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HINDUSTAN FOODS LIMITED

ROOTED IN TODAY. ROOTING FOR TOMORROW.

HINDUSTAN FOODS LIMITED

38th ANNUAL REPORT

2022-23

This year, our annual report is dedicated to Goddess Gaia, a revered figure in Greek mythology. As the embodiment of the Earth itself, Gaia is a respected and nurturing deity, symbolising the profound unity between living beings and the natural world. The back cover of the Report features two animals, the Lion and the Bear, which are often associated with Gaia – the Lion signifies strength and leadership, while the Bear represents nurturing and protective qualities.

With state-of-the-art manufacturing facilities, flexible business model, and the ability to deliver quality products consistently, we enable our partners to focus on their category management and branding by shouldering their entire burden of manufacturing. Through our commitment to research, innovation, and responsible practices, we strive to create a sustainable ecosystem that fosters our growth and cares for the Earth's precious resources.

ACROSS THE PAGES

Corporate Overview

Statutory Reports

Financial Statements

Investor Information

Market Capitalisation	: Rs. 5,690.12 cr as at March 31, 2023
CIN	: L15139MH1984PLC316003
BSE Code	: 519126
NSE Symbol	: HNDFDS
Bloomberg Code	: HFD:IN
AGM Date	: September 15, 2023
AGM Day	: Friday
AGM Mode	: Video Conferencing (VC) and Other Audio Visual Means (OAVM)

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

Scan to view the information online:

Scan Me

Disclaimer

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

ROOTED IN TODAY. ROOTING FOR TOMORROW.

Our focus for the year centres on the captivating essence of Goddess Gaia, the revered deity embodying the elemental forces of creation and the progenitor of all subsequent goddesses. Through our chosen theme, we aim to illuminate the exceptional qualities of Hindustan Foods Limited (HFL) as a distinguished Contract Manufacturer, self-contained and self-sustaining, akin to the indomitable Gaia whose resilience triumphed over formidable challenges. Notably, certain Earth scientists employ the term 'Gaia' to signify the entirety of our living planet. In a parallel vein, HFL stands as a strong pillar within the 'Contract Manufacturing' ecosystem, drawing similarities from the strength of the Lion, thereby streamlining processes and ushering in operational efficiencies for enterprises.

As we explore this theme, we delve into the realms of sustainability and ecological stewardship. Sustainability is not just a buzzword for us; it is ingrained in our corporate DNA. With every step we take, we strive to minimise our environmental footprint. We have embraced renewable energy sources, utilising solar and wind power to fuel our operations, reducing our carbon emissions, and preserving the planet for generations to come. At HFL, we embrace the nurturing qualities of the Bear, finding ways to foster harmonious coexistence with the Earth, driven by our profound reverence and responsibility towards future generations. Nurtured by our strong traditional roots, we have carved a remarkable legacy focussed on sustainability, growth, and creating a positive impact. As we move forward, we aspire to chart a path that leads to a brighter tomorrow.

This report commemorates our collective dedication and achievements in the realm of Contract Manufacturing as we navigate forward with meticulousness, embodying the distinguished traits of Goddess Gaia, the Greek patroness of Mother Earth. It stands as an irrefutable example of our spirit, marked by optimism, as we continuously forge new avenues, pioneering the industry's progression.

Numbers that Sustain Our Success

Rs. 2,603 cr
Total Revenue
27% growth YoY

Rs. 178 cr
EBITDA
50% growth YoY

Rs. 71 cr
PAT*
59% growth YoY

Rs. 839 cr
Gross Block^

Rs. 375 cr
Net Worth

**PAT includes excess provision of tax to the tune of Rs. 1.8 cr in FY 2021-2022 which was reversed in FY 2022-2023 after filing tax returns*

^ Gross Block includes CWIP

The above figures are as per Consolidated Financial Statements

ROOTED IN PERSISTENCE AND EXCELLENCE

Hindustan Foods Limited ('HFL' or 'We' or 'Our Company'), a renowned and dependable partner for domestic and international players, stands as India's trusted brand for Fast Moving Consumer Goods' (FMCG) Contract Manufacturing. Our commitment to sustainability lies at the heart of our operations. Drawing inspiration from the nurturing and healing qualities of the Bear and the Goddess Gaia in Greek mythology, we strive to create a balanced and harmonious relationship with all our stakeholders while providing exceptional services to our Clients.

With the regal strength of a Lion, we offer a diverse range of products and flexible business models, catering fearlessly to businesses of all sizes and sectors. With the resounding roar of scalable opportunities, we stand tall as the one-stop shop for all Contract Manufacturing solutions. With our adaptive approach to providing customised solutions, we reign as the preferred choice for multiple brands nationwide.

Equipped with fully-integrated facilities, a state-of-the-art laboratory, and dedicated teams, we are committed to meeting the unique requirements of each Customer. Since our establishment in 1988, HFL has cultivated a strong foundation of trust and expanded its presence across India with18 manufacturing facilities catering to our esteemed clientele.

VISION

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

MISSION

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

SHAREHOLDING PATTERN

Promoters and Promoters' Group
64.85%

Alternate Investment Funds (AIF)
6.53%

Investors/FPI
15.04%

Bodies Corporate
1.03%

Public
12.55%

18
Sites

30+
Years of Experience

13+ mn
Lives Touched Daily

4,600+
Team Members

ROOTED IN OUR STRONG FOUNDATIONS

With the commanding strength and leadership akin to a Lion, HFL has risen to become one of the largest organised FMCG Contract Manufacturers. Amidst the rising market competition, we acknowledge the utmost significance of cost efficiency and the value of collaborating with Contract Manufacturers that bring substantial capacities and economies of scale. Focussed on product innovation and risk reduction, we entrust manufacturing processes to our team of specialists, leading the way with determination and courage. Similar to Gaia empowering and guiding all, we maintain well-coordinated operations and create a valuable ecosystem for our Clients.

HFL provides Contract Manufacturing solutions to multinational corporations (MNCs) and emerging businesses. With our manufacturing expertise, we help companies increase efficiency while maintaining premium quality as per Customer specifications. We handle complex products and cater to the production needs of smaller, growing Clients. This makes us a gateway for brands seeking marketing opportunities without the burden of establishing their manufacturing facilities.

Our service models, flexible contracts, and product testing skills are tailored to serve smaller companies lacking manufacturing capabilities. We offer comprehensive solutions that cover product development, testing, manufacturing, and distribution, serving as a one-stop shop for our Clients' needs.

WHY IS HFL A PREFERRED CONTRACT MANUFACTURER?

Management Expertise

We have management expertise with over three decades of experience in Contract Manufacturing.

Long-Term Relationships

We have built many long-term relationships with leading domestic and multinational Customers through a strong foundation of trust.

Manufacturing Facilities

We have state-of-the-art manufacturing plants at various geographical locations to manufacture different products.

Self-Reliance & Localisation

We emphasise self-reliance and localisation of sourcing which is further expected to help generate new opportunities.

Largest Organised Player

We are one of the largest organised players with 30+ years of experience.

Redefined Business Model

Our redefined business models focus on creating Contract Manufacturing solutions suitable for any FMCG Customer.

One-Stop Solution

We offer a one-stop solution for product development, testing, and manufacturing across FMCG categories and geographies.

Ability To Create Formulations

We have the ability to create formulation of any FMCG product, helping us attract leading FMCG Clients.

EMBRACING THE MILESTONES OF OUR JOURNEY

CAUTIOUS STEPS TAKEN FOR A SUSTAINABLE FUTURE

Starting as a small joint venture with a single product and plant, we have transformed into a distinguished and diversified group of FMCG Contract Manufacturer. Embodying the nurturing and protective qualities of a bear, our conviction lies in recognising the inherent link between sustainability and operations. We firmly acknowledge that environmental concerns and efficiency are interconnected on the path to advancement. Just as a Bear cares for its environment and offspring, we strive to preserve and protect the environment by integrating sustainable initiatives into our operations.

Our journey over the years...

FY 1983-1984
- Incorporated as a JV between Glaxo India Ltd. and the Dempo Group
- Established the facility at Goa for manufacturing Farex

FY 2012-2013
- Entered a strategic partnership with the Vanity Case Group of Companies

FY 2013-2014
- Entered into an agreement with Danone and PepsiCo to manufacture and supply food products from their Goa facility

FY 2015-2016
- Raised capital through our Company's Promoter and Non-promoters, which included Sixth Sense Ventures

FY 2016-2017
- Acquired the Shoe-making units previously owned by Ponds Exports Limited (Hindustan Unilever Limited)
- Commenced the manufacturing operations for renowned Clients such as TBS, Gabor, Richter, and various others, following the acquisition
- Made notable additions to the portfolio which included Steve Madden, US Polo, Hush Puppies, and Arrow, over time

FY 2017-2018
- Acquired Reckitt's plant in Jammu and entered a 'Manufacture and Supply' agreement for the brand Mortein for 7 years

FY 2018-2019
- Commenced the merger of the Detergent Powder manufacturing unit at Hyderabad into HFL (completed in FY 2019-2020)
- Acquired a Mumbai-based Shoe-manufacturing unit
- Acquired more than 40% stake in ATC Beverages Private Ltd., Mysuru, engaged in the business of manufacturing of Carbonated Soft Drinks and Juices
- Commenced production at the Coimbatore plant to blend and pack Tea & Coffee

FY 2019-2020
- Raised equity through the Convergent Group and the Sixth Sense Ventures
- Started production of Liquid Detergent at the Hyderabad plant
- Invested towards setting up Liquid Floor Cleaners and Toilet Cleaners manufacturing facilities at Silvassa
- Commenced the merger of Malted Beverages packing unit in Coimbatore for GSKCH (now HUL) and ATC Beverages Private Ltd. into HFL

FY 2020-2021
- Established a plant to manufacture Disinfectant Toilet Cleaner and Surface Cleaner in Silvassa for Reckitt
- Commenced the project for manufacturing Bath Soaps and Detergent Bars in Hyderabad
- Started work for the Greenfield F&B plant in Uttar Pradesh

FY 2021-2022
- Started production of Floor & Surface Cleaner at Silvassa plant in May 2022; Commenced project work for manufacturing Bath Soaps and Detergent Bars in Hyderabad
- Initiated project work in Tamil Nadu for manufacturing Sports & Knitted Shoes; Acquired Colour Cosmetics plant in January 2022, and subsequently consolidated its turnover into HFL from MQ
- Received the final order of NCLT in December 2021, approving the scheme of arrangement for the merger of Malt Beverages plant in Coimbatore and the merger of Beverages plant in Mysuru. The scheme came into effect in Q4 2021-2022
- Progressed with the project work for a Greenfield Ice Cream plant in Uttar Pradesh
- Embarked on manufacturing Injection Moulded Flip-flops & Sandals for a national brand at the Shoe plant in Vasai, Mumbai

FY 2022-2023
- Acquired 100% stake in Reckitt Benckiser Scholl India Pvt. Ltd.
- Commenced production of Ice Creams in Uttar Pradesh
- Started manufacturing Sports & Knitted Shoes in Tamil Nadu facility

FY 2023-2024
- Commenced commercial production for two of the largest beverage players in the country at the Mysuru facility
- Initiated partial commercial production of Detergent Bars & Bath Soaps project

NURTURED BY EXPERTISE: OUR EXTENSIVE OFFERINGS

PERSONAL CARE

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

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

Baby Care
Creams, Shampoo & Lotions | Hair Oil & Powder

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

PET CARE
Pet Hygiene | Pet Food

FOOD AND BEVERAGES

Extruded Cereals & Snacks, Ready-to-Cook, Ready-to-Eat
Breakfast Cereals & Snacks | Baby Food | Instant Porridges | Rice Crispies | Instant Mixes | Soups & Soup Powder | Spices & Masala | Sauces, Dips, Pastes | Jams, Jellies, Preserves | Gravies | Cookies, Protein Bars, Granola Bars | Muesli

Hot & Cold Beverages & Energy Drink Concentrates
Carbonated Soft Drinks | Tea & Coffee | Malt-based Foods | Soups | Glucose Powder | Dry Mix Powder

BEAUTY AND MAKE-UP
Lipstick, Lip Colour | Lip Crayon, Lip Paint | Chap Stick | Pressed/Compact Powders | Eye Make-up | Blush-on | Compacts | Sindoor | Kajal

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

HOUSEHOLD INSECTICIDES
Coils | Aerosols | Liquid Vaporizer | Mosquito Mats | Activ Cards

LEATHER AND SPORTS SHOES

Leather, Sports & Knitted Shoes and Accessories
Men's Footwear | Women's Footwear | Footwear for Juniors | Sports Shoes | Slippers & Flip-flops | Uppers | Accessories

HOME CARE

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

Fabric Care
Liquid Detergent | Powder Detergent | Fabric Conditioner

TOUCHING MANY LIVES

Hot Beverages
Energising
4 Mn+
tea/coffee lovers daily

Ice Cream
Pleasuring
1 Mn
Ice Cream lovers everyday

Baby Food
Delivering healthy baby food to
50,000
infants daily

Foot Care
Protecting
33,000
pairs of feet from discomfort and ache every year

Protein Health Drinks
Providing nutrition to
1 Mn
families per day

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

Home Care
Providing cleaning solutions to
1.5 Mn
people everyday

Leather & Sports Shoes
Delighting
8,000
Customers across the world

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

Household Insecticides
Protecting
4 Mn
families daily from deadly insect-borne diseases

ROOTING SUCCESS THROUGH OUR ADAPTIVE BUSINESS MODEL

DEFINING OUR ROOTS

We pride ourselves on our forward-thinking approach to creating a sustainable and thriving business. Our business model is built on the pillars of creativity, efficiency, and Customer-centricity. We believe in pushing boundaries, embracing new technologies, and exploring untapped opportunities. By constantly seeking innovative solutions, we aim to revolutionise industries and provide our Customers with unparalleled value.

DEDICATED MANUFACTURING FACILITY

Our Dedicated Manufacturing model prioritises delivering exclusivity to Clients by tailoring and constructing a manufacturing facility that precisely meets their needs. The facility exclusively serves the Principal company, ensuring a focussed manufacturing environment. Through close collaboration, we determine the ideal location, design, capacity, and other essential parameters, assuming responsibility for all investments and expenses related to the manufacturing process. This allows our Clients to allocate resources to enhance other aspects of their business.

1 Unit = 1 Client + 1 or more Brand/s or Category/ies

ANCHOR-TENANT MANUFACTURING AND SHARED MANUFACTURING

The Anchor-Tenant Manufacturing and Shared Manufacturing model adopts a manufacturing approach that deviates from exclusive dedication to a single Principal company. Instead, the facility's capacity is shared among multiple companies through long-term agreements. This arrangement brings along numerous advantages, such as cost reduction and decreased overhead expenses. Additionally, even though the manufacturing space is shared, strict secrecy codes are implemented to ensure the confidentiality and competitiveness of the produced products.

1 Unit = 1 Anchor Client + Few Small Clients + Multiple Brands/Products

PRIVATE LABEL MANUFACTURING

HFL also provides the Private Label Manufacturing model, which serves as a flexible Contract Manufacturing solution. Under this model, HFL takes ownership of the product formula exclusively designed for private labels and delivers comprehensive turnkey solutions for private labeling to our Clients. With extensive research and testing, HFL offers customisable options at competitive prices. Our team of talented designers collaborates with Clients to conceive and establish a distinct brand identity for their products, ensuring alignment with their vision and meeting market requirements.

Your Concept + Our Expertise

FROM THE MANAGING DIRECTOR'S DESK

Our successes, as well as the learnings from our failures, inspire us to raise the bar every single time. We believe high-performance organisations are, by nature, sustainability focussed and future-ready.

DEAR SHAREHOLDERS,

As I write this message to you, in recent months, we have experienced a series of natural calamities, including a heat wave, a cyclone, and torrential rains resulting in flooding in certain regions. These events have had a significant and direct impact on our business due to the diverse range of products offered by our Company. The heat waves and unexpected rains have caused a drastic shift in the seasonal demand for specific items like Ice Creams and Beverages. Moreover, the cyclone and subsequent flooding in northern India have resulted in disruptions throughout the supply chain, encompassing power outages and transportation delays. Further, these seasonal vagaries are sure to affect the agricultural incomes and the resultant rural demand for FMCG products. The economic repercussions of these events have been felt and will continue to affect our business in the short term.

The extensive manufacturing footprint of our Company also gives us a ringside view of the profound human aspect of these calamities. The relentless force of the water swept away numerous houses and commercial establishments, leaving devastation in its wake. The extreme heat wave claimed the lives of vulnerable individuals, particularly the elderly and infirm, who could not endure the soaring temperatures. Moreover, the extensive damages to crops, property, and human lives amounted to significant losses, running into crores of rupees.

With this background, we decided to dedicate our this year's Annual Report to the Goddess of Earth, Gaia. Mother Nature has been portrayed in numerous ways, from a powerful and intimidating goddess to a gentle and nurturing mother. Gaia, the personification of the Earth in Greek mythology, is often symbolically linked with two majestic animals: the Lion and the Bear. These creatures embody distinct characteristics that are deeply connected to the concept of Gaia as the nurturing and life-sustaining force of nature - the Lion denoting strength and leadership and the Bear denoting the protective and nurturing nature. The Lion's strength and leadership maintain the balance of power within ecosystems, while the Bear's protective and nurturing nature supports the growth and continuity of life. Together, these symbols illustrate the intricate relationships that shape Earth's ecosystems and the harmonious interplay of different characteristics within nature.

EMPOWERING GROWTH THROUGH LEADERSHIP

Financial Performance

In the last few years, at HFL, we have established ourselves as a FMCG Contract Manufacturing industry leader. We achieved this by investing in greenfield and brownfield projects and acquiring companies to broaden our footprint.

This leadership is embodied by our sound financial performance and strong balance sheet. Our Profit Before Tax crossed the Rs. 100 cr mark for the first time ever in FY 2022-2023 and our financial performance improved as we ramped up some of our underutilised factories. The cash flow from operations improved to nearly Rs. 100 cr, recording a 3X increase over the previous financial year. We invested about Rs. 250 cr towards capex in FY 2022-2023 and are on track to investing a similar amount in FY 2023-2024.

We recorded the highest-ever revenues and profitability figures (on a consolidated basis) in our Company's history. Our Total Revenue for the year stood at Rs. 2,603 cr, recording a 27% YoY growth, while the Profit After Tax (PAT) for the year stood at Rs. 71 cr, clocking a 59% growth YoY. Our EBITDA for FY 2022-2023 reached Rs. 178 cr, compared to Rs. 119 cr in FY 2021-2022.

Operational Performance

I am pleased to share that several notable initiatives we undertook, in the past couple of years, are now yielding positive results. The expansion of our Ice Cream project in Lucknow, which commenced commercial production in April 2023, has established us as one of the leading Ice Cream Contract Manufacturers in the country. Inspired by the strategic prowess of Goddess Athena, our inspiration for the last year's report, this has further fuelled our enthusiasm to adapt to explore additional prospects within the Ice Cream manufacturing sector.

The successful integration of the Aero Care Personal Products acquisition stands as a significant accomplishment for us, resulting in a record-breaking turnover during the initial quarter of FY 2022-2023.

Moreover, the successful conclusion of the merger of the Beverage plant in Mysuru and the Malt Beverages plant in Coimbatore, along with ongoing expansion efforts, demonstrated remarkable growth, with both facilities

achieving their highest-ever turnovers. We had mentioned that we see a lot of potential in the beverage segment and I am pleased to inform you that your Company has been able to bring on a new Customer and a new project in this segment.

We are further excited to announce major capital expenditure plans, including the acquisition of a large OTC/Wellness factory. We expect this acquisition to be finalised in FY 2023-2024. Over the past five years, our Gross block has clocked in a CAGR of 79.3%, financed via a balanced utilisation of debt and equity.

Although the overall FMCG market experienced some slowdown in recent quarters, we have utilised this period to consolidate our position and prepare for the upcoming growth cycle. We have identified new areas for growth, particularly in beverages and OTC/Wellness products, where we believe there is rising demand. Our transformation from a single-product, single-location, and single-Customer entity to a holistic FMCG Contract Manufacturer has been commendable. We are confident that ongoing greenfield and brownfield expansions and strategic acquisitions will accelerate our growth even further.

Going forward, these collective achievements are expected to contribute to a robust financial performance, solidifying our position as the preferred Contract Manufacturer and reshaping the predominantly unorganised and fragmented sector. We are highly confident that our target of achieving a turnover of Rs. 4,000 cr by FY 2024-2025 is well within reach.

NURTURING A SUSTAINABLE PATHWAY

Environment

Through the years, your Company has evolved to prioritise ESG commitments alongside our operational goals.

We have undertaken several initiatives to promote environmentally conscious practices throughout our operations, including integrating solar power and rainwater harvesting, adopting briquette boilers, and implementing smart lighting and air-conditioning systems. We collaborate with our Principals to promote eco-friendly packaging and prioritise local labour employment for economic development. Additionally, we also implement various CSR initiatives to support the communities we operate in while promoting environmental conservation.

We are committed to making positive contributions towards Sustainable Development Goals in our operations. Our prime focus would be in reducing our carbon footprint through use of cleaner fuel, adopting energy efficient technologies, driving process efficiencies, water conservation, enhancing workplace safety, skill development with focus on gender equality. We are actively collaborating with our Principals in delivering their sustainability objectives on the above themes, as also in complying with CPCB's Plastic Management Regulations.

We are committed to positively contributing to Sustainable Development Goals in our operations. Our prime focus would be reducing our carbon footprint by using cleaner fuel, adopting energy efficient technologies, driving process efficiencies, conserving water, enhancing workplace safety, and skill development focussing on gender equality. We are actively collaborating with our Principals to deliver their sustainability objectives on the above themes. Additionally, we are also complying with CPCB's Plastic Management Regulations.

As a responsible Company, we are incorporating ESG objectives into our business plans and have already started disclosing our sustainability actions, through our Annual reports.

Our People

At HFL, our approach towards people is professionalism –with humanity. We have a culture which is open, and transparent, with leadership team approachable for any cadre employee in the organisation for any concerns. In the last one and a half year, we started our journey of building a performance-driven culture by taking several initiatives. Our focus is on implementing a KRA-driven Performance Management System for the Leadership Team and Senior Managers. This has resulted in enhanced efficiency and high engagement due to the right way of performance assessment and the linked reward mechanism.

Apart from this, structured quarterly reviews for the Leadership Team, regular engagement activities, fun at work initiatives, and get-togethers have helped us deliver our business objectives.

Going forward, our collective achievements are expected to contribute to a robust financial performance, solidifying our position as the preferred Contract Manufacturer and reshaping the predominantly unorganised and fragmented sector. We are highly confident that our target of achieving a turnover of Rs. 4,000 cr. by FY 2024-2025 is well within reach.

Further, automation of Human Resource Integrated System is on, to simplify work processes to reduce time in non-productive areas and enable people to work easily and focus on productive tasks.

We are committed to making HFL the most preferred employer and Best Place to Work.

Our Community

We have undertaken various initiatives to care for the people around us – employees and communities. In collaboration with the BAIF Institute for Sustainable Livelihoods and Development, we have identified Peddaipally, Khethireddypally, and Balanagar villages in the Mahbubnagar District of Telangana for a groundbreaking 'Village Development Programme'. The primary aim is to uplift education and healthcare in these communities and enhance basic facilities in government schools, such as constructing toilets, midday meal sheds, renovating kitchens, installing solar streetlights and providing computers, printers, and projectors to create an enriching learning environment for students.

Continuing our focus on the education of the girl child, I am personally very proud of the work we are doing with Ekam Foundation in providing scholarships to girl students across the country.

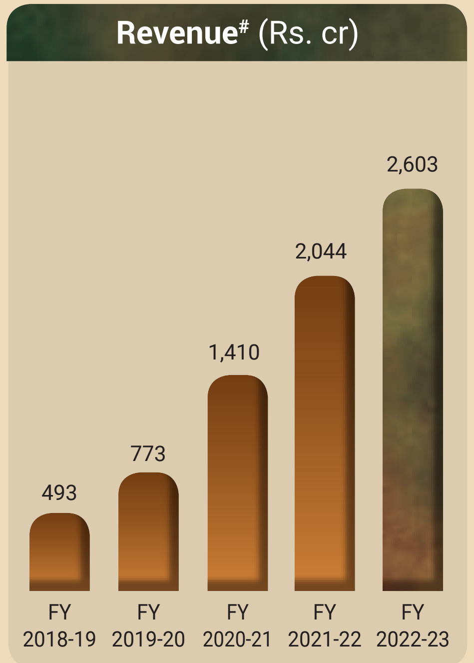
Concluding Note

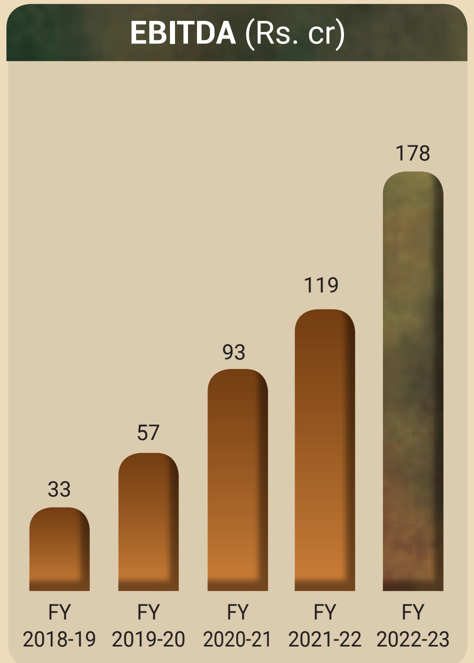
Our successes, as well as the learnings from our failures, inspire us to raise the bar every single time.
We believe high-performance organisations are, by nature, sustainability focussed and future-ready. Our achievements are due to the collaborative teamwork of our employees and I take this opportunity to thank everyone for their efforts which resulted in your Company's path breaking performance in FY 2022-2023. I also thank all our stakeholders for your unflagging trust and support.
I am pleased to share with you the 38th Annual Report for FY 2022-2023 and I look forward to your continued trust in us.

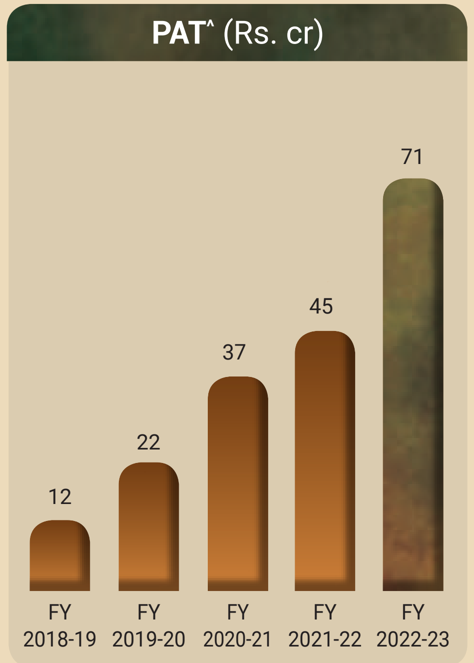
Warm regards,

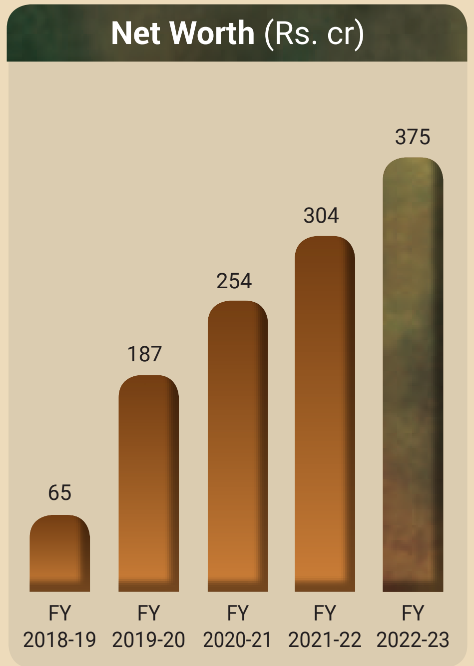
Sameer Kothari
Managing Director

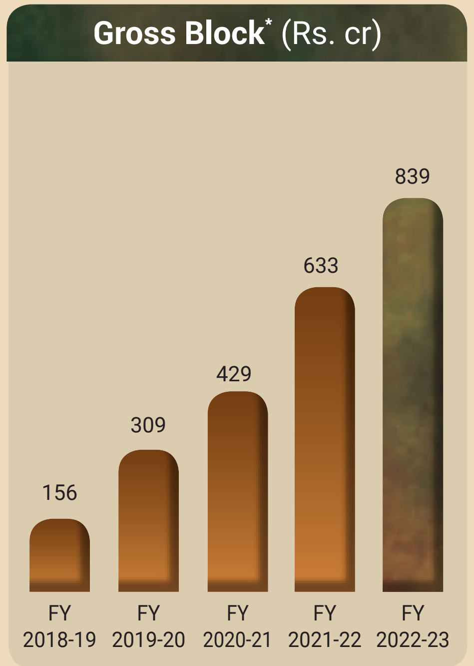
STRONG PERFORMANCE ROOTED IN NUMBERS











Includes Other Income | ^ PAT for FY 2020-2021 excludes tax adjustment pertaining to the previous year

* Gross Block includes CWIP

The above figures are as per Consolidated Financial Statements

ROOTED AROUND THE COUNTRY: GEOGRAPHICAL PRESENCE

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

* through Wholly-Owned Subsidiary Company

through 100% (directly-indirectly) Partnership Interest in a Limited Liability Partnership

@ Business Transfer Agreement Signed. Acquisition Closure pending owing to certain regulatory approvals

ROOTED IN SUSTAINABILITY

We embrace the nurturing qualities of a bear, actively integrating sustainability into every facet of our endeavours. We diligently support local communities, ensuring their growth and well-being. In sourcing and production, we adopt eco-conscious practices, just as a bear carefully utilises natural resources in harmony with its environment. Moreover, like a bear cherishes the lush foliage around its den, we prioritise maintaining green spaces across all our premises, fostering a connection with nature and promoting a healthy environment for all.

JAMMU

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

Description:

- Spread across 35,143 square meters of area at IGC II, SIDCO Samba
- Acquired unit from Reckitt by the end of 2017 and commenced commercial production from January 2, 2018
- Utilised for manufacturing pest control products such as coil, aerosols and vaporisers
- The plant conforms to ISO:9001 QMS, ISO:14001 Environment Management System standards and is an ISO:18001 OHSAS-certified facility
- The plant has invested in an energy efficient tunnel drier for Coil processing. The equipment has been installed and trial production shall commence based on our Customers' change control procedures

BADDI (HIMACHAL PRADESH)@

Total Area: 2.3 Acres

Description:

- The Unit manufactures over 100 SKUs of AY & AL topical creams, lozenges, liquids, powders, plasters & tablets
- US FDA, MHRA [Medicines and Healthcare products Regulatory Agency], UK & Russia GMP approved facility, exporting to 20+ countries in Europe, Asia & Australia

@Business Transfer Agreement signed. Acquisition Closure pending owing to certain regulatory approvals

LUCKNOW*

Aggregate Capacity: 20,000,000 litres
Total Area: 8.4 Acres

Description:

- The Unit manufactures Ice Creams & Frozen Desserts – Sticks, Cones, Cups, Candies, Choco-bars, as well as Party Packs and Extruded Bars
- Production from the unit is expected to be ramped up to 15,000 Litons of Ice Cream by the end of FY 2022-2023
- Initiated depot operations, starting from our manufacturing facility, aimed at minimising carbon footprint for the benefit of our Customers

*through Wholly-Owned Subsidiary Company

SILVASSA I

Aggregate Capacity:
Liquids: 10,000 KL PA

Description:

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

SILVASSA II

Aggregate Capacity:
Liquids: 10,000 KL PA

Description:

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

SILVASSA III#

Aggregate Capacity: 3,500 Tonnes/Year

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

Description:

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

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

MUMBAI

Aggregate Capacity:

Shoes & Sandals: 5,00,000 Pairs PA

Description:

- Acquired unit as an ongoing concern
- Commenced production in June 2018
- Utilised for manufacturing leather products for women, men and children - Slippers, Sandals, Open Toe, High Heels, Huarache and Mules

GOA

Extrusion Capacity: 6,000 Tons PA

Dry-Mix Blending Capacity: 1,000 Tons PA

Description:

- Spread across 52,625 square meters of area and plant located at Usgaon, Ponda
- Utilised for manufacturing food products such as Cereals, Porridges and Snacks
- Facility equipped with the state-of-the-art twin-screw extruder technology to manufacture superior quality cereal-based food products
- Holds certification: Factory BIS, ISO 9001 and ISO 22000:2005
- Replaced diesel with a cleaner fuel LPG for its process drier as an energy efficiency initiative and reduced the Scope 1 carbon emissions with improved cost efficiencies

HYDERABAD I

Aggregate Capacity:

Powder: 70,000 TPA

Description:

- Engaged in the manufacturing of detergent powders
- Unit backed by a fully automated end-to-end material handling where 70,000 tonnes of detergent powder is manufactured for national brands

HYDERABAD II

Aggregate Capacity:

Liquids: 60,000 KL PA

Description:

- Engaged in the manufacturing of liquid detergent, fabric conditioner & softener, liquid soaps and shampoos
- CSR initiatives executed during the year include setting up a canteen facility at a local government school, upgrading toilets, and providing solar-powered road lighting, among others

HYDERABAD III

Aggregate Capacity:

Detergent Bar: 48,000 TPA

Description:

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

MYSURU

Aggregate Capacity: 25,000 kl/year

Description:

- The facility is spread across 15.5 acres of land and produces, manufactures and distributes beverages like Carbonated Soft Drinks, Energy Drinks, Active Water and Fruit Drinks
- Fully automated filling and packing lines at the facility
- Facility was upgraded to add capacity for bottle blowing for the juice line

PUDUCHERRY

Aggregate Capacity:

Full Shoes Production: 0.5 Mn Pairs

Shoes Uppers Production: 0.7 Mn Pairs

Description:

- Acquired Ponds Exports Ltd.'s facility – a subsidiary of Hindustan Unilever Ltd. – in FY 2016-2017
- Utilised to manufacture leather shoes and accessories
- Established with a robust quality assurance system, excellent manufacturing practices with the use of KPIs to measure and monitor performance
- Well-equipped design studio with CAD-CAM facility

CHENNAI*

Aggregate Capacity: 7.2 Mil Cu/Year

Total Area: 10 Acres

Description:

- Manufactures over 100 SKUs of foot care products for Scholl and Dr Scholl's
- Adheres to GMP norms
- Approved by The Medicines and Healthcare products Regulatory Agency (MHRA), UK
- 100% EOU, exporting to 20 countries in Europe, Asia & Australia

*through Wholly-Owned Subsidiary Company

TINDIVANAM (TAMIL NADU)

Aggregate Capacity: 5,00,000 Pairs/Year

Description:

- The Unit is a Greenfield plant
- Dedicated to manufacturing international brand of sports, knitted and casual footwear

COIMBATORE I

Aggregate Capacity:

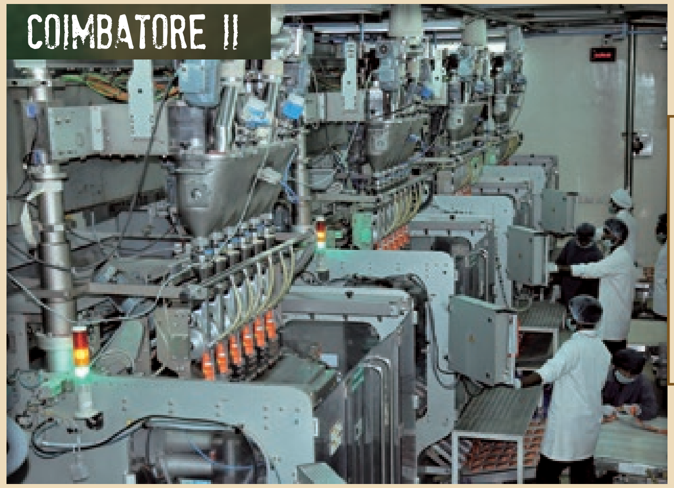
Tea Production: 36,000 Tons a Year

Coffee Production: 1,500 Tons a Year

Description:

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

COIMBATORE II



Aggregate Capacity: 55,000 Tons a year

Total Area: 7 Acres

Description:

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

ROOTED IN OUR ENVIRONMENTAL COMMITMENT

BEING A RESPONSIBLE CORPORATE CITIZEN

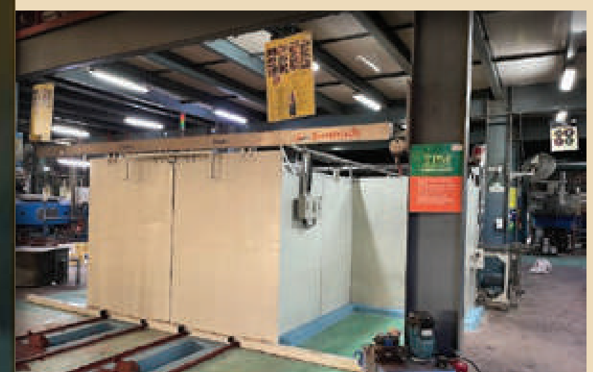
Since the beginning of our journey, we have earned a reputation as one of the most reliable and diversified players, providing excellence in services over three decades. By offering comprehensive Contract Manufacturing solutions, we have consistently upheld a standard of excellence, ensuring the production of top-quality goods. Our strategies to facilitate sustainable progress harmonise our business practices with eco-conscious approaches across all our operations.

Gaia, the epitome of creative prowess, was responsible for birthing numerous primordial deities, encompassing both the mighty Titans and the illustrious Olympian gods. Moreover, she meticulously sculpted the very essence of our physical world, including humans, who came from the clay of the Earth. Gaia transcended the mere status of a creative symbol for the ancient Greeks, emerging as an embodiment of boundless generative power.

As a result, empowered by Gaia, we have taken significant steps to reduce our environmental footprint. With the spirit of ingenuity and resourcefulness akin to a bear, we have implemented innovative practices and efficient resource management. We minimise waste generation, adopt eco-friendly packaging solutions, and implement energy-saving measures in our operations, ensuring a sustainable approach that nurtures and protects the environment for future generations.

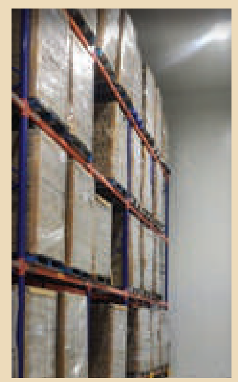
Integration of solar power plants and rainwater harvesting systems at our new factories, reducing reliance on conventional energy sources and conserving water resources

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



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

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



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

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

ROOTING SOCIAL HARMONY INTO OUR BUSINESS STRATEGIES

WELLNESS AND EMPOWERMENT OF PEOPLE

Our success thrives on the nurturing qualities of a bear, as we provide comprehensive solutions through a flexible business model. Moreover, we cherish enduring relationships with stakeholders and recognise the value of our employees, ensuring their well-being and growth. Like a bear respects the ecosystem it inhabits, we show the utmost respect for the communities we serve, understanding their needs and contributing positively.

Employee Initiatives

Our employees are crucial for our success in delivering exceptional services. We prioritise creating a friendly work environment that promotes social cohesion. We offer sustainability training programmes and employee-led activities to boost motivation and productivity. We actively engage in internal campaigns to encourage eco-friendly behaviours, empowering employees to make a positive impact. Regular process reviews ensure top-quality standards.

We value work-life integration and strive for a harmonious balance between home, family, community, health, and overall well-being. Our strategies evolve based on employee feedback, fostering a healthy work-life balance. Regular performance evaluations and check-ins provide a platform to discuss integration, address challenges, and offer guidance and support.

86:14

Male to Female Employees Ratio

We prioritise various dimensions of equality in our commitment to fostering a fair and inclusive workplace, providing equal opportunities to all, regardless of age, gender, caste, creed, or social status. We are dedicated to promoting and empowering women employees across all our sites. Our footwear and colour cosmetics plants have a higher representation of women than men.

Community Initiatives

Our CSR vision is to be the most respected and admired company in our region by conducting business ethically. We prioritise social and environmental responsibility as an integral part of our strategy. Through innovative and creative choices in our regular operations, we aim to contribute to nation-building. Our focus areas include education, health and sanitation, environment and sustainable development, sports, art, and culture. Through our social initiatives, we aim to positively impact many lives.

- Promoting education and healthcare for girls, supporting schools, and providing medical assistance to those in need
- Empowerment and well-being of the 'Girl Child' by pledging our efforts to enhance her health, hygiene, and education
- Improving the learning environment in government schools, ensuring that studying becomes an enriching and transformative experience for every girl
- Building and renovating classrooms, canteens and toilets in government schools
- Contributing towards laptops, books, uniforms, desks, sports kits, hygienic drinking water, and streetlights, among other essential resources
- Supporting cancer care initiatives, providing assistance and resources to individuals battling this disease
- Extending our support to eye surgeries and cataract treatments, enabling access to vital vision care for those in need
- Offering prosthetic limbs and wheelchairs, empowering them with increased mobility and independence

Village Development Programme

In collaboration with the BAIF Institute for Sustainable Livelihoods and Development, HFL identified Peddaipally, Khethireddypally, and Balanagar villages in the Mahbubnagar District of Telangana for a pioneering 'Village Development Programme'.

The programme focusses on enhancing basic facilities in government schools, including constructing toilets, midday meal sheds, renovating kitchens, installing solar streetlights, and providing computers, printers, and projectors.

Moreover, the project emphasises raising health and hygiene awareness to promote healthier practices within the community. This successful collaboration has expanded to Sandila in Uttar Pradesh (UP) and Silvassa, reflecting our commitment to positively impacting communities across multiple regions and fostering holistic development and sustainable progress.

Gaia was known for her boundless compassion and selfless assistance. Even the powerful Zeus found refuge in her maternal embrace when he sought protection from Kronos, his father. As a result, she ensured the well-being and growth of the young god in his time of need. At the wedding of her grandchildren Zeus and Hera, Gaia bestowed a special gift upon them – golden apples grown from a mystical tree. These apples were believed to grant immortality, symbolising Gaia's love for her grandchildren and her wish for their everlasting prosperity.

Akin to Gaia, we have always strived to care for the people around us, ensuring their well-being and growth. Demonstrating a deep concern for the welfare of our employees, surrounding communities, and other stakeholders, we have actively engaged in community development initiatives, supporting education, healthcare, and environmental conservation projects to uplift the local communities it operates in.

ROOTED IN STRONG GOVERNANCE

Gaia possesses unparalleled mastery and influence over the rocks and plants of the world, showcasing her absolute control over these natural elements. Her powers reflect her authority as the personification of the Earth, ensuring the well-being of her children.

At HFL, we prioritise fair and transparent management of our operations. We are deeply committed to promoting sound corporate governance practices that build trust among all stakeholders. Our dedication to maximising long-term value for shareholders and other stakeholders is rooted in integrity, which guides our actions and decisions. With the lion's courage, we proactively identify, assess, and address potential risks, placing strong emphasis on effective risk management. Like the lion's roar, transparent communication lies at the core of our interactions, fostering open and honest relationships with all stakeholders. Just as the lion takes charge and leads, we demonstrate strong leadership in our decisions, guided by the principles of integrity and trust.

Board Composition and Diversity

HFL is firmly committed to maintaining a diverse and inclusive Board of Directors. We recognise that diversity encompasses a range of dimensions, including professional experiences, business perspectives, skills, knowledge, gender, age, cultural and educational backgrounds, ethnicity, and length of service. We prioritise transparency and accountability, upholding strong corporate governance policies. We understand that a diverse Board brings varied insights and expertise, contributing to better governance outcomes and sustainable business practices.

OUR LEADERS

Shrinivas V Dempo
Non-Executive Director (Chairman up to November 8, 2022)

Sameer R Kothari
Managing Director

Ganesh T Argekar
Executive Director

Nikhil K Vora
Non-Executive Director

Shashi Kalathil
Independent Director (Chairperson w.e.f. November 9, 2022)

Honey Vazirani
Independent Woman Director

Neeraj Chandra
Independent Director

Harsha Raghavan
Non-Executive Director (upto June 20, 2023)

Sarvjit Singh Bedi
Non-Executive Director

Sandeep Mehta
Independent Director

Amruta Adukia
Additional Director (Non-Executive Director w.e.f. June 29, 2023)

OUR KEY MANAGEMENT TEAM

Mayank Samdani

CFO

A Chartered Accountant with 20 years of experience and expertise in areas of Finance, Accounts, Audit, Legal and Compliance

Previous experience: Future Group & Ashok Piramal Group

Sunil Plakkat

President, Manufacturing Excellence

A Chemical Engineer with 33 years of experience in Manufacturing Operations in Plant and Corporate Roles

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

Ravinder Rathi

GM, Operations (North)

An Operations and Manufacturing professional with expertise in Developing New Set-Ups and Restructuring Operations for the last 24 years

Previous experience: ITC Limited & Moser Baer

Govind Singh Rawat

GM, Operations (South)

A Mechanical Engineer with 32 years of experience in Operations, Projects and Strategic Planning

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

Sanjay Sehgal

President, Healthcare and Wellness

A B.Tech Graduate in Chemical Engineering from IIT Delhi, with 42 years of diverse industry experience. Has served on the board of Indian companies along with a global experience in APAC countries and Brazil

Previous experience: HUL, Sandoz & Hindalco with global experience

BN Prasad

GM, Operations (South)

An Engineer (B.Tech in Dairy Technology), with 31 years of experience in manufacturing and production of FMCG, Dairy & Health Care

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

Prasad Kali

GM, Projects

A Chemical Engineer with 25 years in Manufacturing Operations, Maintenance, Business Strategy, Project Execution, Erection, Commissioning Safety, Quality WCM/TPM

Previous experience: Hindustan Unilever Limited

Ashish Vyawahare

GM, Quality Assurance

A B.Tech in Food Technology with 28 years in Project Management, R&D and QA across F&B domain in India and abroad

Previous experience: Hindustan Unilever Limited

OUR KEY MANAGEMENT TEAM

Rajiv Bahadur
President, Leather Business

A Footwear specialist with over 34 years of experience in Operations, Buying, Product Development and Sales

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

Ashwini Agrawal
GM, Operations (West)

A Mechanical Engineer and MBA in Finance with 30 years of experience in leading industries

Previous experience: Sun Pharmaceuticals, Teva API, Cipla, Lupin & Piramal Healthcare

Nalini Kalra
GM, Private Labels

A Graduate in Political Science with 23 years experience in Personal Care

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

Robin D'Souza
GM, Business Development

A Commerce graduate with 27 years of experience in New Product and Packaging Development, Business Development in Contract Manufacturing and Private Labels

Vimal Solanki
Head, Emerging Business & Corporate Communication

A postgraduate in Business Management, Advertising & Public Relations, with 30 years of experience in brand building and marketing

Previous experience: Shoppers Stop & Reliance Retail

CORPORATE INFORMATION

Board of Directors

- **Mr Shashi K Kalathil**
  Chairman, Independent Director
  (Chairman w.e.f. November 9, 2022)
- **Mr Shrinivas V Dempo**
  Non-Executive Director (Chairman upto November 8, 2022)
- **Mr Sameer R Kothari**
  Managing Director
- **Mr Ganesh T Argekar**
  Executive Director
- **Mr Nikhil K Vora**
  Non-Executive Director
- **Ms Honey Vazirani**
  Independent Woman Director
- **Mr Neeraj Chandra**
  Independent Director
- **Mr Harsha Raghavan**
  Non-Executive Director
  (Upto June 20, 2023)
- **Mr Sarvjit Singh Bedi**
  Non-Executive Director
- **Mr Sandeep Mehta**
  Independent Director
- **Ms Amruta Adukia**
  Additional Director
  (Non-Executive Director w.e.f. June 29, 2023)

Chief Financial Officer

Mr Mayank Samdani

Company Secretary & Compliance Officer

Mr Bankim Purohit

CIN No.

L15139MH1984PLC316003

Registered Office

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

Works

- **Jammu**
  IGC, SIDCO Phase II, Samba 184 121,
  Jammu & Kashmir
- **Lucknow****
  HFL Consumer Products Private Limited
  Plot No C-3 & C-4, UPSIDC Industrial Area, Sandila Village 241204, Som, Hardoi, Uttar Pradesh
  **Wholly-Owned Subsidiary Company's Plant
- **Silvassa I**
  Survey no. 452/3, Village Masat, Masat,
  Silvassa 396 230, Dadra & Nagar Haveli
- **Silvassa II**
  Unit no. 2, Plot nos. 110 & 111,
  Piparia Industrial Estate, Piparia,
  Silvassa 396 230, Dadra & Nagar Haveli
- **Silvassa III***
  Aero Care Personal Products LLP
  Survey No. 284/2, Village Naroli,
  Silvassa 396 235, Dadra & Nagar Haveli
  **through 100% (directly – indirectly) Partnership interest in a Limited Liability Partnership*
- **Mumbai**
  Industrial Gala nos. 7 to 13,
  Survey no. 34 & 35, Rajprabha Landmark Industrial Estate Road, Gokhivare, Vasai East, Palghar, Mumbai 401 208
- **Goa**
  Usgaon, Ponda, Goa 403 406
- **Hyderabad I, II & III**
  Survey no. 44 & 49, Peddaipally Village, Jadcherla Taluk, District Mahbubnagar, Telangana 509 202, Andhra Pradesh
- **Mysuru**
  Plot no. 11B & C, KIADB Industrial Area, Nanjangud 571 302, District Mysuru, Karnataka
- **Puducherry (3 Units)**
  RS no. 254/1B, Gorimedu-Poothurai Road, Poothurai Rev Village, Vanur Taluk, District Villupuram,
  Tamil Nadu 605 111
- **Tindivanam (TN)**
  Survey Nos. 4/1 to 4/8,
  Sheds A & B - Kambur Village,
  Tindivanam, Villupuram District,
  Tamil Nadu 604 101
- ***HFL Healthcare and Wellness Private Limited (Earlier known as Reckitt Benckiser Scholl India Private Limited)***
  At Plot No. F73 & F74, SIPCOT Industrial Park, Irungattukottai, Sriperumbudur, Taluk Kancheepuram, Tamil Nadu 602 117
- **Coimbatore I & II**
  SF no. 195/2A, Appanaickenpatti, Sulthanpet Road, Sulur,
  Coimbatore 641 402, Tamil Nadu

Statutory Auditors

M S K A & Associates

Registrar & Share Transfer Agents

Link Intime India Pvt. Ltd.
C-101, 247 Park, LBS Marg,
Vikhroli (W), Mumbai 400 083

Bankers

- HDFC Bank
- Yes Bank
- SVC Bank

Website

www.hindustanfoodslimited.com

Investor Grievance Email Address

investorrelations@thevanitycase.com

Statutory Reports

Financial Statements

MANAGEMENT DISCUSSION & ANALYSIS

ECONOMIC OVERVIEW

Global Economy

The global economy continues to show signs of a steady recovery despite the profound impact of the COVID-19 pandemic and the unprovoked conflict between Russia and Ukraine. Following the gradual reopening of economies, the supply chain disruptions are diminishing, and the energy and food markets, which were previously disturbed by the war, are now stabilising. Furthermore, many central banks are implementing a significant and coordinated effort to tighten monetary policy, which is anticipated to yield positive results as inflation approaches its targets.

