | - |
| - | 1.19 | - | - |
| - | 917.32 | - | 1.88 |
| - | 35.51 | - | - |
| - | 0.01 | - | - |
| 316.95 | 954.03 | 870.64 | 1.88 |

8 Cash and cash equivalents

Balances with banks
- In current accounts
Cash on hand

Total cash and cash equivalents

As at 31 March 2022 As at 31 March 2021

478.66

1.38

0.01

478.67

1.38



9 Equity share capital

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

Authorized

1,50,000 (Previous period 1,50,000) Equity shares of Rs. 10 each

Issued, subscribed and fully paid up

10,000 (Previous period 10,000) Equity shares of Rs. 10 each

Total

As at 31 March 2022 As at 31 March 2021

15.00 15.00

15.00 15.00

1.00 1.00

1.00 1.00

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

Outstanding at the beginning of the year / period

Add: Issued during the year / period

Outstanding at the end of the year / period

| As at 31 March 2022 | | As at 31 March 2021 | |
|---------------------|--------|---------------------|--------|
| No. of shares | Amount | No. of shares | Amount |
| 10,000 | 1.00 | - | - |
| 10,000 | 1.00 | 10,000 | 1.00 |
| 10,000 | 1.00 | 10,000 | 1.00 |

(b) Rights, preferences and restrictions attached to shares

Equity Shares: The Company has only one class of equity shares having par value of Rs. 10/- per share. Each shareholder is entitled to one vote per share held. Dividend if any declared is payable in Indian Rupees.

During the year ended March 31, 2022, the amount of per share dividend recognized as distributions to equity shareholders was Nil. (period ended 31 March 2021: Nil).

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Name of the shareholder

Hindustan Foods Limited

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

| As at 31 March 2022 | | As at 31 March 2021 | |
|---------------------|---------------------------|---------------------|---------------------------|
| No. of shares | % of holding in the class | No. of shares | % of holding in the class |
| 10,000 | 100.00% | 10,000 | 100.00% |

(d) Shares held by holding company

Name of the shareholder

Hindustan Foods Limited

| As at 31 March 2022 | | As at 31 March 2021 | |
|---------------------|--------|---------------------|--------|
| No. of shares | Amount | No. of shares | Amount |
| 10,000 | 1.00 | 10,000 | 1.00 |

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

Promoter name

Hindustan Foods Limited

| As at 31 March 2022 | | | As at 31 March 2021 | | |
|---------------------|-------------------|--------------------------|---------------------|-------------------|----------------------------|
| No. of shares | % of total shares | % Change during the year | No. of shares | % of total shares | % Change during the period |
| 10,000 | 100% | 0% | 10,000 | 100% | 100% |
| 10,000 | 100% | 0% | 10,000 | 100% | 100% |

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

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

10 Other equity

Retained earnings

As at 31 March 2022 As at 31 March 2021

(62.75) (11.80)

(62.75) (11.80)

Nature and purpose of other reserves

Retained earnings

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

Retained earnings

Opening balance

Add: Net loss for the year / period

Add/(Less): Item of OCI for the year / period, net of tax

Closing balance

As at 31 March 2022 As at 31 March 2021

(11.80) -

(50.95) (11.80)

(62.75) (11.80)



11 Non-current borrowings

| | As at 31 March 2022 | As at 31 March 2021 |
|---|---------------------|---------------------|
| Secured | | |
| Term loan | | |
| From banks | | |
| Less: Current maturities of long term loans (refer note 12) | 5,858.23 | - |
| | (168.77) | - |
| Total non-current borrowings | 5,689.46 | - |

A) Terms of non-current borrowing are as under

| Particulars | Rate of interest (p.a.) | Repayment terms |
|---------------------------------|-------------------------|--|
| Non current, secured borrowings | | |
| Term loan from Bank | 7.50% to 7.70% | 12 month moratorium from date of first disbursement, subsequently loan is repayable in 44 quarterly installments |

B) Nature of security :

i. Term Loan from Yes Bank has been secured by charge on the current assets (inventory and debtors), current and future plant and machinery (movable Fixed Assets), Industrial Land and building of factory, personal guarantee of Director Mr. Sameer Kothari and Corporate guarantee of holding company Hindustan Foods Limited.