According to the International Monetary Fund (IMF), the global growth is expected to experience a slight downturn, dropping from 3.4% in 2022 to 2.8% in 2023. However, the outlook for 2024 is more positive, with a projected rise of 3.0%.

2.8% Growth of Global Economy in 2023

World Economic Outlook Growth Projections (in %)

The global economic outlook for advanced economies is projected to experience a substantial deceleration in growth, from 2.7% in 2022 to 1.3% in 2023. This can be attributed to a combination of factors, including tightening policy measures to tackle inflation, the lingering impact of recent financial conditions, the ongoing Russia-Ukraine, and the growing geopolitical tensions. On the other hand, emerging market and developing economies are generally expected to have stronger economic prospects compared to advanced economies, expecting to reach 3.9% in 2023, with a projected increase to 4.2% in 2024.

Global inflation is also anticipated to decrease from 8.7% in 2022 to 7.0% in 2023 and 4.9% in 2024. This is attributed to a combination of factors such as interest rate hikes, falling energy and food prices, and the easing of supply chain pressures. However, core inflation, which excludes volatile items, has proven to be more resistant to these factors. The robust labour markets in several advanced economies indicate a stronger aggregate demand than what was previously expected. As a result, there may be a need to tighten monetary policy further or to maintain a tighter policy stance for an extended period than initially anticipated.

The potential consequences of a sudden and substantial tightening of global financial conditions cannot be overstated. It could profoundly affect credit conditions and public finances, primarily in emerging market and developing economies. It could trigger significant capital outflows, a sudden surge in risk premiums, a rush to safety that could result in the appreciation of the dollar, and substantial declines in global economic activity. This, in turn, could result in reduced confidence, decreased household spending, and lower levels of investment.

Outlook

While some countries, regions, and territories have managed to rebound strongly from the Covid-19 pandemic, the global outlook remains uneven. For certain nations, pre-existing political and economic difficulties have impeded progress, creating a challenging path towards recovery. Despite the recovery, the global economy is preparing for another wave of obstacles and a decrease in activity due to the sluggish pace of structural reforms, rising trade tensions, declining direct investment, and slower adoption of innovation and technology in fragmented regions. However, fortunately, experts predict that this downturn will be moderate for everyone to successfully confront global issues.

INDIAN ECONOMY

India has established itself as a significant participant in the global economy, making remarkable strides over the last decade by advancing from the tenth to the fifth largest economy in the world. Its economic success is accredited to essential reforms, including liberalisation, reduction of bureaucracy and corruption, infrastructure investments, and enhanced accessibility to financing for small and medium-sized businesses. Despite the headwinds of the global recession, inflation, and public debt, India has persevered and has held the title of the fastest-growing major economy for the past three years. This impressive feat reflects India's resilience and determination to overcome obstacles on the path to economic prosperity.

7.2% Growth of Indian Economy in FY 2022-23

The Indian economy returned to its pre-pandemic growth trajectory in the FY 2022-23. Nonetheless, India has been grappling with the challenge of addressing inflation, which has been compounded by the Russia-Ukraine conflict. Despite the concerted efforts of the Government and the Reserve Bank of India, along with a decrease in global commodity prices, it was only in November 2022 that retail inflation finally fell below the RBI's upper tolerance target.

Despite the daunting challenges of the Covid-19 pandemic, several global agencies continue to project India as the fastest-growing major economy, with growth rates estimated at 6.5-7.0% in FY 2022-23. These growth predictions are a testament to the Indian economy's resilience, with private consumption driving growth in place of export stimuli. This surge in private consumption also stimulated production activity, leading to greater capacity utilisation across several sectors. Besides, the Central Government's push towards infrastructure has also been remarkable. The National Infrastructure Pipeline (NIP) introduced in 2019 and the National Monetisation Pipeline (NMP) in 2021 have established a solid foundation for creating and developing infrastructure in India, opening up numerous opportunities for foreign investments and collaboration. The NIP initially featured 6,835 infrastructure projects, with an estimated investment of Rs. 111 lakh cr. It has since grown to encompass more than 9,000 projects spanning 35 sub-sectors and involving joint funding from the Central Government, State Governments, and private sector. By promoting the development of physical infrastructure with strong forward and backward linkages, it is poised to enhance the economy's productivity in the medium term.

The Union Government's fiscal deficit decreased to 6.7% of GDP in FY 2021-22 and is projected to decline further to 6.4% of GDP in FY 2022-23. This steady reduction aligns with the Government's fiscal glide path and reflects prudent fiscal management, backed by robust revenue collection over the past two years. India's Consumer Price Inflation (CPI) rate eased to 5.7% in December 2022, a significant drop from the peak of 7.8% in April 2022. The decline in CPI can be attributed to the global economic slowdown and interest rate hikes, resulting in a substantial reduction in wholesale price inflation. However, core inflation remained persistent at around 6%, reflecting the second-round impact of the supply shocks experienced in FY 2022-23. Furthermore, as demand continues to recover, there has been a notable increase in service inflation. Wholesale Price Inflation (WPI) in India is expected to reach to 11.5% by end of FY 2022-23. This is mainly driven by the prices of petroleum, base metals, chemicals and chemical products, and edible oils, which are largely influenced by international price trends.

Core Inflation at 6% in FY 2022-23

(Source: https://www.indiabudget.gov.in/economicsurvey/doc/echapter.pdf)

Outlook

India's economic prospects appear promising, despite the current global economic climate presenting a set of distinct challenges that present some risks. The multi-decadal high inflation rates experienced in various countries have necessitated central banks to tighten financial conditions globally. As a result, the effects of this monetary policy have begun to manifest in slowing economic activity, particularly in developed economies. Additionally, persistent disruptions in supply chains and increased uncertainty brought on by geopolitical tensions have compounded the already negative global economic outlook, resulting in unfavourable spill over effects.

India's current growth trajectory will be supported by multiple structural changes that have been implemented over the past few years. The efficiency and transparency of the Indian economy have been improved by structural reforms such as the introduction of the Goods and Services Tax (GST) and the Insolvency and Bankruptcy Code (IBC). These reforms have ensured better compliance and financial discipline, while also enhancing the overall functioning of the economy.

India's economic growth outlook is expected to see an upside due to multiple factors such as the normalisation of supply chains and the return of capital flows to India, supported by a stable domestic inflation rate that remains below 6%. This is expected to boost private sector investment and improve animal spirits. Based on these factors, the survey projects a baseline real GDP growth of 6.5% for FY 2023-24.

INDUSTRY OVERVIEW

FMCG Sector

The FMCG industry in India, which is India's fourth largest sector in terms of factory employment, is a highly fragmented industry, categorised into three segments, namely product type, distribution channel, and geography. The product type segment is further divided into: food and beverages, personal care (including skincare, cosmetics, hair care, and others), healthcare (which includes over-the-counter drugs, vitamins and dietary supplements, oral care, feminine care, and others), and home care. On the other hand, the distribution channel segment comprises e-commerce, modern trade (including departmental stores, supermarkets, hypermarkets, among others), and traditional trade (which includes wholesalers, grocery stores, specialty stores, and chemists, among others). Geographical segmentation can be based on regions, urban areas (classified based on city size, ranging from metros to small towns), and rural areas.

The 'ABCD' framework — accelerating infrastructure, boosting innovation, curating partnerships and delighting customers — is at the intersection of India's economic growth and is driving the growth of the FMCG. Digital transformation is enabling FMCG market players to tap into a wider consumer base by leveraging digital platforms. In fact, with household and personal care products accounting for 50% of the total FMCG sales in the country, this industry holds significant importance as a contributor to India's GDP. As per a report by Bizom, a Retail Intelligence Platform, FMCG companies witnessed a 7.4% rise in sales in 2022, primary led by price hikes.

(Source: https://www.livemint.com/industry/retail/price-hikes-help-fmcg-sales-grow-7-4-in-2022-11674227945048.html)

7.4% Rise in Sales for FMCG Companies in 2022

The Indian FMCG market continues to rise as more people start to move up the economic ladder and the benefits of economic progress become accessible to the general public. More crucially, with a median age of just 27 years, India's populace is becoming more consumerist due to rising ambitions. This has been further aided by Government initiatives to increase financial inclusion and establish social safety nets. The sector serves as a recession-proof sector, creating vast employment opportunities in India, thus emerging as a crucial pillar of the Indian economy.

Industry analysts forecast that the Indian FMCG sector will achieve a Compounded Annual Growth Rate (CAGR) of 14.9%, crossing USD 220 Bn by 2025. The Indian Government's decision to permit 100% foreign equity in single-brand retail has made it easier for foreign companies to enter the FMCG sector, thereby driving its growth. Other characteristics - a growing population that, coupled with rising brand awareness and consumerist trends, are also poised to propel the FMCG sector to unprecedented heights.

(Source: https://www.tecnovaglobal.com/blog/fmcg-industry-outlook-2023/)

The FMCG sector is prioritising on premiumisation of products as well as volume growth. Through premiumisation, FMCG companies focus on investing in innovation, branding, and marketing to create products that justify higher prices. However, at the same time, by prioritising on volumes, FMCG companies focus on selling a large quantity of products to consumers, even if it means selling products at a lower price point. Such a difference in approach is mainly due to the consumer differences in urban and rural market. The FMCG urban market is driven by premiumisation of products whereas the FMCG rural market is driven by volume generation of products. While both approaches have their pros and cons, a balanced approach that considers both aspects is the most effective and desirable.

Rural FMCG Sales

The FMCG market in rural India is experiencing rapid expansion and represents significant untapped potential, contributing to 37% sales to FMCG sector. Rural retailers cover 60% of total FMCG outlets in India, indicating the role they play in driving the growth of FMCG industry in India. 50% of the income of a rural household is spent on FMCG products. As per market research, the FMCG rural market size is expected to reach USD 100 Bn by 2025.

(Source: https://www.livemint.com/Politics/Wkw9b3VTJG2JpJOex2iFDI/Rural-FMCG-market-to-reach-100-Bn-by-2025.html)

37% of FMCG Sales in India come from Rural Areas

Despite the ongoing geopolitical tensions and macroeconomic challenges, India's rural FMCGs sector has proven to be remarkably resilient and continues to thrive. Estimates suggest that rural FMCG businesses are experiencing a steady recovery, driven by sustained consumption demand. Additionally, various categories are witnessing significant growth due to out-of-home (OOH) consumption. The increasing demand for product categories such as ice creams, pasta, noodles, soft drinks, candies, and skin creams present opportunities for rural retailers to expand their businesses.

FMCG Rural Market Size to Reach USD 100 Bn by 2025

Retailers have a crucial role as influencers in rural areas, largely due to the strong level of trust and personal relationships they establish with their customers. They are also knowledgeable about local festivals, customs, and events that can impact consumer buying behaviour. This enables them to customise product offerings to meet the specific needs and preferences of their customers.

50% of Income of Rural Household is Spent on FMCG Sector

Although rural retailers have significant growth potential, they confront distinctive challenges in balancing the demand for conventional products with the necessity of introducing new and innovative products. Additionally, the limited number of product categories stocked in rural outlets, relative to their urban counterparts, pose a significant obstacle for rural retailers in competing effectively. Nevertheless, by comprehending the evolving market dynamics and consumer preferences, rural retailers can implement strategies that enable them to satisfy customer needs while expanding their businesses.

(Source: https://beatroute.io/blog/how-can-fmcg-company-chase-growth-in-rural-markets-of-india/ & https://www.indianretailer.com/article/whats-hot/retail-trends/future-of-fmcg-sector-in-india.a7390)

Outlook

The Indian FMCG industry is experiencing rapid growth globally, despite having one of the lowest per capita consumption rates for FMCG products. This indicates a plethora of opportunities for expansion within the market. As demand for branded products surges from smaller towns and cities through online portals, the share of unorganised players is likely to dwindle. Additionally, following the pandemic, the demand for immunity-boosting and hygiene products is expected to remain high, driven by a change in consumer perception of health and hygiene. This improvement in consumer sentiment bodes well for the FMCG industry's revenue.

The increasing urbanisation, rising disposable incomes, and favourable demographics have risen the need for FMCG companies to innovate new products to adapt with the changing consumer needs. Moreover, as e-commerce and online retailing continue to grow in popularity, FMCG companies are also exploring new distribution channels to reach consumers. This includes partnering with online retailers or developing their own e-commerce platforms to sell their products directly to consumers.

Rural consumption in India has risen steadily, driven by a combination of surging income and higher aspirations among the populace. Rural India is witnessing a growing demand for branded products, while the share of unorganised market in the FMCG sector has declined. As a result, the organised sector growth is expected to surge, as consumers become more brand-conscious, bolstered by the growth of modern retail. Moreover, the burgeoning youth population in urban regions is a significant factor fuelling the demand for food services in India.

Online portals are poised to play a pivotal role in assisting companies to penetrate the hinterlands. The internet has played a significant role in facilitating a cheaper and more convenient mode to expand a company's reach. Consequently, it is expected that e-commerce will account for 11% of the total sales of FMCG sector sales by 2030.

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

E-Commerce to Constitute 11% of FMCG Sales by 2030

The surging competition from Direct-to-Consumer (D2C) brands is compelling traditional brands to revamp their structures and reassess their manufacturing processes. This shift is expected to generate an upsurge in demand for Contract Manufacturers, as brands prefer to allocate their time and energy to operational and administrative aspects rather than being bogged down with manufacturing. With the Government's support, including PLI schemes and robust regulatory backing, production is expected to surge in the coming years.

Growth Drivers of FMCG Sector

Over the last few decades, the FMCG industry in India has undergone a progressive transformation. Revenue growth is projected to surge, driven by a multitude of factors such as the revival of urban demand, discretionary segments, and price hikes implemented to counter the impact of rising raw material costs.

Increasing Population

India is the second largest populated country in the world and its rising population leads to increase in consumption for F&B, home and personal care and healthcare products.

Favourable Demographics in India

India's largest share of the population is young and working, providing a strong impetus and a positive outlook for sustainable growth in FMCG products in the country. Moreover, as per reports, India is moving towards nuclear family structures, with many households which will prove to be a boon for the FMCG industry and ultimately the Contract Manufacturing sector.

Infrastructure development across smaller cities is ensuring that a significant share of the country's population will be living in cities in the coming years, which will be a key driver of growth for the Contract Manufacturing segment. The rising affluence in rural areas is also expected to have a significant impact on the growth of the FMCG sector, leading to an increase in the share of FMCG consumption.

Rising Disposable Incomes

Over the years, the growth in people's incomes has spurred a corresponding increase in their consumption of consumer goods. This surge in purchasing power, coupled with a willingness to spend, has brought about a significant shift in consumption patterns. With the rise in the number of women joining the workforce, households with dual incomes have become increasingly common, leading to increased expenditure on eating out, as well as semi-luxury and luxury home and personal care products.

Direct Doorstep Delivery

The profit margin earned through direct sales to consumers has even enticed larger brands to establish their own direct sales channels on numerous digital marketplaces, as well as create standalone websites and stores. Many brands now offer doorstep delivery, tapping into the growing trend of online marketplaces. The Direct-to-Consumer (D2C) business model has gained immense popularity and is expected to become even more relevant in the coming years. This model presents a unique opportunity for smaller companies to overcome entry barriers associated with distribution. Consequently, these trends offer significant advantages to Contract Manufacturing.

Growth of E-Commerce

The widespread adoption of smartphones and internet connectivity has made it easier for people in both rural and urban areas to access online shopping through various e-commerce websites. This has resulted in a significant surge in demand for products and services, creating an opportunity for Contract Manufacturing companies to ramp up their production capabilities to meet the ever-increasing demands.

Brand Community

Modern-day consumers easily connect and interact with others who have purchased the same product. Consequently, brands are now creating innovative marketing strategies to cultivate a brand community that specifically targets consumers who share similar social, political, and cultural factors and have a keen interest in their products. This personalised approach has proven highly effective for both emerging and established brands in the FMCG sector, and is expected to continue into the next year and beyond.

Investments

Considering the recent Government regulations which have allowed foreign direct investments in the FMCG sector, there has been a sudden inflow of funds. The Government's incentives and infusion of foreign capital have contributed towards job creation, building a robust supply chain and promoting high visibility for FMCG brands. Moreover, the Government's focus on MSMEs, agriculture, education, healthcare, infrastructure, and tax rebates has directly impacted the FMCG sector. Additionally, initiatives aimed at increasing disposable income amongst vulnerable segments of the population, particularly in rural areas, have significantly benefited the sector. Going forward, it is expected that the Government will continue to foster the growth of the FMCG sector by implementing more such appealing developments, policies, and investments.

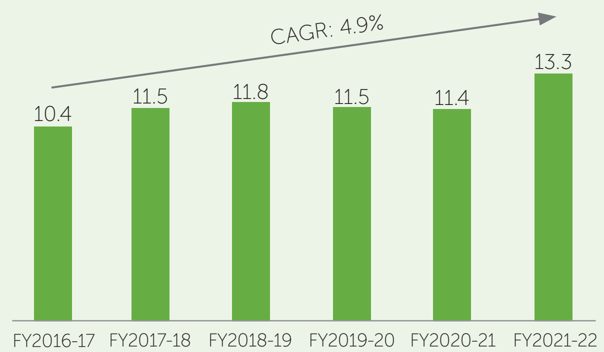
Other Factors

The Make in India Initiative aims to attract global investments and bolster India's manufacturing sector. As part of this policy, the Government has allowed 100% FDI through the automatic route for Contract Manufacturing. The food processing industry is one sector that has received approval for a Production Linked Incentive (PLI) scheme.

Additionally, under the China +1 strategy, leading consumer product brands are increasingly opting to substitute Chinese raw materials with indigenous alternatives. India has emerged as a highly desirable destination for such companies, thanks to its strategic location, sizable domestic market, abundant pool of skilled labor, and competitive labour costs. The PLI scheme has made India an even more attractive option for companies looking to diversify their supply chains.

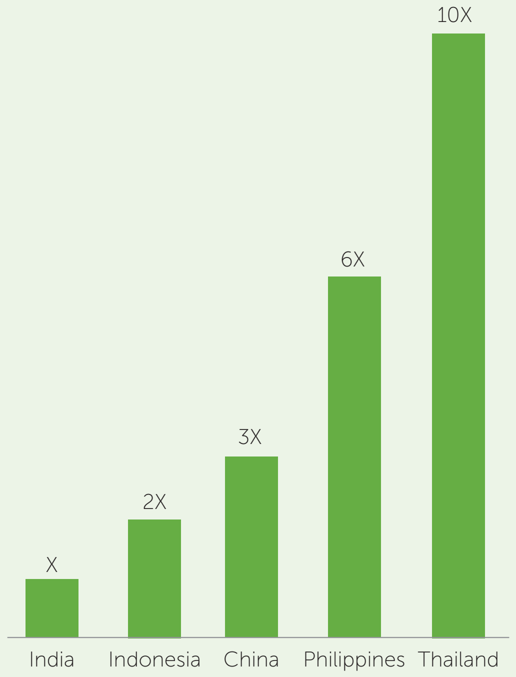
MANAGEMENT DISCUSSION & ANALYSIS (CONTD.)

India FMCG Export Trend (USD Bn)

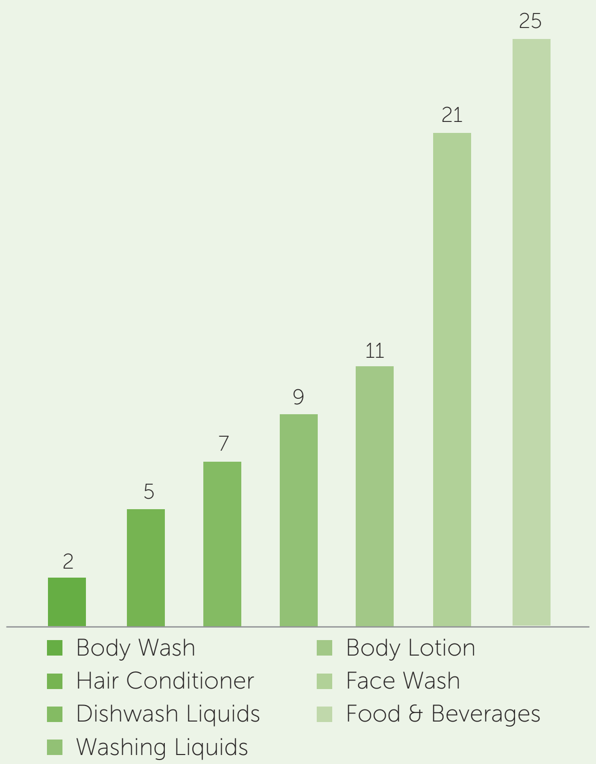


(Source: https://www.bseindia.com/xml-data/corpfiling/AttachHis/ee9f10e9-9c18-4d24-a7fe-874afb214271.pdf)

FMCG per Capita Consumption



Penetration of Few FMCG Categories in India (in %)



(Source: https://www.bseindia.com/xml-data/corpfiling/AttachHis/ee9f10e9-9c18-4d24-a7fe-874afb214271.pdf)

(The penetration % is the share of total households reached)

FMCG CONTRACT MANUFACTURING

With its 1.4 Bn people and a rich culture and history of upholding strong democratic values, India has been rapidly adapting to change. It leverages its advantages such as the existing strong manufacturing base, competitive labour and taxation, investor-friendly business regulations and upgradations in infrastructure to become a competitive manufacturing hub. A strong foundation has been laid for Make in India to unleash India's full potential to support the global economy.

India is emerging as a highly attractive destination for businesses worldwide. The Contract Manufacturing industry is experiencing unprecedented growth, spurred by factors such as the increasing prevalence of e-commerce, rapid technological advancements, and a more informed and socially-conscious consumer base in the post-pandemic era. Companies operating in this space that are agile and innovative, able to keep pace with the changing needs of their clients, are poised to reap significant benefits from this trend.

Despite being a rapidly developing economy, India's per capita consumption of FMCG products still lags behind that of other emerging markets such as Indonesia, China, the Philippines, and Thailand. Furthermore, India's FMCG penetration levels remain low across several product categories, including MFD, face wash, body lotions, washing liquids, dishwash liquids, hair conditioners, and body wash.

MANAGEMENT DISCUSSION & ANALYSIS (CONTD.)

The outsourced manufacturing industry is growing at 3%-5%, providing a huge opportunity for FMCG companies to minimise risks related to operations, supply chain, financial and human management. FMCG Contract Manufacturing companies play a critical role in driving growth for major players in the industry. In addition, there are numerous smaller players in the market who rely on Contract Manufacturing firms to meet their specific needs. Over time, FMCG Contract Manufacturing has gained popularity as a means of fulfilling the diverse requirements of these players.

3%-5% Growth of Outsourcing Manufacturing

In the Contract Manufacturing industry, success will be determined by the ability of manufacturers to leverage technology in innovative ways and make informed investments in new technological advancements. The rapid adoption of digital technologies such as computing, AI, ML, and 5G can significantly benefit Contract Manufacturers. With the help of these technologies, Contract Manufacturers can quickly optimise their operations, reduce production costs, and enhance the overall quality of their products. As consumers become more digitally active, Contract Manufacturers with agile technology adoption will have a distinct advantage in meeting their evolving needs and preferences.

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

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

FAVOURABLE OPPORTUNITIES FOR CONTRACT MANUFACTURERS

Reduced Cost of Production

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

Skilled Labour

India's abundant supply of skilled labour at comparatively lower costs provides a considerable advantage for global FMCG companies seeking to outsource their manufacturing operations. Instead of establishing their own plants in India, businesses can opt for Contract Manufacturers who can ensure efficient management and sourcing of skilled labour, among other crucial aspects. The Indian Government has launched several skill development initiatives under the National Skill Development Programme (NSDP), aimed at expediting decision-making and achieving skill development at scale and speed across different sectors and states, all while maintaining high standards.

Resource Availability

Contract Manufacturers benefit from economies of scale, which allows them to reduce their variable costs when acquiring raw materials. Similarly, the volume of production across different product categories enables them to decrease their fixed costs. This, in turn, allows Contract Manufacturers to offer their products at lower prices per unit to their customers in aggregate.

Modern Trade and Easy Accessibility

Due to the greater accessibility of modern trade, FMCG companies are becoming more efficient as it involves fewer intermediaries and results in higher turnover. FMCG companies are able to reach a larger customer base by stocking their products in stores that have a wide customer base. Modern trade has helped to establish an efficient supply chain for FMCG companies, thereby increasing their brand awareness, improving their sales, streamlining their distribution processes and reducing their costs.

Technical Expertise

Contract Manufacturers possess a wealth of expertise in product design and development across various niches. Companies leverage this expertise by engaging Contract Manufacturers for skills or capabilities that they may lack. Contract Manufacturers, as experts in their field, possess relevant capabilities and efficient manufacturing processes. When sourcing for new products, a reliable Contract Manufacturer can offer valuable advice on the suitability of materials, techniques, and applications, based on their extensive knowledge and experience.

Timely Delivery

Reliability of product delivery, meeting challenging and agreed-to deadlines, managing faster time to market are the contract manufacturer's expertise.

Scalability

Global FMCG companies may face rising costs, regulatory pressures, and aging manufacturing facilities in developed markets, leading them to reduce their internal capacities in product formulation and production. Outsourcing FMCG production from India can be a viable solution for these companies, as it can help them save on operational costs while accessing the country's mass consumer population. With flexible and sophisticated business models available to customers, Contract Manufacturers are well-equipped to handle a wide range of formulations, batch sizes, and packaging for various types of products.

Quality and Innovative Products

FMCG companies focus on striking a balance between producing high-quality products and minimising costs through their stringent quality assurance processes and highly trained personnel. Valuing collaboration with clients enable creation of innovative products while introducing technical efficiency to existing product lines.

THREATS

Dependence on Government Policies

The manufacturing industry and FMCG sector rely heavily on government policies, which can have a significant impact on their operations. There is a lack of consistency in pricing across different states, which can put manufacturers under pressure, affecting their margins and consumer accessibility. Ultimately, this cost burden may be indirectly passed on to consumers, resulting in higher prices for the same product. Alterations in Government policies can potentially disrupt the cost structures of companies.

Increasing Competition

The Contract Manufacturing sector is a thriving and diverse industry that is characterised by intense competition. As FMCG companies expand their geographical footprint and diversify their product lines, they often bring their manufacturing partners along, further intensifying the competition.

Raw Material Price Fluctuation

As a consequence, companies often delay passing on the burden of price hikes to their customers, due to the fear of losing demand, resulting in a time lag for the pass-through of price inflation on raw materials. Geopolitical tensions are likely to impact the prices of raw materials for fast-moving consumer goods. This, in turn, could affect the Contract Manufacturing companies in deciding their pricing strategies.

Competition from Unorganised Space

In addition to the prominent players who dominate the Indian FMCG market, a few regional brands also hold a significant market share in their respective areas. While the larger companies have a nationwide reach, they face stiff competition from regional brands in certain states or geographies.

Inadequate Capacity Utilisation

Setting up large-scale manufacturing facilities in India is a daunting task. According to an estimate by the Reserve Bank of India, as cited in a report by McKinsey in 2021, the average capacity utilisation by Indian manufacturers is only around 60% to 70%, which is well below optimum levels. This is caused by various bottlenecks in raw material procurement and sourcing, availability of a trained and competent human workforce, and regulatory issues.

WHY HFL FOR CONTRACT MANUFACTURING?

The FMCG manufacturing sector is poised to become one of the largest contributors in terms of value addition to the

MANAGEMENT DISCUSSION & ANALYSIS (CONTD.)

economy and employment generation. Robust growth opportunities are emerging as India is increasingly seen as a potential contender for the status of 'production powerhouse' under the Make in India initiative.

HFL, a pioneer in the Contract Manufacturing sector, has earned the reputation of being the most diversified and versatile Contract Manufacturing company in India. To further add value, our Company plans to expand organically and inorganically through bolt-on acquisitions, which are currently the most suitable in the Contract Manufacturing space.

HFL's state-of-the-art facilities and well-integrated backend services such as processing, packaging, warehousing, and logistics provide one-stop solutions for manufacturing requirements across a wide range of products in the FMCG sector. Clients are assured of complete protection of their intellectual property while leveraging the benefits of outsourced manufacturing. This allows clients to focus more on their core competencies.

Our Company's business model is based on a 3-pronged approach that includes a **dedicated facility** exclusively designed to meet the requirements of the Principal company, a **shared facility** for anchor companies with major needs along with a few other clients with relatively smaller needs, and **turnkey private label manufacturing** that offers Clients every service from product development to market delivery.

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

HFL caters to manufacturing a wide range of products, including Home Care and Personal Care, Foods & Beverages, Mosquito Repellents, and Leather, amongst others. Continuously adding new capacities and product categories, our Company has a strong foundation of trust where we build relationships and maintain the secret of product and manufacturing successes. Our long-term contracts ensure stable earnings over the years, helping us establish our global footprint with strong domestic and exports relationship.

Growth Drivers for Contract Manufacturers

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

COMPANY OVERVIEW

Hindustan Foods Limited ('HFL' or 'our Company' or 'We') is India's largest FMCG contract manufacturer with diversified and predictable business model, having an experience of 30+ years of manufacturing. Our product capabilities encompass personal care, beauty and make up, food and beverages, home care, health and wellness, leather and sports shoes and pest control.

Through strong R&D capabilities, our Company has strengthened our ability to create our formulation of any FMCG product. With 18 state-of-the-art manufacturing units with pan-India presence, our Company operates these fully integrated plants with state-of-the-art processing, packaging, warehousing, and logistics facilities. These facilities are equipped with modern laboratories to ensure quality assurance, as well as development centres dedicated to innovation. Our Company exists as a one-stop Contract Manufacturing solutions provider to a vast number of domestic and international clients.

FINANCIAL HIGHLIGHTS

(Rs. in cr)

Particulars	FY 2021-22	FY 2022-23	YoY Growth
Revenue from Operations	2,043.8	2,602.6	27%
EBITDA	118.6	177.7	50%
Profit after Tax	44.7	71.1	59%
Basic Earnings per Share* (Rs.)	3.96	6.31	59%

* The Shareholders of the Company, through Postal Ballot on July 1, 2022, approved the sub-division of one equity share of face value Rs 10 each (fully paid-up) into 5 equity share of face value Rs 2 each. The record date for the said sub-division was set at July 22, 2022. The basic and diluted Earnings Per Share (EPS) numbers for the year ended 31 March 2022 have been restated to give effect of the share split.

MANAGEMENT DISCUSSION & ANALYSIS (CONTD.)

The year ended with another landmark in the history of our Company. Revenue from Operations increased to Rs. 2,602.6 cr growing by 27% over FY 2021-22, reaching an all-time high in the history of our Company. EBITDA rose to Rs. 177.7 cr, increasing by 50% in FY 2022-23, compared to FY 2021-22. Profit after Tax surged to Rs. 71.1 cr increasing by 59% over the previous year. The basic EPS increased by 59%, this overall improvement can be credited to increasing new plant and additional capacities.

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

STATEMENT OF KEY RATIOS

Types of Ratios	Explanation of Ratios	FY 2022-23	FY 2021-22	% Change
Inventory Turnover Ratio (Times)	Inventory Turnover is the number of times a company sells and replaces its inventory during a period. It is calculated by dividing cost of goods sold by average inventory.	7.81	8.74	(10.64%)
Current Ratio (Times)	The Current Ratio is a liquidity ratio that measures a company's ability to pay short-term obligations or those due within one year. It is calculated by dividing the current assets by current liabilities.	1.18	1.17	0.85%
Net Profit Margin %	The Net Profit Margin is equal to how much net profit is generated as a percentage of revenue. It is calculated by dividing net profit by turnover.	4.02%	3.50%	14.80%
Debtors Turnover (Days)	Debtors Turnover Ratio is an accounting measure used to measure how effective a company is in extending credit as well as collecting debts. It is calculated by dividing turnover by average trade receivables.	12.41	10.92	13.64%
Return on Net Worth %	Return on Net Worth (RoNW) is a measure of profitability of a company expressed in percentage. It is calculated by dividing total Net profit for the year by average net worth for the year.	20.95%	15.99%	496 bps*

*Increase in Return on Net Worth is led by PAT growth.

There was no significant change (i.e. change of 25% or more as compared to the FY 2021-22) in the other key financial ratios.

RISKS AND CONCERNS

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

Risk	Impact	Mitigation Strategy	Risk Level
Raw Material Price Risk	Our business is exposed to raw material risks, which are subject to fluctuations driven by global and regional market data such as availability, demand, and inventories. Increases in raw material prices can have a direct impact on our operating costs.	Our business model allows us to pass on any increase in raw material costs to our principals, mitigating the financial impact on our operations. To ensure the most efficient and cost-effective procurement of raw materials, we have established a strong network of suppliers and draw on our industry experience to navigate potential risks in the market.	Low

MANAGEMENT DISCUSSION & ANALYSIS (CONTD.)

Risk	Impact	Mitigation Strategy	Risk Level
Economic Risk	Our business is subject to risks arising from various macroeconomic factors, including inflation changes, government regulations, exchange rates, interest rate hikes, and political instability. Changing consumer demand is another risk factor we face. These factors can have a significant impact on our operations.	We engage in Contract Manufacturing for a wide range of essential products, which makes us less susceptible to economic downturns. Demand for essential consumer items tends to remain relatively stable, regardless of any changes in the economy. Our diversified Contract Manufacturing model enables us to keep our facilities operational and running smoothly.	Medium
Contract Risk	We face the risk of potential losses that we face if we are unable to meet the requirements set by our clients.	We have focussed on delivering high-quality products consistently which has led to the renewal of contracts with our existing clients and the acquisition of new ones as well.	Low
Liquidity Risk	We are exposed to liquidity risk where we may not be able to raise the necessary funds to fulfil a payment obligation in time or at all.	We proactively identify and manage potential hazards arising from fluctuations in cash flow. By adopting a comprehensive approach that encompasses short, medium, and long-term perspectives, we detect and mitigate risks in their early stages.	Low
Quality and Safety Risk	The non-compliance of safety and protection protocols poses a significant risk to our standing and image within the market. Any breach of established standards could adversely impact our reputation and goodwill.	Our quality management system provides end-to-end coverage through production processes, spanning from the procurement of raw materials to the delivery of the final product.	Low
Personnel Risk	The highly competitive nature of the Contract Manufacturing industry creates a challenge for us in attracting and retaining skilled personnel. As a result, we are vulnerable to potential difficulties in filling various vacancies within the organisation.	We have a recruitment process which is methodological and helps us retain and attract right talent. Our human resources team works persistently in finding the right people for the right job at the right time	Medium

HUMAN RESOURCE MANAGEMENT

At the core of our organisation, our employees are our greatest assets. With a diverse team of over 4,600 members as on March 31, 2023, we understand that their contentment is crucial to our overall success. We have adopted a modern approach to attracting and retaining talent, creating a holistic environment that fosters growth and development. By tracking the engagement level of our staff, we can optimise their contributions and provide them with regular health, safety, and skills-based training opportunities throughout the year.

Our focus on building careers, fostering an empowering and inclusive culture, and providing a safe and healthy work environment has helped us create meaning and value for our employees, and in turn, our Company. Our engagement with regulators remains a top priority to ensure the highest safety standards are upheld at all our operational facilities, and to prevent any such incidents from occurring.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Our Company's CSR vision is centred around becoming a benchmark of ethical business practices in the region, while prioritising social and environmental responsibility as a core component of our strategy and activities. By synergising our regular business operations with innovative and creative approaches to CSR, we strive to make meaningful contributions to nation-building.

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

HFL, in collaboration with BAIF Institute for Sustainable Livelihoods and Development, has identified three villages in the Mahbubnagar District of Telangana - Peddaipally, Khethireddypally, and Balanagar - to implement a 'Village Development Programme'. The project aims to provide basic amenities in government schools, including the construction of toilets, midday meal sheds, and kitchen renovation. It also includes the installation of solar street-lights, computers, printers, projectors, and other primary infrastructure to enhance the learning environment. The project also emphasises the promotion of health and hygiene awareness. The programme was run from August 01, 2022 to March 31, 2023. We are excited to work with the local communities to implement this project and make a positive impact on the lives of the villagers.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

CAUTIONARY STATEMENT

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

NOTICE

Notice is hereby given that the **38th (Thirty-Eighth) Annual General Meeting** of the Members of **Hindustan Foods Limited** ('the Company') will be held on **Friday**, the **September 15, 2023 at 11.30 a.m.** through Video Conference facility **('VC')** or Other Audio - Visual Means **('OAVM')**, to transact the following businesses. The venue of the Meeting shall be deemed to be the Registered Office of the Company at Office no. 3, Level-2, Centrium, Phoenix Market City, 15, LBS Road, Kurla (West), Mumbai - 400 070, Maharashtra, India.

ORDINARY BUSINESS:

1. To consider and adopt the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2023 and together with the Report of Auditors thereon and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

   "RESOLVED THAT the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2023, including the Audited Balance Sheet as at March 31, 2023, Statement of Profit & Loss and Statement of Cash Flows for the year ended on that date and the Reports of the Auditors thereon be and are hereby considered, approved and adopted."

2. To consider and adopt the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2023 together with the Reports of the Board of Directors and Auditors thereon and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

   "RESOLVED THAT the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2023, including the Audited Balance Sheet as at March 31, 2023, Statement of Profit & Loss and Statement of Cash Flows for the year ended on that date and the Reports of the Board of Directors and Auditors thereon be and are hereby considered, approved and adopted."

3. To appoint Mr Nikhil Vora (DIN: 05014606), as a Director who retires by rotation and being eligible offers himself for re-appointment and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

   "RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, ('the Act') Mr Nikhil Vora (DIN: 05014606), who retires by rotation at this Meeting, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

SPECIAL BUSINESS:

4. Appointment of Ms Amruta Adukia (DIN: 07877389) as a Non-Executive Non-Independent Director of the Company:

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

   "RESOLVED THAT Ms Amruta Adukia (DIN: 07877389), who was appointed by the Board of Directors as an Additional Director of the Company with effect from June 29, 2023 pursuant to the provisions of Section 149 and 161(1) of the Companies Act, 2013 ('the Act') and the Rules framed thereunder, including any statutory modification or re-enactment thereof for the time being in force read with the Articles of Association of the Company and who holds office upto the date of ensuing Annual General Meeting, and who is eligible for appointment and in respect of whom a notice in writing under Section 160 of the Act has been received by the Company from a Member proposing her candidature for the office of a Director of the Company, be and is hereby appointed as Non-Executive Non-Independent Director of the Company, whose office is liable to retire by rotation.

   RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

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

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

   "RESOLVED THAT pursuant to the provisions of Section 148 of the Companies Act, 2013 ('the Act') read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions of the Act (including any statutory amendment(s), modification(s), clarification(s), substitution(s) or re-enactment thereof for the time being in force), the remuneration payable to M/s. Poddar & Co. Cost Accountants (Firm Registration No. 101734), appointed by the Board of Directors of the Company in their Meeting held on August 11, 2023, as the Cost Auditors to conduct the audit of the cost records of the Company in relation to its business for the Financial Year ended March 31, 2024, amounting to Rs. 4,00,000/- (Rupees Four Lakhs Only) plus out of pocket expenses and taxes as applicable, be and is hereby ratified and confirmed;

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

6. Enabling resolution for raising funds upto Rs.500 Crores through issue of securities:

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

"**RESOLVED THAT** pursuant to Sections 23, 41, 42, 62, 71 and other applicable provisions of the Companies Act, 2013 and the applicable rules made thereunder (including the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014), each including any amendment(s), statutory modification(s), or re-enactment(s) thereof ('Companies Act') and in accordance with the provisions of the Memorandum of Association and Articles of Association of the Company, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ('SEBI ICDR Regulations'), including amendments thereof, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('Listing Regulations') and the Foreign Exchange Management Act, 1999 and the Regulations made thereunder, including the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019, the Consolidated FDI Policy issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India from time to time, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993, the Depository Receipts Scheme, 2014 each as amended; Listing Agreements entered into by the Company with BSE Limited ('BSE'), National Stock Exchange of India Limited ('NSE') (together the 'Stock Exchanges') where the Equity Shares of the face value of Rs. 2/- (Rupees Two Only) each of the Company are listed and any other provisions of applicable law (including all other applicable statutes, clarifications, rules, regulations, circulars, notifications, and guidelines issued by the Government of India ('GoI'), Ministry of Corporate Affairs ('MCA'), Reserve Bank of India ('RBI'), Securities and Exchange Board of India ('SEBI'), Stock Exchanges, and such other statutory / regulatory authorities), and subject to all approvals, permissions, consents, and/ or sanctions as may be necessary or required from SEBI, the Stock Exchanges, RBI, MCA, GoI, or any other concerned Statutory / Regulatory Authority, and subject to such terms, conditions, or modifications as may be prescribed or imposed while granting such approvals, permissions, consents, and / or sanctions by any of the aforesaid authorities, which will be considered by the Board of Directors of the Company ('Board'), which term shall include any committee which the Board may have constituted or may hereinafter constitute to exercise its powers, including the powers conferred by this Resolution), approval of the Members of the Company be and is hereby accorded to the Board and the Board be and is hereby authorised to offer, issue, and allot (including with provisions for reservations on firm and / or competitive basis, or such part of the issue and for such categories of persons as may be permitted) any instrument or security, including Equity Shares, fully / partly convertible debentures, non-convertible debentures, warrants (collectively, the 'Securities'), or any combination of Securities, to all or any such investors, jointly and / or severally, that may be permitted to invest in such issuance of Securities, including resident or non-resident / foreign investors (whether institutions and / or incorporated bodies and / or trusts or otherwise) / foreign portfolio investors / mutual funds / pension funds / venture capital funds / banks / alternate investment funds / Indian and / or multilateral financial institutions / insurance Companies / any other Qualified Institutional Buyers as defined under the SEBI ICDR Regulations ('QIBs') / any other category of persons or entities who are authorised to invest in the Securities in terms of applicable law, as may be deemed appropriate by the Board in its absolute discretion and whether or not such investors are Members of the Company, for cash, in one or more tranches, with or without a Green Shoe Option, to raise funds for an aggregate consideration of up to Rs. 500 Crores (Rupees Five Hundred Crores Only), through a public issue, rights issue, preferential allotment, or a private placement (including one or more Qualified Institutions Placements ('QIP') in accordance with the applicable provisions of the Companies Act and the SEBI ICDR Regulations), or through any other permissible mode and / or combination thereof as may be considered appropriate, to be subscribed to in Indian and / or any foreign currency by all eligible investors, through the issuance of an offer document / letter / circular / placement document, as permitted under applicable laws and regulations, at such price (including at a discount or premium to market price or prices permitted under applicable law), in such manner, and on such terms and conditions as may be deemed appropriate by the Board in its absolute discretion, including the discretion to determine to whom the offer, issue and allotment of Securities shall be made to the exclusion of others (including allotment to stabilising agent in terms of Green Shoe Option, if any, exercised by the Company); making of calls and manner of appropriation of application money or call money, in respect of different class(es) of investors and / or in respect of different Securities; number of securities to be issued; face value; number of Equity Shares to be issued and allotted on conversion / redemption/ extinguishment of debt(s); rights attached to the warrants; period of conversion; fixing of record date; and / or book closure dates subject to the applicable laws considering the prevailing market conditions and / or other relevant factors, and wherever necessary, in consultation with the book running lead managers and / or other advisors appointed.

RESOLVED FURTHER THAT the relevant date for the purpose of pricing the Securities shall be date of the Meeting in which the Board decides to open the issue of the Securities, subsequent to receipt of approval from the Members of the Company, in terms of applicable law; in the event that convertible securities (as defined under the SEBI ICDR Regulations) are issued to QIBs by way of a QIP, the relevant date for pricing of such Securities shall be either the date of the Meeting in which the Board decides to open the issue of such convertible securities or the date on which the holders of such convertible securities become entitled to apply for the Equity Shares, as determined by the Board.

RESOLVED FURTHER THAT in case of an issue and allotment of Securities by way of a QIP in terms of the SEBI ICDR Regulations:

i. the allotment of the Securities shall be completed within 365 days from the date of passing of the Special Resolution by the Members of the Company;

ii. the Equity Shares to be offered, issued, and allotted shall be subject to the provisions of the Memorandum of Association and Articles of Association of the Company and shall rank pari-passu in all respects with the existing Equity Shares;

iii. no partly paid-up Equity Shares or other Securities shall be issued / allotted;

iv. the issuance of the Securities by way of the QIP shall be made at such price that is not less than the price determined in accordance with the pricing formula provided under Regulation 176(1) of the SEBI ICDR Regulations ('QIP Floor Price'), and the price determined for the QIP shall be subject to appropriate adjustments as per the provisions of the SEBI ICDR Regulations, as may be applicable. However, the Board, at its absolute discretion, may offer a discount of not more than 5% or such other percentage as may be permitted under applicable law on the QIP Floor Price;

v. no single allottee shall be allotted more than 50% of the issue size and the minimum number of allottees shall be in accordance with the SEBI ICDR Regulations; and

vi. the Company shall not undertake any subsequent QIP until the expiry of two weeks from the date of the QIP to be undertaken pursuant to this Special Resolution.

RESOLVED FURTHER THAT without prejudice to the generality of the above, the Securities may have such features and attributes or any terms or combination of terms in accordance with Domestic and International practices to provide for the tradability and free transferability thereof as per prevailing practices and regulations in the Capital Markets and the Board be and is hereby authorised, in its absolute discretion, in such manner as it may deem fit, to dispose of such of the Securities that are not subscribed to.

RESOLVED FURTHER THAT without prejudice to the generality of the above, the Board be and is hereby authorised to do such acts, deeds, and things, in its absolute discretion, as it deems necessary or desirable in connection with offering, issuing, and allotting

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the Securities, and to give effect to these resolutions, including, without limitation, the following:

a. offer, issue and allot all / any of the Securities, subject to such terms and conditions, as the Board may deem fit and proper in its absolute discretion;

b. determining the terms and conditions of the issuance, including among other things, (a) terms for issuance of additional Securities and for disposal of Securities which are not subscribed to by issuing them to Banks / Financial Institutions / Mutual Funds or otherwise, (b) terms as are provided in domestic offerings of this nature, and (c) terms and conditions in connection with payment of interest, dividend, voting rights, premium and redemption or early redemption, conversion into Equity Shares, pricing, variation of the price or period of conversion, and / or finalising the objects of the issuance and the monitoring of the same;

c. approve, finalise, and execute any preliminary as well as final offer document (including among other things, any draft offer document, offering circular, registration statement, prospectus, placement document, private placement offer letter, letter of offer, and / or other letter or circular), and to approve and finalise any bid cum application form, abridged letter of offer, notices, including any advertisements and other documents or any term sheets or any other ancillary documents in this regard;

d. decide the form, terms and timing of the issue(s) / offering(s), Securities to be issued and allotted, class of investors to whom Securities are to be offered, issued and allotted, number of Equity Shares to be issued and allotted in each tranche;

e. issue and allot such number of Equity Shares, as may be required to be issued and allotted, upon conversion of any Securities, or as may be necessary in accordance with the terms of the issuance all such Equity Shares ranking pari-passu with the existing Equity Shares in all respects;

f. approve, finalise, execute, and amend agreements and documents, including, any number of powers of attorney, lock-up letters, agreements in connection with the creation of any security, and agreements in connection with the appointment of any intermediaries and / or advisors, (including for underwriting, marketing, listing, trading, appointment of lead manager(s) / merchant banker(s), legal counsel, depository(ies), banker(s), advisor(s), registrar(s), trustee(s), and other intermediaries as required), and to pay any fees, commission, costs, charges and other expenses in connection therewith;

g. provide such declarations, affidavits, certificates, consents and / or authorities as required from time to time;

h. seek any consents and approvals, including, among others, the consent from the Company's lenders, customers, vendors, parties with whom the Company has entered into agreements, and from concerned statutory and regulatory authorities;

i. file requisite documents with the SEBI, Stock Exchanges, the GOI, the RBI, and any other statutory and / or regulatory authorities, and any amendments, supplements or additional documents in relation thereto, as may be required;

j. seeking the listing of the Securities on any Stock Exchanges, submitting the listing application to such Stock Exchanges and taking all actions that may be necessary in connection with obtaining such listing approvals (both in-principle and final listing and trading approvals);

k. open one or more bank accounts in the name of the Company, as may be required, subject to requisite approvals, if any, and to give such instructions including closure thereof as may be required and deemed appropriate by the Board;

l. approving the issue price and finalise allocation and the basis of allotment of the Securities on the basis of the bids / applications and over subscription thereof as received, where applicable;

m. acceptance and appropriation of the proceeds of the issue of the Securities;

n. affix the common seal of the Company, as required, on any agreement, undertaking, deed or other document, in the presence of any one or more of the Directors of the Company or any one or more of the officers of the Company as may be authorised by the Board in accordance with the Memorandum of Association and Articles of Association of the Company;

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o. further authorise and empower any committee and / or Director(s) and / or Officer(s) of the Company, to execute and deliver, for and on behalf of the Company, any and all other documents or instruments and doing or causing to be done any and all acts or things as the Committee / Director(s) / Officer (s) may deem necessary, appropriate or advisable in order to carry out the purposes and intent of the foregoing, or in connection with the issuance of Securities, and any documents or instruments so executed and delivered or acts and things done or caused to be done by the Committee / Director(s) / Officer (s) shall be conclusive evidence of the authority of the Committee / Director(s) / Officer (s) and the Company in doing so; and

p. do all such incidental and ancillary acts and things as may be deemed necessary, and to give such directions that may be necessary or settle any issues, questions, difficulties or doubts that may arise in regard to or in connection with any matter(s) referred to or contemplated in any of the foregoing resolutions and the Members of the Company shall be deemed to have given their approval thereto expressly by the authority of this resolution and all actions taken by the Board in connection with any matter(s) referred to or contemplated in any of the foregoing resolutions are hereby approved, ratified and confirmed in all respects."

By Order of the Board of Directors

Place : Mumbai
Date : August 11, 2023

BANKIM PUROHIT
Company Secretary

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

NOTES:

1. A statement pursuant to Section 102(1) of the Act relating to the Special Businesses to be transacted at the Annual General Meeting ('AGM') is annexed hereto.

2. The Ministry of Corporate Affairs ('MCA'), vide its General Circular No. 20/2020 dated May 5, 2020 read with General Circular Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 02/2021 dated January 13, 2021, 19/2021 dated December 8, 2021, 21/2021 dated December 14, 2021 and 10/2022 dated December 28, 2022 ('MCA Circulars'), and other applicable Circular issued by the Securities and Exchange Board of India ('SEBI') ('SEBI Circular') has allowed the Companies to conduct the AGM through Video Conferencing or Other Audio-Visual Means ('VC/OAVM') till September 30, 2023. In accordance with the MCA Circulars, and provisions of the Act the 38th AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company at Office No.3, Level-2, Centrium, Phoenix Market City, 15, LBS Road, Kurla (West), Mumbai 400 070, Maharashtra, India. Link Intime India Private Limited ('LIIPL') will be providing facilities in respect of:

   (a) voting through remote E-voting;

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

   (c) E-voting during the AGM.

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

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

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

6. Pursuant to the provisions of Section 91 of the Act, read with Rule 10 Companies (Management and Administration) Rules, 2014, and pursuant to Regulation 42 of the Listing Regulations, the Register of Members and Share Transfer Books of the Company shall remain closed from **Saturday, the September 9, 2023 to Friday, the September 15, 2023** (both days inclusive).

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

   In terms of the provisions of Section 152 of the Act, Mr Nikhil Vora (DIN: 05014606), Non-Executive Non-Independent Director retires by Rotation at the 38th Annual General Meeting. Mr Vora is interested in the Ordinary Resolution set out at Item No. 3 of the Notice with regard to his appointment.

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

8. In compliance with the MCA Circulars and SEBI Circulars, Notice of the AGM along with the Annual Report for the Financial Year ended 2022-23 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2022-23 will also be available on the Company's website www.hindustanfoodslimited.com, website of BSE Limited ('BSE') at www.bseindia.com and the National Stock Exchange of India Limited ('NSE') at www.nseindia.com and on the website of Company's Registrar and Transfer Agent, Link Intime India Private Limited ('LIIPL') at www.linkintime.co.in.

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

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

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

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

10. In compliance with the provisions of Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 read with Circular of SEBI on E-voting facility provided by Listed Entities dated December 9, 2020, given by MCA and Regulation 44 of the Listing Regulations, the Company is pleased to provide their Members with facility to exercise their right to vote on Resolutions proposed to be considered at the AGM by electronic means and the business may be transacted through E-voting Services. The facility of casting the votes by the Members using an electronic voting system during the AGM will be provided by LIIPL.

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

    b. The remote E-voting period commences on **Tuesday, September 12, 2023 (9:00 Hours IST) and ends on Thursday, September 14, 2023 (17:00 Hours IST)**. During this period, Members of the Company holding Shares either in physical form or in dematerialised form, as on the cut-off date of **Friday, September 8, 2023**, may cast their vote by remote E-voting. The remote E-voting module shall be disabled by LIIPL for voting thereafter. Once the vote on a resolutions is cast by the Member, the Member shall not be allowed to change it subsequently.

Remote e-voting Instructions for Shareholders are as follows:

As per the SEBI circular dated December 9, 2020, individual shareholders holding securities in demat mode can register directly with the depository or will have the option of accessing various ESP portals directly from their demat accounts.

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

1. Individual Shareholders holding securities in demat mode with NSDL

   a. Existing IDeAS user can visit the e-Services website of NSDL https://eservices.nsdl.com either on a personal computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be re-directed to "InstaVote" website for casting your vote during the remote e-Voting period.

   b. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com Select «Register Online for IDeAS Portal » or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp

   c. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a personal computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon «Login» which is available under ‹Shareholder/Member› section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number hold with NSDL), Password/ OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.

2. Individual Shareholders holding securities in demat mode with CDSL

a. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. The option will be made available to reach e-Voting page without any further authentication. The users to login Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi username & password.

b. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-Voting is in progress as per the information provided by the Company. On clicking the e-Voting option, the user will be able to see e-Voting page of the e-Voting service provider i.e. LINKINTIME for casting your vote during the remote e-Voting period. Additionally, there are also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.

c. If the user is not registered for Easi/Easiest, the option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.

d. Alternatively, the user can directly access the e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, the user will be able to see the e-Voting option where the e-Voting is in progress and also able to directly access the system of all e-Voting Service Providers.

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

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on the Company name or e-Voting service provider name i.e. Link Intime and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

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

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

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

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

A. User ID:

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

B. PAN:

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

C. DOB/DOI:

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

D. Bank Account Number:

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

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

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

❖ Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#$&*), at least one numeral, at least one alphabet and at least one capital letter).

❖ Click "confirm" (Your password is now generated).

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

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

Cast your vote electronically:

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

b. E-voting page will appear.

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

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

Guidelines for Institutional Shareholders:

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIIPL at https://instavote.linkintime.co.in and register themselves as '**Custodian / Mutual Fund / Corporate Body**'. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the '**Custodian / Mutual Fund / Corporate Body**' login for the Scrutiniser to verify the same.

Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional Shareholders:

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

Helpdesk for Individual Shareholders holding securities in demat mode:

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

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

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

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

o Click on '**Login**' under '**SHARE HOLDER**' tab and further Click '**forgot password?**'

o Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

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

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

NOTICE (CONTD.)

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

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

- ➢ It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- ➢ For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- ➢ During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

PROCEDURE FOR JOINING THE AGM THROUGH VC / OAVM:

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

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

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

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

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

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

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

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

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

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

PROCEDURE FOR SHAREHOLDERS/ MEMBERS TO SPEAK DURING THE AGM

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

NOTICE (CONTD.)

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

Guidelines to attend the AGM proceedings

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

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

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

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

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

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

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

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

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

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

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

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

GENERAL INFORMATION:

23. The voting rights shall be as per the number of Equity Shares held by the Member(s) as **on Friday, September 8, 2023** being the **cut-off date**. Members are eligible to cast vote electronically only if they are holding Shares as on that date.

24. Your Board has appointed Mr Prashant Sharma, Practising Company Secretary (COP no: 7902), to act as the Scrutiniser, to scrutinise the entire E-voting process in a fair and transparent manner. The Members desiring to vote through remote E-voting are requested to refer to the detailed procedure given hereinafter.

25. The Chairman shall, during the AGM, at the end of discussion/after every business item for the Resolutions on which voting is to be held, allow voting with the assistance of Scrutiniser, by way of E-voting system for all those Members who are present at the AGM through VC/ OAVM but have not cast their votes by availing the remote E-voting Facility.

26. The Scrutiniser shall after the conclusion of voting at the Meeting, will first count the votes cast at the Meeting by way of E-voting and thereafter unblock the votes cast through remote E-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than two working days of the conclusion of the AGM, a consolidated Scrutiniser's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same and declare the result of the voting forthwith.

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

PROCEDURE FOR INSPECTION OF DOCUMENTS:

27. Members who wish to inspect the documents, as mentioned in the Notice of the AGM or as required under the law, may write to the Company at investorrelations@thevanitycase.com and the Company shall endeavor to provide inspection of documents by such Member. All the documents referred to in the accompanying Notice and Explanatory Statements, shall be available for inspection through electronic mode, basis the request being sent on investorrelations@thevanitycase.com.

28. During the AGM, the Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Act, the Register of Contracts or arrangements in which Directors are interested under Section 189 of the Act shall be available for inspection.

OTHER INFORMATION:

29. SEBI has mandated that Securities of Listed Companies can be transferred only in dematerialised form w.e.f. April 1, 2019. Accordingly, the Company / LIIPL has stopped accepting any fresh lodgement of transfer of Shares in physical form. Members holding Shares in physical form are advised to avail of the facility of dematerialisation.

30. **Members are requested:**

    i. Write to the Company through email at investorrelations@thevanitycase.com atleast 7 days before the date of the AGM, in case they desire any information as regards the Audited Accounts for the Financial Year ended March 31, 2023.

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

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

        For Shares held in physical form, to the Company/RTA in prescribed Form ISR-1 and other forms pursuant to the SEBI Circular Nos. SEBI/HO/MIRSD/MIRSD_RTAMB/CIR/2021/655 dated November 3, 2021 and SEBI/HO/MIRSD/MIRSD-POD-1/P/CIR/2023/37 dated March 16, 2023 All the prescribed forms can be downloaded from the Company's website at www.hindustanfoodslimited.com under the category of Formats of KYC. The Company has sent communication to the Members holding Shares in physical form requesting them to furnish the required details.

        In terms of the above SEBI Circular, the folios wherein certain details like PAN, nomination, mobile number, mail address, specimen signature, and Bank details are not available, are required to be frozen with effect from October 1, 2023. Accordingly, Members who have not yet submitted the said details are requested to kindly provide the same to the Company/RTA at the earliest but not later than September 30, 2023, failing which their folios shall be frozen.

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

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

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

    vii. Send all Share transmission/ Transpositions/ Consolidation/ Duplication/ Name Deletion/ Replacement/ lodgments (physical mode) / correspondence to the R&TA of the Company, Link Intime India Private Limited, upto the date of Book Closure.

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

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

By Order of the Board of Directors

Place : Mumbai
Date : August 11, 2023

BANKIM PUROHIT
Company Secretary

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

EXPLANATORY STATEMENT

The statement of Material facts pursuant to Section 102 (1) of the Act, relating to business mentioned under the Items 4 to 6 of the accompanying Notice.

IN RESPECT OF ITEM NO. 4

Based on the recommendation of the Nomination and Remuneration Committee vide Circular Resolution passed on June 22, 2023, the Board of Directors of the Company vide Circular Resolution dated June 29, 2023, and pursuant to the provisions of Section 161(1) of the Act, and the Articles of Association of the Company, had appointed Ms Amruta Adukia (DIN: 07877389), as an Additional Director in the category of Non-Executive Non-Independent Director of the Company with effect from June 29, 2023. Ms Amruta Adukia would cease to hold office at the ensuing Annual General Meeting, but would be eligible for appointment as a Director.

Pursuant to Regulation 17(1C) of Listing Regulations which came into effect from January 1, 2022, approval of Members for appointment of a person on the Board of Directors is to be taken at the next General Meeting or within a time period of 3 (Three) months from the date of appointment, whichever is earlier. Accordingly, approval of Members is being sought for the appointment of Ms Amruta Adukia as a Non-Executive Non-Independent Director of the Company, liable to retie by rotation.

The Company has received a notice in writing from a Member, in terms of Section 160(1) of the Act, proposing her candidature for the office of a Director. The Company has received a consent from Ms Amruta Adukia to act as a Director in terms of Section 152 of the Act, and a declaration that she is not disqualified from being appointed as a Director in terms of Section 164 of the Act,

The additional information of Ms Amruta Adukia as required under the provisions of Regulation 36(3) of the Listing Regulations and other applicable provisions are provided in Annexure to this Notice.

Ms Amruta Adukia is interested in the resolution set out at Item No. 4 of the Notice with regard to her appointment. Relatives of Ms Amruta Adukia may be deemed to be interested in the resolution to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution. This statement may also be regarded as an appropriate disclosure under the Act and the Listing Regulations.

The Board commends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the Members.

IN RESPECT OF ITEM NO. 5

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

In view of the aforesaid statutory provisions Board of Directors, on the recommendation of the Audit Committee at its Meeting held on August 11, 2023, has considered and approved the appointment of M/s. Poddar & Co. (Firm Registration No. 101734) as the Cost Auditor of the Company to conduct the audit of its cost records in relation to its business for the Financial Year 2023-24 at remuneration detailed below:

Name of the Cost Auditor	Financial Year	Audit Fees
M/s Poddar & Co.	2023-24	Rs. 4,00,000/- (Rupees Four Lakhs Only) plus out of pocket expenses and applicable taxes

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

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

The Board recommends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the Members.

IN RESPECT OF ITEM NO. 6

The Company anticipates growth opportunities in its existing operations and continues to evaluate various avenues for organic expansion and inorganic opportunities. Towards this, the Company continues to require Capital for achieving such growth and expansion. Accordingly, subject to compliance with applicable laws, the Company and Board of Directors of the Company hereby seeking the ENABLING RESOLUTION from the Shareholders of the Company to raise Capital upto Rs. 500 Crores (Rupees Five Hundred Crores Only) for the purposes of funding its Capital expenditures required for the long term growth of its businesses; loans to and investments in its Subsidiaries for their long term & short term business purposes and pre-payment and/ or repayment of Company and/or its subsidiaries debts; financing other long term and Working Capital requirements of the Company and/or its Subsidiaries; making strategic acquisitions or Joint Ventures and general corporate purposes, as may be permissible under applicable law and approved by the Board of Directors of the Company. In line with the above, the Company proposes to raise funds through the issuance of any instrument or security, including Equity Shares, fully / partly convertible debentures, non-convertible debentures, warrants (collectively, the 'Securities'), or any combination of Securities, for an aggregate consideration of up to Rs. 500 Crores (Rupees Five Hundred Crores Only) to all or any such investors, jointly and / or severally, that may be permitted to invest in such issuance of Securities, including resident or non-resident / foreign investors (whether institutions and / or incorporated bodies and / or trusts or otherwise) / foreign portfolio investors / mutual funds / pension funds / venture capital funds / banks / alternate investment funds / Indian and / or multilateral financial institutions / insurance companies / any other Qualified Institutional Buyers as defined under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ('SEBI ICDR Regulations, including amendments thereof, and the Qualified Institutional Buyers, the 'QIBs') / any other category of persons or entities who are authorised to invest in the Securities in terms of applicable law, as may be deemed appropriate by the Board in its absolute discretion and whether or not such investors are Members of the Company, for cash, in one or more tranches, without or without a Green Shoe Option, through a public issue, preferential allotment, private placement, or a rights issue (including one or more Qualified Institutions Placements ('QIP') in accordance with the applicable provisions of the Companies Act (as defined hereinafter) and the SEBI ICDR Regulations), or through any other permissible mode and / or combination thereof as may be considered appropriate, in terms of Sections 23, 41, 42, 62, 71, and other applicable provisions of the Companies Act, 2013 and the applicable rules made thereunder (including the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014), each including any amendment(s), statutory modification(s), or re-enactment(s) thereof ('Companies Act') and in accordance with the provisions of the Memorandum of Association and Articles of Association of the Company, the SEBI ICDR Regulations, Listing Regulations, and the Foreign Exchange Management Act, 1999 and the regulations made thereunder, including Foreign Exchange Management (Non-Debt Instruments) Rules, 2019, the Consolidated FDI Policy issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India from time to time, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993, the Depository Receipts Scheme, 2014 each as amended; the listing agreement entered into by the Company with the Stock Exchanges where the Equity Shares of face value of Rs.2/- (Rupees Two Only) of the Company are listed and any other provisions of applicable law (including all other applicable statutes, clarifications, rules, regulations, circulars, notifications, and guidelines issued by the GoI, MCA, RBI, SEBI, Stock Exchanges, and such other statutory / regulatory authorities). Accordingly, the Board of Directors of the Company ('Board', which term shall include any Committee which the Board may have constituted or may constitute to exercise its powers, including the powers conferred by this Resolution), at its Meeting held on August 11, 2023, subject to the approval of the Members of the Company, approved the raising of funds at such price and on such terms and conditions as may be deemed appropriate by the Board at its sole and absolute discretion, taking into consideration market conditions and other relevant factors and wherever necessary, in consultation with the book running lead manager(s) and / or other advisor(s) appointed in relation to issuance of Securities, in accordance with applicable laws, and subject to regulatory approvals (as necessary).

The resolution proposed is an ENABLING RESOLUTION and the exact price, proportion, and timing of the issue of the Securities in one or more tranches and the remaining detailed terms and conditions for the issuance of Securities will be decided by the Board, in accordance with the SEBI ICDR Regulations, in consultation with book running lead manager(s) and / or other advisor(s) appointed in relation to the issuance of Securities and such other authorities and agencies as may be required to be consulted by the Company. Further, the Company is yet to identify the investor(s) and decide the quantum of Equity Shares to be issued to them. Hence, the details of the proposed allottees, percentage of their post – issue Shareholding and the Shareholding pattern of the Company are not provided. Accordingly, the Board may, in its discretion, adopt one or more of the mechanisms for raising of funds to meet is objectives as stated in the paragraphs above without the need for fresh approval from the Members of the Company. The proposal, therefore, seeks to confer upon the Board the absolute discretion and adequate flexibility to determine the terms of the issuance. The relevant date for the purpose of pricing the Securities shall be date of the Meeting in which the Board decides to open the issue of the Securities, subsequent to receipt of approval from the Members of the Company, in terms of applicable law; in the event that convertible securities (as defined under the SEBI ICDR Regulations) are issued to QIBs by way of a QIP, the relevant date for pricing of such Securities shall be either the date of the Meeting in which the Board decides to open the issue of such convertible securities or the date on which the holders of such convertible securities become entitled to apply for the Equity Shares, as determined by the Board. In the event that such issuance of Securities is undertaken by way of a QIP, the allotment of Securities shall be completed within a period of 365 days from passing the Special Resolution by the Members of the Company. Further, the Equity Shares offered, issued, and allotted by the Company pursuant to any such QIP in terms of the Resolution would be subject to the provisions of the Memorandum of Association and Articles of Association of the Company and shall rank, in all respects, pari-passu with the existing Equity Shares of the Company. The pricing of the Securities shall be determined in accordance with the relevant provisions of the SEBI ICDR Regulations, the Companies Act 2013, and any other applicable law. The resolution enables the Board, in accordance with applicable law, to offer a discount of not more than 5% or such percentage as may be permitted under applicable law on the price determined in accordance with the SEBI ICDR Regulations. The Securities allotted as above would be listed on the Stock Exchanges. As and when the Board takes a decision on matters on which it has the discretion, necessary disclosures will be made to the Stock Exchanges as may be required under the provisions of the Listing Regulations. The approval of the Members is being sought to enable the Board to decide on the issuance of Securities, to the extent and in the manner stated in the Special Resolution, as set out in item no. 6 of this Notice, without the need for any fresh approval from the Members of the Company in this regard. The Board recommends the resolution for approval of the Shareholders.

None of the Directors or the Manager or any other Key Managerial Personnel or their relatives are concerned or interested whether financially or otherwise, if any, in respect of Special Resolution proposed at item No. 6.

The proposed issuance of Securities is in the interest of the Company and the Board recommends the Resolution set out at item no. 6 of the Notice for the approval of the Members as a Special Resolution.

Documents referred hereinabove in the Notice shall be available for inspection by the Members at the Registered Office of the Company on all working days, except Saturday, during business hours up to the date of the Meeting and the venue of the Meeting during the Meeting.

By Order of the Board of Directors

Place : Mumbai
Date : August 11, 2023

BANKIM PUROHIT
Company Secretary

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

ANNEXURE TO THE NOTICE

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

Name of the Director	Mr Nikhil Vora	Ms Amruta Adukia
Category	Non-Executive, Non-Independent Director	Non-Executive, Non-Independent Director
Age	51 years	41 years
DIN	05014606	07877389
Date of first appointment	May 22, 2017	June 29, 2023
Date of last Re-appointment	Not Applicable	Not Applicable
Brief Profile of the Director	Mr Nikhil Vora is Non-Executive Non-Independent Director of the Company. He has been associated with your Company since May 22, 2017. He has a bachelor's degree in commerce from University of Bombay and is a member of the Institute of Cost and Works Accountants of India. He has also completed the leadership excellence programme from Said Business School, University of Oxford.	Ms Amruta Adukia is a Chartered Accountant and holds a Master of Commerce degree from University of Mumbai. She is a Partner in Convergent Finance LLP where she focuses on helping portfolio companies to apply operational and analytical rigor to enhance shareholder returns. She was previously worked in Fairbridge Capital Private Limited (a Fairfax Company) as Vice President since 2017 and was responsible for the monitoring and performance improvement of the portfolio companies and has also worked with KPMG and Deloitte for over 12 years across countries including India, the USA, and Singapore, she brings vast audit and due diligence experience across sectors including industrial markets, infrastructure, pharmaceuticals, and stockbroking.
Expertise in specific functional area, Skill & Capabilities	Strategic Guidance and Business Management	Audit and financial diligence, consulting, investment banking, corporate mergers and acquisitions and private equity.
Qualification	• Member of the Institute of Cost and Works Accountants of India ('ICWA') • Bachelor's degree in Commerce from University of Bombay. • Post Graduate in Leadership Excellence programme from Said Business School from Oxford University.	• Member of the Institute of Chartered Accountant of India ('ICAI') • Master's degree in Commerce from University of Mumbai.

NOTICE (CONTD.)

Name of the Director	Mr Nikhil Vora	Ms Amruta Adukia
Directorship held in other Companies (including Foreign and Private Companies) (as on March 31, 2023)	1. Bikaji Foods International Limited 2. Parag Milk Foods Limited 3. Vahdam Teas Private Limited 4. Khanal Foods Private Limited 5. Immaculatebites Private Limited 6. Gooddot Enterprises Private Limited 7. Acefour Accessories Private Limited 8. Fullife Healthcare Private Limited 9. Nobel Hygiene Private Limited 10. Kanpur Flowercycling Private Limited 11. Shop Kirana E Trading Private Limited 12. Prozo Distribution Private Limited 13. Altigreen Propulsion Labs Private Limited 14. Wonderchef Home Appliances Private Limited 15. Neemans Private Limited 16. Soothe Healthcare Private Limited	1. Jyoti International Foods Private Limited 2. Mochiko Shoes Private Limited 3. Mochiko Sports Private Limited
Membership/ chairmanship of the Committees of the Board of other Public Companies (as on March 31, 2023)	**Bikaji Foods International Limited–** Audit Committee -Member Nomination & Remuneration Committee-Member	Nil

Name of the Director	Mr Nikhil Vora	Ms Amruta Adukia
Listed entities from which the Director has resigned in the past three years	NA	NA
Details of Remuneration paid during the Financial Year 2022-23	He shall be paid remuneration by way of sitting fees for attending Meetings of the Board & Committees thereof, if any, as may be decided by the Board.	NA
Remuneration sought to be paid	The remuneration is sought to be paid to Mr Nikhil Vora by way of sitting fees for attending Meetings of the Board & Committees thereof, if any.	No remuneration is sought to be paid to Ms Amruta Adukia as she has voluntarily declined to receive any remuneration in the form of commission of sitting fees from the Company.

NOTICE (CONTD.)

Name of the Director	Mr Nikhil Vora	Ms Amruta Adukia
Terms and conditions of appointment/re-appointment	Re-appointment as a Non-Executive Director of the Company, liable to retire by rotation to comply with the applicable provisions of Section 152 of the Act.	Appointment as a Non-Executive Director of the Company, liable to retire by rotation to comply with the applicable provisions of Section 152 of the Act.
Shareholding in the Company (Equity) including shareholding as a beneficial owner	Nil	Nil
No. of Board Meetings attended during the year 2022-23	5 of 5	NA
Relationship with other Directors / Manager / Key Managerial Personnel	Nil	Nil

DIRECTORS' REPORT

TO THE MEMBERS OF HINDUSTAN FOODS LIMITED

Your Directors are pleased to present Your Company's 38th (Thirty-Eighth) Annual Report on the business and operations, together with the Audited Financial Statements (Consolidated and Standalone) for the Financial Year ended **March 31, 2023**.

(Rs. In Lakhs)

Particulars	Consolidated		Standalone	
	Financial year ended March 31, 2023	Financial year ended March 31, 2022	Financial year ended March 31, 2023	Financial year ended March 31, 2022
Total Revenue	2,60,263.70	2,04,379.16	2,38,845.01	2,02,601.80
Profit for the year before finance charges and depreciation	**17,771.62**	**11,855.65**	**15,231.02**	**12,043.45**
Less: Finance charges	3,580.19	2,024.10	2,660.06	1,978.20
Profit before depreciation	**14,191.43**	**9,831.55**	**12,570.96**	**10,065.25**
Less: Depreciation	3,740.52	2,450.88	2,929.56	2,375.69
Less: Share of loss from associate and joint venture (net)	-	232.49	-	-
Profit for the year after finance charges and depreciation / before tax for the year	**10,450.91**	**7,148.18**	**9,641.40**	**7,689.56**
Less: Provision for Tax -				
Current Tax	3,153.24	1,941.31	3,042.54	1,930.73
Deferred Tax	367.03	740.55	328.58	751.13
Tax adjustments pertaining to previous years	(181.07)	-	(181.07)	-
Profit for the year after Tax	**7,111.71**	**4,466.32**	**6,451.35**	**5,007.70**
Other Comprehensive Income	(31.67)	80.87	(33.89)	42.67
Total Comprehensive Income	**7,080.04**	**4,547.19**	**6,417.46**	**5,050.37**

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

YEAR IN RETROSPECT

Your Company delivered record operational performance, in-line with your Board's expectations and guidance. During the Financial Year 2022-23, your Company has further strengthened its existing businesses and customers while building new capabilities and ramping up the new facilities which resulted into a jump in the consolidated revenues by around 27% compared to previous year and a very healthy growth in the consolidated Profit After Tax ('PAT') of 59% compared to previous year. The year under review has delivered a strong growth considering an eventful year wherein your Company reported a consolidated turnover of Rs. 2,602.6 Crores as compared to Rs. 2,043.8 Crores during the previous year and the consolidated PAT of Rs. 71.1 Crores for the year under review also rose from Rs. 44.6 Crores in the previous year.

Your Company has set up a Wholly-Owned Subsidiary Company, HFL Consumer Products Private Limited ('HCPPL') to undertake the ice cream project in Uttar Pradesh. To fund this project, during the year under review, your Company has provided an additional loan to HCPPL. Your Directors are pleased to inform that HCPPL has ramped up its plant and has made its first commercial production in late April, 2022 and reported total revenue from operations for the year ended March 31, 2023 of Rs. 4,831.72 Lakhs and reported its maiden PAT at Rs. 210.07 Lakhs. Your Directors are confident that HCPPL will continue in building the consolidated revenues of your Company for the Financial Year 2023-24.

Your Directors are further pleased to inform you that your Company's acquisition of Aero Care Personal Products LLP ('ACPPL') enabled the Company to enter into the field of manufacturing of Color Cosmetics and ACPPL had achieved its highest ever turnover in the Financial Year 2022-23 of Rs. 10,712.05 Lakhs and reported its maiden PAT at Rs.314.96 Lakhs. Your Company expects to add more growth in your Company's consolidated income by ACPPL in Financial Year 2023-24.

Your Company has also successfully completed the acquisition of Reckitt Benckiser Scholl India Private Limited ('RBSIPL') on July 1, 2022. This acquisition was pursuant to the Share Purchase Agreement ('SPA') which was executed on January 24, 2022 between the Shareholders of the RBSIPL and your Company. RBSIPL is engaged in the business of manufacturing and supply of foot care products. RBSIPL became a Wholly - Owned Subsidiary Company of your Company with effect from July 1, 2022. The acquisition of the Shares of RBSIPL is in line with your Company's strategy to enter Contract Manufacturing and expansion of its business into OTC Healthcare and Wellness products. During the year under review, RBSIPL recorded a turnover of Rs. 6,122.96 Lakhs and reported PAT of Rs.295.66 Lakhs, from the date it became Wholly - Owned Subsidiary Company of your Company upto March 31, 2023. Your Directors are confident that this acquisition will add significant growth to your Company and expand its business into OTC Healthcare and Wellness globally.

Your Company has also executed a Business Transfer Agreement ('BTA') on December 15, 2022, with Reckitt Benckiser Healthcare India Private Limited ('Reckitt') for acquisition of a manufacturing facility situated at Baddi, Himachal Pradesh (subject to certain customary/usual adjustments in accordance with the terms and conditions set out in the BTA), on a slump sale and going concern basis. The said facility is into manufacturing of a vast variety of OTC Healthcare and Wellness products and Skin Care including some of Reckitt's key products. The acquisition also provides your Company an opportunity to leverage idle capacity for better utilisation and incremental profits on consolidated basis.

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

SHARE CAPITAL

CHANGE IN CAPITAL STRUCTURE

During the year under review, your Company has Sub-divided/Split of existing 1 (One) Equity Shares of face value of Rs. 10/- (Rupees Ten Only) each fully paid up into 5 (Five) Equity Shares of Rs. 2/- (Rupees Two Only) each fully paid up by way of an Ordinary Resolution passed by the Shareholders of your Company through Postal Ballot by remote E-voting facility on July 1, 2022.

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

The Issued, Subscribed and Paid-up Share Capital as on the date of this report is Rs. 24,14,85,380/- (Rupees Twenty Four Crores Fourteen Lakhs Eighty Five Thousand Three Hundred Eighty Only) divided into 11,27,42,690 (Eleven Crores Twenty Seven Lakhs Forty Two Thousand Six Hundred and Ninety) Equity Shares of Rs. 2/- (Rupees Two Only) each and 1,60,000 (One Lakhs Sixty Thousand) 9% Redeemable Non-Convertible Preference Shares of Rs. 100/- (Rupees One Hundred Only) each.

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

Other / Debt Securities

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

MERGERS AND ACQUISITIONS

During the year under review, your Company has completed the acquisition of 100% Issued, Subscribed and Paid-up Equity Share Capital of Reckitt Benckiser Scholl India Private Limited on July 1, 2022 for cash consideration of Rs. 74,89,27,706/- (Rupees Seventy-Four Crores Eighty-

Nine Lakhs Twenty-Seven Thousand Seven Hundred and Six Only). This acquisition was pursuant to the SPA which was executed on January 24, 2022 between the Shareholders of the RBSIPL and your Company. RBSIPL is engaged in the business of manufacturing and supply of footcare products.

Post completion of the transaction, RBSIPL became a Wholly - Owned Subsidiary Company of your Company with effect from July 1, 2022.

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

During the year under review, your Company has also executed a BTA on December 15, 2022, with Reckitt for acquisition of manufacturing facility situated at Baddi, Himachal Pradesh, for a cash consideration of Rs.156 Crores (Rupees One Hundred and Fifty-Six Crores Only) (subject to certain customary/usual adjustments in accordance with the terms and conditions set out in the BTA), which is engaged in manufacturing of pharmaceutical and non-pharmaceutical products on a slump sale and going concern basis.

The said manufacturing facility is into manufacturing of vast variety of OTC Healthcare and wellness products and skin creams including some of Reckitt's key products. It is a state-of-the-art facility with modern equipment and machinery is at par with global standards which adheres to the US FDA & MHRA, Russia GMP norms.

DIVIDEND

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

DIVIDEND DISTRIBUTION POLICY

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

LISTING INFORMATION

Your Company's Equity Shares are listed on BSE Limited ('BSE'). Further, as on the date of this report, your Company's Equity Shares are listed on the Main Board of the National Stock Exchange of India Limited ('NSE') with effect from June 6, 2023. Consequent upon listing of the Equity Shares with NSE, your Company's Equity Shares are now listed with BSE as well as on NSE.

The applicable listing fees for Financial Year 2023-24 have been paid to the Stock Exchanges before the due dates. The Equity Shares of your Company were not suspended from trading on BSE and NSE at any point of time during the year under review.

DEPOSITORY SYSTEM

Your Company's Equity Shares are available for dematerialisation through National Securities Depository Limited ('NSDL') and Central Depository Services (India) Limited ('CDSL'). As on March 31, 2023, 97.41% of the Equity Shares of your Company were held in Demat form.

During the year under review, consequent upon Sub-division/ Split of Equity Shares of your Company from face value of Rs. 10/- (Rupees Ten Only) each to face value of Rs. 2/- (Rupees Two Only) each, your Company has been allotted New ISIN: INE254N01026 effective July 22, 2022.

ACCREDITATIONS

Your Company continues to enjoy following accreditations:-

1. Food Safety System Certification 22000 by SGS United Kingdom Limited
2. ISO 9001:2015
3. ISO 14001:2015
4. Global Standard for Consumer products Personal Care and Household by SGS United Kingdom Limited with Grade A

PUBLIC DEPOSITS

Your Company has not accepted any deposits from public / Members falling under the ambit of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 during the year under review. Your Company does not have any unpaid/ unclaimed deposits as on March 31, 2023.

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

HFL Consumer Products Private Limited ('HCPPL'), incorporated on August 6, 2020 under the Companies Act, 2013 is a Wholly Owned Subsidiary of your Company and has successfully commercialised the Ice Cream manufacturing plant in Uttar Pradesh for a branded Company and has started its maiden operation during the year under review. HCPPL further expanded its production capacity at its manufacturing location, which is also expected to be commercialised from Q1 Financial Year 2023-24.

Your Company had 100% Management control in the business of Aero Care Personal Products LLP ('ACPPL') till July 1, 2022. On July 1, 2022, RBSIPL became a new Partner in ACPPL contributing 19% of the total Capital contribution. As a Result of which, your Company holds 81% Partnership interest in ACPPL as on March 31, 2023.

During the year under review, HFL Healthcare and Wellness Private Limited (Formerly known as Reckitt Benckiser Scholl India Private Limited) has become a Wholly-Owned Subsidiary of your Company with effect from July 1, 2022 after acquisition of 100% Issued, Subscribed & Paid-up Capital by your Company. HFL Healthcare and Wellness Private Limited is into the business of manufacturing and supplying of footcare products and also engaged in the business of OTC Healthcare and Wellness segment as a Contract Manufacturer.

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

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

HFL Healthcare and Wellness Private Limited (Formerly known as Reckitt Benckiser Scholl India Private Limited) became a Material Subsidiary of your Company with effect from May 18, 2023. Your Company's Policy for determining Material Subsidiary is available on the Company's Website www.hindustanfoodslimited.com.

CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

CREDIT RATING

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

DIRECTORS' RESPONSIBILTY STATEMENT

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

(a) that in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with the proper explanation relating to material departures;

(b) that such accounting policies as mentioned in Notes to the annual accounts have been selected and applied consistently and judgement and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2023 and of the profit of the Company for the year ended on that date;

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

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

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

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

MANAGEMENT AND KEY MANAGERIAL PERSONNEL

DIRECTORS

CHANGE IN CHAIRMAN OF YOUR COMPANY

During the year under review, your Board has unanimously elected Mr Shashi K Kalathil (DIN: 02829333), Non-Executive Independent Director of your Company, as a Chairman of your Company with effect from November 9, 2022 in place of Mr Shrinivas Dempo, erstwhile Chairman of your Company who stepped down from the Chairmanship w.e.f. November 8, 2022. Mr Dempo continues to be the Non-Executive Non-Independent Director on the Board, liable to retire by rotation.

RE-APPOINTMENT OF INDEPENDENT DIRECTOR

During the year under review, considering the vast experience, acumen, positive attributes and significant contribution made to the Board by Ms Honey Vazirani (DIN: 07508803) and based on the recommendations of the Nomination and Remuneration Committee and as approved by the Board of Directors in their Meetings held on May 20, 2022, the Shareholders of your Company in their 37th AGM held on September 22, 2022, considered and approved by passing the Special Resolution for re-appointment of Ms Honey Vazirani (DIN: 07508803) as the Non-Executive, Independent Director of your Company for a second term of 5 (Five) consecutive years effective from September 23, 2022 to September 22, 2027.

RESOLUTIONS TO BE PASSED AT THE ENSUING AGM

DIRECTOR LIABLE TO RETIRE BY ROTATION

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Mr Nikhil Vora (DIN: 05014606) Non-Executive, Non-Independent Director of your Company, retires by rotation at the ensuing Annual General Meeting and being eligible, Mr Nikhil Vora offers himself for re-appointment. Your Board has recommended his re-appointment.

APPOINTMENT OF NON-EXECUTIVE NON-INDEPENDENT DIRECTOR

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

Pursuant to Section 161 (1) of the Companies Act, 2013, Ms Amruta Adukia, the Additional Director will vacate the office at the ensuing Annual General Meeting of your Company. Your Board has recommended for her re-appointment. Being eligible, she has offered herself to be appointed as the Director of your Company.

Your Company has received a notice in writing from a Member of your Company under Section 160 of the Companies Act, 2013 proposing the candidature of Ms Adukia for the office of the Director of your Company.

RE-APPOINTMENT OF WHOLE TIME DIRECTOR

Your Board in its Meeting held on May 18, 2023, on recommendation of the Nomination and Remuneration Committee and subject to the approval of the Shareholders have re-appointed Mr Ganesh T Argekar (DIN: 06865379) as a Whole-time Director designated as an 'Executive Director' for a period of 5 (Five) years starting from May 19, 2023 to May 18, 2028.

Your Company's Shareholders has already passed the necessary resolution for Re-appointment of Mr Ganesh Argekar, as a Whole Time Director designated as 'Executive Director' for a term of 5 (Five) years through Postal Ballot by way of remote E-voting on July 1, 2023 pursuant to the provisions of the Companies Act, 2013, SEBI LODR Regulations and any other applicable laws.

Resolutions seeking the appointment/ re-appointment of the Directors alongwith their profile as required under Regulation 36(3) of SEBI Listing Regulations forms part of the Notice of the ensuing Annual General Meeting.

KEY MANAGERIAL PERSONNEL

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

INDEPENDENT DIRECTORS DECLARATION

Pursuant to Section 149(7) of the Companies Act, 2013, your Company has received a declarations from all the Independent Directors of your Company viz. Mr Shashi K Kalathil, Ms Honey Vazirani, Mr Neeraj Chandra and Mr Sandeep Mehta confirming that they meet the criteria of independence as prescribed under Section 149 (6) of the Companies Act, 2013 and Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 in respect of their position as an "Independent Director" of your Company. In terms of provisions of Section 134(3) (d) of the Companies Act, 2013, the Board of Directors of your Company have taken note of all these declarations of independence received from all the Independent Directors and have undertaken due assessment of the veracity of the same.

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

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

FAMILIARISATION PROGRAMMES

Familiarisation programmes for the Independent Directors were conducted during the Financial Year 2022-23. Apart from this, there were quarterly business presentations by Mr Ganesh T Argekar, Executive Director of your Company. Details of the familiarisation programme are explained in the Corporate Governance Report and are also available on the Company's website and can be accessed at www.hindustanfoodslimited.com.

MEETINGS OF THE BOARD OF DIRECTORS

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

During the year under review, the Board of Directors of your Company met 5 (Five) times viz. on May 20, 2022, August 9, 2022, September 22, 2022, November 8, 2022 and February 8, 2023. The details of the Board Meetings and the attendance records of the Directors are provided in the Corporate Governance Report which forms part of this Annual Report.

SEPARATE MEETING OF INDEPENDENT DIRECTORS

Pursuant to Schedule IV of the Companies Act, 2013, the Independent Directors of your Company are required to hold at least one Meeting in a year without attendance of Non-Independent Directors and Members of the Management. Accordingly, Independent Directors of your Company met on May 20, 2022. All the Independent Directors were present at the Meeting except Mr Sandeep Mehta, who had expressed his inability to attend the meeting and the Independent Directors present at the Meeting granted leave of absence to him.

ANNUAL EVALUATION OF BOARD'S PERFORMANCE

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

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

AUDIT COMMITTEE

During the year under review, the Audit Committee comprised of Mr Shashi K Kalathil who serves as the Chairman of the Committee. Ms Honey Vazirani, Mr Sarvjit Singh Bedi and Mr Sandeep Mehta are the other Members. The terms of reference, number of Meetings of the Committee held during the year and other informations are provided in Corporate Governance Report which forms part of this Annual Report.

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

NOMINATION AND REMUNERATION COMMITTEE

During the year under review, the Nomination and Remuneration Committee of the Board was re-constituted. The composition of Nomination and Remuneration Committee of the Board subsequent upon re-constitution, are as follows:-

1. Ms Honey Vazirani, Chairperson (Independent Director) (Chairperson w.e.f. November 9, 2022)
2. Mr Shashi K Kalathil, Member (Independent Director)
3. Mr Sarvjit Singh Bedi, Member (Non-Executive Director)

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

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

STAKEHOLDERS RELATIONSHIP COMMITTEE

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

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

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

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

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

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

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

RISK MANAGEMENT COMMITTEE

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

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

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

INTERNAL CONTROL SYSTEM

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

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The information required under Section 197(12) of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the year ended March 31, 2023 is given in a separate Annexure to this Report as **Annexure II.**

The Annexure in pursuance to the Rule 5 (2) of the Companies (Appointment and Remuneration) Rules, 2014, is not being sent along with this Report to the Members of your Company in line with the provisions of Section 136 of the Companies Act, 2013. Members who are interested in obtaining these particulars may write to the Company Secretary at the Registered Office of the Company. The aforesaid Annexure is also available for inspection by the Members at the Registered Office of the Company, 21 days before the 38th Annual General Meeting and up to the date of the ensuing Annual General Meeting during the business hours on working days.

AUDITORS

1. Statutory Auditors

Pursuant to the requirements of Section 139(2) of the Companies Act, 2013 ('the Act'), M/s M S K A & Associates, Chartered Accountants (Registration No.105047W) were appointed as a Statutory Auditors of your Company for a Second term of 5 (Five) consecutive years from the 37th Annual General Meeting held on September 22, 2022 till the conclusion of the 42nd Annual General Meeting to be held in the year 2027. As per notification issued by the Ministry of Corporate Affairs dated May 7, 2018, ratification of the Statutory Auditors at the Annual General Meeting is not required.

2. Cost Auditors

Pursuant to Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, your Company is required to prepare, maintain as well as have the audit of its cost records conducted by a Cost Accountant and accordingly it has maintained such cost records. Your Board on recommendation of the Audit Committee of the Board of Directors in their Meetings held on August 11, 2023 has appointed M/s Poddar & Co., Cost Accountants (Firm Registration No: 101734) as the Cost Auditors of your Company for the year 2023-24 under Section 148 and all other applicable provisions of the Act.

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

The remuneration payable to the Cost Auditor is required to be placed before the Members in the General Meeting for their ratification. Accordingly, a Resolution for seeking Members' ratification for the remuneration payable to M/s Poddar & Co. is included at Item No. 5 of the Notice convening the ensuing AGM.

M/s Poddar & Co., Cost Accountants have carried out the Cost Audit for applicable businesses during the year. There are no qualifications, reservations or adverse remarks or disclaimer made in the Cost Auditors' Report for the Financial Year 2022-23, which requires any clarification or explanation.

3. Secretarial Auditors

Pursuant to the provisions of Section 204 of the Act and the Rules thereunder, your Board of Directors has appointed CS Pankaj S Desai, Practicing Company

DIRECTORS' REPORT (CONTD.)

Secretary (COP no 4098 & Membership no. 3398) to carry out the Secretarial Audit for the Financial Year 2022-23. The Secretarial Audit Report for the Financial Year ended March 31, 2023 forms a part of this Annual Report as **Annexure III.** The report is self-explanatory and contains some observation, qualification, reservation and adverse remark as follows:

a. Due to transition of portal of Ministry of Corporate Affairs from V2 to V3 and ongoing technical issues with the V3 portal, three (3) e-form CHG-1 for creation of charge and modification of charge was filed after the due date.

b. The Company was non-compliant with the requirement under Regulation 17(1)(b) of SEBI (LODR) Regulations, 2015 to have 50% of the Board of Directors of the Company as Independent Directors upto November 8, 2022 since, Mr Shrinivas V Dempo, Non-Executive Non-Independent Director was the Chairman of the Company and he was also included among the promoters of the Company. Mr Shrinivas V Dempo stepped down as the Chairman of the Company with effect from the close of working hours of November 8, 2022 and continued to be the Non-Executive Non- Independent Director on the Board of the Company. The Board of Directors of the Company in their Meeting held on November 8, 2022 unanimously elected Mr Shashi Kalathil, Non-Executive Independent Director as the Chairman of the Company w.e.f. November 9, 2022. Hence, effective from November 9, 2022 the Company has complied with the requirement under Regulation 17(1)(b) of SEBI (LODR) Regulations, 2015. The Company has filed a Suo-Moto settlement application on January 31, 2023 with the SEBI in this regard and as on financial year ended March 31, 2023 the application is under review with the SEBI.

c. There were some inadvertent errors that had occurred in the Corporate Governance Report filed with BSE as per the Regulation 27(2) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. The Company has filed a Suo-Moto settlement application on January 31, 2023 with the SEBI with regard to the inadvertent errors occurred in filing the quarterly Corporate Governance Report and as on financial year ended March 31, 2023 the application is under review with the SEBI.

Managements Explanation:

a. The observation does not require any management clarification since this was the technical issue of MCA web portal.

b. Your Company has filed a Suo-moto settlement application on January 31, 2023 with the SEBI. The Board of Directors of your Company in their Meeting held on November 8, 2022 unanimously elected Mr Shashi Kalathil, Non-Executive Independent Director of your Company w.e.f. November 9, 2022. Hence, effective from November 9, 2022 the Company has complied with the Requirement of Regulation 17(1)(b) of SEBI (LODR) Regulation, 2015.

c. As per the instruction of BSE via e-mail dated March 3, 2023, your Company has filed the revised Corporate Governance Reports with BSE for those relevant quarters for which the Suo-moto settlement application has been filed with SEBI.

STATUTORY AUDITORS' OBSERVATIONS

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

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

ANNUAL SECRETARIAL COMPLIANCE REPORT

Pursuant to Regulation 24 (A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015, the Independent Secretarial Auditor had undertaken an audit for the Financial Year 2022-23 for the SEBI compliances. The Annual Secretarial Compliance Report has been submitted to the Stock Exchange within 60 days of the end of the Financial Year.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

RISK MANAGEMENT

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

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

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

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORTING ('BRSR')

As stipulated under the Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 and SEBI circular no. SEBI/LAD-NRO/GN/2021/22 dated May 5, 2021, your Company provides the prescribed disclosures in new reporting requirements on Environmental, Social and Governance ('ESG') parameters called the Business Responsibility and Sustainability Report ('BRSR') which includes performance against the nine principles of the National Guidelines on Responsible Business Conduct and the report under each principle which is divided into essential and leadership indicators, forms part of this Annual Report. Our key non-financial indicators have been assured by Ernst & Young Associates LLP.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

RELATED PARTY TRANSACTIONS

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

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

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

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

There are no material changes and commitments, affecting the financial position of your Company, which has occurred between the end of the Financial Year of your Company i.e. March 31, 2023 and the date of Board's Report i.e. August 11, 2023 except;

DIRECTORS' REPORT (CONTD.)

a) Resignation of Mr Harsha Raghavan (DIN: 01761512), as Non-Executive Non-Independent Director of your Company with effect from June 20, 2023 due to increase in his professional responsibilities and commitments.

b) HFL Multiproducts Private Limited, incorporated on June 23, 2023 under the Companies Act, 2013 is a Wholly Owned Subsidiary of your Company and is yet to commence its business.

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

   Pursuant to Section 161 of the Companies Act, 2013, Ms Amruta Adukia (DIN: 07877389), the Additional Director will vacate the office at the ensuing Annual General Meeting of your Company. Your Board has recommended for her re-appointment. Being eligible, she has offered herself to be appointed as the Director of your Company.

REPORTING OF FRAUDS BY AUDITORS

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

MANAGEMENT DISCUSSION & ANALYSIS REPORT

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

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

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

ANNUAL RETURN

Pursuant to the provisions of Section 134 (3) (a) and Section 92 (3) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return of your Company for the Financial Year March 31, 2023 is uploaded on the website of your Company and can be accessed at www.hindustanfoodslimited.com.

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

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

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

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

COMPLIANCE WITH SECRETARIAL STANDARDS

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

CORPORATE GOVERNANCE

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

DIRECTORS' REPORT (CONTD.)

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

(ii) Management Discussion and Analysis Report;

(iii) Report on Corporate Governance and;

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

OTHER DISCLOSURES

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

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

APPRECIATION AND ACKNOWLEDGEMENT

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

For and on behalf of the Board of Directors

	Sameer R Kothari	**Ganesh T Argekar**
Place : Mumbai	Managing Director	Executive Director
Date : August 11, 2023	DIN: 01361343	DIN: 06865379

ANNEXURE – I TO THE DIRECTORS' REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

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

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

3. **Provide the web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company –**
   Web link – www.hindustanfoodslimited.com
4. **Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report)** – Not Applicable
5. (a) **Average net profit of the Company as per section 135(5)** – Rs. 5,572.60 Lakhs
   (b) **Two percent of average net profit of the Company as per section 135(5)** – Rs. 111.45 Lakhs
   (c) **Surplus arising out of the CSR projects or programs or activities of the previous Financial Year** – NIL
   (d) **Amount required to be set off for the Financial Year, if any** –
   The amount available for set off is pertaining to Financial Year 2021-22 is Rs. 5.42 Lakhs which was spend in excess of the CSR requirement
   (e) **Total CSR obligation for the Financial Year (b+c-d)** – Rs. 111.45 Lakhs
6. (a) **Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)** – Rs. 88.45 Lakhs
   (b) **Amount spent in Administrative Overheads** – Rs. 2.91 Lakhs
   (c) **Amount spent on Impact Assessment, if applicable** – Not applicable
   (d) **Total amount spent for the Financial Year [(a)+(b)+(c)]**– Rs. 91.45 Lakhs
   (e) **CSR amount spent or unspent for the Financial Year:**

Amount (Rs. in Lakhs)

Total Amount Spent for the Financial Year	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
Rs. 91.45	Rs. 20.00	April 28, 2023	-	-	-

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

Sl. No.	Particular	Amount (in Rs.)
i.	Two percent of average net profit of the Company as per sub-section (5) of section 135	Rs. 111.45 Lakhs
ii.	Total amount spent for the Financial Year	Rs. 91.45 Lakhs
iii.	Excess amount spent for the Financial Year [(ii)-(i)]	NA
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	NA
v.	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	NA

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

Sl. No.	Preceding Financial Year	Balance amount in unspent CSR account under sub-section (6) of Section 135 (1)	Amount transferred to Unspent CSR Account under section 135	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any		Amount remaining to be spent in succeeding Financial Years (in Rs.)	Deficiency, if any
					Amount (in Rs.)	Date of transfer		
1.	March 31, 2021	Nil	Nil	Nil	22,16,000	September 17, 2021	NIL	NA

8. **Whether any capital assets have been created or acquired through CSR amount spent in the Financial Year:**
   ○ Yes ☑ No
   If Yes, enter the number of Capital assets created/ acquired: Not Applicable.
   Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

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

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

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

Sd/-
Mr Ganesh Argekar & Mr Shashi Kalathil
(Members of CSR Committee)

Sd/-
Mr Sameer Kothari
(Chairman CSR Committee)

Not Applicable
[Person specified under clause; d of sub-section (1) of section 380 of the Act]
(wherever applicable)

ANNEXURE – II TO THE DIRECTORS' REPORT

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

1) Ratio of Remuneration of each Director/KMP to the median remuneration of all the Employees of the Company for the Financial Year ended 2022-23:

Name of Directors and KMP	Ratio to median Remuneration of all employees	% increase in remuneration in Financial Year
Executive Directors		
Mr Ganesh T Argekar	25.78	15.50%
Mr Sameer Kothari	49.16	2.50%
Other KMPs		
Chief Financial Officer		
Mr Mayank Samdani	23.50	7.61%
Company Secretary		
Mr Bankim Purohit	7.12	13.36%

2) The percentage increase in the median remuneration of employees in the Financial Year - **3%**

3) The number of permanent employees on the rolls of company - **846**

4) The average percentile increase in the salaries of the employees other than the Managerial Person (i.e. ED) is **8.57%.** While increase in the Managerial remuneration is **6.63%.** The average increase in remuneration of employees other than the managerial person is in line with the industry practice and is in within normal range.