C) Period and amount of default:

The Company has made no defaults in the payment of principal or interest in the current year.

D) Repayment schedule for secured/unsecured loan taken during the year

| | As at 31 March 2022 | As at 31 March 2021 |
|--|---------------------|---------------------|
| Number of instalments due (Nos) | 44 | - |
| Rate of Interest (%) | 7.50% to 7.70% | - |
| Within one year (INR) | 134.49 | - |
| After one year but not more than 5 years (INR) | 2,151.90 | - |
| More than 5 years (INR) | 3,631.34 | - |

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

| Bank | Particulars of Loans | Purpose (as per Loan Agreement) | Whether used for the purpose stated in the loan Agreement |
|----------|----------------------|--|---|
| Yes Bank | Term Loan | Towards purchase of Land and setting up manufacturing plant in Uttar Pradesh | Yes |

12 Current borrowings

| | As at 31 March 2022 | As at 31 March 2021 |
|---|---------------------|---------------------|
| Secured | | |
| Current maturities of long term loans (refer note 11) | 168.77 | 7.78 |
| Unsecured | | |
| From related party (refer note 23) | 3,425.29 | 932.00 |
| Total current borrowings | 3,594.06 | 939.78 |

A) Terms of current borrowing are as under

| Particulars | Rate of interest (p.a.) | Repayment terms |
|-------------------------|-------------------------|---------------------|
| Unsecured borrowings | | |
| Hindustan Foods Limited | 8.50% | Repayable on demand |

13 Trade payables

| | As at 31 March 2022 | As at 31 March 2021 |
|--|---------------------|---------------------|
| Outstanding dues of micro enterprises and small enterprises | 3.75 | 2.00 |
| Outstanding dues of creditors other than micro enterprises and small enterprises | 146.05 | - |
| Total trade payables | 149.80 | 2.00 |

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

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|---|---------------------|---------------------|
| (a) Amount remaining unpaid to any supplier at the end of each accounting year / period: | | |
| Principal | 3.75 | 2.00 |
| Interest | - | - |
| Total | 3.75 | 2.00 |
| (b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year / period. | - | - |
| (c) The amount of interest due and payable for the year / period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006. | - | - |
| (d) The amount of interest accrued and remaining unpaid at the end of each accounting year / period. | - | - |
| (e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006. | - | - |



HFL Consumer Products Private Limited
Notes forming part of the Financial Statements for the year ended 31 March 2022
(Amounts in Rs. lakhs, unless otherwise stated)

Trade Payables ageing schedule

As at 31 March 2022

Particulars

| Unbilled | Payables Not Due | Outstanding for following periods from due date of Payment | | | | Total |
|-----------------------------|------------------|--|-------------|-----------|-------------------|---------------|
| | | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) MSME | 3.75 | - | - | - | - | 3.75 |
| (ii) Disputed dues - MSME | - | - | - | - | - | - |
| (iii) Others | 2.04 | 5.72 | - | - | - | - |
| (iv) Disputed dues - Others | - | - | - | - | - | 146.05 |
| Total | 5.79 | 138.29 | 5.72 | - | - | 149.80 |

As at 31 March 2021

Particulars

| Unbilled | Payables Not Due | Outstanding for following periods from due date of Payment | | | | Total |
|-----------------------------|------------------|--|-----------|-----------|-------------------|-------------|
| | | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) MSME | 2.00 | - | - | - | - | 2.00 |
| (ii) Disputed dues - MSME | - | - | - | - | - | - |
| (iii) Others | - | - | - | - | - | - |
| (iv) Disputed dues - Others | - | - | - | - | - | - |
| Total | 2.00 | - | - | - | - | 2.00 |