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

ANNEXURE – III TO THE DIRECTORS' REPORT

FORM NO. MR-3

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

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

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

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

Based on my verification of the **HINDUSTAN FOODS LIMITED**'s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2023 and according to the provisions of:

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

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

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder;

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

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

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

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

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

  (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities), 2008; ***(Not applicable during the period under review.)***

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

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

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

(vi) Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ***(Not applicable during the period under review.)***

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

A. Food items and related business:

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

B. Footwear business:

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

C. Tea Business:

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

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

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

D. Pest repellents and other related items:

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

I further report that, based on the information provided by the Company, its officers, authorised representatives during the conduct of the audit and also on the review of quarterly compliance report by the respective departmental heads/Company Secretary / Managing Director taken on record by the Board of Directors of the Company, in my opinion, adequate systems and processes and control mechanism exist in the Company to monitor compliance with applicable other laws.

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

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

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

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

a) Due to transition of portal of Ministry of Corporate Affairs from V2 to V3 and ongoing technical issues with the V3 portal, three (3) e-form CHG-1 for creation of charge and modification of charge was filed after the due date.

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

b) The Company was non-compliant with the requirement under Regulation 17(1)(b) of SEBI (LODR) Regulations, 2015 to have 50% of the Board of Directors of the Company as Independent Directors upto November 8, 2022 since, Mr. Shrinivas V Dempo, Non-Executive Non-Independent Director was the Chairman of the Company and he was also included among the promoters of the Company. Mr. Shrinivas V Dempo stepped down as the Chairman of the Company with effect from the close of working hours of November 8, 2022 and continued to be the Non-Executive- Non- Independent Director on the Board of the Company. The Board of Directors of the Company in their Meeting held on November 8, 2022 unanimously elected Mr. Shashi Kalathil, Non-Executive Independent Director as the Chairman of the Company w.e.f. November 9, 2022. Hence, effective from November 9, 2022 the Company has complied with the requirement under Regulation 17(1)(b) of SEBI (LODR) Regulations, 2015. The Company has filed a Suo-Moto settlement application on January 31, 2023 with the SEBI in this regard and as on financial year ended March 31, 2023 the application is under review with the SEBI.

c) There were some inadvertent errors that had occurred in the Corporate Governance Report filed with BSE as per the Regulation 27(2) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. The Company has filed a Suo-Moto settlement application on January 31, 2023 with the SEBI with regard to the inadvertent errors occurred in filing the quarterly Corporate Governance Report and as on financial year ended March 31, 2023 the application is under review with the SEBI.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors subject to the observation made under point no. b) mentioned above.

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

As per the minutes of the Board duly recorded and signed by Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

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

I further report that during the audit period the Company has approved through Postal Ballot on Friday, July 1, 2022:

- The Sub-Division/Split of every 1 (One) Equity Share of the Nominal/face value of Rs. 10/- (Rupees Ten Only) each into 5 (Five) Equity Shares of Nominal face value of Rs. 2/- (Rupee Two only) each.
- The alteration of Capital Clause (Clause V) of the Memorandum of Association of the Company.

Sd/-
Name of the Company Secretary: - Pankaj Desai
ACS No :- 3398
C. P. No :- 4098
UDIN NO :-A003398E000734546

Place :- Mumbai
Date :- August 3, 2023

Annexure I (Integral part of Secretarial Audit Report)

To,
The Members,

Hindustan Foods Limited,

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

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

Sd/-
Name of the Company Secretary: - Pankaj Desai
ACS No :- 3398
C. P. No :- 4098
UDIN NO :-A003398E000734546

Place :- Mumbai
Date :- August 3, 2023

ANNEXURE – IV TO THE DIRECTORS' REPORT

Information as per Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Account) Rules, 2014 and forming part of the Directors Report for the Financial Year ended March 31, 2023.

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

A. CONSERVATION OF ENERGY

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

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

(A) Power and Fuel Consumption

(Amount in Rs.)

Particulars		Unit	Current Year
1	Electricity		
a)	Purchased Units	Kwh	201,87,982
	Total amount	Rs.	15,60,62,953
	Rate/ unit	Rs.	7.73
b)	Own Generation		
	Through Diesel Generator		
	Units	Kwh	5,24,107
	Units per Ltr. of Diesel Oil	Kwh	0.76
	Total qty of diesel consumed	Ltr.	6,92,925
	Total cost of diesel	Rs.	6,69,77,300
	Cost/Unit	Rs.	96.66
2	Furnace Oil (H.S.D. for Brand Drier)		
	Quantity	L	24,350
	Total amount	Rs.	21,88,828
	Average Rate	Rs.	89.89
3	Briquettes – For Boiler		
	Quantity	Kgs.	69,27,583
	Total Amount	Rs.	4,24,73,639
	Average Rate	Rs.	6.13

The steps taken or impact on conservation of energy:

- Installation of LED lights at major factories and the total capital expenditure for this is around Rs. 30,92,244 for the Financial Year end March 31, 2023.

ANNEXURE – IV TO THE DIRECTORS' REPORT (CONTD.)

(B) Technology Absorption

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

(C) Foreign Exchange Earnings and Outgo

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows	Foreign Exchange used for importing raw material, commission, purchase of fixed assets and travel expenses of employees for official work etc. were equivalent to Rs. 336.15 Lakhs.
	Foreign Exchange earned during the year by exporting finished products was equivalent to Rs. 5,508.07 Lakhs.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT [BRSR]

HINDUSTAN FOODS LIMITED

SECTION A: GENERAL DISCLOSURE

I. Details of the Listed Entity

1.	Corporate Identity Number (CIN) of the Listed Entity	L15139MH1984PLC316003
2.	Name of the Listed Entity	Hindustan Foods Limited
3.	Year of incorporation	December 31, 1984
4.	Registered office address	Office No. 03, Level 2, Centrium, Phoenix Market City,15, Lal Bahadur Shastri Rd, Kurla Mumbai, Maharashtra - 400070
5.	Corporate address	Office No. 03, Level 2, Centrium, Phoenix Market City,15, Lal Bahadur Shastri Rd, Kurla Mumbai, Maharashtra - 400070
6.	E-mail	investorrelations@thevanitycase.com
7.	Telephone	+91 22 69801700
8.	Website	www.hindustanfoodslimited.com
9.	Financial year for which reporting is being done	April 1, 2022 to March 31, 2023
10.	Name of the Stock Exchange(s) where shares are listed	BSE Limited
11.	Paid-up Capital	Rs. 2,25,485,380
12.	Contact Person	
	Name of the Person	Mr Sameer R Kothari
	Telephone	+91 22 69801700
	Email address	business@thevanitycase.com
13.	Reporting Boundary	
	Type of Reporting (Standalone /Consolidated Basis)	Standalone

II. Product/Services

14. Details of business activities

S. No.	Description of Main Activity	Description of Business Activity	% Turnover of the Entity
1.	The Company majorly involved in contract manufacturing which covers diverse product range such as personal care, home care, foods, and beverages.	• Food beverages and tobacco products • Leather and Sports Shoes, Leather, and Sports shoe products • Personal care and home care • Pest Control	98.95

15. Products/Services sold by the entity

S. No.	Product/Service	NIC Code (last 3 digits)	% of Total Turnover contributed
1.	Manufacturing of Food and Beverages	10794 Milk & Cereal based Baby Food, Extruded Snacks, Instant Porridge and Extruded Cereal Products 10791 Tea 10792 Coffee 10304 Fruit Juice 11041 Aerated Juice	51%

S. No.	Product/Service	NIC Code (last 3 digits)	% of Total Turnover contributed
2.	Manufacture of Home and Personal Care	20211 Pest Control Product 20233 Detergents 20239 Home Care Products	45%
3.	Others	15201 Leather	3%

III. Operations

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

Location	Number of plants	No. of Offices	Total
National	12	1	13
International	0	0	0

17. Market served by the entity

	Locations	Numbers
• No. of Locations	National (No. of States)	28 States, 8 Union Territories
	International (No. of Countries)	0
• What is the contribution of exports as a percentage of the total turnover of the entity?	2.31%	
• A brief on types of Customers	The Company engages in contract manufacturing business for the Fast-Moving Consumer Goods (FMCG) industry. It has a long-standing relationship with industry leaders which has allowed the Company to become the preferred choice for many brands. The Company offers a plethora of products through its flexible business models that enable the Company to serve industries of various sizes, categories, and niches. The Company manufactures popular products of top FMCG brands including Taj Mahal, Sunsilk, and many more. It has adopted three main kinds of business models – Dedicated Manufacturing, Shared Manufacturing and Private Label Manufacturing.	

IV. Employees

18. Details as at the end of Financial Year:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
a.	**Employees and workers (including differently abled)**					
	Employees					
1.	Permanent (D)	592	524	89%	68	11%
2.	Other than Permanent (E)	0	0	0	0	0
3.	**Total Employees (D+E)**	**592**	**524**	**89%**	**68**	**11%**
	Workers					
4.	Permanent (F)	254	251	99%	3	1%
5.	Other than Permanent (G)	3,806	3,235	85%	571	15%
6.	**Total Workers (F+G)**	**4,060**	**3,486**	**86%**	**574**	**14%**

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
b.	**Differently abled employees and workers**					
	Differently abled Employees					
1.	Permanent **(D)**	2	2	100%	0	0%
2.	Other than Permanent **(E)**	0	0	0%	0	0%
3.	**Total Employees (D+E)**	**2**	**2**	**100%**	**0**	**0%**
	Differently abled Workers					
4.	Permanent **(F)**	0	0	0%	0	0%
5.	Other than Permanent **(G)**	0	0	0%	0	0%
6.	**Total Differently Abled workers (F+G)**	**0**	**0**	**0%**	**0**	**0%**

19. Participation/Inclusion/Representation of women

S. No.	Category	Total (A)	No. and % of females	
			No. (B)	% (B/A)
1.	Board of Directors	10	1	10%
2.	Key Management Personnel (other than Executive Directors)	2	0	0%

20. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

Category	FY 2022-23 (Turnover rate in current FY)			FY 2021-22 (Turnover rate in previous FY)			FY 2020-21 (Turnover rate in the year prior to previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	15%	2%	17%	12%	1%	13%	11%	1%	12%
Permanent Workers	10%	0	10%	10%	0	10%	9%	0	9%

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. Names of holding / subsidiary / associate companies / joint ventures

S. No	Name of the holding / subsidiary / associate companies / joint ventures	Indicate whether it is a holding / Subsidiary / Associate / or Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	Vanity Case India Private Limited	Holding Company	-	No
2.	HFL Consumer Products Private Limited	Wholly owned Subsidiary Company	100	No
3.	Reckitt Benckiser Scholl India Private Limited	Wholly owned Subsidiary Company	100	No
4.	Aero Care Personal Products LLP	Subsidiary Company	81	No

VI. CSR Details

22. a. Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

Turnover (Rs. In lakhs)	2,38,319.80
Net worth (Rs. In lakhs)	37,222.37

VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	If yes, then provide web-link for grievance redress policy	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
			Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	Hindustan Foods | Corporate Policies (hindustanfoodslimited.com)	0	0	NA	0	0	NA
Investors (other than shareholders)	Yes		0	0	NA	0	0	NA
Shareholders	Yes		0	0	NA	0	0	NA
Employees and workers	Yes		0	0	NA	0	0	NA
Customers	Yes		209	0	NIL	72	0	NIL
Value Chain Partners	Yes		0	0	NA	0	0	NA

24. Overview of the entity's material responsible business conduct issues

S. No	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk /opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Business Continuity Plan and Disaster Resilience	Risk	HFL's Business Continuity Plan (BCP) primarily focuses on identifying the resources and capabilities required by the organisation to prepare for, respond to, and recover from potential threats. These potential threats include homogeneity in the customer portfolio, the location of operations, and inadequate succession planning. Furthermore, HFL considers political issues in various areas of facilities and operational interruptions due to equipment breakdown. Additionally, HFL considers disasters or emergencies at facilities or the head office resulting from natural disasters such as earthquakes, hurricanes, storms/ cyclones, lightning, etc., as well as fire, explosions, riots, terrorism, and power failures.	HFL's key measures for the Business Continuity Plan include establishing operational units across India and implementing proper succession planning. A major focus is to diversify the customer base and avoid overdependence on a select few. Additionally, all manufacturing facilities have well-prepared disaster management plans and are equipped for disaster preparedness.	Positive: Impact of HFL's key measures on the business continuity plan. However, costs can be incurred negatively during the time of disaster preparedness.
2.	Regulatory Compliance	Risk	The rapidly changing regulatory environment and adapting to major regulatory changes can cost the Company more.	In its current practice, HFL is compliant with all applicable laws and regulations. HFL always follows updates in the regulatory framework.	Positive: Ensuring compliance with all applicable laws and regulations fosters a positive environment for businesses.
3.	Business Ethics and Conduct and Corporate Governance	Risk	HFL operates within a context where it faces risks associated with corporate governance and ethical business practices. Engaging in unethical conduct can significantly damage the Company's reputation and result in financial repercussions, such as fines and penalties. On the other hand, implementing strong corporate governance practices contributes to the long-term sustainability and resilience of the business.	HFL recognises that good corporate governance plays a vital role in establishing trust among stakeholders, including shareholders, employees, the environment, and the communities it serves. Corporate governance is seen as an essential component of effective management at HFL, and the Company is committed to upholding the highest standards of integrity, ensuring compliance with laws and internal policies. To facilitate this, the Board of Directors has implemented a Code of Conduct Policy and a Whistle Blower Policy that applies to all. HFL has established various committees dedicated to sustainability matters. As per the Companies Act, 2013, HFL has a CSR Committee, which is a committee of the Board duly constituted to formulate and recommend CSR activities to be undertaken by the Company to the Board. Additionally, HFL has a Risk Management Committee that consists of a framework for identifying internal and external risks specifically faced by the Company, which also includes ESG-related risks.	Positive: Good governance leads to ethical actions and stronger stakeholder relationships.

S. No	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk /opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
4.	Climate Change	Risk	Customer expectations are leaning towards embracing sustainability and implementing a low-carbon transition plan. This shift is due to the rapidly growing focus on climate change and responsible operations. As a result, the Company has taken a proactive stance towards climate change and the management of its emissions, recognising the complexity of this process. Moreover, companies are facing regulatory expectations concerning their efforts to address climate change.	The Company is focusing on the importance of GHG emission reduction and effective utilisation of energy by selecting appropriate low-carbon transition technologies. Currently, Bio briquette is being used at some manufacturing facilities. The Company identified opportunities for improving energy efficiency. For example, the Company replaced inefficient old motors with Variable Frequency Drive motors, and Lights are now LED lights.	Negative: In the short term, there are capital and operating expenditures involved in the adoption of renewable energy sources and switching to cleaner fuels.
5.	Operational Excellence	Opportunity	Operational excellence is to enhance the business performance. It can be achieved by implementing and executing its day-to-day business better than its peers. It focuses on continuous improvement and lower costs when compared to competitors in their market and industry.	HFL has implemented various strategies to achieve operational excellence in manufacturing activities. These strategies include improving the efficiency of the equipment, increasing safety standards and measures, enhancing the quality of the products being developed, and evaluating the process for improvement opportunities. HFL has also implemented the 5S model and has been accredited with certifications such as ISO 9001:2008, BRC Food Certificates, and ISO 14001. Additionally, HFL aims to continually improve the organisation by focusing on customer requirements and process optimisation.	Positive: Due to the increase in Productivity

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S. No	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk /opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
6.	Employee and Workers Wellness Engagement and Talent Attraction and Retention	Opportunity	HFL believes that healthy employees and workers lead to a healthy Company. They prioritise wellness and enthusiasm to create the best place to work, which, in turn, attracts more talent to the Company. The availability of skilled Indian workers at relatively lower costs provides a significant advantage for companies to outsource and access a large pool of trained workers, which will help meet increasing business requirements.	HFL provides additional wellness benefits to its employees, such as recognition, leadership, and behavioural training, in addition to maintaining work-life balance and overall health. HFL's success largely depends on our highly skilled workers and our ability to hire, attract, motivate, retain, and train these personnel.	There are positive financial implications resulting from the quality and productivity of their employees' work.
7.	Workers Development and Skill Building	Opportunity	Worker development and skill development provide an excellent opportunity for Company to thrive. By investing in improving our workforce's expertise, HFL open the door to a brighter future filled with top-tier talent and a highly skilled workforce. This business decision ensures that our organisation is well-equipped to face tomorrow's challenges and ensure long-term growth.	HFL is fortunate to have an excellent record of worker and employee relations. HFL upskills the workforce constantly through various training programmes. These investments meet workforce aspirations and provide us with increasing skill sets in a win-win relationship. Moreover, various programmes and initiatives taken by governments are further enhancing the availability of skilled workers.	Positive: Through Increased revenues
8.	Community Engagement	Opportunity	Community engagement is one of the key constituents for HFL to maintain harmony with the community and ensure smooth operations. In the long run, support from the communities is crucial for HFL's business operations. Therefore, building trust between the community and HFL's business operations is essential.	HFL ensures that the well-being of the local community is vital to their business. They achieve this through various CSR initiatives, which not only increase reach but also ensure the adoption of these initiatives by the communities.	Positive: It creates a positive brand image and goodwill. It maintains a reputation among communities.
9.	Diversity and Inclusion	Opportunity	Embracing gender equality, diversity, and inclusion helps companies attract and retain top talent. Promoting these principles is not only a matter of social justice but also makes good business sense. Companies that foster an inclusive environment where all employees feel valued and respected tend to have higher employee engagement, satisfaction, and productivity.	HFL focuses on and prioritises gender equality. Currently, female representation at the board level is around 10%. Female representation among employees and workers is at 14%. Additionally, HFL's units across India promote diversity in their business.	Positive impact due to diversity and inclusion in their business.

S. No	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk /opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
10.	Stakeholder Engagement	Opportunity	Stakeholder engagement is crucial for all internal and external stakeholders. Understanding the grievances of stakeholders and their feedback enables the Company to assess the key issues of stakeholders and devise a plan for improvement.	HFL clearly understands the grievances of its stakeholders. The Company provides efficient platforms for receiving stakeholders' grievances and ensures timely resolution. HFL offers different channels for different stakeholders to report their grievances. This mechanism allows stakeholders to freely provide feedback on the services offered by the Company.	Positive impact due to goodwill with all stakeholders.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
	Policy and Management Processes									
1.	a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	No	Yes	Yes	Yes	Yes	No	Yes	Yes
	b. Has the policy been approved by the Board? (Yes/No)	Yes								
	c. Web Link of the Policies, if available	Hindustan Foods | Corporate Policies (hindustanfoodslimited.com)								
2.	Whether the entity has translated the policy into procedures. (Yes / No)	Yes	No	Yes	Yes	Yes	Yes	No	Yes	Yes
3.	Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes								
4.	Name of the national and international codes/ certifications/labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	The Company has been accredited with the following certifications: • ISO 9001:2008 • BRC Food Certificates • ISO 22000:2005 • ISO 14001:2015								
5.	Specific commitments, goals and targets set by the entity with defined timelines, if any.	The Company aim to achieve the target of Rs. 4,000 cr. of turnover by FY 2024-25.								
6.	Performance of the entity against the specific commitments, goals, and targets along-with reasons in case the same are not met.	The Company recognises the importance of sustainability and is taking significant steps to reduce its carbon footprint while also ensuring ethical business practices. The Company is committed to continuous improvement and intends to focus on reducing greenhouse gas emissions and increasing social impact initiatives in the coming year. The Company recognises the importance of ESG factors in its long-term growth and is committed to incorporating them into all aspects of its operations.								

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	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
	Governance, Leadership and Oversight									
7.	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements. The Company strongly believes that long-term success is possible only by connecting economic growth with environmental stewardship and financial performance with social responsibility. As a responsible Company, the Company always strives to ensure that an ESG focus is embedded into its strategy and that growth ambitions are well-suited to sustainable development practices. The Company diligently uses the right approach to build a responsible business.									
8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	The Managing Director of the Company is responsible for implementation of all Business Responsibility (BR) policies and to oversee the performance on BR. Details of the Managing Director: Name: Mr Sameer R Kothari DIN: 013613343 Email ID: business@thevanitycase.com Telephone No: +91 22 69801700								
9.	Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	The Company is dedicated towards sustainability matters. It has a CSR Committee as per the Companies Act, 2013, a committee of the Board duly constituted to formulate and recommend CSR activities to be undertaken by the Company to the Board. In addition, the Company has a Risk Management Committee, consisting of a framework for identification of internal and external risks specifically faced by the Company which also includes ESG-related risks.								

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	Yes, the Company reviews the performance against above policies. The review is conducted by the Managing Director, Executive Directors, and the Functional Heads.									The Company conducts periodic assessments as and when needed during the review meetings to evaluate the performance in relation to the above policies.								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	The Company ensures compliance with all statutory requirements and complies with the national voluntary guidelines on social, environmental, and economic responsibilities. These guidelines encompass all nine principles of the NGRBC.									The Company conducts periodic assessments as and when needed during the review meetings to evaluate the performance in relation to the above policies.								

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency

P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
No	No	No	No	No	No	No	No	No

12. If answer to Question (1) above is "No" i.e., not all Principles are covered by a policy, reasons to be stated:

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the principles material to its business (Yes/No)	NA	Yes	NA	NA	NA	NA	Yes	NA	NA
The entity is not at a stage where it is able to formulate and implement the policies on specified principles (Yes/No)	NA	Yes	NA	NA	NA	NA	Yes	NA	NA
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	NA	No	NA	NA	NA	NA	No	NA	NA
It is planned to be done in the next financial year (Yes/ No)	NA	No	NA	NA	NA	NA	No	NA	NA
Any other reason (please specify)	P2 - The Company engages in contract manufacturing business, with sourcing based on its principal Customers. P7 - The Company engages in contract manufacturing business and does not advocate for public policy positions.								

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

ESSENTIAL INDICATORS

1. **Percentage coverage by training and awareness programmes on any of the principles during the financial year:**

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	% Age of persons in respective category covered by the awareness programmes
Board of Directors	4	Statutory updates, roles and responsibilities, risk assessment, related party transactions and conflict of interest	100%
Key Management Personal	4	Statutory updates, roles and responsibilities, risk assessment, related party transactions and conflict of interest	100%
Employees other than BODs and KMPs	44	Trainings on Company policies, safety, quality control, audit, and good manufacturing practices	100%
Workers	20	Trainings on Company policies, safety, quality control, audit, and good manufacturing practices	100%

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2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format.

Monetary

	NGRBC Principle	Name of the regulatory/ enforcement/agencies / judicial institutions	Amount (In Rs.)	Brief of the case	Has an appeal been preferred? (Yes/No)
Penalty /Fine	-	NA	NA	NA	NA
Settlement	-	NA	NA	NA	NA
Compounding Fees	-	NA	NA	NA	NA

	NGRBC Principle	Name of the regulatory/ enforcement/ agencies / judicial institutions	Brief of the case	Has an appeal been preferred? (Yes/No)
Imprisonment	-	NA	NA	NA
Punishment	-	NA	NA	NA

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

   Not Applicable

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

   The Company ensures in operating with highest standards of ethical conduct. The Company has detailed policies including Code of Conduct for Board of Directors and Senior Management available on our website, link: Hindustan Foods | Corporate Policies (hindustanfoodslimited.com)

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption

	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

6. Details of complaints with regard to conflict of interest:

	FY 2022-23 (Current Financial Year)		FY 2021-22 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	NA	0	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	NA	0	NA

7. **Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.**

   Not Applicable

LEADERSHIP INDICATORS

1. **Awareness programmes conducted for value chain partners on any of the principles during the financial year:**

Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	% Age of persons in value chain covered by the awareness programmes
0	0	0

2. **Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same**

   Yes. The Company has procedures and policies in place such as, the Code of Conduct for Board of Directors and Senior Management Personnel and Related Party Transaction.

   Weblink to the code - Hindustan Foods | Corporate Policies (hindustanfoodslimited.com)

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe

ESSENTIAL INDICATORS

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

Type	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)	Details of improvement in social and environmental aspects
Research & Development (R&D)	0%	0%	Details of improvement activities undertaken in processes are as below:
Capital Expenditure (CAPEX)	0.83%	0.12%	Personal care 1. Personal care formulations are developed without parabens 2. Sulfates are replaced with natural surfactants 3. Paraffin oil is replaced with natural emollients 4. 90% of the formulation contents natural ingredients 5. Synthetic fragrances are replaced by natural essential oils Foods 1. No preservative 2. No artificial colors 3. No artificial flavors 4. Naturally sourced raw materials 5. Increased shelf life with latest retort technology

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2. a. **Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

   The Company has majorly involved in contract manufacturing which contributes to about 99.5% of the total business activities while 0.5 % of the business activity involves private labelling. Since contract manufacturing forms a major part of the business activities, the Company has limited control over the procurement activities. All the sourcing processes are governed by the principal Company/ Customer. Thus, the Company does not have any specific sourcing guidelines of its own. However, the Company is in the process of introducing policies and procedures for supply chain in the upcoming years.

   b. **If yes, what percentage of inputs were sourced sustainably?**

   Not Applicable

3. **Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

   Not applicable, as a contract manufacturer that does not have a brand name associated with it.

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

   Yes, as a contract manufacturer without an associated brand name, we have taken responsibility by registering ourselves with Extended Producer Responsibility and submitting the required documents to the Pollution Control Board.

LEADERSHIP INDICATORS

1. **Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

   No, HFL has not conducted and LCA during the reporting period.

NIC Code	Name of Product/ Service	% of Total Turnover Contributed	Boundary for which the Life Cycle Perspective/ Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
NA	NA	NA	NA	NA	NA

2. **If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

   Not Applicable

Name of Product/Service	Description of the risk/concern	Action Taken
NA	NA	NA

3. **Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

   Not Applicable

Indicate Input Material	Recycled or re-used input material to total material	
	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
NA	NA	NA

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

Not Applicable

	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Re-used	Recycled	Safely Disposed	Re-used	Recycled	Safely Disposed
Plastics (including packaging)	NA	NA	NA	NA	NA	NA
E-waste	NA	NA	NA	NA	NA	NA
Hazardous waste	NA	NA	NA	NA	NA	NA
Other waste	NA	NA	NA	NA	NA	NA

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Not Applicable

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
NA	NA

PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

ESSENTIAL INDICATORS

1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		No. (B)	% (B/A)	No. (C)	%(C/A)	No.(D)	%(D/A)	No. (E)	%(E/A)	No. (F)	%(F/A)
Permanent Employees											
Male	524	461	88%	524	100%	NA	NA	0	0	0	0%
Female	68	55	81%	68	100%	68	100%	NA	NA	0	0%
Total	**592**	**515**	**87%**	**592**	**100%**	**68**	**11%**	**0**	**0**	**0**	**0%**
Other than Permanent Employees											
Male	0	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		No. (B)	% (B/A)	No. (C)	%(C/A)	No.(D)	%(D/A)	No. (E)	%(E/A)	No. (F)	%(F/A)
Permanent Workers											
Male	251	251	100%	251	100%	NA	NA	0	0%	0	0%
Female	3	3	100%	3	100%	3	100%	NA	NA	0	0%
Total	**254**	**254**	**100%**	**254**	**100%**	**3**	**100%**	**0**	**0%**	**0**	**0%**

Category	% of workers covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		No. (B)	% (B/A)	No. (C)	%(C/A)	No.(D)	%(D/A)	No. (E)	%(E/A)	No. (F)	%(F/A)
Other than Permanent Workers											
Male	3,235	0	0%	3,235	100%	NA	NA	0	0%	0	0%
Female	571	0	0%	571	100%	0	0%	NA	NA	0	0%
Total	**3,806**	**0**	**0%**	**3,806**	**100%**	**0**	**0%**	**0**	**0%**	**0**	**0%**

2. Details of retirement benefits, for Current FY and Previous Financial Year:

S. No.	Benefits	FY 2022-23 (Current FY)			FY 2021-22 (Previous FY)		
		No. of employees covered as a % of total employees	No. of workers covered as a % of total worker	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total worker	Deducted and deposited with the authority (Y/N/N.A.)
1.	PF	100%	100%	Yes	100%	100%	Yes
2.	Gratuity	100%	100%	Yes	100%	100%	Yes
3.	ESI	100%	100%	Yes	100%	100%	Yes

3. Accessibility of workplaces: Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, all premises/offices are accessible to differently abled employees and workers.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

No

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent Employees		Permanent Workers	
	Return to work rate	Retention Rate	Return to work rate	Retention Rate
Male	0%	0%	0%	0%
Female	0%	0%	0%	0%
Total	0%	0%	0%	0%

Note: No employee took parental leave during the reporting year

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

Yes

Category	Yes/No	Details of the mechanism in brief
Permanent Workers	Yes	The Company is persistent in its commitment to conducting business in an ethical and legal manner. Employees are encouraged to express their concerns without hesitation. Employees' grievances are directed to the Human Resources department. The Company takes stringent measures to address the issues and communicates the resolution to the individual who is the subject of the complaint.
Other than Permanent Workers	Yes	
Permanent Employees	Yes	
Other than Permanent Employees	Yes	

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2022-23 (Current FY)			FY 2021-22 (Previous FY)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	%(D/C)
Permanent Employees						
Male	524	0	0%	522	0	0%
Female	68	0	0%	49	0	0%
Total	**592**	**0**	**0%**	**571**	**0**	**0%**
Permanent Workers						
Male	251	12	5%	247	12	5%
Female	3	0	0%	2	0	0%
Total	**254**	**12**	**5%**	**249**	**12**	**5%**

8. Details of training given to employees and workers:

Category	FY 2022-23 (Current FY)					FY 2021-22 (Previous FY)				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (D/A)		No. (E)	% (E/D)	No. (F)	%(F/D)
Permanent Employees										
Male	524	524	100%	485	93%	522	522	100%	480	92%
Female	68	68	100%	58	85%	49	49	100%	41	84%
Total	**592**	**592**	**100%**	**543**	**92%**	**571**	**571**	**100%**	**521**	**91%**
Permanent Workers										
Male	251	251	100%	251	100%	247	247	100%	235	95%
Female	3	3	100%	3	100%	2	2	100%	2	100%
Total	**254**	**254**	**100%**	**254**	**100%**	**249**	**249**	**100%**	**237**	**95%**

9. Details of performance and career development reviews of employees and worker:

Category	FY 2022-23 (Current FY)			FY 2021-22 (Previous FY)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who had a career review (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who had a career review (D)	%(D/C)
Permanent Employees						
Male	524	440	84%	522	470	90%
Female	68	54	79%	49	45	92%
Others	0	0	NA	0	0	NA
Total	**592**	**494**	**83%**	**571**	**515**	**90%**
Permanent Workers						
Male	251	0	0%	247	0	0%
Female	3	0	0%	2	0	0%
Others	0	0	NA	0	0	NA
Total	**254**	**0**	**0%**	**249**	**0**	**0%**

10. Health and safety management system:

a.	Whether an occupational health and safety management system has been implemented by the entity? (Yes/No)	Yes
a.	1. If yes, What is the coverage of such system?	All manufacturing sites are covered under the Occupational Health and Safety Management System
b.	What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?	The Company ensures in providing a safe and healthy working environment to all our employees. Engagement with regulators to increase safety standards at our operation facilities and to ensure that no such incidents occur remains a priority for our business.
c.	Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Yes/No)	The Company regularly conducts safety committee meetings involving all employees and workers, with an objective to address health and safety matters. The Company provides various training sessions to workers, equipping them with the necessary knowledge to effectively report any incidents concerning health and safety.
d.	Do the employees/worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)	Yes

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one Mn-person hours worked)	Employees	0	0
	Workers	1.16	0.85
Total recordable work-related injuries	Employees	0	0
	Workers	5	2
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

The Company's plants are meticulously established, considering legal requirements to ensure a safe and healthy workplace. It employs a systematic approach for determining potential workplace hazards. All employees involved receive regular training sessions on Health Identification and Risk Assessment. The Company has put in place a system for identifying hazards, developing action plans, and implementing strategies to reduce or eliminate them.

13. Number of Complaints on the following made by employees and workers:

	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Working Conditions	0	0	0	0	0	0
Health & safety	0	0	0	0	0	0

14. Assessments for the year:

Topic	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

As of date, no significant risks/concerns from these assessments are outstanding.

LEADERSHIP INDICATORS

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N)?

a. Employees (Yes/No): Yes

b. Workers (Yes/No): Yes

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

Measures are undertaken to ensure that statutory dues have been deducted and deposited by value chain partners at the time of value chain partner invoice processing.

3. Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

Category	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	Current FY 2022-23	Previous FY 2021-22	Current FY 2022-23	Previous FY 2021-22
Employees	0	0	0	0
Workers	0	0	0	0

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

Yes. The Company provides as per the requirement.

5. Details on assessment of value chain partners:

Topic	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	100%
Working Conditions	100%

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners

As of date, no significant risks/concerns from these assessments are outstanding.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

ESSENTIAL INDICATORS

1. **Describe the processes for identifying key stakeholder groups of the entity:**

Throughout its entire value chain, the Company actively engages with various stakeholders. Each business function compiles a comprehensive list of stakeholders and works to understand and meet their expectations. Stakeholders are identified based on the Company's industry dynamics, business model, and capital structure. These stakeholders are then categorised into four groups: Employees, Customers, Suppliers, Investors, and Communities.

2. **List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group:**

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly /others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	• Monthly review meetings • emails • performance appraisal meeting • campaigns • circulars • notice board	Monthly, Quarterly, Half-Yearly	• Diversity • Quality of work and life • Fair wages & remuneration benefits • Training & Development • Career growth • Health & safety
Customers	No	• Emails • Distributor • Visits • Customer plant visits • Customer satisfaction survey	Need based	• Development interventions • Local employment generation
Suppliers	No	• Supplier meets • Emails • Plant visits • Discussion meetings	Monthly, Quarterly, Annually, Need based	• Cost • Timely delivery • On time payment
Investors	No	• Investor meets • Financial discussion meetings	Annual, Need based	• Good Return on Investments (ROI)
Communities	No	• In-person interaction, visiting the CSR project sites • Interacting with the communities	Need based	• Upliftment of the communities • Educating the girl-child

LEADERSHIP INDICATORS

1. **Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

   The Company has a robust stakeholder consultation process. The Company seeks feedback from the stakeholders on environment, social and governance matters through different functional heads. The feedback is then consolidated and presented to the board.

2. **Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

   Yes, the feedback obtained from the stakeholders is used to understand their expectations and develop a strategy to integrate the feedback in the policies and procedures of the Company.

3. **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalised stakeholder groups.**

   None

PRINCIPLE 5: Businesses should respect and promote human rights

ESSENTIAL INDICATORS

1. **Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

Category	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	592	592	100%	571	571	100%
Other than permanent	0	0	NA	0	0	NA
Total Employees	**592**	**592**	**100%**	**571**	**571**	**100%**
Workers						
Permanent	254	254	100%	249	249	100%
Other than permanent	0	0	NA	0	0	NA
Total Workers	**254**	**254**	**100%**	**249**	**249**	**100%**

2. **Details of minimum wages paid to employees and workers, in the following format:**

Category	FY 2022-23 Current Financial Year					FY 2021-22 Previous Financial Year				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Permanent Employees										
Male	524	0	0%	524	100%	522	0	0%	522	100%
Female	68	0	0%	68	100%	49	0	0%	49	100%
Other than Permanent										
Male	0	0	NA	0	NA	0	0	NA	0	NA
Female	0	0	NA	0	NA	0	0	NA	0	NA
Workers										
Permanent										
Male	251	251	100%	0	0%	247	247	100%	0	0%
Female	3	3	100%	0	0%	2	2	100%	0	0%
Other than Permanent										
Male	3,235	3,235	100%	0	0%	1,824	1,824	100%	0	0%
Female	571	571	100%	0	0%	745	745	100%	0	0%

3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective categories	Number	Median remuneration/ salary/ wages of respective categories
Executive Directors	2	1,19,80,385	0	NA
Board of Directors (Non-Executive and Non-Independent)	4	1,25,000	0	NA
Board of Directors (Non-Executive and Independent)	3	3,55,000	1	4,00,000
KMPs	4	89,15,256	0	NA
Employees other than BoD and KMP	514	3,25,248	67	3,25,248
Workers	251	3,25,800	3	3,25,800

4. **Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

No

5. **Describe the internal mechanisms in place to redress grievances related to human rights issues.**

Any complaints are directed to the Human Resources department. In specific instances, they may be referred to the Company Secretary department regarding ethical matters. Appropriate measures are taken in accordance with the relevant workplace policies and regulations. The resolution is communicated to the aggrieved individual.

6. **Number of Complaints on the following made by employees and workers:**

	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	NA	0	0	NA
Discrimination at workplace	0	0	NA	0	0	NA
Child Labour	0	0	NA	0	0	NA
Forced Labour/Involuntary Labour	0	0	NA	0	0	NA
Wages	0	0	NA	0	0	NA
Other human rights related issues	0	0	NA	0	0	NA

7. **Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

The Company has a mechanism for any complaints regarding discrimination or harassment to be directed to the Human Resources department. In such instances, stringent actions are taken in accordance with the relevant workplace policies and regulations. The resolution is communicated to the aggrieved individual.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes

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9. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labor	100%
Forced/involuntary labor	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%

10. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.**

None

LEADERSHIP INDICATORS

1. **Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.**

There has been no change in the process for addressing human rights grievances/complaints during the reporting year.

2. **Details of the scope and coverage of any Human rights due diligence conducted.**

No human rights due diligence was conducted during the reporting year

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Child labour	NIL
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

Not applicable

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

ESSENTIAL INDICATORS

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total electricity consumption (A) (GJ)	72,881.22	62,947.71
Total fuel consumption (B) (GJ)	1,05,959.54	99,258.18
Energy consumption through other sources (C) Steam (GJ)	31,444.59	31,927.86
Total energy consumption (A+B+C) (GJ)	**2,10,285.35**	**1,94,133.75**
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees) (GJ per Rs. in lakhs)	0.88	0.96

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assessment by an external agency has been carried out.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

   No

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	68,806	42,484
(ii) Groundwater	1,45,116	1,46,765
(iii) Third party water	80,693	48,120
(iv) Seawater / desalinated water	0	0
(v) Others (Rainwater storage)	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	**2,94,615**	**2,37,369**
Total volume of water consumption (in kilolitres)	**2,94,615**	**2,37,369**
Water intensity per rupee of turnover (Water consumed / turnover) (kl per Rs. in lakhs)	1.24	1.17

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assessment by an external agency has been carried out.

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

   All sites have implemented a mechanism for Zero Liquid Discharge, wastewater generated is treated and reused within the site premises.

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5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
SOx	T / Year	0.3081	0.6484
NOx	T / year	0.2053	0.3847
PM	T / year	0.2650	0.8411

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assessment by an external agency has been carried out.

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	T CO2e	9,932.92	9,275.68
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	T CO2e	16,097.51	15,550.07
Total Scope 1 and Scope 2 emissions per Rs. in lakhs	**T CO2e / Rs.**	**0.11**	**0.12**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assessment by an external agency has been carried out.

7. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details

   The Company is taking measures to reduce its carbon footprint through various initiatives. One of these projects includes the purchase of renewable energy. The energy saved through this initiative amounts to 126 MWh.

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	1,122	5
E-waste (B)	0	0
Bio-medical waste (C)	0	0
Construction and demolition waste (D)	0	0
Battery waste (E)	0	0
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G)	1,293	285
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector)	12,361	280
Total (A+B + C + D + E + F + G+ H)	**14,776**	**570**

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	12,484	566
(ii) Re-used	0	0.08
(iii) Other recovery operations	0	0
Total	**12,484**	**566.08**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	1	1
(ii) Landfilling	2	2
(iii) Other disposal operations	0.20	0.24
Total	**3.2**	**3.24**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assessment by an external agency has been carried out.

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

   Since the Company is into a contract manufacturing business, all its operations are governed by the principal Company (Customers) ranging from procuring raw materials and manufacturing products to safe disposal of waste. The Company has SOPs in place to ensure safe and responsible disposal of waste.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

    None of our operations/offices are situated in/around ecologically sensitive areas.

S. No.	Locations of operations/offices	Type of operations	Whether the conditions of environmental approval/ clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
NIL	NIL	NIL	NIL

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
NIL	NIL	NIL	NIL	NIL	NIL

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12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

    Yes, the entity is compliant with the applicable environmental laws/regulations/guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules.

S. No.	Specify the law/regulation/ guidelines which was not complied with	Provide details of the non-compliance	Any fines/penalties/action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken if any
1	NIL	NIL	NIL	NIL

LEADERSHIP INDICATORS

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
From renewable sources (in GJ)		
Total electricity consumption (A)	204.48	248.83
Total fuel consumption (B)	80,359.97	74,156.15
Energy consumption through other sources (C)	0	0
Total energy consumed from renewable sources (A+B+C)	**80,564.45**	**74,404.98**
From Non - renewable sources (in GJ)		
Total electricity consumption (D)	72,676.74	62,698.88
Total fuel consumption (E)	25,599.57	25,102.03
Energy consumption through other sources (F) (Steam)	31,444.59	31,927.86
Total energy consumed from non-renewable sources (D+E+F)	**1,29,720.90**	**1,19,728.77**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assessment by an external agency has been carried out.

2. Provide the following details related to water discharged:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment	0	0
- With treatment – please specify level of Treatment	0	0
(ii) To Groundwater		
- No treatment	0	0
- With treatment – please specify level of Treatment	0	0
(iii) To Seawater		
- No treatment	0	0
- With treatment – please specify level of Treatment	0	0

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
(iv) Sent to third parties		
- No treatment	0	0
- With treatment – please specify level of Treatment	0	0
(v) Others		
- No treatment	0	0
- With treatment – please specify level of Treatment	0	0
Total water discharged (in kilolitres)	**0**	**0**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assessment by an external agency has been carried out.

3. **Water withdrawal, consumption, and discharge in areas of water stress (in kilolitres):**

   There is no site located in areas of water stressed.

   For each facility / plant located in areas of water stress, provide the following information:

   i. Name of the area

   ii. Nature of operations

   iii. Water withdrawal, consumption, and discharge in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	NA	NA
(ii) Groundwater	NA	NA
(iii) Third party water	NA	NA
(iv) Seawater/ desalinated water	NA	NA
(v) Others	NA	NA
Total volume of water withdrawal (in kilolitres)	NA	NA
Total volume of water consumption (in kilolitres)	NA	NA
Water intensity per rupee of turnover (Water consumed / turnover)	NA	NA
Water intensity (optional) – the relevant metric may be selected by the entity (Kl/MT)	NA	NA
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water		
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(ii) Into Groundwater		
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(iii) Into Seawater		
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT [BRSR] (CONTD.)

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
(iv) Sent to third parties		
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(v) Others		
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
Total water discharged (in kilolitres)	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

No, an independent assurance has not been carried out by an external agency.

4. **Please provide details of total Scope 3 emissions & its intensity, in the following format:**

   Not reported

Parameter	Unit	FY 2022-23 (Current Financial Year)	FY 2022-2022 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	TCO2e	NIL	NIL
Total Scope 3 emissions per rupee of turnover	TCO2e/Rs.	NIL	NIL
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	TCO2e/MT	NIL	NIL

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, an independent assurance has not been carried out by an external agency.

5. **With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**

   Not applicable

6. **If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

   No specific initiative has been undertaken.

S. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
NA	NA	NA	NA

7. **Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

   The Company has formulated Risk Management Policy and the same has been uploaded on the Company's website. The role of the Risk Management Committee includes the implementation of Risk Management Systems and framework, reviewing the Company's financial and risk management policies, assess risk and procedures to minimise the same. Risk management Policy and Terms of Reference included Business continuity plan.

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?

   Not Applicable

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impact

   Not Applicable

PRINCIPLE 7: Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

ESSENTIAL INDICATORS

1. a) Number of affiliations with trade and industry chambers/ associations.

   HFL does not have any affiliations with trade and industry chambers/associations.

   b) List the top 10 trade and industry chambers/ associations (determined based on the total members of such a body) the entity is a member of/ affiliated to.

S. No	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/associations (State/National)
NA	NA	NA

2. **Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities:**

Name of authority	Brief of the case	Corrective action taken
NIL	NIL	NIL

LEADERSHIP INDICATORS

1. **Details of public policy positions advocated by the entity**

S. no	Public policy advocated	Method resort for such advocacy	Whether the information is available in the public domain? (Yes/No)	Frequency of review by board (Annually/ Half yearly/ Quarterly/ Other-please specify	Web Link, if available
1.	NIL	NIL	NIL	NIL	NIL

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development.

ESSENTIAL INDICATORS

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year-

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/ No)	Relevant Web link
NIL	NIL	NIL	NIL	NIL	NIL

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT [BRSR] (CONTD.)

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity:

   Not Applicable

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In Rs.)
1.	NIL	NIL	NIL	NIL	NIL	NIL

3. Describe the mechanisms to receive and redress grievances of the community

   The Company committed to conducting business in an ethical manner. The Company provides appropriate channels to the communities to communicate their grievances to the Company. All such grievances are directed to the HR department and the resolution is intimated to the aggrieved individual.

4. Percentage of input material (inputs to total inputs by value) sourced from local or small-scale suppliers:

	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Directly sourced from MSMEs/ Small producers	0.10%	0.10%
Sourced directly from within the district and neighboring districts	25%	9%

LEADERSHIP INDICATORS

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
NIL	NIL

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. no	State	Aspirational District	Amount spent (Rs.)
1.	NIL	NIL	NIL

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised /vulnerable groups? (Yes/No) -

   No. Being a Contract Manufacturer, the Company has to follow the sourcing strategy provided by the principal Company (Customer) which includes list of vendors, share of business, raw materials etc.

   (b) From which marginalised /vulnerable groups do you procure? – Not Applicable

   (c) What percentage of total procurement (by value) does it constitute? – Not Applicable

4. **Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge**

S. No	Intellectual Property based on traditional knowledge	Owned/Acquired (Yes/No)	Benefit shared (Yes/No)	Basis of calculating benefit share
1.	NIL	NIL	NIL	NIL

5. **Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.**

Name of Authority	Brief of the Case	Corrective action taken
NIL	NIL	NIL

6. **Details of beneficiaries of CSR Projects.**

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalised groups
1.	Water coolers are installed at schools in Shahpur & Karjat and Promoting Education	40	100%
2.	Promoting Preventive health care	40+	100%
3.	Donation towards Hospital Project fund	100+	100%
4.	Corporate sponsorship & Family Unit	15+	100%
5.	Education fund Program	35	100%
6.	Donation for Jaipur fort project	25	100%
7.	Adult Literacy project (Education) & Ante Natal Project (Medical and Health)	30+	100%
8.	Civil work of underground water tank	40+	100%
9.	Cataract surgeries	40+	100%
10.	Towards paying registration fees for 2 team towards participation in the robotics competition FIRST Tech challenges	20	100%
11.	Facilitating safe spaces and holistic rehabilitation of homeless young women	50+	100%

PRINCIPLE 9: Businesses should engage with and provide value to their consumers in responsible manner

ESSENTIAL INDICATORS

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

   The Company continuously measures the satisfaction levels of Customers. It has a feedback form on their respective portals, where a customer can freely give feedback on the services being offered by the Company.

2. **Turnover of products and/ services as a percentage of turnover from all products/services that carry information about**

Information related to	As a percentage to total turnover
Environment and Social parameters relevant to product	NA
Safe and responsible usage	NA
Recycling and/or safe disposal	NA

Note: Since HFL is into a contract manufacturing business, this scope is fully applicable to principal customers. Labelling and information printing depend entirely on customers' requirements.

3. **Number of consumer complaints**

	FY 2022-23 Current Financial Year		FY 2021-22 Previous Financial Year	
	Received during the year	Pending resolution at the end of year	Received during the year	Pending resolution at the end of year
Data privacy	0	0	0	0
Advertising	0	0	0	0
Cyber-security	0	0	0	0
Delivery of essential services	0	0	0	0
Restrictive Trade Practices	0	0	0	0
Unfair Trade Practices	0	0	0	0
Others (Specifications, Labelling, and Packaging)	209	0	72	0

4. **Details of instances of product recalls on account of safety issues**

	Number	Reason for recall
Voluntary recalls	0	NA
Forced recalls	0	NA

5. **Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

   Yes, the Company have a framework or policy on cyber security and risks related to data privacy.

6. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of Customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

   Not applicable

LEADERSHIP INDICATORS

1. **Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

   Web link to access the information on products and services of the entity - Hindustan Foods | Products (hindustanfoodslimited.com)

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

As contract manufacturers, we do not have direct interaction with consumers, and none of our products are sold directly to consumers.

3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

The Company continuously engage with Customers to ensure business continuity takes place properly. In case of any emergency disruption/discontinuation, we communicate through formal mail/call. In such cases of planned disruption activity, we will inform well in advance to Customers to ensure seamless operations.

4. **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable)? If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

Not applicable because we are in a contract manufacturing business.

5. **Provide the following information relating to data breaches:**

   a. **Number of instances of data breaches along-with impact** – 0

   b. **Percentage of data breaches involving personally identifiable information of Customers** – 0

REPORT ON CORPORATE GOVERNANCE

"Corporate governance involves a set of relationships between a company's management, its board, its shareholders and other stakeholders. Corporate governance also provides the structure through which the objectives of the Company are set, and the means of attaining those objectives and monitoring performance are determined." - **Organisation for Economic Cooperation and Development (OECD)**

For the Financial Year 2022-23

Your Directors are pleased to present your Company's Report on Corporate Governance for the Financial Year ended March 31, 2023, pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('Listing Regulations'). Corporate Governance is the interaction of the Management, Members and the Board of Directors to ensure that all Stakeholders are protected in their sole interest.

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Your Company's philosophy on the code of Governance is to observe the highest level of ethics in all its dealings, to ensure efficient conduct of your Company and help your Company to achieve its goal in maximising value for all its Stakeholders as well as in achieving the objectives of the principles as mentioned in Regulation 4(2) of the Listing Regulations.

2. BOARD OF DIRECTORS ('BOARD')

2.1 Composition and category of Directors

Your Company's Board comprises of an optimum combination of Executive and Non-Executive Directors. As on March 31, 2023, the Board comprises of Ten Members. The Board is headed by a Non-Executive, Independent Director as a Chairman of your Company, a Managing Director and One Executive Director (ED)/Whole time Director (WTD), Seven Non-Executive Directors (NED) including a Woman Independent Director and the other two are Independent Director (ID) apart from chairman. As on March 31, 2023, the number of IDs is more than One Third of the total number of Directors, as required under listing Regulations.

Name of the Director	DIN	Category	Number of Equity Shares held as at March 31, 2023#
Mr Shashi K Kalathil (Chairman)**	02829333	Independent Non-Executive Director	Nil
Mr Shrinivas V Dempo*	00043413	Non-Independent Non-Executive Director (Promoter)	20,00,000
Mr Sameer R Kothari	01361343	Managing Director (Promoter)	1,20,75,915
Mr Ganesh T Argekar	06865379	Executive Director	2,50,000
Ms Honey Vazirani	07508803	Independent Non-Executive (Woman Director)	Nil
Mr Nikhil K Vora	05014606	Non-Independent Non-Executive Director	Nil
Mr Neeraj Chandra	00444694	Independent Non-Executive Director	Nil
Mr Sarvjit Singh Bedi	07710419	Non-Independent Non-Executive Director	Nil
Mr Harsha Raghavan	01761512	Non-Independent Non-Executive Director	9,130
Mr Sandeep Mehta	00031380	Independent Non-Executive Director	Nil

*The Board of Directors of your Company, in its Meeting held on November 08, 2022, had accepted the request of Mr Shrinivas V Dempo to step down as the Chairman of your Company and to continue to be Non-Executive Non-Independent Director on the Board of your Company with effect from the close of working hours of November 08, 2022.

**The Board of Directors in its Meeting held on November 08, 2022 has unanimously elected Mr Shashi K Kalathil to act as the Chairman of your Company w.e.f. November 09, 2022.

Effective from July 22, 2022 on receipt of the approval from the Shareholders the corporate action for sub-division of the Equity shares was made effective. The Equity shares of Rs. 10/- was sub-divided into Rs. 2/- each. Subsequently, on the sub-division of Equity shares, the Authorised, issued, Subscribed and paid-up capital remain the same, however, the no. of shares are increased.

None of the Directors held convertible instruments as on March 31, 2023.

2.2 Attendance of the Directors at the Board Meeting, Annual General Meeting and number of other Board of Director or Committees in which a Director is a Member or Chairperson.

Attendance of each of the Director at the Board Meetings and the last Annual General Meeting (AGM) held during the year and the number of Directorships and Committee Chairpersonships / Memberships held by them in other Companies are as given below:

Name of the Director	No. of Board Meetings attended during FY 2022-23	Whether attended last AGM held in 2022	No. of Directorships in other Companiesº	No. of Committee positions held in other Companies*	
				Chairperson	Member
Mr Shashi K Kalathil	5 of 5	Yes	-	-	-
Mr Shrinivas V Dempo	5 of 5	Yes	3	1	1
Mr Sameer R Kothari	5 of 5	Yes	-	-	-
Mr Ganesh T Argekar	5 of 5	Yes	-	-	-
Ms Honey Vazirani	4 of 5	Yes	-	-	-
Mr Nikhil K Vora	5 of 5	Yes	2	1	1
Mr Neeraj Chandra	5 of 5	Yes	-	-	-
Mr Sarvjit Singh Bedi	5 of 5	Yes	1	-	1
Mr Harsha Raghavan	3 of 5	No	3	-	3
Mr Sandeep Mehta	1 of 5	No	1	-	1

ºExcluding Directorships held in Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013.

* Includes only Audit Committee and Stakeholder's Relationship Committee.

Notes:

1. During the FY ended March 31, 2023, none of the Independent Directors of your Company serves as an Independent Director in more than Seven Listed Companies and the Executive Director/ Managing Director does not serve as Independent Director in any Listed Company.
2. None of the Directors of your Company is a member of more than ten committees nor is a Chairperson of more than 5 committees across all the Public Limited Companies, whether listed or not, in which he/she is a Director. The Committees considered for the above purpose are those specified in Regulation 26(1)(b) of the Listing Regulations i.e. the Audit Committee and the Stakeholders' Relationship Committee.
3. None of the Director of your Company is a Director of more than Seven Listed Companies.
4. None of the Directors have any relationships inter-se.

5. None of the Independent Directors of your Company have resigned before the expiry of their tenure. Thus, disclosure of detailed reasons for their resignation along with their confirmation that there are no material reasons, other than those provided by them is not applicable.

2.3 Names of the other listed entities where the Directors of your Company are the Directors as on FY ended March 31, 2023

Name of the Director	Name of the other listed Companies and Category of the Directorships
Mr Shashi K Kalathil	--
Mr Shrinivas V Dempo	1. Goa Carbon Limited – Chairman (Non-Executive, Non-Independent)
	2. Automobile Corporation of Goa Limited – Chairman (Non-Executive, Independent)
	3. Kirloskar Brothers Limited – Non-Executive, Independent Director
Mr Sameer R Kothari	--
Mr Ganesh T Argekar	--
Ms Honey Vazirani	--
Mr Nikhil K Vora	1. Parag Milk Foods Limited – Non-Executive, Non-Independent Director
	2. Bikaji Foods International Limited- Non-Executive, Independent Director
Mr Neeraj Chandra	--
Mr Sarvjit Singh Bedi	1. Camlin Fine Sciences Limited – Non-Executive - Non Independent Director
Mr Harsha Raghavan	1. Camlin Fine Sciences Limited – Non-Executive - Non Independent Director
	2. Onward Technologies Limited – Additional Director (Non- Executive, Non-Independent)
	3. Jagsonpal Pharmaceuticals Limited - Non-Executive - Non Independent Director
Mr Sandeep Mehta	--

2.4 Meeting of the Board of Directors

The information as required in Part A of Schedule II of the Listing Regulations is made available to your Board. The Board periodically reviews compliance reports of all laws applicable to your Company. The Board meets at least once a quarter to review the Quarterly Results, business policy and strategy apart from other items on the agenda and also on the occasion of the Annual General Meeting of the Shareholders. Additional Meetings are held, when necessary. The Notices of Board/ Committee Meetings is given well in advance to all the Directors. The Board Agenda includes an Action Taken report comprising of actions emanating from the Board Meetings and status updates thereof. In case of business exigencies or urgency of matters, resolutions are passed by circulation.

The intervening period between two Board Meetings was well within the maximum gap of 120 days prescribed under the Listing Regulations. Five Board Meetings were held during the Financial Year ended March 31, 2023 viz on May 20, 2022, August 09, 2022, September 22, 2022, November 08, 2022 and February 08, 2023.

During the year under review, your Board passed one resolution on July 05, 2022 and two resolutions on January 09, 2023 by way of circulation and the same was approved by majority of Directors on July 05, 2022 and January 09, 2023 respectively.

Your Company did not have any pecuniary relationship or transactions with any of the Non-Executive Directors of your Company during the Financial Year ended March 31, 2023, except for payment of the sitting fees.

2.5 Directors Remuneration

Remuneration of the Executive Directors is determined by the Board of Directors on the recommendation of the Nomination & Remuneration Committee, subject to the approval of the Shareholders, if required.

The Executive Directors are entitled to performance bonus for each Financial Year, as may be determined by the Board on the recommendation of the Nomination & Remuneration Committee; such remuneration is linked to the performance of your Company in as much as the performance bonus is based on various qualitative and quantitative performance criteria.

REPORT ON CORPORATE GOVERNANCE (CONTD.)

Non-Executive Directors are entitled to sitting fees for attending the Meetings of the Board and its various Committees. During the year under review, the sitting fees as determined by the Board are Rs. 50,000/- for each Meeting of the Board, Rs. 10,000/- for each Meeting of the Audit Committee, Nomination & Remuneration Committee, Stakeholders' Relationship Committee, Risk Management Committee and CSR Committee and Rs. 15,000/- for each Meeting of the Selection Committee upto November 07, 2022.

Thereafter, w.e.f. November 08, 2022, the sitting fees were revised and approved by the Board are Rs. 20,000/- for each Meeting of the Audit Committee, Nomination & Remuneration Committee, Stakeholders' Relationship Committee, Risk Management Committee and CSR Committee respectively and the Sitting fees for Meeting of Board & Selection Committee remains the same.

The details of remuneration to each of the Directors on the Board during the Financial Year 2022-23 are as follows:

(Amount in Rs.)

Name of the Director	Fixed Salary			Commission	Sitting Fees (c)	Total Remuneration (a+b+c)	Service Contract / Notice Period/ Severance Fees
	Basic	Perquisites/ Allowances	Total (a)	(b)			
Mr Shashi K Kalathil	-	-	-	-	4,65,000	4,65,000	Re-appointed as an Independent Director for the 2nd term of 5 consequent years with effect from September 24, 2021 upto September 23, 2026
Mr Shrinivas V Dempo	-	-	-	-	3,10,000	3,10,000	Retirement by Rotation
Mr Sameer R Kothari	1,59,90,000	-	1,59,90,000	-	-	1,59,90,000	5 years with effect from May 22, 2022
Mr Ganesh T Argekar	79,70,769	-	79,70,769	-	-	79,70,769	Re-appointed as a Whole-time Director designated as Executive Director for 5 years with effect from May 19, 2023.
Ms Honey Vazirani	-	-	-	-	4,00,000	4,00,000	Re-appointed as an Independent Director for the 2nd term of 5 consequent years with effect from September 23, 2022 upto September 22, 2027
Mr Nikhil K Vora	-	-	-	-	2,50,000	2,50,000	Retirement by Rotation
Mr Neeraj Chandra	-	-	-	-	3,55,000	3,55,000	5 Years from the date of appointment i.e. upto January 24, 2024
Mr Sarvjit Singh Bedi	-	-	-	-	Nil	Nil	Retirement by Rotation
Mr Harsha Raghavan	-	-	-	-	Nil	Nil	Retirement by Rotation
Mr Sandeep Mehta	-	-	-	-	60,000	60,000	5 Years from the date of appointment i.e. upto August 08, 2024

REPORT ON CORPORATE GOVERNANCE (CONTD.)

Notes:

None of the Directors of your Company hold Stock options as on March 31, 2023. The ED is not eligible for payment of severance fees and the contract with the ED may be terminated by either party giving the other party 6 months Notice.

None of the Directors of your Company have any pecuniary relationship with your Company, except as mentioned above.

2.6 Independent Directors' Meeting

The Independent Directors of your Company met on May 20, 2022 without the presence of Non-Independent / Executive Directors and Members of the Management. At this Meeting, the IDs inter alia reviewed the performance of the Non-Independent Directors and the Board of Directors as a whole, reviewed the performance of the Chairman of your Board and assessed the quality, quantity and timeliness of flow of information between the Management and the Board of Directors.

2.7 Familiarisation Programme for Independent Directors

The Executive Director of your Company provides a brief of the industry and business of your Company to the new Independent Directors and also has a discussion to familiarise the Independent Directors with the Company's operations. At the time of regularisation of the appointment of an Independent Director, the appointment is formalised by issuing a letter to the Director, which inter alia explains the role, function, duties and responsibilities expected of him/her as an Independent Director of your Company. Your Board also from time to time familiarises the Independent Directors about the Company, its product, business, mitigation programs and statutory updates on the on-going events relating to the Company through presentations.

The details on your Company's Familiarisation Programme for Independent Directors can be accessed at: www. hindustanfoodslimited.com.

2.8 Skill matrix for the Board of Directors

The Board of Directors are collectively responsible for selection of a Member on the Board of your Company, based on the recommendations made by the Members of the Nomination and Remuneration Committee.

The Nomination and Remuneration Committee of your Company follows a defined criteria for identifying, screening, recruiting and recommending candidates for election as a Director on the Board.

In terms of the requirement of the Listing Regulations, the Board has identified the following core skills/ expertise / competencies of the Directors in the context of the Company's business for effective functioning as given below:

- Leadership experience

  Experience in leading well-governed large organisations, with an understanding of organisational systems and processes complex business and regulatory environment, strategic planning and risk management, understanding of emerging local and global trends and management of accountability and performance.

- Experience of crafting Business Strategies

  Experience in developing long-term strategies to grow consumer / FMCG business, consistently, profitably, competitively and in a sustainable manner in diverse business environments and changing economic conditions.

- Understanding of customer insights in diverse environment and conditions

  Experience of having managed organisation's with large consumer / customer interface in diverse business environments and economic conditions which helps in leveraging consumer insights for business benefits.

- Finance and Accounting Experience

  Leadership experience in handling Financial Management of a large organisation along with an understanding of Accounting and Financial Statements.

- Understanding use of Digital / Information Technology across the FMCG value chain

  Understanding the use of digital / Information Technology across the value chain, ability to anticipate technological driven changes and disruption impacting business and appreciation of the need of cyber security and controls across the organisation.

- Experience of Corporate Governance and understanding of the changing regulatory landscape

  Experience of having served in Public Companies in diverse industries to provide Board oversight to all dimensions of business and Board accountability, high governance standards with an understanding of changing regulatory framework.

Sr. No.	Particulars	Leadership Experience	Experience of crafting business strategies	Financial and Accounting experience	Understanding of customer insights in diverse environment and conditions	Corporate Governance
1.	Mr Shashi K. Kalathil	√	√	√		√
2.	Mr Shrinivas Dempo	√	√		√	√
3.	Mr Sameer Kothari	√	√	√	√	√
4.	Mr Ganesh Argekar	√	√		√	√
5.	Ms Honey Vazirani	√	√		√	√
6.	Mr Nikhil Vora	√	√	√		√
7.	Mr Neeraj Chandra	√	√		√	√
8.	Mr Sarvjit Singh Bedi	√		√		√
9.	Mr Harsha Raghavan	√	√	√		√
10.	Mr Sandeep Mehta	√	√	√		√

2.9 Confirmation as regards independence of Independent Directors

In the opinion of your Board, the existing Independent Directors fulfil the conditions specified under the Companies Act, 2013 and the Listing Regulations and are independent of the Management.

3. AUDIT COMMITTEE

3.1 Details of the composition of the Audit Committee, Meetings and attendance of the Members are as follows:

The Audit Committee of your Company is constituted in line with the provisions of Regulation 18(1) of the Listing Regulations read with Section 177 of the Companies Act, 2013.

The Company Secretary of your Company acts as the Secretary to the Committee. The Committee meets at least once a quarter. The terms of reference of the Audit Committee are as per the guidelines set out in Part C of Schedule II of the Listing Regulations. The primary objective of the Committee is to monitor and provide an effective supervision of the Management's financial process, to ensure accurate and timely disclosures, with the highest level of transparency, integrity and quality of financial reporting. The Committee oversees the work carried out in the financial reporting process by the Management, the internal Auditors and the Statutory Auditors and notes the processes and safeguards employed by each of them. The Meetings of the Audit Committee are also attended by Chief Financial Officer, Statutory Auditors and Internal Auditors as special invitees.

Four Meetings of the Committee were held during the Financial Year ended March 31, 2023 viz on May 20, 2022, August 09, 2022, November 08, 2022 and February 08, 2023. The gap between two Meetings were not exceeded one hundred and twenty days. The quorum was present for all the above four Meetings.

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The composition of the Committee and the attendance details of the Members are given below:

Names of Members	Category	No. of Meetings attended
Mr Shashi K Kalathil – Chairman	ID	4 of 4
Ms Honey Vazirani – Member	ID	4 of 4
Mr Sarvjit Singh Bedi – Member	NED	4 of 4
Mr Sandeep Mehta – Member	ID	1 of 4

ID – Independent Director; NED – Non Executive Director

4. NOMINATION AND REMUNERATION COMMITTEE

4.1 Details of the composition of the Nomination and Remuneration Committee, Meetings and attendance of the Members are as follows:

The Nomination and Remuneration Committee of your Company is constituted in line with the provisions of Regulation 19(1) and (2) of the Listing Regulations read with Section 178 of the Companies Act, 2013. The terms of reference of the Nomination and Remuneration Committee are as per the guidelines set out in Part D (A) of Schedule II of the Listing Regulations.

Three Meetings of the Committee were held during the Financial Year ended March 31, 2023 viz on May 20, 2022, November 08, 2022 and February 08, 2023.

The composition of the Committee and the attendance details of the Members are given below:

Names of Members	Category	No. of Meetings attended
Ms Honey Vazirani – Chairperson*	ID	3 of 3
Mr Shashi K Kalathil – Member	ID	3 of 3
Mr Sarvjit Singh Bedi – Member	NED	3 of 3

ID – Independent Director; NED – Non Executive Director

*Ms Honey Vazirani was appointed as Chairperson of the Nomination and Remuneration Committee with effect from November 09, 2022 in place of Mr Shashi K Kalathil, consequent upon change in the chairmanship of your Company.

4.2 Nomination and Remuneration Policy

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

Performance evaluation criteria for Independent Directors

The Directors other than Independent Directors of your Company evaluate performance of Independent Directors. The evaluation is based on the following criteria as to how an Independent Director:

1. Invests time in understanding the Company and its unique requirements;
2. Brings in external knowledge and perspective to the table for discussions at the Meetings;
3. Expresses his/her views on the issues discussed at the Board;
4. Keeps himself/herself current on areas and issues that are likely to be discussed at the Board level;
5. Upholds ethical standards of integrity and probity;
6. Exercises objective independent judgment in the best interest of the Company;
7. Effectively assisted the Company in implementing best corporate governance practice and then monitors the same;

8. Helps in bringing independent judgment during Board deliberations on strategy, performance, risk management, etc.;
9. Adheres to the applicable code of conduct for Independent Directors.

5. STAKEHOLDERS RELATIONSHIP COMMITTEE

5.1 Terms of reference

The Committee is empowered to consider and approve the physical transfer/ transmission/ transposition of Shares, issue of new/ duplicate Share Certificates, deletion of name, consolidation of Share Certificates and oversees and reviews all matters connected with Securities transfer. The Committee also specifically looks into the redressal of Shareholders' and Investors' complaints/ grievances pertaining to transfer/ transmission of Shares, non-receipt of Share Certificates, non-receipt of Annual Report, etc.

5.2 Details of the composition of the Stakeholders Relationship Committee, Meetings and attendance of the Members are as follows:

The Stakeholders Relationship Committee of your Company is headed by a Non-Executive, Independent Director. The role of the committee includes resolving grievances of Shareholders, ensuing expeditious Share transfer process in line with the proceedings of the committee.

Four Meetings of the Committee were held during the Financial Year ended March 31, 2023 viz on May 20, 2022, August 09, 2022, November 08, 2022 and February 08, 2023.

The composition of the Committee and the attendance details of the Members are given below:

Names of Members	Category	No. of Meetings attended
Mr Neeraj Chandra - Chairman	ID	4 of 4
Mr Shrinivas V Dempo - Member	NED	4 of 4
Ms Honey Vazirani - Member	ID	4 of 4
Mr Sameer Kothari - Member	MD	4 of 4

ID – Independent Director; NED – Non-Executive Director and MD – Managing Director

5.3 Details of Shareholders' Complaints / request

The number of Complaints / requests received and resolved to the satisfaction of investors during the Financial Year March 31, 2023 and their break-up is as under:

Type of Complaint/Request	No. of Complaint / Request
Non-Receipt of Annual Reports	14
Transfer/Transmission/Duplicate issue of Share Certificate	Transfer (8), Transmission (28), Duplicate (8)
Updating of address/bank account details/KYC details	462
Others	415
Total	**935**

5.4 Compliance Officer

Name, designation and address of Compliance Officer under Regulation 6(1) of the Listing Regulations:

Mr Bankim Purohit, Company Secretary and Compliance Officer

Hindustan Foods Limited

Office No. 3, Level-2, Centrium, Phoenix Market City,

15, LBS Marg, Kurla (W), Mumbai 400 070, Maharashtra, India

Tel: 022 69801700

Email: investorrelations@thevanitycase.com

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6. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE – MANDATORY COMMITTEE

As required under Section 135 of the Companies Act, 2013, a committee of your Board was constituted to oversee and give direction to the Company's CSR Activities. Your Company has formulated CSR Policy and the same has been uploaded on your Company's website www.hindustanfoodslimited.com.

6.1 Terms of reference

I. To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company in areas or subject, specified in Schedule VII, as per the Companies Act, 2013;

II. To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the Company;

III. To monitor the CSR policy of the Company from time to time;

IV. Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

6.2 Details of the composition of the CSR Committee, Meetings and attendance of the Members are as follows:

The CSR Committee of your Company is headed by Mr Sameer Kothari, Managing Director of your Company. Two Meetings of the Committee were held during the Financial Year ended March 31, 2023, viz. on May 20, 2022 and February 08, 2023. The composition of the Committee and the attendance details of the Members are given below:

Names of Members	Category	No. of Meetings attended
Mr Sameer Kothari – Chairman	MD	2 of 2
Mr Ganesh Argekar- Member	ED	2 of 2
Mr Shashi K Kalathil - Member	ID	2 of 2

MD – Managing Director; ED –Executive Director; ID – Independent Director

7. RISK MANAGEMENT COMMITTEE – MANDATORY COMMITTEE

In compliance with the provisions of Listing Regulations and Companies Act, 2013, your Board had duly constituted a Risk Management Committee on June 26, 2020 under the Chairmanship of Mr Sameer Kothari, Managing Director of your Company.

Your Company has formulated Risk Management Policy and the same has been uploaded on the Company's website www.hindustanfoodslimited.com. The role of Risk Management Committee includes the implementation of Risk Management Systems and framework, review the Company's financial and risk management policies, assess risk and procedures to minimise the same.

7.1 Terms of reference

The Terms of Reference of the Committee are to:-

(1) To formulate a detailed Risk Management Policy which shall include:

(a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.

(b) Measures for risk mitigation including systems and processes for internal control of identified risks.

(c) Business continuity plan.

(2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of your Company;

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(3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

(4) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

(5) To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;

(6) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

7.2 Details of the composition of the Risk Management Committee, Meetings and attendance of the Members are as follows:

The Risk Management Committee of your Company is headed by Mr Sameer Kothari, Managing Director of your Company. Two Meetings of the Committee were held during the Financial Year ended March 31, 2023, viz. on August 09, 2022 and February 08, 2023.

The composition of the Committee and the attendance details of the Members are given below:

Names of Members	Category	No. of Meetings attended
Mr Sameer Kothari – Chairman	MD	2 of 2
Mr Ganesh Argekar – Member	ED	2 of 2
Mr Shashi K Kalathil – Member	ID	2 of 2
Ms Honey Vazirani – Member	ID	2 of 2
Mr Mayank Samdani – Member	Group Chief Financial Officer	2 of 2
Mr Bankim Purohit - Member	Company Secretary	2 of 2

MD – Managing Director; ED –Executive Director; ID – Independent Director

8. SENIOR MANAGEMENT:

Particulars of senior management including the changes therein since the close of the previous financial year.

Sr no.	Name of Senior Management	Designation
1	Mr Mayank Samdani	Group Chief Financial Officer
2	Mr Sunil Plakkat*	President - Manufacturing Excellence
3	Mr Sanjay Sehgal	President - Healthcare and Wellness
4	Mr Bankim Purohit	Company Secretary & Compliance Officer
5	Mr Prasad Kali	General Manager - Projects
6	Mr Ashish Vyawahare	General Manager- Corporate Quality and R&D
7	Mr Vimal Solanki	Head - Emerging Business & Corporate Communications
8	Ms Nalini Kalra	General Manager – Business Development (Private Labels)
9	Mr Robin D'Souza	General Manager - Business Development
10	Mr Alok Bodhankar	General Manager - Human Resources

*Mr Sunil Plakkat was appointed on August 26, 2022.

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9. SELECTION COMMITTEE- NON-MANDATORY COMMITTEE

The Selection Committee is formed for advising and recommending in matters of recruitment of Senior Management of your Company and one level below to the CEO of the Company and related matters thereof. The Selection Committee recommends to the Nomination & Remuneration Committee about their opinion on the candidates proposed to be appointed at Senior level of the Management of your Company. Your Board constituted this Committee on August 28, 2020.

9.1 Terms of reference

The Terms of Reference of the Committee are to:-

a. Identifying the list of criteria to be considered in recruiting candidates at Senior level and one level below CEO of your Company.

b. To review & recommend to Nomination & Remuneration Committee and Management, suitable candidate at Senior level & one level below CEO of your Company on payroll.

9.2 Details of the composition of the Selection Committee, Meetings and attendance of the Members are as follows:

Three Meetings of the Committee was held during the Financial Year ended March 31, 2023 viz on April 16, 2022, May 04, 2022 and May 20, 2022. The composition of the Committee and the attendance details of the Members are given below:

Names of Members	Category	No. of Meetings attended
Mr Neeraj Chandra	ID	3 of 3
Mr Shashi K Kalathil	ID	3 of 3
Mr Sameer Kothari	MD	3 of 3
Ms Honey Vazirani	ID	3 of 3

MD – Managing Director; ID – Independent Director

10. GENERAL MEETINGS AND POSTAL BALLOT

I. General Meetings:

Location and time, where last three AGMs were held:

Financial Year Ended	Date and Time	Venue
March 31, 2020	September 18, 2020 at 11:30 am	AGM through Video Conferencing / Other Audio Visual Means facility [Deemed Venue for Meeting: Registered Office: Office no. 3, level-2, Centrium, Phoenix Market City, 15, LBS road, Kurla (W), Mumbai 400 070]
March 31, 2021	September 23, 2021 at 11:30 am	AGM through Video Conferencing / Other Audio Visual Means facility [Deemed Venue for Meeting: Registered Office: Office no. 3, level-2, Centrium, Phoenix Market City, 15, LBS road, Kurla (W), Mumbai 400 070]
March 31, 2022	September 22, 2022 at 11:30 am	AGM through Video Conferencing / Other Audio Visual Means facility [Deemed Venue for Meeting: Registered Office: Office no. 3, level-2, Centrium, Phoenix Market City, 15, LBS road, Kurla (W), Mumbai 400 070]

The following is/are the special resolution(s) passed at the previous three AGMs:

AGM held on	Special Resolution passed	Summary
September 18, 2020	Yes	1. Remuneration payable to Mr Sameer R Kothari (DIN: 01361343) Managing Director of the Company
		2. Re-appointment of Mr Ganesh T Argekar (DIN: 06865379), Whole-time Director designated as Executive Director
September 23, 2021	Yes	1. Re-appointment of Mr Shashi Kalathil (DIN: 02829333) Independent Director for the 2nd term of five years.
September 22, 2022	Yes	1. Re-appointment of Ms Honey Vazirani (DIN: 07508803) Independent Director for the 2nd term of 5 (five) consecutive years 2. Increase in borrowing power in terms of Section 180 (1) (c) of the Companies Act, 2013 and authorising the Board to borrow moneys in excess of Paid-up Share Capital, free reserves and Securities Premium of the Company upto Rs. 750 Crores 3. Authorising the Board under Section 180 (1) (a) of the Companies Act, 2013 to create/ modify charge on the movable/ immovable assets Including undertakings of the Company, both present and future, to secure borrowings 4. Enabling resolution for raising funds upto Rs. 300 Crores through issue of securities

II. Resolution passed through Postal Ballot

During the year under review, four resolutions were passed through the Postal Ballot on July 01, 2022 Mr Prashant Sharma, Practicing Company Secretary, and Proprietor of M/s. Prashant Sharma & Associates (Firm Registration No. 7902, Membership No. 21775), was appointed as the Scrutiniser for conducting the Postal Ballot process in fair and transparent manner for the Postal Ballot processes. Voting rights were reckoned on the paid-up value of the shares registered in the names of the Members as on the cut-off date. The Members were requested to vote before the close of the business hours on the last date of the E-voting. Upon completion of the scrutiny of electronic responses, the Scrutiniser had submitted his report to the Chairman of the Company. The results of the Postal Ballot were declared on July 02, 2022. The said results along with the Scrutiniser's Report was displayed on the website of your Company i.e. www.hindustanfoodslimited.com and intimated to the Stock Exchange where the shares of the Company are listed and the said results were also available on the website of Link Intime India Private Limited, the E-voting service provider of your Company. Details of voting pattern for the Postal Ballot declared on July 02, 2022 are as given below:

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Sr. No.	Particulars	No. of shares held	No. of votes polled	% of votes polled on outstanding shares	Voted in favour of the resolution		Voted against of the resolution	
					No. of votes cast (No. of Shares)	% of total no. of votes cast	No. of votes cast (No. of Shares)	% of total no. of votes cast
1	Ordinary Resolution: Sub-division of every 1 (One) Equity Share of the nominal/face value of Rs. 10/- (Rupees Ten Only) each into 5 (Five) Equity Shares of the nominal/face value of Rs. 2/- (Rupees Two Only) each	2,25,48,538	1,82,79,062	81.07	1,82,79,058	100.00	4	0.00
2	Special Resolution: Alteration of Capital Clause of the Memorandum of Association of the Company	2,25,48,538	1,82,79,055	81.07	1,82,78,982	99.9996	73	0.0004
3	Ordinary Resolution: Re- appointment of and remuneration payable to Mr Sameer Kothari (DIN: 01361343), designated as a Managing Director of the Company	2,25,48,538	1,82,79,055	81.07	1,82,79,009	99.9997	46	0.0003
4	Ordinary Resolution: Ratification of revision and increase in remuneration payable to Mr Ganesh Argekar (DIN: 06865379), Whole Time Director designated as "Executive Director" of the Company	2,25,48,538	1,82,79,055	81.07	1,82,78,922	99.9993	133	0.0007

REPORT ON CORPORATE GOVERNANCE (CONTD.)

III. Proposed Postal Ballot

There is no immediate proposal for passing any resolution through Postal Ballot.

11. MEANS OF COMMUNICATION

The quarterly Un-Audited/ Audited Financial Extract Results were published in the Free Press Journal (English Daily) and Navshakti (Marathi Daily). The results were also displayed on your Company's website www.hindustanfoodslimited.com and also on the website of BSE Limited ('BSE') where the Shares of your Company are listed. The Shareholders can access the Company's website for financial information, shareholding information etc.

All price sensitive information and matters which are material and relevant to Shareholders are intimated to the Stock Exchange where the securities of your Company are listed and are also displayed on your Company's website.

Your Company submits to the BSE all Compliances, disclosures and communications through BSE's Listing Centre portal.

Your Company's Annual Report is e-mailed to all the Shareholders of your Company who has registered their e-mail id's with your Company and also made available on the website of the Company www.hindustanfoodslimited.com. Pursuant to the various SEBI Circulars and MCA Circulars, soft copies of the Annual Report for the Financial Year 2021-22 were circulated to the Members of your Company.

Press Releases, Corporate/Earnings Presentations and Schedule of analyst or institutional investors meet are displayed on the website of your Company www.hindustanfoodslimited.com and are also submitted to the Stock Exchange where the Shares of your Company are listed. No Unpublished Price Sensitive Information (UPSI) is discussed in the presentation made to institutional investors and financial analysts.

The Management Discussion and Analysis Report is provided separately as a part of this Annual Report.

12. DISCLOSURES

12.1 Related Party Transactions / Materially significant related party transactions

In terms of Regulation 23(1) of the Listing Regulations, the Board of Directors of your Company has approved and adopted a policy on Related Party Transactions and the same has been uploaded on the website of your Company and can be accessed at: www.hindustanfoodslimited.com.

During the year under review, there were no transactions between the Company and the Promoters, Directors or KMPs or Management, or their relatives, etc. that had a potential conflict with the interests of your Company at large. The Register of Contracts containing transactions in which Directors are interested is placed before your Board in all the quarterly Board Meetings.

12.2 Indian Accounting Standards (IND AS)

Your Company has followed the relevant Accounting Standards notified by the Companies (Indian Accounting Standards) Rules, 2015 while preparing the Financial Statements.

12.3 Confirmation by the Board of Directors acceptance of Recommendation of Mandatory Committees

In terms of the amendments made to the SEBI Listing Regulations, the Board of Directors confirms that during the year, it has accepted all recommendations received from its mandatory committees.

12.4 Fees paid to Auditors

The total fee for all the services paid by the Company and its Subsidiaries to the Statutory Auditors, and all the entities in the network firm / network entity, of which Statutory Auditors are a part, for the Financial Year 2022-23 are as follows:

REPORT ON CORPORATE GOVERNANCE (CONTD.)

Auditors remuneration (excluding GST) as on year ended March 31, 2023	Rs. in Lakhs
As auditor:	
Statutory audit	26.25
Limited review fees	9.75
In other capacity:	
Other matters	0.75
Total	**36.75**

12.5 Prevention of Insider Trading

Pursuant to SEBI Listing Regulations, your Company has formulated the "Code of Conduct and Code of Fair Disclosures for prohibition of Insider Trading and Fair Disclosure of Unpublished Price Sensitive Information" (HFL Code) which allows the formulation of a trading plan subject to certain conditions and requires pre-clearance for dealing in your Company's Shares. It also prohibits the purchase or sale of Company's Shares by the Directors, designated employees and connected persons and their immediate relatives, while in possession of unpublished price sensitive information in relation to the Company and during the period(s) when the Trading Window to deal in the Company's Shares is closed. The Company Secretary and Compliance Officer is responsible for implementation of the HFL Code.

12.6 Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

In terms of the recent amendment of Listing regulations, the following are the details of the complaints during the year:

a.	Number of complaints filed during the Financial Year	Nil
b.	Number of complaints disposed off during the Financial Year	Nil
c.	Number of complaints pending as on end of the Financial Year	Nil

12.7 Statutory Compliance, Penalties and Strictures

During the year under review, your Company had filed a Suo-motto Settlement application with the SEBI on January 31, 2023, in the matter of Regulation 17(1)(b) of Listing Regulations, the response from the SEBI was awaited as on March 31, 2023. Further, there were no instances of penalties and strictures imposed on your Company by Stock Exchange or SEBI or any other statutory authority, on any matter related to capital markets, during the last three years.

12.8 Disclosures of Loans and advances by Company and subsidiaries in the nature of loans to firms/companies in which Directors are interested by name and amount

The Disclosures regarding loans and advances provided to firms/companies in which Directors are interested is disclosed in the Note no 37 of the Standalone Financial Statement and note no 35 of the Consolidated Financial Statement which sets out related party transactions/disclosures pursuant to Ind AS.

12.9 Policy for Determining Material Subsidiaries

Your Company does not have any material unlisted Subsidiary Companies as defined in Regulation 16 of the Listing Regulations as on March 31, 2023.

The Board of Directors of your Company periodically reviews the statement of all significant transactions and arrangements entered into by the unlisted Subsidiary Companies. Copies of the Minutes of the Board Meeting of the unlisted Subsidiary Companies were placed at the Board Meetings of your Company held during the year.

Your Company has framed the policy for determining material Subsidiary and the same is disclosed on your Company's website www.hindustanfoodslimited.com.

Accordingly, the requirement of appointment of Independent Director of your Company on the Board of Directors of the material unlisted Subsidiary Companies as per Regulation 24 of the Listing Regulations does not apply as on March 31, 2023.

12.10 Details of material Subsidiaries; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries

Your Company does not have any material unlisted Subsidiary Company as on March 31, 2023 as defined in Regulation 16 of the Listing Regulations.

12.11 Compliance with mandatory requirements and adoption of the non-mandatory requirements

Your Company confirms that it has complied with all mandatory requirements prescribed in the Listing Regulations. Your Company has partially adopted the non-mandatory requirements. Disclosures of the extent to which the discretionary requirements have been adopted are given elsewhere in this report.

12.12 Commodity price risks or foreign exchange risks and hedging activities

This has been discussed in the Management Discussion and Analysis Report, which forms part of the Directors' Report.

12.13 Code of Conduct

In terms of Regulation 17(5) of the Listing Regulations, your Company has adopted the Code of Conduct for the Board Members and Senior Management of the Company which has been posted on your Company's website www.hindustanfoodslimited.com. Requisite annual affirmations of Compliance with the code have been made by the Directors and Senior Management of your Company.

The declaration of the Managing Director is given below:

I, Sameer R Kothari, Managing Director of Hindustan Foods Limited, declare that all Board Members and Senior Management Personnel of the Company have affirmed their compliance with the Company's Code of Conduct during the Financial Year ended March 31, 2023.

Place : Mumbai. Sameer R Kothari
Date : August 11, 2023 Managing Director

12.14 Compliance Certificate from CEO / CFO

As required by Regulation 17(8) of the Listing Regulations, the CEO and CFO of your Company have furnished the Compliance Certificate of the Financial Statements for the year ended March 31, 2023 to the Board of Directors. The same is enclosed at the end of the report.

12.15 Whistle Blower Policy

Your Company has in place a Vigil Mechanism / Whistle Blower Policy. The policy provides a channel to the employees to report to the Management concerns about unethical behavior, actual or suspected fraud or violation of the code of conduct policy. The mechanism provides for adequate safeguards against victimisation of employees to avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee in exceptional cases. None of the personnel of the Company has been denied access to the Audit Committee.

12.16 Details of non-compliance with requirements of Corporate Governance Report

Your Company has complied with all the requirements of the Corporate Governance Report as specified in sub-paras (2) to (10) of Part C of Schedule V of the Listing Regulations.

12.17 Details of compliance with Corporate Governance requirements

Your Company has complied with the Corporate Governance requirements as specified in Regulation 17 to 27 and Clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 of the Listing Regulations, except for the period between

April 01, 2022 to November 08, 2022 there were non-compliance of Regulation 17(1)(a) of the Listing Regulations, regarding composition of Board, and the Company has filed an Suo-motto Settlement Application with the SEBI on January 31, 2023. The response from the SEBI was awaited as on March 31, 2023.

12.18 Practicing Company Secretary Certificate on Corporate Governance

As required by the Listing Regulations, the Compliance Certificate from the Practicing Company Secretary regarding compliance of conditions of Corporate Governance is annexed to the Corporate Governance Report.

The Company has also obtained a Certificate from Mr Pankaj S Desai, Practicing Company Secretary (COP no. 4098), confirming that none of the Directors on the Board of your Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India and Ministry of Corporate Affairs or any such authority and the same forms part of this Corporate Governance Report.

13. GENERAL SHAREHOLDER INFORMATION

13.1 Annual General Meeting

Date and Time: Friday, September 15, 2023 at 11.30 a.m. IST

Venue Facility: Hybrid Annual General Meeting through Video Conferencing (VC) / Other Audio Visual Means (OAVM) [Deemed Venue for Meeting: Registered Office: Office no. 3, level-2, Centrium, Phoenix Market City, 15, LBS Road, Kurla (W), Mumbai 400 070, Maharashtra, India]

13.2 Financial Year:

a. The Company's Financial Year is from April 01 to March 31

b. Financial Year Dates (2023-24)

(Tentative and subject to change)

Results for quarter ending June 30, 2023	By August 14, 2023
Results for quarter ending September 30, 2023	By November 14, 2023
Results for quarter ending December 31, 2023	By February 14, 2024
Results for quarter ending March 31, 2024	By May 28, 2024
Annual General Meeting for the year ending March 31, 2024	By September 30, 2024

13.3 Book Closure Date

Your Company's Share Transfer Books and Register of Members of Equity Shares shall remain closed from Saturday, September 09, 2023 to Friday, September 15, 2023 (both days inclusive) for the purpose of Annual General Meeting.

13.4 Listing of Equity Shares

Your Company's Shares are listed on the BSE Limited ('BSE') as well as on the National Stock Exchange of India Limited ('NSE'). The address of BSE and NSE are as follows:

Name of Stock Exchanges	Address and Contact details
BSE Limited	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001 Tel.: (022) 22721233; Fax: (022) 22721919; Website: www.bseindia.com
National Stock Exchange of India Limited (w.e.f. June 06, 2023)	Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai 400 070 Tel No.: (022) 2659 8100; Fax No: (022) 2659 8120; Website: www.nseindia.com

Stock Codes

Name of Stock Exchanges	Scrip Code /Symbol	Demat ISIN Number in NSDL & CDSL
BSE Limited	519126	INE254N01018 (upto July 21, 2022) INE254N01026 (w.e.f. July 22, 2022)
National Stock Exchange of India Limited	HNDFDS	INE254N01026 (w.e.f. June 06, 2023)

The Annual Listing Fee for the Financial Year 2022-23 has been paid to the BSE Limited

13.5 Market Price Data (In Rs.)

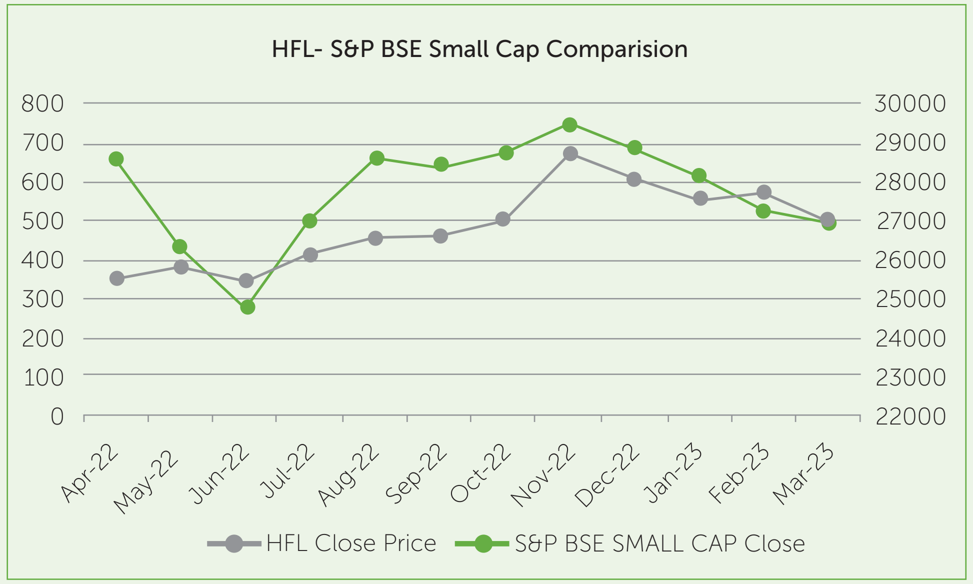
Month	BSE		
	High	Low	Volume
April 2022	*398.00	*356.00	2,80,07,756
May 2022	*410.01	*347.25	5,81,53,838
June 2022	*400.00	*328.73	2,27,68,938
July 2022	*422.26	415.00	15,76,34,918
August 2022	472.45	405.00	6,95,01,045
September 2022	527.30	442.65	16,89,82,817
October 2022	511.55	456.95	7,08,02,519
November 2022	710.00	463.95	24,40,00,431
December 2022	749.15	539.70	13,57,55,504
January 2023	621.40	540.25	3,05,57,333
February 2023	621.00	540.00	3,80,42,221
March 2023	584.45	491.05	4,75,47,950

(Source: The information is compiled from the data available on the BSE website)

*Share price is adjusted as per sub-division of Equity Shares.

13.6 Share price performance in comparison to broad based indices – S&P BSE small cap

Average monthly closing price of your Company's Shares on BSE as compared to S&P BSE small cap



- Company's Equity share Price has been adjusted due to sub-division/split of Equity shares of the Company from face value of Rs. 10/- each to face value of Rs. 2/- each.

REPORT ON CORPORATE GOVERNANCE (CONTD.)

13.7 Registrar and Share Transfer Agent

Link Intime India Private Limited
C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai 400083.
Ph.: (022) 49186000 Fax: (022) 49186060
Email: rnt.helpdesk@linkintime.co.in

13.8 Share Transfer System

Your Board of Directors have delegated powers to the Registrar and Share Transfer Agents for effecting Share transfers, transmissions, splits, consolidation, sub-division, issue of duplicate Share Certificates, re-materialisation and dematerialisation etc., as and when such requests are received. Shares held in dematerialised form are traded electronically in the Depositories. As at March 31, 2023 no Equity Shares were pending for transfer.

As per the requirement of Regulation 40(9) of the Listing Regulations, the Company has obtained the yearly certificates from a Company Secretary in Practice for due compliance of Share transfer formalities.

The Company conducts a Reconciliation of Share Capital Audit on a quarterly basis in accordance with the SEBI's requirements. The audit reports for the Financial Year under review have been filed with the Stock Exchange within 30 days of the end of each quarter.

Trading in Equity Shares of your Company is permitted only in dematerialised form. SEBI has mandated that Securities of all Listed Companies can be transferred only in dematerialised form w.e.f. April 01, 2019. Accordingly, your Company/ its RTA has stopped accepting any fresh lodgment of transfer of Shares in physical form. Members holding Shares in physical form are advised to avail of the facility of dematerialisation.

13.9 Distribution of Shareholding

Distribution Schedule as on March 31, 2023

No. of Shares	No. of Shareholders	% of Shareholders	No. of Shares	% of total No. of Shares
Upto 500	57,650	95.3003	38,37,957	3.40
501 to 1000	1,490	2.4631	12,93,304	1.15
1001 to 2000	692	1.1439	10,09,095	0.90
2001 to 3000	275	0.4546	6,99,403	0.62
3001 to 4000	66	0.1091	2,37,816	0.21
4001 to 5000	65	0.1075	3,08,073	0.27
5001 to 10000	112	0.1851	7,97,295	0.71
10001 and above	144	0.2364	10,45,59,747	92.74
Total	**60,494**	**100.00**	**11,27,42,690**	**100.00**

Distribution of Shareholding (Category wise) as on March 31, 2023

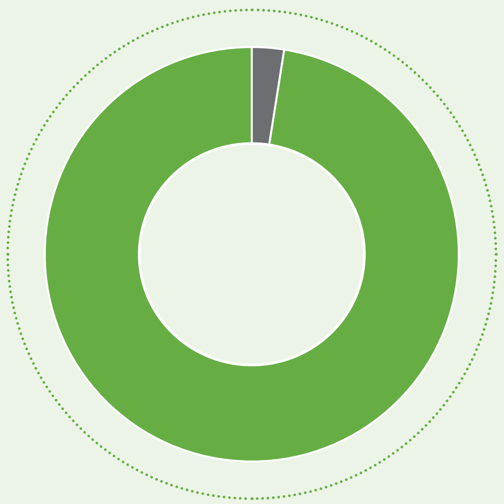
Category	No. of Shareholders	No of Shares held	% of share Holding
Promoters	6	7,31,09,975	64.8467
Relatives of Promoters (other than immediate relative)	2	33,164	0.0294
Directors and their relatives	4	28,82,774	2.5569
Key Managerial Personnel	2	1,25,450	0.1113
Financial Institutions / Banks	2	1,680	0.0015
Bodies Corporate	113	61,99,718	5.4990
Insurance Companies	1	34,500	0.0306
Non-Resident Indians (NRI's)	1,019	5,76,843	0.5117
Resident Individuals / Trusts/Mutual Funds	58,872	1,11,28,223	9.8704
Clearing Members	30	4,013	0.0036
NBFC registered with RBI	1	665	0.0006

Category	No. of Shareholders	No of Shares held	% of share Holding
HUF	402	2,46,519	0.2187
Alternate Investment Funds	3	73,67,455	6.5348
Foreign Portfolio Investors (Corporate)	28	74,00,968	6.5645
Partnership Firms/LLP	9	36,30,743	3.2203
Total	**60,494**	**11,27,42,690**	**100.00**

13.10 Dematerialisation of Shares and liquidity

As on March 31, 2023, 97.41% of your Company's listed Paid-up capital representing 10,98,17,525 Shares were held in dematerialised form as compared to 97.11% of your Company's Paid-up capital representing 2,18,97,715 Shares as on March 31, 2022.

Shares held in Demat/Physical form as at March 31, 2023

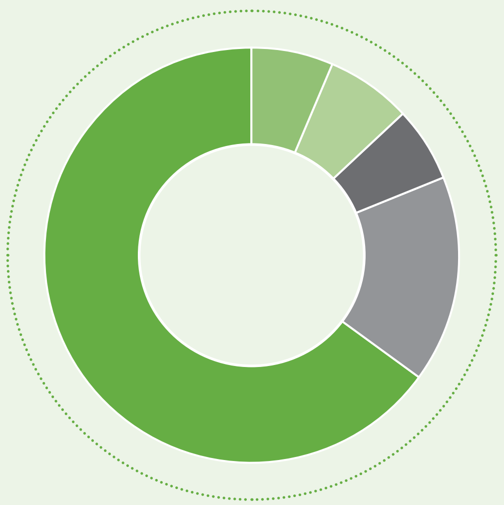


Physical Shareholding Demat Shareholding

Physical Holding is
29,25,165
Shares i.e
2.59%

Demat holding is
10,98,17,525
Shares i.e
97.41%

Shareholding Pattern as at March 31, 2023



AIF Foreign Portfolio Investors
NRIs/Body Corporate Institution
Public Promoters

Alternate Investment Funds
6.53%

Foreign Portfolio Investors
6.56%

NRIs/Corporate Bodies
6.01%

Institution
0.0015%

Public
16.05%

Promoters
64.85%

Shareholders who continue to hold their Shares in physical form are requested to dematerialise their Shares at the earliest and avail the benefits of dealing in Shares in demat form.

REPORT ON CORPORATE GOVERNANCE (CONTD.)

13.11 Outstanding GDRs/ADRs/Warrants or any Convertible instruments

- Nil

13.12 Plant Location

- Usgaon, Ponda 403 406, Goa
- RS no. 254/1B, Gorimendu-Poothurai Road, Poothurai Rev Village, Vanur Taluk 605 111, Tamil Nadu
- IGC, SIDCO Phase II, Samba 184 121, Jammu & Kashmir
- SF No. 195/1A, 195/1B, 195/2A, Appanaickenpatti, Sulthanpet Road, Sulur, Coimbatore 641 402, Tamil Nadu
- Industrial Gala Nos. 7 to 13, Survey No. 34 & 35, Rajprabha Landmark Industrial Estate Road, Gokhivare, Vasai (East), Palghar, Mumbai 401 208
- Survey Nos. 44 & 49, Peddaipally Village, Jadcherla Taluk, District Mahbubnagar, Telangana 509 202, Andhra Pradesh
- Plot Nos. 11B & C, KIADB Industrial Area, Nanjangud 571 302, District Mysuru, Karnataka
- Survey No. 452/3, Village Masat, Silvassa 396 230, Dadra and Nagar Haveli and Daman and Diu
- Unit No. 2, Plot Nos. 110 & 111, Piparia Industrial Estate, Piparia, Silvassa 396230, Dadra and Nagar Haveli and Daman and Diu
- Survey Nos. 4/1 to 4/8, Shed A & B, Kambur Village, Tindivanam, District Villupuram, Tamil Nadu 604 101

13.13 Address for correspondence

Investor correspondence for transfer / dematerialisation of Shares and any other query relating to the Shares of the Company should be addressed to –

Link Intime India Private Limited

C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai-400083.
Ph.: (022) 49186000 Fax: (022) 49186060 Email: rnt.helpdesk@linkintime.co.in

Investor complaints, if any, may be addressed to –

Mr Bankim Purohit, Company Secretary & Compliance Officer

Hindustan Foods Limited

Office No.3, Level-2, Centrium, Phoenix Market City,
15, Lal Bahadur Shastri Road, Kurla (W), Mumbai – 400070.
Maharashtra, India. Tel.: (022) 69801700,
Email: investorrelations@thevanitycase.com

Service of documents through electronic mode

As a part of Green initiative, the Members who wish to receive the Notices/documents through e-mail, may kindly intimate their e-mail addresses to your Company's Registrar and Transfer Agents M/s. Link Intime Private Limited i.e. rnt.helpdesk@ linkintime.co.in or to the Company to its dedicated e-mail id i.e. investorrelations@thevanitycase.com.

13.14 CREDIT RATING

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

13.15 Status of compliance with discretionary requirements

The Listing Regulations requires disclosures of adoption by the Company of discretionary requirements as specified in Part E of Schedule II of the said regulations, which as the name suggests, the implementation of which is discretionary on the part of the Company. Accordingly, the adoption of the discretionary requirements is given below:-

a) **The Board:**

An office with required facilities for the Non-Executive Chairman is not provided and maintained by your Company. Your Company also does not reimburse the expenses incurred by the Non-Executive Chairman in the performance of his duties.

b) **Shareholders Rights:**

Since the Quarterly, Half Yearly and Annual Financial Results of your Company are posted on the Company's website, these are not sent individually to the Shareholders of your Company. Further, significant events are informed to the Stock Exchange from time to time and then the same is also posted on the website of your Company under the 'Investors' section. The complete Annual Report is sent to every Shareholder of your Company.

c) **Modified opinion(s) in audit report:**

There is no audit qualification in the Company's Financial Statements for the Financial Year ended March 31, 2023.

d) **Separate posts of Chairperson and Chief Executive Officer:**

As at March 31, 2023 Mr Shashi K Kalathil is the Chairman of your Company and Mr Sameer R Kothari is the Managing Director of your Company.

e) **Reporting of Internal Auditor:**

The Internal Auditor reports directly to the Audit Committee.