HFL Consumer Products Private Limited
Notes forming part of the Financial Statements for the year ended 31 March 2022
(Amounts in Rs. lakhs, unless otherwise stated)

14 Other current financial liabilities

Capital creditors
Other payable to related party (refer note 23)

Total other current financial liabilities

| As at 31 March 2022 | As at 31 March 2021 |
|---------------------|---------------------|
| 496.25 | 5.61 |
| 301.25 | 1.20 |
| 797.50 | 6.81 |

15 Other current liabilities

Statutory dues payable

Total other current liabilities

| As at 31 March 2022 | As at 31 March 2021 |
|---------------------|---------------------|
| 15.42 | 2.26 |
| 15.42 | 2.26 |

16 Other income

Interest income on fixed deposits
Foreign exchange gain (net)

Total other income

| Year ended 31 March 2022 | For the period 6 August 2020 to 31 March 2021 |
|-----------------------------|--|
| 4.11 | - |
| 43.39 | - |
| 47.50 | - |

17 Finance costs

Interest on loan from related party (refer note 23)
Interest expense on lease liabilities
Other finance charge

Total finance costs

| Year ended 31 March 2022 | For the period 6 August 2020 to 31 March 2021 |
|-----------------------------|--|
| 82.61 | 8.42 |
| 0.50 | - |
| 1.79 | - |
| 84.90 | 8.42 |

18 Depreciation expenses

Depreciation [refer note 4 (a) I]
Depreciation on right of use assets [refer note 4 (a) II]

Total depreciation expense

| Year ended 31 March 2022 | For the period 6 August 2020 to 31 March 2021 |
|-----------------------------|--|
| 0.01 | - |
| 9.76 | - |
| 9.77 | - |

19 Other expenses

Rent (refer note 22)
Legal and professional expenses
Auditors remuneration [refer note (a) below]
Miscellaneous expenses

Total other expenses

| Year ended 31 March 2022 | For the period 6 August 2020 to 31 March 2021 |
|-----------------------------|--|
| - | 0.18 |
| - | 1.20 |
| 3.75 | 2.00 |
| 0.03 | - |
| 3.78 | 3.38 |

(a) Auditors remuneration (exclusive of Goods and Services Tax)

As auditor:
Statutory audit
In other capacity:
Limited review fees

Total

| Year ended 31 March 2022 | For the period 6 August 2020 to 31 March 2021 |
|-----------------------------|--|
| 3.25 | 2.00 |
| 0.50 | - |
| 3.75 | 2.00 |



20 Earnings per equity shares

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

| |
|---|
| Loss attributable to equity holders |
| Add: Impact of dilutive potential equity shares |
| Attributable to equity holders adjusted for the effect of dilution |
| Weighted average number of equity shares (in lakhs) for basic and diluted EPS |
| Basic earnings per share (Rs) |
| Diluted earnings per share (Rs) |

| Year ended 31 March 2022 | For the period 6 August 2020 to 31 March 2021 |
|-----------------------------|--|
| (50.95) | (11.80) |
| (50.95) | (11.80) |
| 0.10 | 0.07 |
| (509.55) | (157.78) |
| (509.55) | (157.78) |

21 Contingencies and commitments

Bank guarantees

Capital commitments:

Capital expenses for Lucknow factory

| As at 31 March 2022 | As at 31 March 2021 |
|---------------------|---------------------|
| 110.00 | - |
| 2,002.45 | 2,366.89 |

22 Leases

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

(ib) Changes in the lease liabilities

| Particulars |
|-----------------------------|
| Balance as at 1 April 2021 |
| Interest |
| Additions |
| Lease payments |
| Balance as at 31 March 2022 |

| Category of ROU Asset | Total |
|-----------------------|-------|
| Leasehold land | |
| 0.50 | 0.50 |
| 8.22 | 8.22 |
| 8.72 | 8.72 |

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

| Particulars |
|-------------------------------|
| Current lease liabilities |
| Non-current lease liabilities |

| As at 31 March 2022 | As at 31 March 2021 |
|---------------------|---------------------|
| 0.32 | - |
| 8.40 | - |

(iii) Maturity analysis of lease liabilities

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

| As at 31 March 2022 | As at 31 March 2021 |
|---------------------|---------------------|
| 0.32 | - |
| 2.03 | - |
| 72.17 | - |
| 74.52 | - |

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

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

| Particulars |
|---------------------------------------|
| Interest on lease liabilities |
| Low-value leases expensed |
| Expense relating to short-term leases |
| Total |

| As at 31 March 2022 | As at 31 March 2021 |
|---------------------|---------------------|
| 0.50 | - |
| - | - |
| - | 0.18 |
| 0.50 | 0.18 |

(v) Amounts recognised in statement of cash flows

| Particulars |
|-------------------------------|
| Total Cash outflow for leases |

| Year ended 31 March 2022 | For the period 6 August 2020 to 31 March 2021 |
|-----------------------------|--|
|-----------------------------|--|

23 Related party disclosures:

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

Holding company
Hindustan Foods Limited

Key Management Personnel (KMP)

Sameer Kothari
Ganesh Argekar
Sanjay Sehgal

Director
Director
Additional director (w.e.f. 8 February 2022)



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

| | Year ended 31 March 2022 | For the period 6 August 2020 to 31 March 2021 |
|--------------------------------|-----------------------------|--|
| Hindustan Foods Limited | | |
| Recharge of salary | | |
| Loans availed | 74.86 | 1.20 |
| Loans repaid | 5,956.21 | 932.00 |
| Interest expense on above loan | 3,665.00 | - |
| Purchase of export licences | 215.36 | 8.42 |
| Reimbursement of expenses | 74.80 | - |
| Issue of equity shares | 134.04 | - |
| Corporate guarantee received | - | 1.00 |
| | 9,000.00 | - |

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

| | As at 31 March 2022 | As at 31 March 2021 |
|---|---------------------|---------------------|
| Hindustan Foods Limited | | |
| Loan, repayable on demand | | |
| Other payables including reimbursements | 3,223.20 | 932.00 |
| Interest accrued but not due | 301.25 | 1.20 |
| Corporate guarantee received | 202.09 | 7.78 |
| | 9,000.00 | - |

24 Fair values of financial assets and financial liabilities

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The amortized cost using effective interest rate (EIR) of non-current financial assets/liabilities are not significantly different from the carrying amount and therefore the impact of fair value is not considered for above disclosure.

Financial assets that are neither past due nor impaired include cash and cash equivalents, security deposits, term deposits, and other financial assets.

The carrying value and fair value of financial instruments by categories as at March 31, 2022 were as follows

| Particulars | Note | Amortised Cost | Fair value through profit or loss | Fair value through OCI | Total fair value | Total carrying value |
|---|------|----------------|--------------------------------------|------------------------|------------------|----------------------|
| Financial assets | | | | | | |
| Other non-current financial assets | 5 | 155.57 | - | - | - | 155.57 |
| Other current financial assets | 5 | 6.80 | - | - | - | 6.80 |
| Cash and cash equivalents | 8 | 478.67 | - | - | - | 478.67 |
| | | 641.04 | - | - | - | 641.04 |
| Financial liabilities | | | | | | |
| Non current borrowings | 11 | 5,689.46 | - | - | - | 5,689.46 |
| Current borrowings | 12 | 3,594.06 | - | - | - | 3,594.06 |
| Current and Non-current lease liabilities | 22 | 8.72 | - | - | - | 8.72 |
| Other current financial liabilities | 14 | 797.50 | - | - | - | 797.50 |
| Trade payables | 13 | 149.80 | - | - | - | 149.80 |
| | | 10,239.54 | - | - | - | 10,239.54 |