REPORT ON CORPORATE GOVERNANCE (CONTD.)

COMPLIANCE CERTIFICATE UNDER REGULATION 17(8) and AS SPECIFIED IN PART B OF SCHEDULE II OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

We, Sameer R Kothari, Managing Director and Mayank Samdani, Chief Financial Officer of Hindustan Foods Limited ('Company') hereby certify that:-

a) We have reviewed Financial Statement and the cash flow statement of the Company for the Financial Year ended March 31, 2023 and that to the best of our knowledge and belief:

   i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.

c) We accept responsibility for establishing and maintaining internal controls for Financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

d) We have indicated to the auditors and the Audit Committee that there is no:

   (i) Significant changes in internal control over financial reporting during the year;

   (ii) Significant changes in accounting policies during the year requiring disclosure in the notes to the financial statements; and

   (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

	Sameer R Kothari	**Mayank Samdani**
Place : Mumbai.	Managing Director	Chief Financial Officer
Date : May 18, 2023	DIN: 01361343	

PRACTICING COMPANY SECRETARY'S CERTIFICATE ON DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

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

I, have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Hindustan Foods Limited having CIN L15139MH1984PLC316003 and having registered office at Office No. 03, Level 2, Centrium, Phoenix Market City, 15, Lal Bahadur Shastri Road, Kurla, Mumbai 400070 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I, hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment in Company*
1.	Mr Shashi Kumar Kalathil	02829333	November 09, 2015**
2.	Mr Shrinivas Vasudeva Dempo	00043413	September 26, 1999**
3.	Mr Sameer Ramanlal Kothari	01361343	May 22, 2017
4.	Mr Neeraj Chandra	00444694	January 25, 2019
5.	Mr Nikhil Kishorchandra Vora	05014606	May 22, 2017
6.	Mr Ganesh Tukaram Argekar	06865379	May 19, 2014
7.	Ms Honey Hiranand Vazirani	07508803	May 22, 2017
8.	Mr Sarvjit Singh Bedi	07710419	April 18, 2019
9.	Mr Sandeep Rajnikant Mehta	00031380	August 09, 2019
10.	Mr Harsha Raghavan	01761512	November 11, 2019

* The date of appointment is as per the MCA Portal.

** In the board meeting held on November 08, 2022, Mr Shrinivas Vasudeva Dempo, Non-Executive Non-Independent Director stepped down as the Chairman of the Company and continued to be the Director on the Board and the Board of Directors unanimously elected Mr Shashi Kumar Kalathil, Non-Executive Independent Director as the Chairman of the Company.

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Sd/-
Practicing Company Secretary: **Pankaj S. Desai**
ACS No. : 3398
C. P. No. : 4098
UDIN NO : A003398E000732632
Place : Mumbai
Date : August 3, 2023
Review No. : 2702/2022

CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To,
The Members
Hindustan Foods Limited

I have examined the compliance of conditions of Corporate Governance by HINDUSTAN FOODS LIMITED (the Company), for the Financial Year ended on March 31, 2023, as stipulated under the relevant clauses of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the Management. My examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me and based on the representations made by the Directors & the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 except for the period between April 01, 2022 to November 08, 2022 there were non-compliance of Regulation 17(1)(a) of the Listing Regulation, regarding composition of Board, and the Company has filed an application Suo-Motto Settlement with the Securities and Exchange Board of India ('SEBI') on January 31, 2023 in this regard and as on financial year ended March 31, 2023 the application is under review with the SEBI.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Sd/-
Practicing Company Secretary: **Pankaj S. Desai**
ACS No. : 3398
C. P. No. : 4098
UDIN NO : A003398E000732808
Place : Mumbai
Date : August 3, 2023
Peer Review No. : 2702/2022

INDEPENDENT AUDITOR'S REPORT

To the Members of Hindustan Foods Limited

Report on the Audit of the Standalone Financial Statements

OPINION

We have audited the accompanying standalone financial statements of Hindustan Foods Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss (Including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including 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 standalone financial statements give the information required by the Companies Act, 2013 ("the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and profit other comprehensive income, changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

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

INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

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

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. 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 STANDALONE FINANCIAL STATEMENTS

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

In preparing the standalone financial statements, the 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 STANDALONE FINANCIAL STATEMENTS

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
   - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
   - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
   - (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
   - (f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".
   - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
     - i. The Company does not have any pending litigations which would impact its financial position
     - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
     - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
     - iv.
       1. The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
       2. The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (Funding Parties), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
       3. Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, and according to the information and explanations provided to us by the Management in this regard nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.
     - v. The Company has neither declared nor paid any dividend during the year.
     - vi. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the company only w.e.f. April 1, 2023, reporting under this clause is not applicable.
3. In our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits laid prescribed under Section 197 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: 23101739BGXTUU2127

Place: Mumbai
Date: May 18, 2023

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

ON EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF HINDUSTAN FOODS LIMITED

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Amrish Vaidya
Partner
Membership No.101739
UDIN: 23101739BGXTUU2127

Place: Mumbai
Date: May 18, 2023

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF HINDUSTAN FOODS LIMITED FOR THE YEAR ENDED MARCH 31, 2023

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

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

B. The Company has maintained proper records showing full particulars of intangible assets.

(b) All the Property, Plant and Equipment, and right of use assets have not been physically verified by the management during the year but there is a regular programme of verification, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us, the title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements are held in the name of the Company, except for the following which are not held in the name of the Company.

Description of Property	Gross carrying value (in Lakhs)	Held in name of	Whether promoter, director or their relative or employee	Period held – Indicate range, where appropriate	Reason for not being held in name of Company (also indicate if in dispute)
Leasehold Land	107.21	Karnataka Industrial Areas Development Board ('KIADB')	No	February 2022	The leasehold rights of the land were transferred to Company as per the NCLT Approved Scheme [refer note 35(b)] w.e.f. February 18, 2022. As per the lease agreement with KIADB, the Company has an option of purchasing the land. The Company is in process of applying to KIADB for purchase of the land.

(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, as amended 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 inventory (excluding stocks with third parties) has been physically verified by the management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency, coverage and procedure of such verification is reasonable. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.

(b) During the year the Company has been sanctioned working capital limits in excess of Rs. 5 crores in aggregate from Banks on the basis of security of current assets. Quarterly statements filed with such Banks are in agreement with the books of account.

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT (CONTD.)

iii. (a) According to the information and explanation provided to us, the Company has provided loans or provided advances in the nature of loans, or given guarantee, or provided security to any other entity.

(A) The details of such loans or advances and guarantees or security to subsidiaries, Joint Ventures and Associates are as follows:

(Rs. in Lakhs)

	Guarantees	Security	Loans	Advances in the nature of loans
Aggregate amount granted during the year - Subsidiaries	7,260.00	Nil	5,395.20	Nil
Balance Outstanding as at balance sheet date in respect of above cases - Subsidiaries	16,260.00	Nil	4,733.20	Nil

(b) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the terms and conditions in relation to investments made, guarantees provided and grant of all loans are not prejudicial to the interest of the Company. Further, Company has not given any securities or advances in the nature of loans during the year.

(c) According to the information and explanations given to us and based on the examination of records of the company, in case of the loans , the schedule of repayment of principal and payment of interest have been stipulated. The loans granted are repayable on demand. As informed to us, the borrowers have been regular in the payment of the principal and interest based on the demand from the Company. Further, the Company has not granted any advances in the nature of loan during the year.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no amounts overdue for more than ninety days in respect of the loan granted to Company. Further, the Company has not granted any advances in the nature of loan during the year.

(e) According to the information explanation provided to us, there are no loan or advance in the nature of loan granted falling due during the year, which have been renewed or extended or fresh loans granted to settle the overdue of existing loans given to existing parties. Hence, the requirements under paragraph 3(iii)(e) of the Order are not applicable to the Company.

(f) According to the information explanation provided to us, the Company has granted loans which are repayable on demand. The details of the same are as follows:

(Rs. In lakhs)

	All Parties	Promoters	Related Parties
Aggregate amount of loans			
- Repayable on demand (A)	Nil	Nil	4,733.20
- Agreement does not specify any terms or period of repayment (B)	-	-	-
Total (A+B)	**Nil**	**Nil**	**4,733.20**
Percentage of such loans to the total loans	Nil	Nil	100%

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT (CONTD.)

iv. According to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, in respect of loans, investments, guarantees and security made.

v. 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. We have broadly reviewed the books of account maintained by the Company pursuant Rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

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

According to the information and explanation given to us, no undisputed amounts payable in respect of Goods and Services tax, provident fund, employees' state insurance, income-tax, duty of customs, cess, and other statutory dues, in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us and the records of the Company examined by us, there are no dues relating to Sales Tax, Value Added Tax, Service Tax, Goods and Services Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs, Duty of Excise, cess or 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 willful 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 standalone financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

e) According to the information explanation given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from an any entity or person on account of or to meet the obligations of its subsidiaries.

f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries.

x. (a) In our opinion and according to the information explanation given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Hence, 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. Hence, 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 report that no material fraud by the Company nor on the Company has been noticed or reported during the course of our audit.

(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 standalone financial statement for the year ended March 31, 2023, accordingly the provisions stated in paragraph (xi)(b) of the Order is not applicable to the Company.

(c) As represented to us by the Management, there are no whistle-blower complaints received by the Company during the year.

xii. 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 Sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv. (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered internal audit reports of the Company issued till date, for the period under audit.

xv. According to the information and explanations given to us, in our opinion, during the year the Company has not entered into 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.

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 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 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 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 3 (xvi)(d) of the Order are not applicable to the Company.

xvii. Based on the overall review of standalone financial statements, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Hence, the provisions stated in paragraph 3 (xvii) of the Order are not applicable to the Company.

xviii. There has been no resignation of the statutory auditors during the year. Hence, the provisions stated in paragraph 3 (xviii) of the Order are not applicable to the Company.

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT (CONTD.)

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans, 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. In respect of ongoing projects, the Company has transferred unspent amount to a special fund within a period of thirty days from the end of the financial year in compliance Section 135(6) of the said Act. This matter has been disclosed in note 42 to the standalone financial statements.

xxi. The reporting under Clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said Clause has been included in the report.

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

Amrish Vaidya
Partner
Membership No.101739
UDIN: 23101739BGXTUU2127

Place: Mumbai
Date: May 18, 2023

ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT

OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF HINDUSTAN FOODS LIMITED

Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Hindustan Foods Limited on the Financial Statements for the year ended March 31, 2023

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 standalone financial statements of Hindustan Foods Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone 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 standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2023, based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note").

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

AUDITORS' RESPONSIBILITY

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

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

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

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

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

Amrish Vaidya
Partner
Membership No.101739
UDIN: 23101739BGXTUU2127

Place: Mumbai
Date: May 18, 2023

STANDALONE BALANCE SHEET

AS AT MARCH 31, 2023

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	4 (a)	39,122.73	38,382.96
Right of use assets	4 (a)	929.26	1,055.05
Capital work-in-progress	4 (b)	4,453.06	880.80
Goodwill	5 (a)	157.70	157.70
Other intangible assets	5 (b)	4.36	6.70
Intangible assets under development	5 (c)	39.95	-
Financial assets			
Investments	11	8,039.68	690.66
Other financial assets	7	695.76	464.43
Non-current tax assets (net)	8	1,297.05	1,531.98
Other non-current assets	9	1,986.02	449.59
Total non-current assets		**56,725.57**	**43,619.87**
Current assets			
Inventories	10	28,320.27	21,739.85
Financial assets			
Trade receivables	12	8,532.50	7,141.10
Cash and cash equivalents	13	971.29	2,721.44
Bank balances other than cash and cash equivalents	14	1,059.65	1,079.90
Loans	6	4,733.20	3,223.20
Other financial assets	7	4,425.71	5,192.63
Other current assets	9	2,867.46	3,850.78
Total current assets		**50,910.08**	**44,948.90**
Total assets		**1,07,635.65**	**88,568.77**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	2,254.86	2,254.86
Other equity	16	34,967.51	28,550.05
Total equity		**37,222.37**	**30,804.91**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	17	26,135.04	19,741.37
Lease liabilities	36	339.19	478.47
Provisions	18	473.04	281.57
Deferred tax liabilities (net)	31	3,864.90	2,703.87
Total non-current liabilities		**30,812.17**	**23,205.28**
Current liabilities			
Financial liabilities			
Borrowings	17	8,010.44	6,972.76
Trade payables	19		
i) total outstanding dues of micro enterprises and small enterprises		39.82	85.29
ii) total outstanding dues of creditors other than micro enterprise and small enterprise		27,083.69	24,963.24
Lease liabilities	36	101.63	81.58
Other financial liabilities	20	1,844.96	1,624.70
Other current liabilities	21	2,440.53	753.89
Provisions	18	80.04	77.12
Total current liabilities		**39,601.11**	**34,558.58**
Total liabilities		**70,413.28**	**57,763.86**
Total equity and liabilities		**1,07,635.65**	**88,568.77**

Summary of significant accounting policies 2-3

The accompanying notes 1 to 50 are an integral part of the standalone 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
Date : May 18, 2023

For and on behalf of the Board of Directors of
Hindustan Foods Limited
CIN: L15139MH1984PLC316003

Sameer R. Kothari
Managing Director
DIN: 01361343

Ganesh T. Argekar
Executive Director
DIN: 06865379

Mayank Samdani
Chief Financial Officer

Bankim Purohit
Company Secretary
Membership No:ACS21865

Place : Mumbai
Date : May 18, 2023

STATEMENT OF STANDALONE PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2023

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Notes	Year ended March 31, 2023	Year ended March 31, 2022
Income			
Revenue from operations	22	2,38,319.80	2,02,070.03
Other income	23	525.21	531.77
Total income		**2,38,845.01**	**2,02,601.80**
Expenses			
Cost of material consumed	24	2,08,786.07	1,78,549.70
Purchase of stock-in-trade		180.81	1,135.18
Changes in inventories of finished goods, stock-in-trade and work-in-progress	25	(1,332.74)	(3,569.30)
Employee benefits expense	26	4,418.11	3,939.47
Finance costs	27	2,660.06	1,978.20
Depreciation and amortisation expenses	28	2,929.56	2,375.69
Manufacturing and operating costs	29	8,965.95	7,879.39
Other expenses	30	2,595.79	2,623.91
Total expenses		**2,29,203.61**	**1,94,912.24**
Profit before tax		**9,641.40**	**7,689.56**
Income tax expense	31		
Current tax		3,042.54	1,930.73
Adjustment of tax relating to earlier periods		(181.07)	-
Deferred tax (excluding MAT credit utilisation)		328.58	751.13
Total tax expense		**3,190.05**	**2,681.86**
Profit for the year		**6,451.35**	**5,007.70**
Other comprehensive income			
Items not to be reclassified to profit or loss :			
- Re-measurement gains/(losses) on defined benefit plans		(52.10)	65.59
- Income tax effect on these items		18.21	(22.92)
Total other comprehensive income for the year		**(33.89)**	**42.67**
Total comprehensive income for the year		**6,417.46**	**5,050.37**
Earnings per share (face value Rs 2 each) [refer note 15 (a)]			
Basic earnings per share (Rs)	32	5.72	4.44
Diluted earnings per share (Rs)	32	5.72	4.44

Summary of significant accounting policies 2-3

The accompanying notes 1 to 50 are an integral part of the standalone 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
Date : May 18, 2023

For and on behalf of the Board of Directors of
Hindustan Foods Limited
CIN: L15139MH1984PLC316003

Sameer R. Kothari
Managing Director
DIN: 01361343

Ganesh T. Argekar
Executive Director
DIN: 06865379

Mayank Samdani
Chief Financial Officer

Bankim Purohit
Company Secretary
Membership No:ACS21865

Place : Mumbai
Date : May 18, 2023

STANDALONE STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2023

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Cash flows from operating activities		
Profit before tax	9,641.40	7,689.56
Adjustments for:		
Depreciation and amortisation expenses	2,929.56	2,375.69
Interest on borrowing and on lease liability	2,587.54	1,919.42
Interest on redeemable non cumulative non convertible preference shares	6.36	5.83
Other finance charge	66.16	52.95
Interest income	(319.13)	(424.61)
Liabilities no longer required written back	(30.42)	(66.58)
Provision for doubtful debts written back	(64.39)	-
Bad debts written-off	5.18	-
Advances written off	35.85	-
Provision for doubtful debts	-	19.00
Other receivable written off	2.81	115.10
Re-measurement gains on defined benefit plans reclassified to OCI	(52.10)	65.59
Unrealised foreign exchange translation (gain)/ loss	(17.07)	11.00
Operating profit before working capital changes	**14,791.75**	**11,762.95**
Changes in working capital		
(Increase) in inventories	(6,580.42)	(4,301.92)
(Increase) in trade receivables	(1,329.07)	(1,482.83)
Decrease in other assets	921.20	1,056.78
Decrease/ (Increase) in financial assets	303.54	(1,668.84)
Increase in trade payables	2,076.67	2,441.04
Increase in other liabilities	1,686.64	460.75
(Decrease) in financial liabilities	(86.58)	(92.28)
Increase in provisions	194.39	65.47
Cash generated from operations	**11,978.12**	**8,241.12**
Income tax paid (net)	(1,777.57)	(2,865.07)
Net cash generated from operating activities (A)	**10,200.55**	**5,376.05**
Cash flows from investing activities		
Purchase of property plant and equipment (net of capital creditors and including capital advances)	(7,572.77)	(5,287.01)
Advance against business transfer agreement (refer note 48)	(1,000.00)	-
Proceeds from disposal of property, plant and equipment	165.88	-
Bank balances other than cash and cash equivalents	20.25	329.59
Investment in subsidiary [refer note 35 (A)]	(7,349.02)	(2,612.38)
Loans given to related parties (net)	(1,510.00)	(3,117.25)
Interest received	548.37	321.97
Net cash used in investing activities (B)	**(16,697.29)**	**(10,365.08)**

STANDALONE STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Cash flows from financing activities		
Proceeds from long-term borrowings	11,271.84	4,785.20
Repayment of long term borrowings	(4,884.53)	(3,563.66)
Proceeds from short-term borrowings	-	4,025.08
Repayment of short term borrowings	1,037.68	-
Lease rentals paid against lease liability	(154.28)	(95.00)
Interest paid	(2,538.08)	(1,947.60)
Net cash generated from financing activities (C)	**4,732.63**	**3,204.02**
Net (decrease) in cash and cash equivalents (A+B+C)	**(1,764.10)**	**(1,785.01)**
Cash and cash equivalents at the beginning of the year	2,721.44	4,447.05
Cash acquired pursuant to business combination [Refer Note 35 (a) and 35 (b)]	-	70.40
Exchange difference on translation of foreign currency cash and cash equivalents	13.95	(11.00)
Cash and cash equivalents at the end of the year	**971.29**	**2,721.44**
Cash and cash equivalents comprise of (Refer note 13)		
Balances with banks:		
On current accounts	778.86	1,169.02
Fixed deposits with maturity of less than 3 months	189.58	1,543.32
Cash on hand	2.85	9.10
Total cash and cash equivalents at end of the year	**971.29**	**2,721.44**

(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.

(iii) During the previous year, the Company has issued equity shares to the shareholders of Avalon Cosmetics Private Limited and ATC Beverages Private Limited as a purchase consideration pursuant to business combination. This being a non cash transaction [Refer Note 35 (a) and 35 (b)], the aforementioned standalone cash flow statement excludes the same.

The accompanying notes 1 to 50 are an integral part of the standalone 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
Date : May 18, 2023

For and on behalf of the Board of Directors of
Hindustan Foods Limited
CIN: L15139MH1984PLC316003

Sameer R. Kothari
Managing Director
DIN: 01361343

Ganesh T. Argekar
Executive Director
DIN: 06865379

Mayank Samdani
Chief Financial Officer

Bankim Purohit
Company Secretary
Membership No:ACS21865

Place : Mumbai
Date : May 18, 2023

STANDALONE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2023

(Amounts in Rs. lakhs, unless otherwise stated)

(A) EQUITY SHARE CAPITAL

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Amount	No. of shares	Amount
Equity shares of Rs. 2/- each issued, subscribed and fully paid [refer note 15 (a)]				
Balance at the beginning of the year	2,25,48,538	2,254.86	2,11,98,078	2,119.81
Add: Issued during the year [refer note 15(f) and 15(g)]	-	-	13,50,460	135.05
Add: Equity shares arising on shares split from Rs 10/- to Rs 2/- per share [refer note 15 (a)]	9,01,94,152	-	-	-
Balance at the end of the year	**11,27,42,690**	**2,254.86**	**2,25,48,538**	**2,254.86**

(B) OTHER EQUITY

Particulars	Equity component of redeemable non cumulative non convertible preference shares	Securities premium	Capital reserve [refer note 35 (a)]	Retained earnings	Share pending issuance [refer note 35 (a)]	Total
Balance as at April 1, 2021	**86.29**	**13,477.05**	**39.99**	**9,872.59**	**134.93**	**23,610.85**
Profit for the year	-	-	-	5,007.70	-	5,007.70
Other comprehensive income	-	-	-	42.67	-	42.67
Total comprehensive income for the year	**86.29**	**13,477.05**	**39.99**	**14,922.97**	**134.93**	**28,661.23**
Security premium on shares issue	-	23.75	-	-	-	23.75
Issue of shares pending issuance [refer note 15(f)]	-	-	-	-	(134.93)	(134.93)
Balance as at March 31, 2022	**86.29**	**13,500.80**	**39.99**	**14,922.97**	**-**	**28,550.05**
Balance as at April 1, 2022	**86.29**	**13,500.80**	**39.99**	**14,922.97**	**-**	**28,550.05**
Profit for the year	-	-	-	6,451.35	-	6,451.35
Other comprehensive income	-	-	-	(33.89)	-	(33.89)
Total comprehensive income for the year	**86.29**	**13,500.80**	**39.99**	**21,340.43**	**-**	**34,967.51**
Balance as at March 31, 2023	**86.29**	**13,500.80**	**39.99**	**21,340.43**	**-**	**34,967.51**

The accompanying notes 1 to 50 are an integral part of the standalone 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
Date : May 18, 2023

For and on behalf of the Board of Directors of
Hindustan Foods Limited
CIN: L15139MH1984PLC316003

Sameer R. Kothari
Managing Director
DIN: 01361343

Ganesh T. Argekar
Executive Director
DIN: 06865379

Mayank Samdani
Chief Financial Officer

Bankim Purohit
Company Secretary
Membership No:ACS21865

Place : Mumbai
Date : May 18, 2023

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

1. GENERAL INFORMATION

Hindustan Foods Limited (the "Company") is a public company domiciled in India and was incorporated in the year 1984 under the provisions of the Companies Act, 1956 applicable in India. It's registered and principal office of business is located at office No. 03, Level 2, Centrium, Phoenix Market City, Kurla, Mumbai- 400070. The Company is primarily engaged in the business of contract manufacturing of FMCG products comprising primarily of home care, personal care, foods and beverages and job working of shoes. The equity shares of the Company are listed in India on the Bombay Stock Exchange.

2. SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies adopted by the Company are as under:

2.1 Basis of preparation of financial statements

a) **Statement of Compliance with Ind AS**

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

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

b) **Basis of measurement**

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

c) **Current / non-current classification**

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

d) **Use of estimates**

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

e) Rounding off of amounts

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

2.2 Property, plant and equipment

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

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

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

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

Depreciation methods, estimated useful lives

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

Property, plant and equipment	Estimated useful life
Leasehold improvement*	Lease period
Building	30 years
Plant & Machinery	15 years
Furniture and Fixtures	10 years
Office Equipment	5 to 10 years
Electrical equipment	10 years
Computers:	3 years
Vehicles	2 to 15 years

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

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

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

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

2.3 Other intangible assets

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

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

Amortisation method and periods

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

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

Other intangible assets	Estimated useful life
Brand	4 years
Computer software	6 years

2.4 Impairment of non-financial assets

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

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

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

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

2.5 Foreign currency transactions

a) Functional and presentation currency

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

b) Transactions and balances

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. Gains/losses arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognised in the Statement of Profit and Loss.

All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognised in the Statement of Profit and Loss.

2.6 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

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
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data are available to measure fair value, maximising the use of relevant observable inputs and minimising 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 categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

2.7 Revenue Recognition

The Company recognises revenue when (or as) the Company satisfies a performance obligation by transferring the promised goods or services to a customer. The promised good or service is transferred when (or as) the customer obtains control over a good or service and revenue is recognised at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is reported net of taxes and duties as applicable.

For sale of goods, the Company recognises revenue when it transfers control of goods to the customer. Control is passed on to the customer when goods are dispatched from Company's premises or as per terms with customers.

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

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

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

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

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

2.8 Taxes

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

a) Current income tax

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

b) Deferred tax

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

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

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

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

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

2.9 Leases

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

(i) The contract involves the use of an identified asset

(ii) The Company has substantially all of the economic benefits from use of the asset through the period of the lease and

(iii) The Company has the right to direct the use of the asset.

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

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

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

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

2.10 Inventories

Inventories are valued at lower of cost and net realisable value after providing cost of obsolescence, if any. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. The comparison of cost and net realisable value is made on an item-by-item basis. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
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Cost includes purchase price, (excluding those subsequently recoverable by the enterprise from the concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. In determining the cost, weighted average cost method is used.

Manufactured finished goods and traded goods are valued at the lower of cost and net realisable value. Cost of work in progress and manufactured finished goods is determined on the weighted average basis and comprises direct material, cost of conversion and other costs incurred in bringing these inventories to their present location and condition. Cost of traded goods is determined on a weighted average basis.

Provision of obsolescence on inventories is considered on the basis of management's estimate based on demand and market of the inventories.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

The comparison of cost and net realisable value is made on item by item basis.

2.11 Investments in subsidiary and associate

Investments in Subsidiary and Associate are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiary and associates, the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.

2.12 Provisions and contingent liabilities

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

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

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

2.13 Corporate social responsibility (CSR)

Provisions are recognised for all CSR activity undertaken by the Company for which an obligation has arisen during the year and are recognised in Statement of profit on loss on accrual basis. Provision is made against unspent amount of CSR.

2.14 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.

2.15 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

2.16 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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

a) Financial assets

i. Initial recognition and measurement

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

ii. Subsequent measurement

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

a) at amortised cost; or

b) at fair value through other comprehensive income; or

c) at fair value through profit or loss.

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

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

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

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

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

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

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

Impairment of financial assets

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

For recognition of impairment loss on financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
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NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
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since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent years, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

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

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

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

iii. Derecognition of financial assets

A financial asset is derecognised only when

a) the rights to receive cash flows from the financial asset is transferred or

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

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

b) Financial liabilities

i. Initial recognition and measurement

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

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

ii. Subsequent measurement

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

Financial liabilities at fair value through profit or loss

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

Loans and borrowings

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

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

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

iv. Derecognition

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

c) Offsetting financial instruments

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

2.17 Employee benefits

a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are recognised in respect of employees' services up to the end of the year and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

b) Other long-term employee benefit obligations

i. Defined contribution plan

Provident Fund: Contribution towards provident fund is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

Employee's State Insurance Scheme: Contribution towards employees' state insurance scheme is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

ii. Defined benefit plans

Gratuity (funded): The Company provides for gratuity, a defined benefit plan (the 'Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement,

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

death, incapacitation or termination of employment, of an amount based on the respective employee's salary. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognised in the other comprehensive income in the year in which they arise.

iii. Other long- term employee benefit obligations

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

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

2.18 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.

2.19 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."

2.20 Segment reporting

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

2.21 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised 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.

2.22 Business Combination

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

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

fair value of contingent consideration are recognised in the Statement of profit and loss.

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

2.23 Convertible preference shares

Convertible preference shares are separated into liability and equity components based on the terms of the contract.

On issuance of the convertible preference shares, the fair value of the liability portion of an optionally convertible preference shares is determined using a market interest rate for an equivalent non-convertible bonds. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or redemption of the bonds. The remainder of the proceeds is attributable to the equity portion of the compound instrument since it meets Ind AS 32, Financial Instruments: Presentation, criteria for fixed to fixed classification. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not subsequently re-measured.

Transaction costs are apportioned between the liability and equity components of the convertible preference shares based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

2.24 Recent accounting development

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 01, 2023, as below:

I. Ind AS 1 – Disclosure of material accounting policies

The MCA issued amendments to Ind AS 1, providing guidance to help entities meet the accounting policy disclosure requirements. The amendments aim to make accounting policy disclosures more informative by replacing the requirement to disclose 'significant accounting policies' with 'material accounting policy information'. The amendments also provide guidance under what circumstance, the accounting policy information is likely to be considered material and therefore requiring disclosure.

The amendments are effective for annual reporting periods beginning on or after April 01, 2023. The Company is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

II. Ind AS 8 – Definition of accounting estimates

The amendment to Ind AS 8, which added the definition of accounting estimates, clarifies that the effects of a change in an input or measurement technique are changes in accounting estimates, unless resulting from the correction of prior period errors. These amendments clarify how entities make the distinction between changes in accounting estimate, changes in accounting policy and prior period errors. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

The amendments are effective for annual reporting periods beginning on or after April 01, 2023. The amendments are not expected to have a material impact on the Company's financial statements.

III. Ind AS 12 – Income Taxes

The amendment to Ind AS 12, requires entities to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

- right-of-use assets and lease liabilities, and
- decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.

The cumulative effect of recognising these adjustments is recognised in retained earnings, or another component of equity, as appropriate. Ind AS 12 did not previously address how to account for the tax effects of on-balance sheet leases and similar transactions and various approaches were considered acceptable. Some entities may have already accounted for such transactions consistent with the new requirements. These entities will not be affected by the amendments.

The Company is currently assessing the impact of the amendments.

IV. **The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.**

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

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

3.1 Estimates and assumptions

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

a) **Taxes**

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

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

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

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

c) **Impairment of non-financial assets**

In assessing impairment, management estimates the recoverable amount of each asset or cash-

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

d) **Provision against obsolete and slow-moving inventories**

The Company reviews the condition of its inventories and makes provision against obsolete and slow-moving inventory items which are identified as no longer suitable for sale or use. Company estimates the net realisable value for such inventories based primarily on the latest invoice prices and current market conditions. The Company carries out an inventory review at each balance sheet date and makes provision against obsolete and slow-moving items.

e) **Impairment of financial assets**

The Company assesses impairment based on expected credit losses (ECL) model on trade receivables. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

4 (a) Property, plant and equipment

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Gross carrying amount					Depreciation & Impairment					Net carrying amount
	As at April 1, 2022	Additions/ Adjustments	Acquisition through business purchase	Disposals	As at March 31, 2023	As at April 1, 2022	Acquisition through business purchase	Depreciation for the year	Disposals	As at March 31, 2023	As at March 31, 2023
I Owned assets											
Freehold land ###	1,665.47	366.30	-	-	2,031.77	-	-	-	-	-	2,031.77
Buildings ###	16,371.61	681.25	-	-	17,052.86	2,810.95	-	564.44	-	3,375.39	13,677.47
Plant and machinery#	27,647.70	2,059.27	-	110.33	29,596.64	6,567.71	-	1,827.74	17.63	8,377.82	21,218.82
Furniture and fixtures	312.02	19.48	-	1.55	329.95	152.34	-	30.72	0.18	182.88	147.07
Vehicles	115.31	96.88	-	-	212.19	47.44	-	12.01	-	59.45	152.74
Office equipment's	645.02	176.03	-	1.35	819.70	466.85	-	59.73	-	526.58	293.12
Electrical equipment	2,745.09	277.38	-	112.89	2,909.58	1,112.46	-	281.08	18.18	1,375.36	1,534.22
Computers	143.56	24.59	-	-	168.15	111.38	-	18.87	-	130.25	37.90
Leasehold improvement	15.48	30.01	-	-	45.49	9.17	-	6.70	-	15.87	29.62
Total	**49,661.26**	**3,731.19**	**-**	**226.11**	**53,166.33**	**11,278.30**	**-**	**2,801.29**	**35.99**	**14,043.60**	**39,122.73**
II Right of use assets							-				
Leasehold land ##, ^	701.53	-	-	-	701.53	24.64	-	6.51	-	31.15	670.38
Building ^	512.75	-	-	-	512.75	134.59	-	119.27	-	253.87	258.88
Plant and machinery	47.41	-	-	-	47.41	47.41	-	-	-	47.41	-
Total	**1,261.69**	**-**	**-**	**-**	**1,261.69**	**206.64**	**-**	**125.78**	**-**	**332.43**	**929.26**

Includes finance cost capitalised during the year amounting to Rs NIL (March 31, 2022: Rs 80.94 lakhs) in Plant and machinery. Further, Rs 89.92 lakhs (March 31, 2022: Rs NIL) capitalised in Capital Work-in-progress.

Leasehold land aggregating to Rs. 107.21 lakhs (acquired as part of the business combination [refer note 35(b) (ii)) wherein the lease deed has expired and the Company has a right to convert the land into freehold land subject to complying with certain conditions. The Company is in the process of converting the title into freehold as per the lease cum sale agreement.

for title deeds of immovable properties not held in the name of the Company refer note 46(B)

^ For changes in the carrying value of lease liability refer note 36

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Gross carrying amount					Depreciation & Impairment					Net carrying amount
	As at April 1, 2021	Additions/ Adjustments	Acquisition through business purchase [refer note 35(b)]	Disposals	As at March 31, 2022	As at April 1, 2021	Acquisition through business purchase [refer note 35(b)]	Depreciation for the year	Disposals	As at March 31, 2022	As at March 31, 2022
I Owned assets											
Freehold land ###	1,665.47	-	-	-	1,665.47	-	-	-	-	-	1,665.47
Buildings ###	13,628.92	1,544.47	1,198.22	-	16,371.61	1,851.31	444.29	515.35	-	2,810.95	13,560.66
Plant and machinery#	17,802.50	6,611.92	3,243.69	10.41	27,647.70	3,125.66	2,072.26	1,372.93	3.13	6,567.71	21,079.99
Furniture and fixtures	259.90	39.10	13.02	-	312.02	111.75	12.44	28.15	-	152.34	159.68
Vehicles	64.06	25.26	25.99	-	115.31	18.26	25.58	3.60	-	47.44	67.87
Office equipment's	491.67	101.84	51.51	-	645.02	374.81	43.61	48.43	-	466.85	178.17
Electrical equipment	2,439.71	305.38	-	-	2,745.09	866.43	-	246.03	-	1,112.46	1,632.63
Computers	107.73	22.06	13.77	-	143.56	77.21	12.52	21.65	-	111.38	32.18
Leasehold improvement	15.48	-	-	-	15.48	6.23	-	2.94	-	9.17	6.31
Total	**36,475.44**	**8,650.03**	**4,546.20**	**10.41**	**49,661.26**	**6,431.66**	**2,610.70**	**2,239.08**	**3.13**	**11,278.30**	**38,382.96**
II Right of use assets											
Leasehold land ##, ^	540.42	53.90	107.21	-	701.53	21.38	-	3.26	-	24.64	676.89
Building ^	221.46	291.29	-	-	512.75	58.55	-	76.04	-	134.59	378.16
Plant and machinery	47.41	-	-	-	47.41	34.48	-	12.93	-	47.41	-
Total	**809.29**	**345.19**	**107.21**	**-**	**1,261.69**	**114.41**	**-**	**92.23**	**-**	**206.64**	**1,055.05**

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

As at March 31, 2023

(Amounts in Rs. lakhs, unless otherwise stated)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	4,014.43	126.94	-	-	**4,141.37**
Projects temporarily suspended	-	311.69	-	-	**311.69**

In case of the following projects (CWIP), where completion is overdue as compared to it's original plan, completion schedule is as below:

As at March 31, 2023

(Amounts in Rs. lakhs, unless otherwise stated)

CWIP	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects temporarily suspended					
Project - 2 *	311.69	-	-	-	**311.69**

* The Company is in the process of constructing a warehouse inside one of it's factory for storing inventories. The Company is planning to complete the construction work soon.

There are no projects as Capital Work in Progress as at March 31, 2023 and March 31, 2022, the cost of which has exceeded in comparison to its original plan.

As at March 31, 2022

(Amounts in Rs. lakhs, unless otherwise stated)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	520.02	-	-	-	520.02
Projects temporarily suspended	-	360.78	-	-	360.78

In case of the following projects (CWIP), where completion is overdue as compared to it's original plan, completion schedule is as below:

As at March 31, 2022

(Amounts in Rs. lakhs, unless otherwise stated)

CWIP	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects temporarily suspended					
Project - 1	360.78	-	-	-	360.78

5 (a) Goodwill

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Amount
Cost	
As at 1 April 2021	-
Additions [refer note 35 (b)]	157.70
Disposals/Adjustments	-
As at March 31, 2022	157.70
Additions	-
Disposals/Adjustments	-
As at March 31, 2023	157.70
Impairment	
As at 1 April 2021	-
Impairment loss recognised	-
Net exchange difference	-
As at March 31, 2022	-
Impairment loss recognised	-
Net exchange difference	-
As at March 31, 2023	-
Net book value	
As at March 31, 2023	157.70
As at March 31, 2022	157.70

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

5 (b) Other intangible assets

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Gross carrying amount					Amortisation and impairment					Net carrying amount
	As at April 1, 2022	Additions/ Adjustments	Acquisition through business purchase	Disposals	As at March 31, 2023	As at April 1, 2022	Acquisition through business purchase	Amortisation and impairment for the year	Disposals	As at March 31, 2023	As at March 31, 2023
Other intangible assets											
Brand	200.00	-	-	-	200.00	200.00	-	-	-	200.00	-
Trademark	0.70	-	-	-	0.70	0.69	-	0.01	-	0.70	-
Computer software	17.32	0.15	-	-	17.47	10.63	-	2.48	-	13.11	4.36
Total	218.02	0.15	-	-	218.17	211.32	-	2.49	-	213.81	4.36

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Gross carrying amount					Amortisation and impairment					Net carrying amount
	As at April 1, 2021	Additions/ Adjustments	Acquisition through business purchase	Disposals	As at March 31, 2022	As at April 1, 2021	Acquisition through business purchase	Amortisation and impairment for the year	Disposals	As at March 31, 2022	As at March 31, 2022
Other intangible assets											
Brand	200.00	-	-	-	200.00	158.48	-	41.52	-	200.00	-
Trademark	0.70	-	-	-	0.70	0.55	-	0.14	-	0.69	0.01
Computer software	17.32	-	-	-	17.32	7.90	-	2.73	-	10.63	6.69
Total	218.02	-	-	-	218.02	166.93	-	44.39	-	211.32	6.70

5 (c) Intangible assets under development

As at March 31, 2023

(Amounts in Rs. lakhs, unless otherwise stated)

CWIP	Amount in intangible asset under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	39.95	-	-	-	39.95
Projects temporarily suspended	-	-	-	-	-

As at March 31, 2022

(Amounts in Rs. lakhs, unless otherwise stated)

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

There are no projects as Intangible assets under development as at March 31, 2023 and March 31, 2022, whose completion is overdue or cost of which has exceeds in comparison to its original plan.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

6 FINANCIAL ASSETS - LOANS

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Non- current	Current	Non- current	Current
Unsecured, considered good				
Loan to related parties, repayable on demand [refer note 37 (c)]	-	4,733.20	-	3,223.20
Total financial assets	**-**	**4,733.20**	**-**	**3,223.20**

Details of loans and advances in the nature of loans granted to promoters, directors, key managerial personnel and related parties (as defined under Companies Act, 2013):

(Amounts in Rs. lakhs, unless otherwise stated)

Type of Borrower	Loans/Advances granted Individually or Jointly with other (Individually / Jointly)	Repayable on demand	Terms/ Period of repayment is specified	March 31, 2023		March 31, 2022	
				Amount outstanding	% of Total	Amount outstanding	% of Total
Subsidiary Company	Individually	Yes	No	4,733.20	100%	3,223.20	100%
Total				**4,733.20**		**3,223.20**	

The Company has not granted any loans or advances in the nature of loans to promoters, directors and KMPs, either severally or jointly with any other person.

7 OTHER FINANCIAL ASSETS

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Non- current	Current	Non- current	Current
Financial instruments at amortised cost				
Security deposits	582.74	19.56	416.51	-
In fixed deposit accounts with original maturity for more than 12 months#	113.02	-	47.92	-
Interest accrued on deposits with bank	-	31.29	-	58.44
Interest accrued on loans given to related parties	-	-	-	202.09
Unbilled revenue	-	4,074.71	-	2,651.72
Current capital of Limited Liability Partnership [refer note 37 (c)]	-	-	-	1,922.36
Other receivable	-	300.15	-	358.02
Total other financial assets	**695.76**	**4,425.71**	**464.43**	**5,192.63**

These Includes fixed deposits of Rs 50.12 lakhs (previous year ended March 31, 2022: Rs. 39.86 lakhs) held as margin money deposit against guarantees and lien.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

8 NON-CURRENT TAX ASSETS

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Advance income tax (net)	1,297.05	1,531.98
Total non-current tax assets	**1,297.05**	**1,531.98**

9 OTHER NON-CURRENT AND CURRENT ASSETS

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Non- current	Current	Non- current	Current
Capital advances*	959.75	-	449.59	-
Advance against business transfer agreement (refer note 48)	1,000.00	-	-	-
Prepaid expenses	26.27	230.94	-	138.54
Balance with government authorities (other than income tax)	-	1,860.82	-	2,931.79
Export incentive receivable	-	113.80	-	191.10
Advances to suppliers	-	660.83	-	586.46
Advances to employees	-	1.07	-	2.89
Total other assets	**1,986.02**	**2,867.46**	**449.59**	**3,850.78**

* Value of contracts in capital account remaining to be executed as at March 31, 2023 Rs 890.31 lakhs (as at March 31, 2022: Rs 856.57 lakhs)

10 INVENTORIES*

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Raw material	15,028.64	9,066.54
Work in progress	5,879.39	2,954.54
Finished goods	4,999.32	6,548.56
Stock in trade	-	42.87
Packing material	2,223.66	3,048.12
Consumables, store and spares parts	189.26	79.22
Total inventories	**28,320.27**	**21,739.85**

During the year, an amount of Rs. 19.44 lakhs [previous year ended March 31, 2022: Rs. NIL] is charged to the statement of Profit and Loss on account of slow moving inventories.

*Hypothecated as charge against short term-borrowings. Refer note 17(b).

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

11 INVESTMENTS

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Non- current	Current	Non- current	Current
Investment in Subsidiaries				
Unquoted equity shares				
10,000 (March 31, 2022 10,000) Equity Shares of Rs. 10 each fully paid up in HFL Consumer Products Private Limited	1.00	-	1.00	-
5,00,00,000 (March 31, 2022 Nil) Equity Shares of Rs. 10 each fully paid up in Reckitt Benckiser Scholl India Private Limited [refer note 35 (A)]	7,349.02	-	-	-
Investment in Limited liability Partnership Firm				
Aero Care Personal Products LLP [refer note 35 (c)]	689.66	-	689.66	-
	8,039.68	**-**	**690.66**	**-**
Aggregate book value of:				
Unquoted investments	8,039.68	-	690.66	-

12 TRADE RECEIVABLES

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables	8,570.08	7,242.68
Less: Loss allowance	(37.58)	(101.58)
Total trade receivables	**8,532.50**	**7,141.10**
Current portion	**8,532.50**	**7,141.10**
Non current portion	**-**	**-**

Breakup of security details

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Secured, considered good		
Unsecured		
- Considered good	8,532.50	7,141.10
- Considered doubtful	-	-
Receivables which have significant increase in credit risk	-	-
Receivables credit impaired	37.6	101.6
Total	**8,570.08**	**7,242.68**
Loss allowance	(37.58)	(101.58)
Total trade receivables	**8,532.50**	**7,141.10**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

Ageing of Trade Receivables

As at March 31, 2023

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Not Due	Outstanding for following periods from due date					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables – considered good	7,831.86	665.40	23.65	11.60	-	-	**8,532.50**
(ii) Undisputed Trade Receivables –which have significant increase in credit risk	-	-	-	-	-	-	**-**
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	4.66	7.69	25.24	**37.58**
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	**-**
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	**-**
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	**-**
Less: Allowance for bad and doubtful debts (Disputed + Undisputed)	-	-	-	(4.66)	(7.69)	(25.24)	**(37.58)**
	7,831.86	**665.40**	**23.65**	**11.60**	**-**	**-**	**8,532.50**

As at March 31, 2022

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Not Due	Outstanding for following periods from due date of receipts					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables – considered good	6,649.85	488.37	2.70	-	-	-	7,140.92
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	5.97	13.57	64.05	18.17	101.76
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Less: Allowance for bad and doubtful debts (Disputed + Undisputed)	-	-	(5.79)	(13.57)	(64.05)	(18.17)	(101.58)
	6,649.85	**488.37**	**2.88**	**-**	**-**	**-**	**7,141.10**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

13 CASH AND CASH EQUIVALENTS

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Cash and cash equivalents		
Balances with banks		
- In current accounts	778.86	1,169.02
- Fixed deposits with original maturity of less than 3 months	189.58	1,543.32
Cash on hand	2.85	9.10
Total cash and cash equivalents	**971.29**	**2,721.44**

14 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
In fixed deposit with original maturity for more than 3 months but less than 12 months *	1,059.65	1,079.90
Total bank balances other than cash and cash equivalents	**1,059.65**	**1,079.90**

* These Includes fixed deposits of Rs 522.21 lakhs (previous year ended March 31, 2022: Rs. 563.96 lakhs) held as margin money deposit against guarantees and lien.

15 EQUITY SHARE CAPITAL

The Company has only one class of equity share capital having a par value of Rs. 2/- per share (March 31, 2022 Rs 10/- per share), referred to herein as equity shares

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Authorised		
26,57,61,265 (March 31, 2022 5,31,52,253 Equity Shares of Rs.10/- each) Equity shares of Rs.2/- each	5,315.23	5,315.23
	5,315.23	**5,315.23**
Issued, subscribed and paid up		
11,27,42,690 (March 31, 2022 2,25,48,538 Equity Shares of Rs.10/- each) Equity shares of Rs.2/- each fully paid up	2,254.86	2,254.86
Total	**2,254.86**	**2,254.86**

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

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares of Rs 2 each unless otherwise stated	Amount	No. of shares of Rs 10 each unless otherwise stated	Amount
Outstanding at the beginning of the year	2,25,48,538	2,254.86	2,11,98,078	2,119.81
Add: Issued during the year [refer note 15(f) and 15(g)]	-	-	13,50,460	135.05
Add: Sub-division of 1 share of face value of Rs 10/- each into 5 share of face value Rs 2/- each effective July 22, 2022 (Increase in shares on account of sub-division)*	9,01,94,152	-	Not Applicable	
Outstanding at the end of the year	**11,27,42,690**	**2,254.86**	**2,25,48,538**	**2,254.86**

* The Shareholders of the Company, through Postal Ballot on July 01, 2022, approved the sub-division of one equity share of face value Rs 10 each (fully paid-up) into 5 equity share of face value Rs 2 each. The record date for the said sub-division was set at July 22, 2022. The basic and diluted Earnings Per Share (EPS) numbers for the year ended March 31, 2022 have been restated to give effect of the share split.

(b) Rights, preferences and restrictions attached to shares

Equity Shares: The Company has only one class of equity shares having par value of Rs.2 per share. Each shareholder is entitled to one vote per share held. Dividend if any declared is payable in Indian Rupees.

During the year ended March 31, 2023, the amount of per share dividend recognised as distributions to equity shareholders was Nil (March 31, 2022: 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

(Amounts in Rs. lakhs, unless otherwise stated)

Name of the shareholder	As at March 31, 2023		As at March 31, 2022	
	No. of shares of Rs 2 each unless otherwise stated	% of holding in the class	No. of shares of Rs 10 each unless otherwise stated	% of holding in the class
M/s. Vanity Case India Private Limited	4,64,58,145	41.21%	92,91,629	41.21%
Asha R. Kothari	1,20,75,915	10.71%	24,15,183	10.71%
Sameer R. Kothari	1,20,75,915	10.71%	24,15,183	10.71%
M/s. Jwalamukhi Investment Holdings	66,22,161	5.87%	13,25,909	5.88%

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

(d) Details of Shares held by Promoters at the end of the year

(Amounts in Rs. lakhs, unless otherwise stated)

Promoter name	As at March 31, 2023			As at March 31, 2022		
	No. of shares of Rs 2 each unless otherwise stated	% of total shares	% Change during the year	No. of shares of Rs 10 each unless otherwise stated	% of total shares	% Change during the year
Vanity Case India Private Limited	4,64,58,145	41.21%	0.00%	92,91,629	41.21%	-1.16%
Asha R. Kothari	1,20,75,915	10.71%	0.00%	24,15,183	10.71%	1.76%
Sameer R. Kothari	1,20,75,915	10.71%	0.00%	24,15,183	10.71%	1.76%
Shrinivas Vasudeva Dempo	20,00,000	1.77%	0.00%	4,00,000	1.77%	-0.11%
Soiru Dempo Management Holding Private Limited	5,00,000	0.44%	0.00%	1,00,000	0.44%	-0.03%
V.S.Dempo Holdings Private Limited	-	-	-	-	-	-
Total	**7,31,09,975**	**64.85%**	**-**	**1,46,21,995**	**64.85%**	**2.22%**

(e) Information regarding issue of Equity Shares during last five years

(i) No shares have been issued as bonus shares by the Company during the period of five years immediately preceding the current year end.

(ii) No shares have been bought back by the Company during the period of five years immediately preceding the current year end.