The carrying value and fair value of financial instruments by categories as at March 31, 2021 were as follows

| Particulars | Note | Amortised Cost | Fair value through profit or loss | Fair value through OCI | Total fair value | Total carrying value |
|---|------|----------------|--------------------------------------|------------------------|------------------|----------------------|
| Financial assets | | | | | | |
| Other non-current financial assets | 5 | 0.17 | - | - | - | 0.17 |
| Other current financial assets | 5 | - | - | - | - | - |
| Cash and cash equivalents | 8 | 1.38 | - | - | - | 1.38 |
| | | 1.55 | - | - | - | 1.55 |
| Financial liabilities | | | | | | |
| Non-current borrowings | 11 | - | - | - | - | - |
| Current borrowings | 12 | 939.78 | - | - | - | 939.78 |
| Current and Non-current lease liabilities | 22 | - | - | - | - | - |
| Other current financial liabilities | 14 | 6.81 | - | - | - | 6.81 |
| Trade payables | 13 | 2.00 | - | - | - | 2.00 |
| | | 948.59 | - | - | - | 948.59 |

25 Fair value hierarchy

The following is the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

No financial assets/liabilities have been valued using level 1 fair value measurements.



The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:

Fair value measurement hierarchy of assets

Level 3

Financial assets measured at amortized cost
Other non-current financial assets
Other current financial assets
Cash and cash equivalents

| As at 31 March 2022 | As at 31 March 2021 |
|---------------------|---------------------|
| 155.57 | 0.17 |
| 6.80 | - |
| 478.67 | 1.38 |
| 641.04 | 1.55 |

Fair value measurement hierarchy for liabilities:

Level 3

Financial liabilities measured at amortized cost
Non current borrowings
Current borrowings
Current and Non-current lease liabilities
Other current financial liabilities
Trade payables

| As at 31 March 2022 | As at 31 March 2021 |
|---------------------|---------------------|
| 5,689.46 | - |
| 3,594.06 | 939.78 |
| 8.72 | - |
| 797.50 | 6.81 |
| 149.80 | 2.00 |
| 10,239.54 | 948.59 |

The carrying amount of cash and cash equivalents, fixed deposits, trade payables, other payables, long term borrowings and short-term borrowings are considered to be the same as their fair values. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including own and counterparty credit risk.

26 Financial risk management objectives and policies

The Company is exposed to various financial risks. These risks are categorized into market risk, credit risk and liquidity risk. The Company's risk management is coordinated by the Board of Directors and focuses on securing long term and short term cash flows. The Company does not engage in trading of financial assets for speculative purposes.

(A) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include borrowings and derivative financial instruments.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings. With all other variables held constant, the Company's loss before tax is affected through the impact on floating rate borrowings, as follows:

Exposure to interest risk

| | | increase/ decrease in basis points | Effect on profit before tax |
|------|--|---------------------------------------|--------------------------------|
| 2022 | | | |
| Rs | | | |
| Rs | | +50 | 46.42 |
| | | -50 | (46.42) |
| 2021 | | | |
| Rs | | | |
| Rs | | +50 | 4.66 |
| | | -50 | (4.66) |

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a different currency from the Company's functional currency).

The following table shows foreign currency exposures receivable and payable at the end of the reporting period

| Particulars | Currency | As at 31 March 2022 | | As at 31 March 2021 | |
|-------------------|----------|---------------------------|--------------|---------------------------|--------------|
| | | Foreign currency in lakhs | Rs. in lakhs | Foreign currency in lakhs | Rs. in lakhs |
| Capital creditors | Euro | 2.55 | 215.77 | - | - |

Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in the EURO exchange rate, with all other variables held constant, of the Company's profit before tax (due to changes in the fair value of monetary assets and liabilities).