(f) Shares issued for consideration other than cash: In consideration of the business combination, in the previous year Company has allotted 13,49,283 equity shares of Rs 10/- each credited as fully paid up shares of Company to the shareholders of Avalon Cosmetics Private Limited (ACPL) on March 14, 2022 in the ratio of 1.325 Ordinary (Equity) Share of face value of Rs. 10 each fully paid-up in the capital of the Company for each equity share held in ACPL. [Refer note 35 (a)]

(g) Shares issued for consideration other than cash: In consideration of the business combination, in the previous year Company has allotted 1,177 equity shares of Rs 10/- each credited as fully paid up shares of Company to the shareholders of ATC Beverages Private Limited (ATC) on March 14, 2022 in the ratio of 1 Ordinary (Equity) Share of face value of Rs. 10 each fully paid-up in the capital of the Company for every 15,075 fully paid-up Equity Shares for each equity share held in ATC. [Refer note 35 (b)]

16 OTHER EQUITY

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Capital reserve	39.99	39.99
Securities premium	13,500.80	13,500.80
Equity component of redeemable non cumulative non convertible preference shares	86.29	86.29
Retained earnings	21,340.43	14,922.97
	34,967.51	**28,550.05**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

Nature and purpose of other reserves	
Capital reserve (including reserve created on common control business combination)	The Company recognises profit or loss on purchase, sale, issue or cancellation of the Company's own equity instruments to capital reserve.
Securities premium	Securities premium is used to record the premium on issue of shares. This is utilised in accordance with the provisions of the Companies Act 2013.
Equity component of redeemable non cumulative non convertible preference shares	Equity component represents difference between consideration received and present value of liability component on initial recognition (net of deferred tax).
Retained earnings	Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
(A) Capital reserve	**39.99**	**39.99**
(B) Securities premium		
Opening balance	13,500.80	13,477.05
Add : Securities premium on share issue [Refer note 35(a)(ii)]	-	23.75
Closing balance	13,500.80	13,500.80
(C) Equity component of redeemable non cumulative non convertible preference shares	**86.29**	**86.29**
(D) Shares pending issuance		
Opening balance	-	134.93
Less : Issue of Share pending issuance [refer note 35(a)(ii)]	-	(134.93)
Closing balance	-	-
(E) Retained earnings		
Opening balance	14,922.97	9872.59
Add: Net profit for the year	6,451.35	5007.70
Add: Item of OCI for the year, net of tax	(33.89)	42.67
Closing balance	**21,340.43**	**14,922.97**
Total other equity	**34,967.51**	**28,550.05**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

17 (a) Non-current borrowings

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Secured		
Term loan		
From banks	26,168.29	23,107.07
From others	4,299.69	-
Vehicle Loan		
From bank	90.47	-
Unsecured		
Liability component of compound financial instruments		
9% redeemable non cumulative non convertible preference shares*	76.98	70.62
Less: Current maturities of long term borrowings [refer note 17(b)]	(4,500.39)	(3,436.32)
Total non-current borrowings	**26,135.04**	**19,741.37**

A) Terms of non-current borrowing are as under

Particulars	Rate of interest (p.a.)	Repayment terms
Non current, secured borrowings		
Term loan from Banks	Ranging from 7.70% to 9.10%	Repayable in monthly and quarterly instalments
Term loan from others	Ranging from 8.00% to 9.05%	Repayable in monthly instalments
Vehicle loan from Bank	8.00%	Repayable in monthly instalments
Non current, unsecured borrowings		
Redeemable non cumulative non convertible preference shares*	9.00%	Redeemable not later than 19 years from the date of issue i.e. 27 September 2012.

* The Company has authorised redeemable non cumulative non convertible preference shares of Rs.200 lakhs, of which the Company has issued preference shares amounting to Rs. 160 lakhs to V.S. Dempo Holdings Private Limited

B) Nature of security :

For term loan from banks

i. Term loan from SVC bank has been secured by exclusive charge on the land and building and Plant and machinery of Masat and Piparia factory of the Company.

ii. Term loan from HDFC bank has been secured by charge on the current and future land and building and Plant and machinery of Hyderabad factory of the Company and first pari passu charge on stock and book debt along with yes bank.

iii. Term loan from Yes bank has been secured by exclusive charge on the movable fixed assets and land and building of the Coimbatore and Jammu and Goa factory of the Company and Pari passu charge over the entire current assets of the Company with HDFC and SVC bank.

For term loan from others

i. Term loan from Bajaj Finance Limited has been secured by charge on the entire movable and immovable fixed assets of the Reckitt Benckiser Scholl India Private Limited and Company and current assets of the Reckitt Benckiser Scholl India Private Limited.

For vehicle loan

i. Vehicle loan from HDFC bank has been secured by charge on the vehicle.

C) Period and amount of default:

The Company has made no defaults in the payment of principal or interest during the year ended March 31, 2023.

D) The Bank loans contain certain debt covenants relating to limitation on indebtedness, debt-equity ratio, net Borrowings to EBITDA ratio and debt service coverage ratio. The limitation on indebtedness covenant gets suspended if the Company meets certain prescribed criteria. The debt covenant related to limitation on indebtedness remained suspended as of the date of the authorisation of the financial statements.

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

E)

Particulars of Loans	Purpose of loan	Whether used for the purpose stated in the loan Agreement
Term Loan - Yes Bank	Towards acquisition of manufacturing unit at samba industrial Area, Jammu.	Yes
Term Loan - Yes Bank	Towards Purchase of Land and Setting up of manufacturing plant in Coimbatore (Including reimbursement incurred)	Yes
Guaranteed Emergency Credit Line (GECL) - Yes Bank	Towards Working capital payments	Yes
Emergency Credit Line Guaranteed Scheme (ECGLS) - HDFC BANK LTD	Towards Working capital payments	Yes
Term Loan - HDFC BANK LTD	Towards process engineering at existing Plant at Hyderabad	Yes
Term Loan - HDFC BANK LTD	Towards capital expenditure of plant at Hyderabad.	Yes
Term Loan - SVC BANK	Set up new factory at Silvassa, towards manufacturing of surface cleaning & toilet clearing product.	Yes
Term Loan - HDFC BANK LTD	Towards working capital and capacity addition at Hyderabad plant for making detergent bars and soaps	Yes
Term Loan - Bajaj Finance LTD	Towards General Corporate Purpose/ Share purchase of the Reckitt Benckiser Scholl India Private Limited	Yes
Vehicle Loan - HDFC BANK LTD	Towards purchase of vehicle	Yes

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

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

17 (b) Current borrowings

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Secured		
From banks		
Cash credits	2,831.14	2,427.21
Current maturities of long term borrowings [refer note 17 (a)]	4,500.39	3,436.32
Unsecured		
Loan from related party [refer note 17(b)(A)]	678.91	1,109.23
Total current borrowings	**8,010.44**	**6,972.76**

A) Terms of current borrowing are as under

Particulars	Rate of interest (pea)	Repayment terms
Current, secured borrowings	Ranging from 7.70% to 9.10%	Repayable on demand
Current, unsecured borrowings	10%	Repayable on demand

B) Nature of security :

i. Cash credit from Yes Bank has been secured by exclusive charge on the movable fixed assets of the Jammu & Goa factory of the Company, pari passu charge over the entire current assets of the Company with HDFC, exclusive charge on land and building of Jammu factory and pari passu charge on the land and building of Goa plant along with HDFC bank.

ii. Cash credit from HDFC Bank has been secured by first pari passu charge on the stock and book debt of the Company along with Yes bank, exclusive charge on current and future plant and machinery of the Hyderabad factory, first pari passu charge on the land and building of Goa factory and exclusive charge on current and future land and building of Hyderabad factory.

C) Period and amount of default:

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

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

18 PROVISIONS

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Non- current	Current	Non- current	Current
Provision for employee benefits (refer note 34)				
- Provision for gratuity (funded)	329.30	54.85	189.84	66.36
- Leave encashment (unfunded)	143.74	25.19	91.73	10.76
Total Provisions	**473.04**	**80.04**	**281.57**	**77.12**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

19 TRADE PAYABLES

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro enterprises and small enterprises	39.82	85.29
Total outstanding dues of creditors other than micro enterprises and small enterprises	27,083.69	24,963.24
Total trade payables	**27,123.51**	**25,048.53**

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

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Amount remaining unpaid to any supplier at the end of each accounting year:		
Principal	39.82	85.29
Interest	0.11	0.11
Total	**39.93**	**85.40**
(b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	0.11	0.11
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

Trade Payables ageing schedule

As at March 31, 2023

(Amounts in Rs. lakhs, unless otherwise stated)

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	-	17.34	22.48	-	-	-	**39.82**
(ii) Disputed dues – MSME	-	-	-	-	-	-	**-**
(iii) Others	218.88	14,855.72	11,526.00	212.86	85.72	184.51	**27,083.69**
(iv) Disputed dues - Others	-	-	-	-	-	-	**-**
	218.88	**14,873.06**	**11,548.48**	**212.86**	**85.72**	**184.51**	**27,123.51**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

As at March 31, 2022

(Amounts in Rs. lakhs, unless otherwise stated)

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	22.50	50.86	11.93	-	-	-	**85.29**
(ii) Disputed dues – MSME	-	-	-	-	-	-	**-**
(iii) Others	229.48	15,710.21	8,615.17	207.39	79.75	121.24	**24,963.24**
(iv) Disputed dues - Others	-	-	-	-	-	-	**-**
	251.98	**15,761.07**	**8,627.10**	**207.39**	**79.75**	**121.24**	**25,048.53**

20 OTHER CURRENT FINANCIAL LIABILITIES

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Other financial liabilities at amortised cost		
Security deposit received	13.33	9.42
Employee related payable	410.57	364.30
Other Payables	440.83	527.44
Capital creditors	980.23	723.54
Total other financial liabilities	**1,844.96**	**1,624.70**

21 OTHER CURRENT LIABILITIES

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory dues payable	575.53	175.17
Advance from customers	1,776.69	470.44
Other payables	3.65	23.61
Security deposit received	84.66	84.67
Total other current liabilities	**2,440.53**	**753.89**

22 REVENUE FROM OPERATIONS

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars		Year ended March 31, 2023	Year ended March 31, 2022
Revenue from contracts with customers:			
- Sale of products		2,34,905.06	1,98,427.87
- Trading of goods		299.07	1,196.77
- Sale of services		2,542.53	1,971.38
Total	(A)	**2,37,746.66**	**2,01,596.02**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars		Year ended March 31, 2023	Year ended March 31, 2022
Other operating revenue			
- Export incentive		203.99	188.81
- Scrap sales		301.77	180.21
- Trial charges		67.38	104.99
Total	(B)	**573.14**	**474.01**
Total revenue from operations (A)+(B)		**2,38,319.80**	**2,02,070.03**

A. Disaggregation of revenue from contracts with customers

In the following table, revenue is disaggregated by major service lines.

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
- Sale of products - contract manufacturing	2,34,905.06	1,98,427.87
- Trading of goods	299.07	1,196.77
- Sale of services	2,542.53	1,971.38
Total	**2,37,746.66**	**2,01,596.02**
Geographic revenue		
- India	2,32,238.59	1,97,159.34
- Rest of the world	5,508.07	4,436.68
Total	**2,37,746.66**	**2,01,596.02**

B. Trade receivables and contract balances

The following table provides information about receivables, contract assets and current liabilities from contracts with customers:

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Receivables, which are included in trade receivables *	8,532.50	7,141.10
Unbilled revenue	4,074.71	2,651.72
Advances from customers ^	1,776.69	470.44
Total	**14,383.90**	**10,263.26**

* Trade Receivable represents the amount of consideration in exchange for goods or services transferred to the customers that is unconditional. Contract assets are initially recognised for revenue from sale of goods and services.

^ The Contract liability outstanding at the beginning of the year has been recognised as revenue during the year ended March 31, 2023.

C. Transaction price allocated to the remaining performance obligation

There are no unsatisfied long-term contracts / performance obligation that have impact on financial statements.

The Company applies the practical expedient in paragraph 121 of Ind AS 115 and does not disclose information about remaining performance obligations that have original expected durations of one year or less.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

D. Reconciliation of contract price with revenue during the year

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Revenue as per contract price	2,37,798.93	2,01,611.58
Adjustment for credit notes	(52.27)	(15.56)
Revenue from contract with customer	**2,37,746.66**	**2,01,596.02**

E. The Company does not have any significant adjustments between the contracted price and revenue recognised in the statement of profit and loss.

23 OTHER INCOME

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest income on fixed deposits	50.03	103.02
Interest on loan to related parties (refer note 37)	269.10	321.59
Other non operating income :		
Foreign exchange Gain (net)	36.37	-
Liabilities no longer required written back	30.42	66.58
Provision for doubtful debts written back	64.39	-
Miscellaneous income	74.90	40.58
Total other income	**525.21**	**531.77**

24 COST OF MATERIAL CONSUMED

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Raw material		
Inventory at the beginning of the year	9,066.54	8,524.87
Inventory acquired on business combination - [refer note 35(b)]	-	370.54
Add: Purchases	1,77,272.67	1,55,021.50
Less: Inventory at the end of the year	15,028.64	9,066.54
Cost of raw material consumed	**1,71,310.57**	**1,54,850.37**
Packaging material		
Inventory at the beginning of the year	3,048.12	2,484.04
Add : Purchases	36,651.04	24,263.41
Less : Inventory at the end of the year	2,223.66	3,048.12
Cost of packaging material consumed	**37,475.50**	**23,699.33**
Total cost of materials consumed	**2,08,786.07**	**1,78,549.70**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

25 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Inventories at the beginning of the year		
- Finished goods	6,548.56	4,026.14
- Stock in trade	42.87	44.47
- Work-in-progress	2,954.54	1,747.01
- Inventory acquired on business combination - [refer note 35(b)]	-	159.05
	9,545.97	**5,976.67**
Less: Inventories at the end of the year		
- Finished goods	4,999.32	6,548.56
- Stock in trade	-	42.87
- Work-in-progress	5,879.39	2,954.54
	10,878.71	**9,545.97**
Net increase	**(1,332.74)**	**(3,569.30)**

26 EMPLOYEE BENEFITS EXPENSE

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salaries, wages, bonus and other allowances	3,994.96	3,565.42
Contribution to provident and other funds	179.85	151.06
Gratuity expense (refer note 34)	83.64	76.54
Staff welfare expenses	159.66	146.45
Total employee benefits expense	**4,418.11**	**3,939.47**

27 FINANCE COSTS

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest on borrowing	2,552.49	1,894.65
Interest expense on lease Liabilities	35.05	24.77
Interest on redeemable non cumulative non convertible preference shares	6.36	5.83
Other finance charge	66.16	52.95
Total finance costs	**2,660.06**	**1,978.20**

28 DEPRECIATION AND AMORTISATION EXPENSE

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation of property, plant and equipment [refer note 4 (a)]	2,801.29	2,239.07
Depreciation on right of use assets [refer note 4 (a)]	125.78	92.23
Amortisation of other intangible assets [refer note 5 (b)]	2.49	44.39
Total depreciation and amortisation expense	**2,929.56**	**2,375.69**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

29 MANUFACTURING AND OPERATING COSTS

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Job work expenses	1,848.99	1,693.56
Power, fuel & electricity	2,677.03	2,038.02
Repairs and maintenance - plant & machinery	527.06	387.84
Repairs and maintenance - building	9.40	19.44
Repairs and maintenance - others	228.95	229.04
Contract labour charges	3,433.09	3,316.38
Other manufacturing expenses	241.43	195.11
Total manufacturing and operating costs	**8,965.95**	**7,879.39**

30 OTHER EXPENSES

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Stores and spares consumed	301.59	272.98
Insurance	148.84	115.95
Rent [refer note 36 (v)]	231.71	253.01
Rates and taxes	85.00	170.83
Carriage and freight	610.16	626.98
Travel and conveyance	266.00	187.43
Postage and courier	32.80	24.16
Printing & stationery	40.00	37.82
Legal and professional charges	226.66	231.21
Advertisement	6.94	6.39
Commission	2.72	3.78
Business promotion	2.44	9.65
Other balance written off	2.81	83.15
Provision for doubtful debts	-	19.00
Foreign exchange loss (net)	-	55.06
CSR expenses (refer note 42)	111.45	76.33
Security charges	276.76	252.36
Bank charges	11.53	9.64
Advances written off	35.85	-
Donation	2.58	0.33
Auditors remuneration [refer note (a) below]	34.00	34.00
Bad debts	5.18	-
Director's sitting fees (refer note 37)	18.40	9.95
Miscellaneous expenses	142.37	143.90
Total other expenses	**2,595.79**	**2,623.91**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

NOTE (a) Auditors remuneration (excluding GST)

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
As auditor:		
Statutory audit	25.00	25.00
Limited review fees	9.00	9.00
Total	**34.00**	**34.00**

31 INCOME TAX AND DEFERRED TAX

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

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Current tax	3,042.54	1,930.73
Adjustment of tax relating to earlier periods	(181.07)	-
Deferred tax charge / (income)	328.58	751.13
Income tax expense reported in the statement of profit or loss	**3,190.05**	**2,681.86**

B) Income tax expense charged to OCI

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Net loss/(gain) on remeasurements of defined benefit plans	18.21	(22.92)
Income tax charged to OCI	**18.21**	**(22.92)**

C) Reconciliation of tax charge

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Profit before tax	9,641.40	7,689.56
Enacted income tax rate in India applicable to the Company	34.94%	34.94%
Income tax expense at tax rates applicable	3,369.09	2,687.04
Tax effects of items that are not deductible in determining taxable income:		
CSR expenditure and donations	23.47	(17.83)
Others	(21.44)	12.65
Income tax expense	**3,371.12**	**2,681.86**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

D) Deferred tax relates to the following:

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred tax assets		
On provision for employee benefits	241.04	125.34
On stamp duty provision	-	20.97
On unamortised processing cost	27.62	6.94
On Others	0.90	13.01
	269.56	**166.26**
Deferred tax liabilities		
On property, plant and equipment	3,933.51	3,651.18
On lease liabilities (net)	153.17	151.29
	4,086.68	**3,802.47**
Deferred tax liabilities net	(3,817.12)	(3,636.21)
Minimum alternative tax (MAT) entitlements	-	974.75
Deferred tax liability on fair valuation of land on account of merger [refer note 35(b)]	(47.78)	(47.78)
Others	-	5.37
Deferred tax liability, net	**(3,864.90)**	**(2,703.87)**

E) Deferred tax assets/ (liabilities) to be recognised in statement of profit and loss

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Deferred tax assets/(liabilities), net	(3864.90)	(2703.87)
Deferred tax asset on tax losses taken over in business combination [refer note 35(b)]	-	(895.41)
Deferred tax liability on fair valuation of land on account of merger [refer note 35(b)]	-	47.78
Others	-	(5.37)
Less: MAT credit utilisation	832.45	603.68
Less: Opening deferred tax liabilities	2,703.87	2,202.06
Deferred tax expense for the year	**(328.58)**	**(751.13)**
Tax liability recognised in statement of profit and loss	(346.79)	(728.21)
Tax liability recognised in OCI		
On re-measurements gain/(losses) of post-employment benefit obligations	18.21	(22.92)
Total deferred tax expenses recognised in the statement of profit and loss	**(328.58)**	**(751.13)**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

32 EARNINGS PER SHARE

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

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Profit attributable to equity holders	6,451.35	5,007.70
Weighted average number of equity shares (in lakhs) for basic and diluted EPS [refer note 15 (a)]	1,127.43	1,127.43
Basic per share (Rs) [refer note 15 (a)]	5.72	4.44
Diluted per share (Rs) [refer note 15 (a)]	5.72	4.44

33 CONTINGENT LIABILITIES

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Claim for expired goods	7.13	7.13
Letter of Credit issued	39.58	4.59
Bank Guarantees	65.40	69.91
Financial Guarantee issued on behalf of subsidiary	16,260.00	9,000.00
	16,372.11	**9,081.63**
Capital commitments	**890.31**	**856.57**

34 EMPLOYEE BENEFITS

The Company has the following employee benefit plans:

(A) Defined contribution plans

Employers' Contribution to Provident Fund and Employee State Insurance (refer note 26)

(B) Defined benefit plans

Gratuity payable to employees

i) Actuarial assumptions

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Discount rate (per annum)	7.40%	6.95%
Rate of increase in Salary	7.00%	7.00%
Expected average remaining working lives of employees (years)	23.53	24.80
Attrition rate	2% - 10%	2% - 10%

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

ii) Changes in the present value of defined benefit obligation

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Employee's gratuity fund	
	March 31, 2023	March 31, 2022
Present value of obligation at the beginning of the year	**256.49**	**247.83**
Transfer in/(out) obligation	-	37.49
Current service cost	66.36	63.76
Interest cost	16.99	15.20
Benefits paid	(7.79)	(40.23)
Actuarial (gain)/ loss on obligations	52.10	(67.56)
Present value of obligation at the end of the year	**384.15**	**256.49**

iii) Change in the fair value of plan assets:

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Employee's gratuity fund	
	March 31, 2023	March 31, 2022
Opening fair value of plan assets	0.29	20.84
Expenses of the fund	(0.29)	-
Interest income	-	2.42
Contributions by employer	-	3.34
Benefits paid	-	(24.34)
Actuarial (losses)/ gains	-	(1.97)
Closing fair value of plan assets	**-**	**0.29**

iv) Expense recognised in the Statement of Profit and Loss

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Employee's gratuity fund	
	March 31, 2023	March 31, 2022
Current service cost	66.36	63.76
Expenses of the fund	0.29	-
Interest cost	16.99	12.78
Total expenses recognised in the Statement Profit and Loss	**83.64**	**76.54**

v) Expense recognised in the statement of other comprehensive income

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Employee's gratuity fund	
	March 31, 2023	March 31, 2022
Actuarial (gain) / loss on obligations	52.10	(67.56)
Actuarial gain /(loss) for the year on asset	-	1.97
Total expenses recognised in the statement of other comprehensive Income	**52.10**	**(65.59)**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

vi) Assets and liabilities recognised in the Balance Sheet:

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Employee's gratuity fund	
	March 31, 2023	March 31, 2022
Present value of funded obligation	384.15	256.49
Less: fair value of plan assets	-	(0.29)
Net asset / (liability) recognised in Balance Sheet*	**384.15**	**256.20**

*Included in provision for employee benefits (refer note 18)

vii) Expected contribution to the fund in the next year

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	March 31, 2023	March 31, 2022
Gratuity	54.85	66.36

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

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Employee's gratuity fund	
	March 31, 2023	March 31, 2022
Impact on defined benefit obligation		
Discount rate		
0.5% increase	370.02	245.24
0.5% decrease	399.34	268.64
Rate of increase in salary		
0.5% increase	397.47	266.96
0.5% decrease	371.52	246.57
Withdrawal rate		
110% change	384.05	255.87
90% change	384.19	257.19

ix) Maturity profile of defined benefit obligation

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Employee's gratuity fund	
	March 31, 2023	March 31, 2022
Year		
Apr 2022- Mar 2023	-	23.99
Apr 2023- Mar 2024	54.85	17.73
Apr 2024- Mar 2025	37.54	21.50
Apr 2025- Mar 2026	40.19	15.99
Apr 2026- Mar 2027	29.56	18.98
Apr 2027- Mar 2028	42.38	-
Apr 2027 onwards	-	127.08
Apr 2028 onwards	165.28	-

(C) Other long term employee benefit obligation

Leave entitlement

The liability for leave entitlement is recognised in the same manner as gratuity aggregating Rs.78.86 lakhs as at March 31, 2023 (March 31, 2022: Rs. 31.47 lakhs).

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

35 (A) Business combinations during current year

The Company on 1 July 2022, has acquired 100% equity share capital of Reckitt Benckiser Scholl India Private Limited ("RBSIPL") for a cash consideration of Rs.7,349.02 lakhs (Adjusted for contingent consideration amounting to Rs.140.26 lakhs in year ended March 31, 2023) as per the terms and conditions of the Share Purchase Agreement dated January 24, 2022 including amendments thereof (if any) entered between the Company and RBSIPL.

35 (B) Business combinations during previous year

35 (a) Merger Information - Coimbatore Manufacturing Unit of Avalon Cosmetics Private Limited

(i) The Scheme of Arrangement ('the Scheme'), presented under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 read with the rules prescribed thereunder, for the business combination of Coimbatore Manufacturing Unit of Avalon Cosmetics Private Limited ('Avalon Cosmetics') with the Company was approved by the Hon'ble National Law Tribunal (Mumbai Bench) vide its order dated December 21, 2021 ("the NCLT Order"). The Certified copy of the NCLT Order was filed with Registrar of Companies on February 18, 2022. Consequently, the Scheme become operative from February 18, 2022 and effective from April 1, 2020 i.e. appointed date.

All the assets and liabilities of the Coimbatore Manufacturing Unit of Avalon Cosmetics have been transferred to and vested in the Company at it's carrying value w.e.f. April 1, 2020 and the amount of Rs. 263.67 lakhs is recorded as capital reserve on account of the Scheme. In consideration of the business combination, the Company has allotted 1,349,283 equity shares of Rs 10 each credited as fully paid up shares of Company to the shareholders of Avalon Cosmetics for each equity share held in Avalon Cosmetics. The same is presented as "Share Pending Issuance" under "Other Equity" as at April 1, 2021.

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

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Amount
A) Assets acquired on April 1, 2020	
Property, plant and equipment	2,922.73
Financial assets	-
Non-current tax assets	12.28
Other non current assets	45.39
Trade receivables	15.84
Cash and cash equivalents	407.71
Other current assets	528.77
Total Assets acquired (A)	**3,932.72**
B) Liabilities assumed on April 1, 2020	
Other equity	2,604.60
Financial liabilities	-
Deferred tax liabilities (net)	8.91
Trade payables	212.33
Other current financial liabilities	96.01
Other current liabilities	1,010.87
Total Liabilities Assumed (B)	**3,932.72**
Net Assets acquired (A-B)	-
Add: Adjustment made for harmonisation of accounting policies	724.14
Less: Deferred tax liability on assets acquired pursuant to amalgamation	(325.53)
Less: Shares issued	(134.93)
Net assets acquired transferred to capital reserve	263.68

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

(iii) On business combination of the Coimbatore Manufacturing Unit of Avalon Cosmetics Private Limited, ACPL was following the written down value method for accounting of depreciation however the method has been changed to the Straight line method leading to a change in the accounting policy. The above mentioned change in accounting policy resulted into creation of capital reserve amounting to Rs 724.13 lakhs and a deferred tax liability amounting to Rs. 325.52 lakhs.

(iv) Acquisition related cost

The Company has incurred an aggregate of Rs. 29.27 lakhs during the year ended March 31, 2022 towards merger of Coimbatore Manufacturing Unit of Avalon Cosmetics and ATC Beverages Private Limited with the Company, which are included in other expenses in profit or loss and in operating cash flows in statement of cash flows.

35 (b) Merger Information - ATC Beverages Private Limited

(i) The Company was holding 44.43% stake in ATC Beverages Private Limited ('ATC'). On February 18, 2022, the Company completed the merger of ATC via an all-equity merger under which one share of the Company were allotted for every 16,228 shares of ATC as a consideration for acquiring remaining 55.57% stake. The scheme of merger("Scheme") submitted by the Company was approved by Hon'ble National Company Law Tribunal by its order dated December 21, 2022 (Mumbai bench). The Scheme was filed with Registrar of Companies on February 18, 2022, and effective from April 1, 2020 i.e. appointed date. Accordingly, February 18, 2022, is considered as the acquisition date, i.e., the date on which control is transferred to the Company. The business combination has been accounted for using the acquisition accounting method under 'Ind AS 103 – Business Combinations'. All identified assets acquired, and liabilities assumed on the date of merger were recorded at their fair value. This amalgamation resulted in a Goodwill amounting to Rs. 157.70 lakhs.

Further, in terms of the Scheme, during the previous year, 1,177 Ordinary (Equity) shares of Rs 10 each in the Company has been issued and allotted, valued based on the share price of the Company on the completion date (Rs. 2,028) to the shareholders of ATC other than the Company in the ratio of 1 Ordinary (Equity) Share of face value of Rs. 10 each fully paid-up in the capital of the Company for every 15,075 fully paid-up Equity Shares of Rs. 10 each held in ATC.

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

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Amount
A) Assets acquired on February 18, 2022	
Property, plant and equipment	2,042.71
Capital work-in-progress	383.50
Financial assets	
Loans	-
Non-current tax assets	5.50
Other non current assets	76.86
Inventories	529.59
Trade receivables	690.10
Cash and cash equivalents	70.40
Other current financial assets	-
Other current assets	238.84
Total Assets acquired (A)	**4,037.50**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Amount
B) Liabilities assumed on February 18, 2022	
Employee benefits obligation - Non - Current	41.94
Financial liabilities	
Current borrowings	2,871.53
Lease liabilities	110.99
Trade payables	1,093.84
Other current financial liabilities	378.96
Other current liabilities	192.04
Employee benefits obligation - Current	12.00
Total Liabilities Assumed (B)	4,701.30
Net Assets acquired and amalgamated with holding company (A-B)	663.80
Add: Shares issued pursuant to amalgamation	23.87
Add: Equity investment in ATC Beverages extinguished pursuant to amalgamation	317.66
Less: Deferred tax asset on brought forward losses of ATC pursuant to amalgamation	(895.41)
Add: Deferred tax liability on fair valuation of assets taken over pursuant to amalgamation	47.78
Goodwill on Amalgamation	157.70

(iii) On business combination of the ATC Beverages Private Limited ('ATC'), ATC was having Income tax losses of Rs. 2,531.81 lakhs on which Deferred tax asset was created of Rs. 895.41 lakhs which was adjusted against Goodwill accounted as per note 35 (b)(ii) as per para 66 of Ind AS 12. Further, deferred tax asset of Rs. 47.78 lakhs was created on gain on fair valuation of Building of Rs. 136.72 lakhs which was adjusted against goodwill accounted as per note 35 (b)(ii).

35 (c) Acquisition of Aero Care Personal Products LLP ('ACPPL')

On February 11, 2022, the Company had entered into an agreement with designated partners of ACPPL and acquired an entire contribution in ACPPL with effect from January 01, 2022. As a result of this acquisition, ACPPL has been determined as subsidiary of the Company.

36 LEASES

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

(ii) Changes in the Lease liabilities

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Category of ROU Asset			Total
	Leasehold land	Building	Plant and Machinery	
Balance as at April 01, 2021	37.00	177.58	9.36	223.94
Interest	5.75	18.16	0.86	24.77
Additions	110.99	295.35	-	406.34
Lease Payments	3.60	81.18	10.22	95.00
Balance as at March 31, 2022	150.14	409.91	-	560.05
Interest	5.50	29.55	-	35.05
Lease Payments	3.60	150.68	-	154.28
Balance as at March 31, 2023	152.04	288.78	-	440.82

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

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

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Current Lease Liabilities	101.63	81.58
Non-current Lease Liabilities	339.19	478.47

(iv) Maturity analysis of lease liabilities

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Less than one year	120.92	149.06
One to five years	235.56	352.16
More than five years	1,321.14	1,325.46
Total	1,677.62	1,826.68

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

(v) Amounts recognised in statement of Profit and Loss account

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest on Lease Liabilities	35.05	24.77
Short-term and low value leases expensed	231.71	253.01
Total	266.76	277.78

(vi) Amounts recognised in statement of Cash Flows

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Total Cash outflow for leases	(154.28)	(95.00)

37 RELATED PARTY DISCLOSURES:

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

Holding company

Vanity Case India Private Limited

Entity under common control

V.S Dempo Private Limited

Avalon Cosmetics Private Limited

Motown Trading Private Limited

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

Adonia Cosmetics Private Limited

Mahak Cosmetics and Credit Private Limited

Christine Valmy Institute Private Limited

Allies Logistics Private Limited

Firm in which Directors of Company are Partner

M/s Shivom Industries

M/s Athene Laboratories

M/s Sundaram Cosmetics

M/s Galaxy Healthcare Products

M/s Spans Healthcare

M/s J. Sagar Associates

Subsidiary

HFL Consumer Products Private Limited

Aero Care Personal Products LLP (with effect from January 01, 2022) [Refer note 35 (c)]

Reckitt Benckiser Scholl India Private Limited (with effect from July 01, 2022) [Refer note 35 (A)]

Associate

ATC Beverages Private Limited (up to February 18, 2022) [Refer note 35 (b)]

Employee Benefit Trust

Hindustan Foods Management Staff Superannuation Fund Trust

Key Management Personnel (KMP)	
Shashi Kalathil	Chairman (w.e.f. November 09 , 2022)
Shashi Kalathil	Independent Non-Executive Director
Shrinivas Dempo	Chairman (upto November 08, 2022)
Shrinivas Dempo	Non-Independent Non-Executive Director
Sameer Kothari	Managing Director
Ganesh Argekar	Executive Director, Whole-Time Director
Nikhil Vora	Non-Independent Non-Executive Director
Honey Vazirani	Independent Non-Executive Director (woman)
Neeraj Chandra	Independent Non-Executive Director
Sarvjit Singh Bedi	Non-Independent Non-Executive Director
Sandeep Mehta	Independent Non-Executive Director
Harsha Raghavan	Non-Independent Non-Executive Director
Mayank Samdani	Chief Financial Officer
Bankim Purohit	Company Secretary
Relatives of Directors	
Asha R Kothari	Relative of Managing Director

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

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

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars		Year ended March 31, 2023	Year ended March 31, 2022
(i)	**Avalon Cosmetics Private Limited**		
	Reimbursement of expenses	0.01	4.07
	Sale of property, plant and equipment	-	1.80
(ii)	**Motown Trading Private Limited**		
	Interest on loan taken	86.91	10.11
	Loans Repaid	(221.09)	-
	Interest Payments	(287.60)	-
(iii)	**Athene Laboratories**		
	Purchase of consumables	0.13	0.15
	Rent paid	60.00	60.00
(iv)	**Shivom Industries**		
	Reimbursement of Expenses	-	3.91
	Purchase of export licenses	-	2.97
	Purchase of consumables and other items	1.65	2.69
	Sales of Product	0.32	0.01
	Purchase of property, plant and equipment	8.37	-
(v)	**Reckitt Benckiser Scholl India Private Limited**		
	Investment in Equity Shares	7,349.01	-
	Reimbursement of Expenses	224.65	-
(vi)	**Aero Care Personal Products LLP**		
	Additions /(Withdrawals) in current capital	(1,921.19)	2,612.02
	Purchase of raw material	-	0.12
	Reimbursement of expenses	85.27	11.12
(vii)	**Adonia Cosmetics Private Limited**		
	Purchase of export licenses	-	3.06
	Sales of product	0.02	-
(vii)	**ATC Beverages Private Limited**		
	Interest income accrued on loans granted	-	105.69
	Loans given	-	671.72
(ix)	**Sameer Kothari**		
	Equity shares issued*	-	51.84
(x)	**Asha R Kothari**		
	Equity shares issued*	-	51.84

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars		Year ended March 31, 2023	Year ended March 31, 2022
(xi)	**Christine Valmy Institute Private Limited**		
	Sale of products	0.23	0.43
(xii)	**Vanity Case India Private Limited**		
	Equity shares issued*	-	31.00
(xiii)	**HFL Consumer Products Private Limited**		
	Loans given	5,395.20	5,956.20
	Loans repaid	3,885.20	3,665.00
	Recharge of salaries to Company	66.00	74.86
	Interest on loans given	269.10	215.90
	Interest received	471.19	-
	Other receivable	2.69	-
	Sale of Export Licenses	17.41	74.80
	Reimbursement of expenses	712.25	134.04
	Corporate guarantee given	7,260.00	9,000.00
	Sale of property, plant and equipment	24.20	-
(xiv)	**Spans Healthcare**		
	Purchase of Raw Materials	1,500.90	1,868.53
(xv)	**Allies Logistics Private Limited**		
	Freight inward	78.73	98.04
(xvi)	**Sitting fees**		
	Shrinivas Dempo	3.10	1.50
	Sandeep Mehta	0.60	1.50
	Shashi K. Kalathil	4.65	2.10
	Honey Vazirani	4.00	2.20
	Nikhil K Vora	2.50	1.00
	Neeraj Chandra	3.55	1.65
(xviii)	**Compensation of key management personnel**		
	Sameer Kothari	159.90	156.00
	Ganesh Argekar	79.71	73.85
	Mayank Samdani	71.90	79.67
	Bankim Purohit	21.05	19.39
(xix)	**J. Sagar Associates**		
	Professional fees	45.00	-

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

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

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars		As at March 31, 2023	As at March 31, 2022
(i)	**Avalon Cosmetics Private Limited**		
	Other receivables	-	0.14
	Other payable	-	0.25
(ii)	**HFL Consumer Products Private Limited**		
	Loans given	4,733.20	3,223.20
	Interest accrued on loan given	-	202.09
	Other receivables	2.30	301.24
	Financial guarantee given	16,260.00	9,000.00
(iii)	**Aero Care Personal Products LLP**		
	Other receivables	-	11.12
(iv)	**Spans Healthcare**		
	Trade payables	614.34	456.00
(v)	**Reckitt Benckiser Scholl India Private Limited**		
	Investment	7,349.01	-
(vi)	**Motown Trading Private Limited**		
	Loans given	678.91	900.00
	Interest Accrued	8.54	209.23
(vii)	**Athene Industries**		
	Security deposit	42.00	42.00
(viii)	**Christine Valmy Institute Private Limited**		
	Trade Payable	-	0.01
(ix)	**Sameer Kothari**		
	Remuneration payable	7.71	0.21
(x)	**Allies Logistics Private Limited**		
	Trade Payables	-	13.11

* Shared issued during the year ended March 31, 2022 as per the NCLT approved scheme [refer note 35 (B)].

^As the liabilities for defined benefit plans and compensated absences are provided on actuarial basis for the Company as a whole, the amounts pertaining to Key Management Personnel are not separately included.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

(D) Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free except for borrowings and settlement occurs in cash. The Company, during the year ended March 31, 2023, has provided corporate guarantee to the bank of subsidiary amounting upto Rs. 7,260 lakhs (March 31, 2022: 9,000 lakhs). The Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2022: Nil). This assessment is undertaken each financial year through examining the financial position of the related parties and the market in which the related parties operates.

38 SEGMENT REPORTING

The Company's operations predominantly relate to contract manufacturing. The Chief Operating Decision Maker (CODM) reviews the operations of the Company as contract manufacturing. Consequently, no separate segment information has been furnished herewith.

The Company has disclosed in the consolidated financial statement, the revenue contribution from major external customer.

39 FAIR VALUES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

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

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

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

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

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Note	Amortised Cost	Fair value through profit or loss	Fair value through OCI	Total fair value	Total carrying value
Financial assets						
Investments	11	8,039.68	-	-	-	8,039.68
Other Non Current Financial Assets	7	695.76	-	-	-	695.76
Other Current Financial Assets	7	4,425.71	-	-	-	4,425.71
Trade receivable	12	8,532.50	-	-	-	8,532.50
Cash and cash equivalents	13	971.29	-	-	-	971.29
Bank balances other than cash and cash equivalents	14	1,059.65	-	-	-	1,059.65
Loan	6	4,733.20	-	-	-	4,733.20
		28,457.79	**-**	**-**	**-**	**28,457.79**
Financial liabilities						
Non current Borrowings	17(a)	26,135.04	-	-	-	26,135.04
Current Borrowings	17(b)	8,010.44	-	-	-	8,010.44
Non-current and Current lease liabilities	36	440.82	-	-	-	440.82
Other current financial liabilities	20	1,844.96	-	-	-	1,844.96
Trade payables	19	27,123.51	-	-	-	27,123.51
		63,554.77	**-**	**-**	**-**	**63,554.77**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

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

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Note	Amortised Cost	Fair value through profit or loss	Fair value through OCI	Total fair value	Total carrying value
Financial assets						
Investments	11	690.66	-	-	-	690.66
Other Non Current Financial Assets	7	464.43	-	-	-	464.43
Other Current Financial Assets	7	5,192.63	-	-	-	5,192.63
Trade receivable	12	7,141.10	-	-	-	7,141.10
Cash and cash equivalents	13	2,721.44	-	-	-	2,721.44
Bank balances other than cash and cash equivalents	14	1,079.90	-	-	-	1,079.90
Loan	6	3,223.20	-	-	-	3,223.20
		20,513.36	**-**	**-**	**-**	**20,513.36**
Financial liabilities						
Non current Borrowings	17(a)	19,741.37	-	-	-	19,741.37
Current Borrowings	17(b)	6,972.76	-	-	-	6,972.76
Non-current and Current lease liabilities	36	560.05				560.05
Other current financial liabilities	20	1,624.70	-	-	-	1,624.70
Trade payables	19	25,048.53	-	-	-	25,048.53
		53,947.41	**-**	**-**	**-**	**53,947.41**

40 FAIR VALUE HIERARCHY

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

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

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

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

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Level 3		
Financial assets measured at amortised cost		
Investments	8,039.68	690.66
Other Non Current Financial Assets	695.76	464.43
Other Current Financial Assets	4,425.71	5,192.63
Trade receivable	8,532.50	7,141.10
Cash and cash equivalents	971.29	2,721.44
Bank balances other than cash and cash equivalents	1,059.65	1,079.90
Loans	4,733.20	3,223.20
	28,457.79	**20,513.36**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

Fair value measurement hierarchy for liabilities:

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Level 3		
Financial liabilities measured at amortised cost		
Non current Borrowings	26,135.04	19,741.37
Current Borrowings	8,010.44	6,972.76
Non-current and Current lease liabilities	440.82	560.05
Other current financial liabilities	1,844.96	1,624.70
Trade payables	27,123.51	25,048.53
	63,554.77	**53,947.41**

Management has assessed that Cash and cash equivalents, Other balances with banks, Loans, Trade receivables, Other financial assets, Short term Borrowings, Trade payables and Other financial liabilities carried at amortised cost approximate their carrying amounts largely due to the short-term maturities of these instruments.

41 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

(A) Market risk

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

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

Interest rate sensitivity

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

Exposure to interest risk	Increase/ decrease in basis points	Effect on profit before tax
2023		
Rs	+50	(170.34)
Rs	-50	170.34
Exposure to interest risk	**Increase/ decrease in basis points**	**Effect on profit before tax**
2022		
Rs	+50	(127.67)
Rs	-50	127.67

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The 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

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars		As at March 31, 2023		As at March 31, 2022	
		Foreign currency in lakhs	Rs. in lakhs	Foreign currency in lakhs	Rs. in lakhs
Trade receivables	EURO	2.95	270.89	5.56	467.66
	GBP	-	-	0.07	7.49
Cash & cash equivalents	EURO	5.93	531.20	1.09	91.96
	USD	0.01	0.85	-	-
	GBP	0.00	0.14	0.05	4.63
Trade payables	USD	-	-	0.71	53.98
Capital creditors	EURO	-	-	1.11	93.49

Foreign currency sensitivity

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

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Effect on profit- total gain / (loss)			
	5% increase in exchange rate		5% decrease in exchange rate	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Trade receivable	13.54	23.76	(13.54)	(23.76)
Cash & cash equivalents	26.61	4.83	(26.61)	(4.83)
Trade payables	0.00	(2.70)	0.00	2.70
Capital creditors	0.00	(4.67)	0.00	4.67
	40.15	**21.22**	**(40.15)**	**(21.22)**

(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 measures the expected credit loss of trade receivables from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, loss on collection of receivable is not material hence no additional provision considered.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

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

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Not due	7,831.86	6,649.85
Less than 6 months	665.40	488.37
6 months to 12 months	23.65	2.88
beyond 12 months	11.60	-
	8,532.50	**7,141.10**

(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 summarises the maturity profile of the Company's financial liabilities:

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Less than 1 year	More than 1 Year	Total
As at March 31, 2023			
Long-term borrowings	-	26,135.04	26,135.04
Short term borrowings	8,010.44	-	8,010.44
Trade payables	27,123.51	-	27,123.51
Lease Liability	101.63	339.19	440.82
Other financial liability	1,844.96	-	1,844.96
	37,080.54	**26,474.24**	**63,554.77**

As at March 31, 2022	Less than 1 year	More than 1 Year	Total
Long-term borrowings	-	19,741.37	19,741.37
Short term borrowings	6,972.76	-	6,972.76
Trade payables	24,640.15	-	24,640.15
Lease Liability	81.58	478.47	560.05
Other financial liability	1,624.70	-	1,624.70
	33,319.19	**20,219.84**	**53,539.03**

42 CORPORATE SOCIAL RESPONSIBILITY

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are in the field of promoting healthcare and education. A CSR committee has been formed by the Company as per the Act. The funds are utilised through the year on these activities which are specified in Schedule VII of the Companies Act, 2013.

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Gross amount required to be spent :	111.45	71.23
Add: Amount Unspent from previous years	-	21.98
Total Gross amount required to be spent during the year	111.45	93.21
Amount approved by the Board to be spent during the year	**111.45**	**93.21**
Amount spent during the year	**91.45**	**98.31**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
i. construction/acquisition of any asset		
- under control of the Company for future use	-	-
- not under control of the Company for future use	-	-
ii. On purpose other than (i) above	91.45	98.31
	91.45	**98.31**
Less: Amount capitalised as corporate social responsibility assets	-	-
Excess amount spent in previous year set off in current year	-	-
Provision for unspent CSR amount	20.00	-
	111.45	**98.31**

During the year ended March 31, 2023, the Company has spent Rs 91.45 lakhs on activities for eradicating hunger, poverty and malnutrition, preservation of monuments and icons, promoting preventive health care, promoting education, supporting homeless young womens.

During the year ended March 31, 2023, the Company has not made any CSR Expenditure incurred with Related Parties / contribution made to related party.

43 CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital, equity component of redeemable non cumulative non convertible preference shares, share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value and to ensure the Company's ability to continue as a going concern.

The Company has not distributed any dividend to its shareholders. The Company monitors gearing ratio i.e. total debt in proportion to its overall financing structure, i.e. equity and debt. Total debt comprises of non-current borrowing, current borrowings and lease liabilities which represents borrowings from bank and others, lease liabilities and liability component of redeemable non cumulative non convertible preference shares. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars		As at March 31, 2023	As at March 31, 2022
Total equity	(i)	37,222.37	30,804.91
Total borrowings (including liability portion of redeemable non cumulative non convertible preference shares)		34,586.30	27,429.62
Less: cash and cash equivalents		(971.29)	(2,721.44)
Total debt	(ii)	33,615.01	24,708.18
Overall financing	(iii) = (i) + (ii)	70,837.38	55,513.09
Gearing ratio	(ii)/ (iii)	0.47	0.45

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2023 and March 31, 2022.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

44 DISCLOSURE AS REQUIRED BY IND AS 7 - "CASH FLOW STATEMENTS" - CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES:

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2022	Cash flow changes		Non-cash flow changes	As at March 31, 2023
		Receipts	Payments		
Non-current borrowings (refer note 17(a)	19,741.37	11,271.84	(4,884.53)	6.36	26,135.04
Current borrowings (refer note 17(b)	6,972.76	1,037.68	-	-	8,010.44
Total	**26,714.13**	**12,309.52**	**(4,884.53)**	**6.36**	**34,145.48**

45 DISCLOSURES PURSUANT TO REGULATION 34 (3) OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECTION 186 OF THE COMPANIES ACT, 2013

(a) Loans

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(i) Loans to subsidiary		
HFL Consumer Products Private Limited		
Balance as at the beginning of the year	3,223.20	932.00
Loans given during the year	5,395.20	5,956.20
Loans repaid during the year	3,885.20	3,665.00
Balance as at the end of the year	4,733.20	3,223.20
(ii) Loans to associate (up to February 18, 2022)		
ATC Beverages Private Limited		
Balance as at the beginning of the year	-	898.86
Loans given during the year	-	671.72
Eliminated on Business combination [refer note 35 (b)]	-	(1,570.58)
Balance as at the end of the year	-	-
(b) Investment by the loanees in the shares of the Company		
The loanees have not made any investments in the shares of the Company.		
(c) Guarantees given to subsidiary		
HFL Consumer Products Private Limited	16,260.00	9,000.00
(d) Details of investments made by the Company		
Unquoted equity instruments		
10,000 (March 31, 2022 10,000) Equity Shares of Rs. 10 each fully paid up in HFL Consumer Products Private Limited	1.00	1.00
50,000,000 (March 31, 2022 Nil) Equity Shares of Rs. 10 each fully paid up in Reckitt Benckiser Scholl India Private Limited [refer note 35 (A)]	7,349.02	-
Investment in Limited liability Partnership Firm		
Aero Care Personal Products LLP [refer note 35 (c)]	689.66	689.66

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

46 ADDITIONAL REGULATORY INFORMATION

(A) Accounting ratios

(Amounts in Rs. lakhs, unless otherwise stated)

Sr No.	Ratio	Formula	Particulars		March 31,, 2023		March 31,, 2022		Ratio as on	Ratio as on	Variation	Reason (If variation is more than 25%)
			Numerator	Denominator	Numerator	Denominator	Numerator	Denominator	March 31, 2023	March 31, 2022		
(a)	Current Ratio	Current Assets / Current Liabilities	Current Assets = Inventories + Current Investment + Trade Receivable + Cash & Cash Equivalents + Other Current Assets + Bank balances other than cash and cash equivalents + Loans + Other financial assets	Current Liability = Short term borrowings + Trade Payables + Other financial Liability+ Current tax (Liabilities) + Provisions + Other Current Liability + Employee benefits obligation + Lease liabilities + current tax liabilities	50,910.08	39,601.11	44,948.90	34,558.58	1.29	1.29	(0.60%)	NA
(b)	Debt-Equity Ratio	Debt / Equity	Debt= long term borrowing and Short term borrowings	Equity= Equity + Reserve and Surplus	34,145.48	37,222.37	26,714.13	30,804.91	0.92	0.87	5.17%	NA
(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	9,116.84	7,576.89	6,993.38	5,606.26	1.20	1.25	(3.54%)	NA
(d)	Return on Equity Ratio	Profit after tax less pref. Dividend x 100 / Shareholder's Equity	Net Income= Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	6,451.35	34,013.64	5,007.70	28,267.78	18.97%	17.72%	7.07%	NA
(e)	Inventory Turnover Ratio	Cost of Goods Sold / Average Inventory	Cost of Goods Sold	(Opening Inventory + Closing Inventory)/2	2,07,634.14	25,030.06	1,76,115.58	19,324.09	8.30	9.11	(8.98%)	NA
(f)	Trade Receivables Turnover Ratio	Net Credit Sales / Average Trade Receivables	Net Credit Sales	(Opening Trade Receivables + Closing Trade Receivable)/2	2,38,319.80	7,836.80	2,02,070.03	6,064.14	30.41	33.32	(8.74%)	NA
(g)	Trade Payables Turnover Ratio	Net Credit Purchases / Average Trade Payables	Net Credit Purchases	(Opening Trade Payables + Closing Trade Payables)/2	2,13,923.71	26,086.02	1,79,284.91	23,281.10	8.20	7.70	6.49%	NA
(h)	Net Capital Turnover Ratio	Revenue / Average Working Capital	Revenue	Average Working Capital= Average of Current assets – Current liabilities	2,38,319.80	10,849.64	2,02,070.03	9,743.78	21.97	20.74	5.92%	NA
(i)	Net Profit Ratio	Net Profit / Net Sales	Net Profit	Net Sales	6,451.35	2,38,319.80	5,007.70	2,02,070.03	2.71%	2.48%	9.23%	NA
(j)	Return on Capital Employed	EBIT / Capital Employed	EBIT= Earnings before interest and taxes	Capital Employed= Total Assets - Current Liability	11,742.36	68,034.54	9,178.66	54,010.19	17.26%	16.99%	1.56%	NA
(k)	Return on Investment	Net Profit / Net Investment	Net Profit	Net Investment= Net Equity	6,451.35	37,222.37	5,007.70	30,804.91	17.33%	16.26%	6.62%	NA

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

46 ADDITIONAL REGULATORY INFORMATION (CONTINUED)

(B) Title deeds of Immovable Properties not held in name of the Company as on March 31, 2023

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value (Rs. in lakhs)	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the Company
Right of Use	Leasehold land	107.21	Government of Karnataka (KIADB)	No	February, 2022	The leasehold rights of the land were transferred to Company as per the NCLT approved scheme [refer note 35(b)] w.e.f February 18, 2022. As per the lease agreement with KIADB, the Company has an option of purchasing the land. The Company is in the process of applying to KIADB for purchase of the land.