| Particulars | Effect on profit- total gain / (loss) | | | |
|-------------------|---------------------------------------|---------------------|------------------------------|---------------------|
| | 5% decrease in exchange rate | | 5% increase in exchange rate | |
| | As at 31 March 2022 | As at 31 March 2021 | As at 31 March 2022 | As at 31 March 2021 |
| Capital creditors | 10.79 | - | (10.79) | - |
| | 10.79 | - | (10.79) | - |



(B) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the Company's receivables from deposits with landlords and other statutory deposits with regulatory agencies and also arises from cash held with banks and financial institutions. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

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

The Company does not have any trade receivables at the March 31, 2022 and March 31, 2021

(C) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. Processes and policies related to such risks are overseen by senior management who monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

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

| As at 31 March 2022 | Less than 1 year | More than 1 year | Total |
|-------------------------------------|------------------|------------------|------------------|
| Long-term borrowings | - | 5,689.46 | 5,689.46 |
| Current borrowings | 3,594.06 | - | 3,594.06 |
| Lease liabilities | 0.32 | 8.40 | 8.72 |
| Trade payables | 149.80 | - | 149.80 |
| Other current financial liabilities | 797.50 | - | 797.50 |
| | 4,541.68 | 5,697.86 | 10,239.54 |
| As at 31 March 2021 | Less than 1 year | More than 1 year | Total |
| Current borrowings | 939.78 | - | 939.78 |
| Trade payables | 2.00 | - | 2.00 |
| Other current financial liabilities | 6.81 | - | 6.81 |
| | 948.59 | - | 948.59 |

27 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximize the shareholder value and to ensure the Company's ability to continue as a going concern. The Company has not distributed any dividend to its shareholders. The Company monitors gearing ratio i.e. total debt in proportion to its overall financing structure, i.e. equity and debt. Total debt comprises of non-current borrowing which represents borrowings from bank & current borrowings represents loan from holding company. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

| | | As at 31 March 2022 | As at 31 March 2021 |
|---------------------------------|--------------------|---------------------|---------------------|
| Total equity | (i) | (61.75) | (10.80) |
| Total borrowings | | 9,283.52 | 939.78 |
| Less: cash and cash equivalents | | (478.67) | (1.38) |
| Total debt | (ii) | 8,804.85 | 938.40 |
| Overall financing | (iii) = (i) + (ii) | 8,743.10 | 927.60 |
| Gearing ratio | (ii) / (iii) | 1.01 | 1.01 |

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

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|----------------------------|---------------------|---------------------|
| Opening balance | | |
| Non cash movement | | |
| - Accrual of interest | 938.40 | - |
| - Unrealised forex gain | 84.40 | - |
| - Finance cost capitalized | (9.85) | - |
| | 252.53 | - |
| Cash movement | | |
| - Further borrowings | 8,128.83 | 939.78 |
| - Interest payment | (112.17) | - |
| Cash and cash equivalents | | |
| Cash flows | | |
| Closing balance | 477.29 | (1.38) |
| | 8,804.85 | 938.40 |

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



30 Additional regulatory information

(A) Accounting ratios

| Sr. No. | Ratio | Formula | Particulars | | | | March 31, 2022 | | March 31, 2021 | | Ratio as on | | Variation | Reason (if variation is more than 25%) |
|---------|----------------------------------|---|--|--|--------------------------------------|--------------------------------------|----------------|-------------|----------------|-------------|----------------|---------------|-----------|--|
| | | | Numerator | Denominator | Current Assets / Current Liabilities | Current Assets / Current Liabilities | Numerator | Denominator | Numerator | Denominator | 31 March 2022 | 31 March 2021 | | |
| (a) | Current Ratio | Current Assets / Current Liabilities | Current Assets = Cash & Cash Equivalents + Other current financial assets | Current Liabilities = Short term borrowings + Trade Payables + Other financial liabilities + Other Current lease liabilities + Other Current Equity = Equity + Reserve and Surplus | | | 1,439.50 | 4,557.10 | 950.85 | | 0.32 | 0.00 | 9113.34% | The Company is currently in process of setting up greenfield project for production. Also the Company was incorporated during the previous financial year. |
| (b) | Debt-Equity Ratio | Debt / Equity | Debt = long term borrowing + Short term borrowings | | | | 9,283.52 | (61.75) | 939.78 | (10.80) | (150.33) | (87.02) | 71.76% | The Company is currently in process of setting up greenfield project for production. Also the Company was incorporated during the previous financial year. |
| (c) | Debt Service Coverage Ratio | Net Operating Income / Debt Service | Net Operating Income = Net profit after taxes + Non-cash operating expenses + finance cost | Debt Service = Interest & Lease Payments + Principal Repayments | | | 43.72 | 3,777.17 | (3.38) | | 0.01 | | 100.00% | The Company is currently in process of setting up greenfield project for production. Also the Company was incorporated during the previous financial year. |
| (d) | Return on Equity Ratio | Profit after tax less pref. Dividend x 100 / Shareholder's Equity | Net Income = Net Profit after taxes - Preference Dividend | Shareholder's Equity | | | (50.95) | (61.75) | (11.80) | (10.80) | 82.51% | 109.26% | -24.48% | NA |
| (e) | Inventory Turnover Ratio | Cost of Goods Sold / Average Inventory | Cost of Goods Sold | Inventory / 2 | | | | | | | Not applicable | | | |
| (f) | Trade Receivables Turnover Ratio | Net Credit Sales / Average Trade Receivables | Net Credit Sales | (Opening Trade Receivables + Closing Trade Receivable) / 2 | | | | | | | Not applicable | | | |
| (g) | Trade Payables Turnover Ratio | Net Credit Purchases / Average Trade Payables | Net Credit Purchases | (Opening Trade Payables + Closing Trade Payables) / 2 | | | | | | | Not applicable | | | |
| (h) | Net Capital Turnover Ratio | Revenue / Average Working Capital | Revenue | Average Working Capital = Average of Current assets - Current liabilities | | | | | | | Not applicable | | | |
| (i) | Net Profit Ratio | Net Profit / Net Sales | Net Profit | Net Sales | | | (30.95) | | (11.80) | | | | 0.00% | NA |
| (j) | Return on Capital Employed | EBIT / Capital Employed | EBIT = Earnings before interest and taxes | Capital Employed = Total Assets - Current Liability | | | 33.95 | 5,636.11 | (3.38) | (10.80) | 0.60% | 31.30% | -98.08% | The Company is currently in process of setting up greenfield project for production. Also the Company was incorporated during the previous financial year. |
| (k) | Return on Investment | Net Profit / Net Investment | Net Profit | Net Investment = Net Equity | | | (50.95) | (61.75) | (11.80) | (10.80) | 82.51% | 109.26% | -24.48% | NA |



30 Additional regulatory information (continued)

(B) 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 agreements 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 2022 and 31 March 2021.

(C) 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.

(D) Wilful defaulter

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

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

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

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

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

(G) Compliance with number of layers of companies

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.

(H) 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)

(I) Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in Crypto currency or Virtual Currency during the year ended 31 March 2022.

(J) Utilisation of Borrowed funds and share premium

(i) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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

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

(L) Valuation of Property plant and equipment

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

(M) Loans and advances to promoters and directors

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

31 The financial statement for the comparative period ended 31 March, 2021 are not comparable with the current year ended 31 March, 2022.

32 These financial statements were authorised for issue by the Board of Directors on May 20, 2022

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


Amrish Vaidya
Partner

Membership No: 101739

Place : Mumbai
May 20, 2022



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



Sameer R. Kothari
Director
DIN: 01361343

Place : Mumbai
May 20, 2022


Ganesh T. Argekar
Director
DIN: 06865379