(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 is in compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017 (as amended).

(H) 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)

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

(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 March 31, 2023.

(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

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(ii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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

During the year the Company has not entered into scheme of arrangement and amalgamation having an accounting impact. However, during the previous year the Company has entered into scheme of arrangement and amalgamation having an accounting impact [Refer note 35 (B)].

(L) Valuation of Property plant and equipment

The Company has not revalued its property, plant and equipment during the year ended March 31, 2023 and March 31, 2022.

(M) Loans and advances to promoters and directors

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

47 The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post-employment, has received Presidential assent on 28 September 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on 13 November 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued. The Company will assess the impact of the Code and will give appropriate impact in the standalone financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

48 The Company has executed a Business Transfer Agreement ("BTA") on 15 December 2022, with Reckitt Benckiser Healthcare India Private Limited ("Reckitt") for acquisition of manufacturing facility of Reckitt situated at Baddi, Himachal Pradesh that is engaged in manufacturing of pharmaceutical and non-pharmaceutical products on a slump sale and going concern basis. This transaction will be effected once the Company receives required statutory approvals for acquisition.

49 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

50 These financial statements were authorised for issue by the Board of Directors on 18 May 2023.

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
Date : May 18, 2023

For and on behalf of the Board of Directors of
Hindustan Foods Limited
CIN: L15139MH1984PLC316003

Sameer R. Kothari
Managing Director
DIN: 01361343

Ganesh T. Argekar
Executive Director
DIN: 06865379

Mayank Samdani
Chief Financial Officer

Bankim Purohit
Company Secretary
Membership No:ACS21865

Place : Mumbai
Date : May 18, 2023

INDEPENDENT AUDITOR'S REPORT

To the Members of Hindustan Foods Limited

Report on the Audit of the Consolidated Financial Statements

OPINION

We have audited the accompanying consolidated financial statements of Hindustan Foods Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2023, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules,2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at March 31, 2023, of consolidated profit and other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

BASIS FOR OPINION

We conducted our audit 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 Consolidated Financial Statements section of our report. We are independent of the Group, in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by Institute of Chartered Accountant of India ("ICAI"), and the relevant provisions of the Act and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and on consideration of audit reports of other auditors referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

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

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. 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 CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group including in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

OTHER MATTERS

We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets of Rs.14,389.57 lakhs as at March 31, 2023, total revenues of Rs.16,661.54 lakhs and net cash outflows amounting to Rs.110.91 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

    a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

    b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

    c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

    d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

    e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, none of the directors of the Group companies, are disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

    f. With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group, and the operating effectiveness of such controls, refer to our separate report in "Annexure B".

    g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

        i. There were no pending litigations which would impact the consolidated financial position of the Group.

        ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

        iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies.

        iv.

            1. The respective Managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries to or in any other person(s) or entity(ies), including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that such parties shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

            2. The respective Managements of the Holding Company and its subsidiaries, which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, respectively that, to the best of their knowledge and belief, no funds have been received by the Holding Company or any of such subsidiaries from any person(s) or entity(ies), including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Holding Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

            3. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, and according to the information and explanations provided to us by the Management of the Holding company in this regard nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.

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

vi. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Holding Company, and its subsidiary companies incorporated in India only w.e.f. April 1, 2023, reporting under this clause is not applicable.

2. In our opinion, according to information, explanations given to us, the remuneration paid by the Group, to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder.

3. According to the information and explanations given to us and based on the CARO reports issued by us for the Holding Company and on consideration of CARO reports issued by the statutory auditors of subsidiaries included in the consolidated financial statements of the Group to which reporting under CARO is applicable, we report that there are no Qualifications/adverse remarks.

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

Amrish Vaidya
Partner
Membership No.101739
UDIN: 23101739BGXTUV4121

Place: Mumbai
Date: May 18, 2023

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

ON EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF HINDUSTAN FOODS LIMITED

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Amrish Vaidya
Partner
Membership No.101739
UDIN: 23101739BGXTUV4121

Place: Mumbai
Date: May 18, 2023

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF HINDUSTAN FOODS LIMITED

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Hindustan Foods Limited on the consolidated Financial Statements for the year ended March 31, 2023

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

OPINION

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2023, we have audited the internal financial controls reference to consolidated financial statements of Hindustan Foods Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies (the Holding Company and its subsidiaries together referred to as "the Group"), which are companies incorporated in India, as of that date.

In our opinion, and to the best of our information and according to the explanations given to us, the Holding Company, its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2023, based on the internal financial controls with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI").

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Holding company, its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company, its subsidiary companies, which are companies incorporated in India.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

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

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

Amrish Vaidya
Partner
Membership No.101739
UDIN: 23101739BGXTUV4121

Place: Mumbai
Date: May 18, 2023

CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2023

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
Property, plant and equipments	4 (a)	51,965.63	39,461.48
Right of use assets	4 (a)	3,095.65	3,232.67
Capital work-in-progress	4 (b)	12,472.47	8,716.12
Goodwill	5 (a)	301.62	-
Other intangible assets	5 (b)	4.36	6.70
Intangible assets under development	5 (c)	39.95	-
Financial assets			
Other financial assets	6	1,896.21	669.10
Deferred tax asset (net)	29	42.53	-
Non-current tax assets (net)	7	1,368.78	1,540.86
Other non-current assets	8	2,563.10	789.34
Total non-current assets		**73,750.30**	**54,416.27**
Current assets			
Inventories	9	33,391.17	23,776.94
Financial assets			
Trade receivables	10	10,448.58	7,219.02
Cash and cash equivalents	11	3,986.92	3,259.75
Bank balances other than cash and cash equivalents	12	1,059.65	1,079.90
Other financial assets	6	5,133.12	3,265.55
Other current assets	8	5,748.71	5,422.70
Total current assets		**59,768.15**	**44,023.86**
Total assets		**1,33,518.45**	**98,440.13**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	2,254.86	2,254.86
Other equity	14	35,238.17	28,158.12
Total equity		**37,493.03**	**30,412.98**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	15	38,195.45	25,430.83
Lease liabilities	34	2,024.39	2,255.51
Provisions	16	537.20	283.21
Deferred tax liabilities (net)	29	4,775.91	2,670.59
Total non-current liabilities		**45,532.95**	**30,640.14**
Current liabilities			
Financial liabilities			
Borrowings	15	10,935.05	7,107.25
Trade payables	17		
i) outstanding dues of micro enterprises and small enterprises		68.53	89.04
ii) outstanding dues of creditors other than micro enterprise and small enterprise		33,462.75	27,025.94
Lease liabilities	34	102.41	140.65
Other financial liabilities	18	2,819.86	2,170.07
Other current liabilities	19	3,008.17	776.94
Provisions	16	95.71	77.12
Total current liabilities		**50,492.47**	**37,387.01**
Total liabilities		**96,025.42**	**68,027.15**
Total equity and liabilities		**1,33,518.45**	**98,440.13**
Summary of significant accounting policies	2-3		

The accompanying notes 1 to 49 are an integral part of the consolidated 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
Date : May 18, 2023

For and on behalf of the Board of Directors of
Hindustan Foods Limited
CIN: L15139MH1984PLC316003

Sameer R. Kothari
Managing Director
DIN: 01361343

Ganesh T. Argekar
Executive Director
DIN: 06865379

Mayank Samdani
Chief Financial Officer

Bankim Purohit
Company Secretary
Membership No:ACS21865

Place : Mumbai
Date : May 18, 2023

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2023

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Notes	Year ended March 31, 2023	Year ended March 31, 2022
Income			
Revenue from operations	20	2,59,813.06	2,04,010.49
Other income	21	450.64	368.67
Total income		**2,60,263.70**	**2,04,379.16**
Expenses			
Cost of material consumed	22	2,24,429.87	1,80,245.05
Purchase of stock-in-trade		211.28	1,135.18
Changes in inventories of finished goods, stock-in-trade and work-in-progress	23	(1,419.54)	(3,569.30)
Employee benefits expense	24	5,560.58	4,080.47
Finance costs	25	3,580.19	2,024.10
Depreciation and amortisation expenses	26	3,740.52	2,450.88
Manufacturing and operating costs	27	10,596.38	7,957.66
Other expenses	28	3,113.51	2,674.45
Total expenses		**2,49,812.79**	**1,96,998.49**
Profit before share of net loss of investments accounted for using equity method and tax		**10,450.91**	**7,380.67**
Share of loss from associate and joint venture (net)		**-**	**(232.49)**
Profit before tax		**10,450.91**	**7,148.18**
Income tax expense	29		
Current tax		3,153.24	1,941.31
Adjustment of tax relating to earlier periods		(181.07)	-
Deferred tax (excluding MAT credit utilisation)		367.03	740.55
Total tax expense		**3,339.20**	**2,681.86**
Profit for the year		**7,111.71**	**4,466.32**
Other comprehensive income			
Items not to be reclassified to profit or loss :			
- Re-measurement gains/(losses) on defined benefit plans		(48.68)	65.59
- Share of other comprehensive income of investments accounted for using the equity method		-	0.39
- Income tax effect on these items		17.01	(22.92)
Items that will be reclassified to profit or loss :			
- Gain on bargain purchase on acquisition		-	37.81
Total other comprehensive income for the year		**(31.67)**	**80.87**
Total comprehensive income for the year		**7,080.04**	**4,547.19**
Earnings per share (face value Rs 2 each) [refer note 13 (a)]			
Basic earnings per share (Rs)	30	6.31	3.96
Diluted earnings per share (Rs)	30	6.31	3.96
Summary of significant accounting policies	2-3		

The accompanying notes 1 to 49 are an integral part of the consolidated 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
Date : May 18, 2023

For and on behalf of the Board of Directors of
Hindustan Foods Limited
CIN: L15139MH1984PLC316003

Sameer R. Kothari
Managing Director
DIN: 01361343

Ganesh T. Argekar
Executive Director
DIN: 06865379

Mayank Samdani
Chief Financial Officer

Bankim Purohit
Company Secretary
Membership No:ACS21865

Place : Mumbai
Date : May 18, 2023

CONSOLIDATED STATEMENT OF CASH FLOW

FOR THE YEAR ENDED MARCH 31, 2023

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Cash flows from operating activities		
Profit before tax	10,450.91	7,148.18
Adjustments for:		
Depreciation and amortisation expenses	3,740.52	2,450.88
Interest on borrowing	3,425.52	1,963.53
Interest on redeemable non cumulative non convertible preference shares	67.76	5.83
Other finance charge	86.91	54.74
Interest income	(58.76)	(213.69)
Liabilities no longer required written back	(30.42)	(66.58)
Provision for doubtful debts written back	(64.39)	-
Bad debts written-off	5.18	-
Advances written off	35.85	-
Provision for doubtful debts	-	19.00
Other receivable and advances written off	2.81	115.10
Share of loss from Associate and joint venture (net)	-	273.76
Re-measurement gains on defined benefit plans	(48.68)	65.59
Unrealised foreign exchange translation (gain)/loss	(13.95)	11.00
Operating profit before working capital changes	**17,599.27**	**11,827.34**
Changes in working capital		
Increase in inventories	(8,128.69)	(6,178.50)
Increase in trade receivables	(2,160.85)	(1,560.75)
Increase in other assets	(344.40)	(834.45)
Increase in financial assets	(2,927.77)	(2,020.85)
Increase in trade payables	5,425.09	4,505.50
Increase in other liabilities	2,226.09	539.08
(Decrease)/Increase in financial liabilities	(76.97)	167.98
Increase in provisions	268.81	67.11
Cash generated from operations	**11,880.57**	**6,512.46**
Income tax paid (net)	(1,970.58)	(2,873.95)
Net cash generated from operating activities (A)	**9,909.99**	**3,638.51**
Cash flows from investing activities		
Purchase of property plant and equipment and intangible assets (net of capital creditors and capital advances)	(16,575.33)	(14,012.38)
Advance against business transfer agreement (refer note 48)	(1,000.00)	-
Proceeds from disposal of property plant and equipment	165.88	-
Bank balances other than cash and cash equivalents	20.25	329.59
Payment for acquisition of business [refer note 33(A)]	(7,349.02)	(688.00)
Interest received	90.01	300.17
Net cash used in investing activities (B)	**(24,648.21)**	**(14,070.62)**

CONSOLIDATED STATEMENT OF CASH FLOW

FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Cash flows from financing activities		
Proceeds from long-term borrowings	18,259.20	10,702.94
Repayment of long term borrowings	(5,500.94)	(3,791.94)
Proceeds from short-term borrowings (net)	3,827.80	4,341.29
Lease rentals paid against lease liability	(451.73)	(95.00)
Interest paid	(3,345.18)	(2,096.83)
Net cash generated from financing activities (C)	**12,789.15**	**9,060.46**
Net decrease in cash and cash equivalents (A+B+C)	**(1,949.07)**	**(1,371.65)**
Cash and cash equivalents at the beginning of the year	3,259.75	4,445.66
Cash Acquired pursuant to business combination [refer note 33(a) and 33(b)]	2,665.41	174.74
Exchange difference on translation of foreign currency cash and cash equivalents	10.83	11.00
Cash and cash equivalents at the end of the year	**3,986.92**	**3,259.75**
Cash and cash equivalents comprise of (refer note 11)		
Balances with banks:		
On current accounts	3,789.06	1,702.32
Fixed deposits with original maturity of less than 3 months	189.58	1,543.32
Cash on hand	8.28	14.11
Total cash and cash equivalents at end of the year	**3,986.92**	**3,259.75**

(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.

(iii) During the previous year, the Holding Company has issued equity shares to the shareholders of Avalon Cosmetics Private Limited and ATC Beverages Private Limited as a purchase consideration pursuant to business combination. This being a non cash transaction [Refer Note 33 (a) and 33 (b)], the aforementioned cash flow statement excludes the same.

The accompanying notes 1 to 49 are an integral part of the consolidated 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
Date : May 18, 2023

For and on behalf of the Board of Directors of
Hindustan Foods Limited
CIN: L15139MH1984PLC316003

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DIN: 06865379

Mayank Samdani
Chief Financial Officer

Bankim Purohit
Company Secretary
Membership No:ACS21865

Place : Mumbai
Date : May 18, 2023

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2023

(Amounts in Rs. lakhs, unless otherwise stated)

(A) EQUITY SHARE CAPITAL

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Amount	No. of shares	Amount
Equity shares of Rs. 2/- each issued, subscribed and fully paid [refer note 13 (a)]				
Balance at the beginning of the year	2,25,48,538	2,254.86	2,11,98,078	2,119.81
Add: Issued during the year [refer note 13(f) and 13(g)]	-	-	13,50,460	135.05
Add: Sub-division of 1 share of face value of Rs 10/- each into 5 share of face value Rs 2/- each effective July 22, 2022 (Increase in shares on account of sub-division)*	9,01,94,152	-	Not Applicable	
Balance at the end of the year	**11,27,42,690**	**2,254.86**	**2,25,48,538**	**2,254.86**

(B) OTHER EQUITY

Particulars	Equity component of redeemable non cumulative non convertible preference shares	Securities premium	Capital reserve [refer note 33(a)]	Retained earnings [refer note 33(a)]	Share pending issuance [refer note 33(a)]	Total
Balance as at April 01, 2021 *	86.29	13,477.05	39.99	9,584.40	134.93	23,322.66
Profit for the year	-	-	-	4,466.32	-	4,466.32
Other comprehensive income	-	-	-	80.48	-	80.48
Other comprehensive income transferred to capital reserve [refer note 33 (c)]	-	-	37.81	(37.81)	-	-
Total comprehensive income for the year	**86.29**	**13,477.05**	**77.80**	**14,093.39**	**134.93**	**27,869.46**
Transaction with owners in their capacity as owners						
Security premium on shares issue	-	23.75	-	-	-	23.75
Capital Reserve pursuant to amalgamation of ATC Beverages Private Limited [refer note 33 (b) ii]	-	-	399.83	-	-	399.83
Issue of shares pending issuance [refer note 13(f)]	-	-	-	-	(134.93)	(134.93)
Balance as at March 31, 2022	**86.29**	**13,500.80**	**477.63**	**14,093.39**	**-**	**28,158.12**
Balance as at April 01, 2022 *	86.29	13,500.80	477.63	14,093.39	-	28,158.12
Profit for the year	-	-	-	7,111.71	-	7,111.71
Other comprehensive income	-	-		(31.67)	-	(31.67)
Total comprehensive income for the year	**86.29**	**13,500.80**	**477.63**	**21,173.45**	**-**	**35,238.17**
Balance as at March 31, 2023	**86.29**	**13,500.80**	**477.63**	**21,173.45**	**-**	**35,238.17**

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

The accompanying notes 1 to 49 are an integral part of the consolidated 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
Date : May 18, 2023

For and on behalf of the Board of Directors of
Hindustan Foods Limited
CIN: L15139MH1984PLC316003

Sameer R. Kothari
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Chief Financial Officer

Bankim Purohit
Company Secretary
Membership No:ACS21865

Place : Mumbai
Date : May 18, 2023

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

1. GENERAL INFORMATION

Hindustan Foods Limited (the 'Company' or the 'Holding Company') is a public company domiciled in India and was incorporated in the year 1984 under the provisions of the Companies Act, 1956 applicable in India. The registered and principal office of business for the Company is located at office No. 03, Level 2, Centrium, Phoenix Market City, Kurla, Mumbai- 400070. The equity shares of the Company are listed in India on the Bombay Stock Exchange. The Holding Company, its subsidiaries (the Holding Company, its subsidiaries together referred to as 'Group') mainly engaged in the business of contract manufacturing of FMCG products comprising primarily of home care, personal care, foods and beverages and job working of shoes.

2. SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies adopted by the Group 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 defined benefit plans -plan assets measured at fair value and certain financial assets and financial liabilities.

c) Current / non-current classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

d) Use of estimates

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

e) **Rounding off of amounts**

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

2.2 Principles of consolidation

The financial statements have been prepared on the following basis:

a) **Subsidiary**

Subsidiaries is entity over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiary is fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. A change in the owenership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

The acquisition method of accounting is used to account for business combinations by the Group. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non controlling interests in the acquiree. At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

The Group combines the financial statements of the Holding Company and its subsidiary line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between Companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policy of subsidiary has been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiary are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and consolidated balance sheet, respectively.

The consolidated financial statements have been presented to the extent possible, in the same manner as Holding Company's standalone financial statements. The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the holding company, i.e., year ended on March 31.

b) **Equity Method**

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in statement of profit and loss, and the Group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associate are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described in note 2.5 below.

c) **New and amended standards adopted by the Group**

The Group has applied the following amendments to Ind AS for the first time for their annual reporting period commencing April 01, 2021:

- Extension of COVID-19 related concessions – amendments to Ind AS 116
- Interest rate benchmark reform – amendments to Ind AS 109, Financial Instruments, Ind AS 107, Financial Instruments: Disclosures, Ind AS 104, Insurance Contracts and Ind AS 116, Leases.

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

d) **New amendments issued but not effective**

The Ministry of Corporate Affairs has vide notification dated March 23, 2022, notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective April 01, 2022. These amendments are not expected to have a material impact on the group in the current or future reporting periods and on foreseeable future transactions. Refer Note 2.24 below.

e) **Reclassifications consequent to amendments to Schedule III**

The Ministry of Corporate Affairs amended the Schedule III to the Companies Act, 2013 on March 24, 2021 to increase the transparency and provide additional disclosures to users of financial statements. These amendments are effective from April 01, 2021.

Consequent to above, the group has changed the classification/presentation of (i) current maturities of long-term borrowings (ii) security deposits, in the current year.

The current maturities of long-term borrowings have now been included in the "Current borrowings" line item. Previously, current maturities of long-term borrowings were included in 'other financial liabilities' line item.

Further, security deposits (which meet the definition of a financial asset as per Ind AS 32) have been included in 'other financial assets' line item. Previously, these deposits were included in 'loans' line item.

The Group has reclassified comparative amounts to conform with current year presentation as per the requirements of Ind AS 1.

2.3 Property, plant and equipment

Freehold land is carried at acquisition cost and is not depreciated. All other items of property, plant and equipment are stated at acquisition cost less accumulated depreciation and impairment, if any. Acquisition cost includes expenditure that is directly attributable to the acquisition of the items. The cost comprises purchase price, borrowing costs if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Borrowing costs directly attributable to acquisition or construction of qualifying PPE are capitalised.

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

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

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

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the Property, plant and equipment is de-recognised.

Costs of assets not ready for use at the balance sheet date are disclosed under capital work- in- progress.

Depreciation methods, estimated useful lives

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

Property, plant and equipment	Estimated useful life
Leasehold improvement*	Lease period
Building	30 years
Plant & Machinery	15 years
Furniture and Fixtures	10 years
Office Equipment	5 to 10 years
Electrical equipment	10 years
Computers	3 years
Vehicles	2 to 15 years

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

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

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

2.4 Other intangible assets

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

Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates. An intangible asset is derecognised on disposal or when no future economic benefits are expected from its use and disposal.

Losses arising from retirement and gains or losses arising from disposal of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss.

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

Amortisation method and periods

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

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

Other intangible assets	Estimated useful life
Brand	4 years
Computer software	6 years

2.5 Impairment of non-financial assets

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

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

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

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

2.6 Foreign currency transactions

a) Functional and presentation currency

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

b) Transactions and balances

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. Gains/losses arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognised in the Statement of Profit and Loss.

All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognised in the Consolidated Statement of Profit and Loss.

2.7 Fair value measurement

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

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

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

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

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

2.8 Revenue Recognition

The Group recognises revenue when (or as) the Group satisfies a performance obligation by transferring a promised goods or services to a customer. The promised good or service is transferred when (or as) the customer obtains control over a good or service. Revenue is reported net of taxes and duties as applicable.

For sale of goods, the Group recognises revenue when it transfers control of goods to the customer. Control is passed on to the customer when goods are dispatched from Group's premises or as per the terms with customers.

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

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

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

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

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

2.9 Taxes

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

a) Current income tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years, items that are never taxable or deductible and tax incentives. Current tax assets and liabilities are measured at the amount expected to be recovered or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the year end date. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

b) Deferred tax

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

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

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

2.10 Leases

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

(i) the contract involves the use of an identified asset

(ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and

(iii) the Group has the right to direct the use of the asset.

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

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

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

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

2.11 Inventories

Inventories are valued at lower of cost and net realisable value after providing cost of obsolescence, if any. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. The comparison of cost and net realisable value is made on an item-by-item basis. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Cost includes purchase price, (excluding those subsequently recoverable by the enterprise from the concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. In determining the cost, weighted average cost method is used.

Manufactured finished goods and traded goods are valued at the lower of cost and net realisable value. Cost of work in progress and manufactured finished goods is determined on the weighted average basis and comprises direct material, cost of conversion and other costs incurred in bringing these inventories to their present location and condition. Cost of traded goods is determined on a weighted average basis.

Provision of obsolescence on inventories is considered on the basis of management's estimate based on demand and market of the inventories.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials and other supplies held for use in production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

The comparison of cost and net realisable value is made on item by item basis.

2.12 Provisions, contingent liabilities and contingent assets

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

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

The Group records a provision for decommissioning costs. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

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

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

2.13 Corporate social responsibility (CSR)

Provisions are recognised for all CSR activity undertaken by the Group for which an obligation has arisen during the year and are recognised in Consolidated Statement of profit on loss on accrual basis. Provision is made against unspent amount of CSR.

2.14 Cash and cash equivalents

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

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

2.15 Borrowing costs

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

2.16 Financial instruments

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

a) Financial assets

i. Initial recognition and measurement

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

ii. Subsequent measurement

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

a) at amortised cost; or

b) at fair value through other comprehensive income; or

c) at fair value through profit or loss.

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

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

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

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

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

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

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

iii. Impairment of financial assets

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

For recognition of impairment loss on financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used.

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

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

iv. Derecognition of financial assets

A financial asset is derecognised only when

a) the rights to receive cash flows from the financial asset is transferred or

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

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

b) Financial liabilities

i. Initial recognition and measurement

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

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

ii. Subsequent measurement

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

Financial liabilities at fair value through profit or loss

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

Loans and borrowings

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

iii. Non cumulative redeemable non cumulative non convertible preference shares

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

iv. Derecognition

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

c) Offsetting financial instruments

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

2.17 Employee benefits

a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are recognised in respect of employees' services up to the end of the year and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the consolidated balance sheet.

b) Other long-term employee benefit obligations

i. Defined contribution plan

Provident Fund: Contribution towards provident fund is made to the regulatory authorities, where the Group has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Group does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

Employee's State Insurance Scheme: Contribution towards employees' state insurance scheme is made to the regulatory authorities, where the Group has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Group does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

ii. Defined benefit plans

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

iii. **Other long- term employee benefit obligations**

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

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

2.18 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.

2.19 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Group's earnings per share is the net profit or loss for the year after deducting preference dividends and any attributable tax thereto for the year. The weighted average number of equity shares outstanding during the year and for all the years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares."

2.20 Segment reporting

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

2.21 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised 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.

2.22 Business Combination

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

Business Combinations under common control are accounted as per Appendix C in Ind AS 103 - Business combinations, at carrying amount of assets and liabilities

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acquired and any excess of consideration issued over the net assets acquired is recognised as capital reserve on common control business combination.

2.23 Convertible preference shares

Convertible preference shares are separated into liability and equity components based on the terms of the contract.

On issuance of the convertible preference shares, the fair value of the liability portion of an optionally convertible preference shares is determined using a market interest rate for an equivalent non-convertible bonds. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or redemption of the bonds. The remainder of the proceeds is attributable to the equity portion of the compound instrument since it meets Ind AS 32, Financial Instruments: Presentation, criteria for fixed to fixed classification. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not subsequently re-measured.

Transaction costs are apportioned between the liability and equity components of the convertible preference shares based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

2.24 Recent accounting development

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 01, 2023, as below:

i. **Ind AS 1 – Disclosure of material accounting policies**

The MCA issued amendments to Ind AS 1, providing guidance to help entities meet the accounting policy disclosure requirements. The amendments aim to make accounting policy disclosures more informative by replacing the requirement to disclose 'significant accounting policies' with 'material accounting policy information'. The amendments also provide guidance under what circumstance, the accounting policy information is likely to be considered material and therefore requiring disclosure.

The amendments are effective for annual reporting periods beginning on or after April 01, 2023. The Group is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

ii. **Ind AS 8 – Definition of accounting estimates**

The amendment to Ind AS 8, which added the definition of accounting estimates, clarifies that the effects of a change in an input or measurement technique are changes in accounting estimates, unless resulting from the correction of prior period errors. These amendments clarify how entities make the distinction between changes in accounting estimate, changes in accounting policy and prior period errors. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

The amendments are effective for annual reporting periods beginning on or after April 01, 2023. The amendments are not expected to have a material impact on the Group's financial statements.

iii. **Ind AS 12 – Income Taxes**

The amendment to Ind AS 12, requires entities to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities.

The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

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- right-of-use assets and lease liabilities, and
- decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.

The cumulative effect of recognising these adjustments is recognised in retained earnings, or another component of equity, as appropriate. Ind AS 12 did not previously address how to account for the tax effects of on-balance sheet leases and similar transactions and various approaches were considered acceptable. Some entities may have already accounted for such transactions consistent with the new requirements. These entities will not be affected by the amendments.

The Group is currently assessing the impact of the amendments.

iv. The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

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

3.1 Estimates and assumptions

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

a) Taxes

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

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

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

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

c) Impairment of non-financial assets

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

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d) Provision against obsolete and slow-moving inventories

The Group reviews the condition of its inventories and makes provision against obsolete and slow-moving inventory items which are identified as no longer suitable for sale or use. Group estimates the net realisable value for such inventories based primarily on the latest invoice prices and current market conditions. The Group carries out an inventory review at each balance sheet date and makes provision against obsolete and slow-moving items. The Group reassesses the estimation on each balance sheet date.

e) Impairment of financial assets

The Group assesses impairment based on expected credit losses (ECL) model on trade receivables. The Group uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

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4 (a) Property, plant and equipment

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Gross carrying amount					Depreciation & Impairment					Net carrying amount
	As at April 01, 2022	Additions/ Adjustments	Acquisition through business purchase [refer note 33(A)]	Disposals	As at March 31, 2023	As at April 01, 2022	Acquisition through business purchase [refer note 33(A)]	Depreciation for the year	Disposals	As at March 31, 2023	As at March 31, 2023
I Owned Assets											
Freehold land	1,665.47	366.30	1,965.93	-	3,997.70	-	-	-	-	-	3,997.70
Buildings#	16,371.61	3,144.97	1,261.03	-	20,777.61	2,810.95	253.55	662.34	-	3,726.84	17,050.77
Plant and machinery#	28,490.94	7,530.64	694.78	110.33	36,606.03	6,670.22	351.47	2,238.63	17.63	9,242.69	27,363.34
Furniture and fixtures	349.72	139.65	86.51	1.55	574.34	153.16	45.55	47.32	0.18	245.85	328.49
Vehicles	115.31	106.08	3.58	-	224.97	47.44	0.63	13.22	-	61.29	163.68
Office equipment's	652.50	223.27	109.18	1.35	983.60	467.30	62.43	66.67	-	596.40	387.20
Electrical equipment	2,870.33	1,106.08	-	112.89	3,863.52	1,131.01	-	363.93	18.18	1,476.76	2,386.76
Computers	144.39	41.01	39.46	-	224.84	111.67	33.12	21.56	-	166.35	58.49
Leasehold improvement	229.73	63.75	-	-	293.48	36.77		27.51	-	64.28	229.20
	50,890.00	**12,721.75**	**4,160.47**	**226.12**	**67,546.10**	**11,428.52**	**746.75**	**3,441.18**	**35.99**	**15,580.46**	**51,965.63**
II Right of Use Assets											
Leasehold land ##, ^	1,156.51	25.76	146.47	-	1,328.74	34.41	12.40	14.30	-	61.11	1,267.63
Building ^	2,293.78	-	-	-	2,293.78	183.21		282.55	-	465.76	1,828.02
Plant and machinery	47.41	-	-	-	47.41	47.41	-	-	-	47.41	-
Total	**3,497.70**	**25.76**	**146.47**	**-**	**3,669.93**	**265.03**	**12.40**	**296.85**	**-**	**574.28**	**3,095.65**

Includes finance cost capitalised during the year amounting to Rs 139.07 lakhs (March 31, 2022: Rs 80.94 lakhs) in Building and Plant and Machinery. Further, Rs 239.52 lakhs (March 31, 2022: Rs 140.72 lakhs) capitalised in Capital Work-in-progress.

Leasehold land aggregating to Rs. 107.21 lakhs {acquired as a part of business combination [refer note 33(b)]} wherein the lease deed has expired and the Group has a right to convert the land into freehold land subject to complying with certain conditions. The Group is in the process of converting the title into freehold as per the lease cum sale agreement.

^ For changes in the carrying value of Lease Liability refer note 34

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(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Gross carrying amount					Depreciation & Impairment					Net carrying amount
	As at April 01, 2021	Additions/ Adjustments	Acquisition through business purchase [refer note 33(a) and 33(b)]	Disposals	As at March 31, 2022	As at April 01, 2021	Acquisition through business purchase [refer note 33(a) and 33(b)]	Depreciation for the year	Disposals	As at March 31, 2022	As at March 31, 2022
I Owned Assets											
Freehold land	1,665.47	-	-	-	1,665.47	-	-	-	-	-	1,665.47
Buildings #	13,628.92	1,544.47	1,198.22	-	16,371.61	1,851.31	444.29	515.35	-	2,810.95	13,560.66
Plant and machinery #	17,802.50	6,568.60	4,130.25	10.41	28,490.94	3,125.66	2,167.87	1,379.96	3.27	6,670.22	21,820.72
Furniture and fixtures	259.90	76.62	13.20	-	349.72	111.75	12.46	28.95	-	153.16	196.56
Vehicles	64.06	25.26	25.99	-	115.31	18.26	25.58	3.60	-	47.44	67.87
Office equipment's	491.67	108.47	52.36	-	652.50	374.81	43.76	48.73	-	467.30	185.20
Electrical equipment	2,439.71	334.26	96.36	-	2,870.33	866.43	14.80	249.78	-	1,131.01	1,739.32
Computers	107.73	22.39	14.27	-	144.39	77.21	12.74	21.72	-	111.67	32.72
Leasehold improvement	15.48	3.69	210.56	-	229.73	6.23	22.62	7.92	-	36.77	192.96
	36,475.44	**8,683.76**	**5,741.21**	**10.41**	**50,890.00**	**6,431.66**	**2,744.12**	**2,256.01**	**3.27**	**11,428.52**	**39,461.48**
II Right of Use Assets											
Leasehold land ##, ^	540.42	508.88	107.21	-	1,156.51	21.38	-	13.03	-	34.41	1,122.10
Building ^	221.46	2,072.32		-	2,293.78	58.55	-	124.66	-	183.21	2,110.57
Plant and machinery	47.41	-	-	-	47.41	34.48	-	12.93	-	47.41	-
Total	**809.29**	**2,581.20**	**107.21**	**-**	**3,497.70**	**114.41**	**-**	**150.62**	**-**	**265.03**	**3,232.67**

4 (b) Ageing of CWIP

March 31, 2023

(Amounts in Rs. lakhs, unless otherwise stated)

CWIP	Amount in CWIP				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	12,007.30	153.48	-	-	**12,160.78**
Projects temporarily suspended	-	311.69	-	-	**311.69**

In case of the following projects (CWIP), where completion is overdue as compared to it's original plan, completion schedule is as below:

As at March 31, 2023

(Amounts in Rs. lakhs, unless otherwise stated)

CWIP	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects temporarily suspended					
Project - 2 *	311.69	-	-	-	**311.69**

* The Group is in the process of constructing a warehouse inside one of it's factory for storing inventories. The Group is planning to complete the construction work soon.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

There are no projects as Capital Work in Progress as at March 31, 2023 and March 31, 2022, the cost of which has exceeded in comparison to its original plan.

As at March 31, 2022

(Amounts in Rs. lakhs, unless otherwise stated)

CWIP	Amount in CWIP				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	8,289.36	65.98	-	-	**8,355.34**
Projects temporarily suspended	-	360.78	-	-	**360.78**

In case of the following projects (CWIP), where completion is overdue as compared to it's original plan, completion schedule is as below:

(Amounts in Rs. lakhs, unless otherwise stated)

CWIP	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects temporarily suspended					
Project - 1	360.78	-	-	-	**360.78**

5 (a) Goodwill

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Amount
Cost	
As at April 01, 2021	-
Additions	-
Disposals/Adjustments	-
As at March 31, 2022	-
Additions [refer note 33 (A) (ii)]	301.62
Disposals/Adjustments	-
As at March 31, 2023	301.62
Impairment	
As at April 01, 2021	-
Impairment loss recognised	-
Net exchange difference	-
As at March 31, 2022	-
Impairment loss recognised	-
Net exchange difference	-
As at March 31, 2023	-
Net book value	
As at March 31, 2023	301.62
As at March 31, 2022	-

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

5 (b) Other intangible assets

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Gross carrying amount					Amortisation and impairment					Net carrying amount
	As at April 1, 2022	Additions/ Adjustments	Acquisition through business purchase	Disposals	As at March 31, 2023	As at April 1, 2022	Acquisition through business purchase	Amortisation and impairment for the year	Disposals	As at March 31, 2023	As at March 31, 2023
Other intangible assets											
Brand	200.00	-	-	-	200.00	200.00	-	-	-	200.00	-
Trademark	0.70	-	-	-	0.70	0.69	-	0.01	-	0.70	-
Computer software	17.32	0.15	-	-	17.47	10.63	-	2.48	-	13.11	4.36
Total	218.02	0.15	-	-	218.17	211.32	-	2.49	-	213.81	4.36

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Gross carrying amount					Amortisation and impairment					Net carrying amount
	As at 1 April 2021	Additions/ Adjustments	Acquisition through business purchase	Disposals	As at March 31, 2022	As at 1 April 2021	Acquisition through business purchase	Amortisation and impairment for the year	Disposals	As at March 31, 2022	As at March 31, 2022
Other intangible assets											
Brand	200.00	-	-	-	200.00	158.48	-	41.52	-	200.00	-
Trademark	0.70	-	-	-	0.70	0.55	-	0.14	-	0.69	0.01
Computer software	17.32	-	-	-	17.32	7.90	-	2.73	-	10.63	6.69
Total	218.02	-	-	-	218.02	166.93	-	44.39	-	211.32	6.70

5 (c) Intangible assets under development

As at March 31, 2023

(Amounts in Rs. lakhs, unless otherwise stated)

Intangible asset under development	Amount in intangible asset under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	39.95	-	-	-	**39.95**
Projects temporarily suspended	-	-	-	-	**-**

As at March 31, 2022

(Amounts in Rs. lakhs, unless otherwise stated)

Intangible asset under development	Amount in intangible asset under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

There are no projects as Intangible assets under development as at March 31, 2023 and March 31, 2022, whose completion is overdue or cost of which has exceeds in comparison to its original plan.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

6 OTHER FINANCIAL ASSETS

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Non- current	Current	Non- current	Current
Financial instruments at amortised cost				
Security deposits	759.29	27.51	511.18	-
In fixed deposit accounts with original maturity for more than 12 months#	1,126.72	-	157.92	-
Interest accrued on deposits with bank	10.20	31.29	-	49.97
Interest accrued on loans given to related parties	-	-	-	12.57
Unbilled revenue	-	4,771.48	-	3,095.10
Other receivable	-	302.84	-	107.91
Total other financial assets	**1,896.21**	**5,133.12**	**669.10**	**3,265.55**

These Includes fixed deposits of Rs 158.61 lakhs (previous year ended March 31, 2022: Rs. 39.86 lakhs) held as margin money deposit against guarantees and lien.

7 NON-CURRENT TAX ASSETS

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Advance income tax (net)	1,368.78	1,540.86
Total non-current tax assets	**1,368.78**	**1,540.86**

8 OTHER NON-CURRENT AND CURRENT ASSETS

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Non- current	Current	Non- current	Current
Capital advances*	1,536.14	-	789.34	-
Advance against business transfer agreement (refer note 48)	1,000.00	-	-	-
Prepaid expenses	26.96	254.34	-	146.76
Balance with government authorities (other than income tax)	-	4,607.75	-	4,412.75
Export incentive receivable	-	123.24	-	192.29
Advances to suppliers	-	750.32	-	668.00
Advances to employees	-	5.87	-	2.90
Other receivables	-	7.19	-	-
Total other assets	**2,563.10**	**5,748.71**	**789.34**	**5,422.70**

* Value of contracts in capital account remaining to be executed as at March 31, 2023 Rs 2279.14 lakhs (as at March 31, 2022: Rs 2859.02 lakhs)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

9 INVENTORIES*

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Raw material and intermediate	17,207.68	9,612.37
Work in progress	5,937.05	2,990.98
Finished goods	6,159.58	6,873.41
Stock in trade	-	42.86
Packing material	3,867.55	4,178.08
Consumables, store and spares parts	219.31	79.23
Total inventories	**33,391.17**	**23,776.94**

During the year, an amount of Rs. 19.44 lakhs [previous year ended March 31, 2022: Rs. NIL] is charged to the statement of Profit and Loss on account of slow moving inventories.

*Hypothecated as charge against short term-borrowings. Refer note 15(b).

10 TRADE RECEIVABLES

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables	10,487.23	7,320.60
Less: Loss allowance	(38.65)	(101.58)
Total trade receivables	**10,448.58**	**7,219.02**
Current portion	**10,448.58**	**7,219.02**
Non current	**-**	**-**

(Amounts in Rs. lakhs, unless otherwise stated)

Breakup of security details	As at March 31, 2023	As at March 31, 2022
Secured, considered good		
Unsecured		
- Considered good	10,448.58	7,219.02
- Considered doubtful	-	-
Receivables which have significant increase in credit risk	-	-
Receivables credit impaired	38.65	101.58
Total	**10,487.23**	**7,320.60**
Loss allowance	(38.65)	(101.58)
Total trade receivables	**10,448.58**	**7,219.02**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

Ageing of Trade Receivables

As at March 31, 2023

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Not Due	Outstanding for following periods from due date of receipts					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	8,883.95	1,529.57	24.52	10.54	-	-	**10,448.58**
(ii) Undisputed Trade Receivables –which have significant increase in credit risk	-	-	-	-	-	-	**-**
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	5.72	7.69	25.24	**38.65**
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	**-**
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	**-**
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	**-**
Less: Allowance for bad and doubtful debts (Disputed + Undisputed)	-	-	-	(5.72)	(7.69)	(25.24)	**(38.65)**
	8,883.95	1,529.57	24.52	10.54	-	-	10,448.58

As at March 31, 2022

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Not Due	Outstanding for following periods from due date of receipts					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	6,649.85	566.29	8.67	-	-	-	**7,224.81**
(ii) Undisputed Trade Receivables –which have significant increase in credit risk	-	-	-	-	-	-	**-**
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	13.57	64.05	18.17	**95.79**
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	**-**
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	**-**
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	**-**
Less: Allowance for bad and doubtful debts (Disputed + Undisputed)	-	-	(5.79)	(13.57)	(64.05)	(18.17)	**(101.58)**
	6,649.85	566.29	2.88	-	-	-	7,219.02

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

11 CASH AND CASH EQUIVALENTS

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Cash and cash equivalents		
Balances with banks		
- In current accounts	3,789.06	1,702.32
- Fixed deposits with original maturity of less than 3 months	189.58	1,543.32
Cash on hand	8.28	14.11
Total cash and cash equivalents	3,986.92	3,259.75

12 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
In fixed deposit with original maturity for more than 3 months but less than 12 months *	1,059.65	1,079.90
Total bank balances other than cash and cash equivalents	**1,059.65**	**1,079.90**

* These Includes fixed deposits of Rs 522.21 lakhs (previous year ended March 31, 2022: Rs. 563.96 lakhs) held as margin money deposit against guarantees and lien.

13 EQUITY SHARE CAPITAL

The Holding Company has only one class of equity share capital having a par value of Rs. 2/- per share (March 31, 2022 Rs 10/- per share), referred to herein as equity shares

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Authorised		
26,57,61,265 (March 31, 2022 5,31,52,253 Equity Shares of Rs.10/- each) Equity shares of Rs.2/- each	5,315.23	5,315.23
	5,315.23	**5,315.23**
Issued, subscribed and paid up		
11,27,42,690 (March 31, 2022 2,25,48,538 Equity Shares of Rs.10/- each) Equity shares of Rs.2/- each fully paid up	2,254.86	2,254.86
Total	**2,254.86**	**2,254.86**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

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

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares of Rs 2 each unless otherwise stated	Amount	No. of shares of Rs 10 each unless otherwise stated	Amount
Outstanding at the beginning of the year	2,25,48,538	2,254.86	2,11,98,078	2,119.81
Add: Issued during the year [refer note 13(f) and 13(g)]	-	-	13,50,460	135.05
Add: Sub-division of 1 share of face value of Rs 10/- each into 5 share of face value Rs 2/- each effective July 22, 2022 (Increase in shares on account of sub-division)*	9,01,94,152	-	Not Applicable	
Outstanding at the end of the year	**11,27,42,690**	**2,254.86**	**2,25,48,538**	**2,254.86**

* The Shareholders of the Holding Company, through Postal Ballot on July 1, 2022, approved the sub-division of one equity share of face value Rs 10 each (fully paid-up) into 5 equity share of face value Rs 2 each. The record date for the said sub-division was set at July 22, 2022. The basic and diluted Earnings Per Share (EPS) numbers for the year ended March 31, 2022 have been restated to give effect of the share split.

(b) Rights, preferences and restrictions attached to shares

Equity Shares: The Holding Company has only one class of equity shares having par value of Rs.2 per share. Each shareholder is entitled to one vote per share held. Dividend if any declared is payable in Indian Rupees.

During the year ended March 31, 2023, the amount of per share dividend recognised as distributions to equity shareholders was Nil (March 31, 2022: Nil).

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

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

(Amounts in Rs. lakhs, unless otherwise stated)

Name of the shareholder	As at March 31, 2023		As at March 31, 2022	
	No. of shares of Rs 2 each unless otherwise stated	% of holding in the class	No. of shares of Rs 10 each unless otherwise stated	% of holding in the class
M/s. Vanity Case India Private Limited	4,64,58,145	41.21%	92,91,629	41.21%
Asha R. Kothari	1,20,75,915	10.71%	24,15,183	10.71%
Sameer R. Kothari	1,20,75,915	10.71%	24,15,183	10.71%
M/s. Jwalamukhi Investment Holdings	66,22,161	5.87%	13,25,909	5.88%

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

(d) Details of Shares held by Promoters at the end of the year

(Amounts in Rs. lakhs, unless otherwise stated)

Promoter name	As at March 31, 2023			As at March 31, 2022		
	No. of shares of Rs 2 each unless otherwise stated	% of total shares	% Change during the year	No. of shares of Rs 10 each unless otherwise stated	% of total shares	% Change during the year
M/s. Vanity Case India Private Limited	4,64,58,145	41.21%	0.00%	92,91,629	41.21%	(1.16%)
Asha R. Kothari	1,20,75,915	10.71%	0.00%	24,15,183	10.71%	1.76%
Sameer R. Kothari	1,20,75,915	10.71%	0.00%	24,15,183	10.71%	1.76%
Shrinivas Vasudeva Dempo	20,00,000	1.77%	0.00%	4,00,000	1.77%	(0.11%)
Soiru Dempo Management Holding Private Limited	5,00,000	0.44%	0.00%	1,00,000	0.44%	(0.03%)
V.S.Dempo Holdings Private Limited	-	-	-	-	-	-
Total	**7,31,09,975**	**64.85%**	**0.00%**	**1,46,21,995**	**64.85%**	**2.22%**

(e) Information regarding issue of Equity Shares during last five years

(i) No shares have been issued as bonus shares by the Holding Company during the period of five years immediately preceding the current year end.

(ii) No shares have been bought back by the Holding Company during the period of five years immediately preceding the current year end.

(f) Shares issued for consideration other than cash: In consideration of the business combination, in the previous year the Holding Company has allotted 13,49,283 equity shares of Rs 10/- each credited as fully paid up shares of Holding Company to the shareholders of Avalon Cosmetics Private Limited (ACPL) on March 14, 2022 in the ratio of 1.325 Ordinary (Equity) Share of face value of Rs. 10 each fully paid-up in the capital of the Company for each equity share held in ACPL. [Refer note 33 (a)]

(g) Shares issued for consideration other than cash: In consideration of the business combination, in the previous year Holding Company has allotted 1,177 equity shares of Rs 10/- each credited as fully paid up shares of Company to the shareholders of ATC Beverages Private Limited (ATC) on March 14, 2022 in the ratio of 1 Ordinary (Equity) Share of face value of Rs. 10 each fully paid-up in the capital of the Holding Company for every 15,075 fully paid-up Equity shares for each equity share held in ATC. [Refer note 33 (b)]

14 OTHER EQUITY

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Capital reserve	477.63	477.63
Securities premium [Refer note 33 (a)(ii)]	13,500.80	13,500.80
Equity component of redeemable non cumulative non convertible preference shares	86.29	86.29
Retained earnings	21,173.45	14,093.39
	35,238.17	**28,158.12**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

Nature and purpose of other reserves	
Capital reserve (including reserve created on common control business combination)	The Group recognises profit or loss on purchase, sale, issue or cancellation of the Holding Company's own equity instruments to capital reserve.
Securities premium	Securities premium is used to record the premium on issue of shares. This is utilised in accordance with the provisions of the Companies Act 2013.
Equity component of redeemable non cumulative non convertible preference shares	Equity component represents difference between consideration received and present value of liability component on initial recognition (net of deferred tax).
Retained earnings	Retained earnings are the profits that the Group has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
(A) Capital reserve		
Opening balance	477.63	39.99
Other comprehensive income transferred to capital reserve [refer note 33(c)]	-	37.81
Capital reserve pursuant to amalgamation of ATC Beverages [refer note 33(b)(ii)]	-	399.83
Closing balance	**477.63**	**477.63**
(B) Securities premium		
Opening balance	13,500.80	13,477.05
Add : Securities premium on share issue [refer note 13(f) and 13(g)]	-	23.75
Closing balance	**13,500.80**	**13,500.80**
(C) Equity component of redeemable non cumulative non convertible preference shares	**86.29**	**86.29**
(D) Shares pending issuance		
Opening balance	-	134.93
Less : Issue of shares pending issuance [refer note 33 (a) (ii)]	-	(134.93)
Closing balance	**-**	**-**
(D) Retained earnings		
Opening balance	14,093.39	9584.40
Add: Net profit for the year	7,111.71	4466.32
Add/(Less): Item of OCI for the year, net of tax	(31.67)	42.67
Closing balance	**21,173.45**	**14,093.39**
Total other equity	**35,238.17**	**28,158.12**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

15 (a) Non-current borrowings

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Secured		
Term loan		
From banks	39,176.85	28,931.02
From others	4,299.69	-
Vehicle Loan		
From bank	90.47	-
Unsecured		
Liability component of compound financial instruments		
9% redeemable non cumulative non convertible preference shares*	76.98	70.62
Less: Current maturities of long term borrowings [refer note 15(b)]	(5,448.54)	(3,570.81)
Total non-current borrowings	**38,195.45**	**25,430.83**

A) Terms of non-current borrowing are as under

Particulars	Rate of interest (p.a.)	Repayment terms
Non current, secured borrowings		
Term loan from Banks	Ranging from 7.60% to 9.50%	Repayable in monthly and quarterly instalments
Term loan from Others	Ranging from 8.00% to 9.05%	Repayable in monthly instalments
Vehicle loan from Bank	8.00%	Repayable in monthly instalments
Non current, unsecured borrowings		
Redeemable non cumulative non convertible preference shares*	9.00%	Redeemable not later than 19 years from the date of issue i.e. September 27, 2012.

* The Holding Company has authorised redeemable non cumulative non convertible preference shares of Rs. 200 lakhs, of which the Holding Company has issued preference shares amounting to Rs. 160 lakhs to V.S. Dempo Holdings Private Limited

B) Nature of security :

For term loan from banks

i. Term loan from SVC bank has been secured by exclusive charge on the land and building and plant and machinery of Masat and Piparia factory of the Holding Company.

ii. Term loan from HDFC bank has been secured by charge on the current and future land and building and Plant and machinery of Hyderabad factory of the Holding Company and first pari passu charge on stock and book debt along with yes bank.

iii. Term loan from Yes bank has been secured by exclusive charge on the movable fixed assets and land and building of the Coimbatore, Jammu and Goa factory of the Holding Company and Pari passu charge over the entire current assets of the Holding Company with HDFC and SVC bank.

iv. Term loan from Yes bank has been secured by exclusive charge by way of hypothecation on current assets (inventory and debtors), plant and machinery (movable fixed assets), Industrial land and building of Lucknow factory and corporate guarantee of holding company Hindustan Foods Limited.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

For term loan from others

i. Term loan from Bajaj Finance Limited has been secured by charge on the entire movable and immovable fixed assets of Reckitt Benckiser Scholl India Private Limited and Holding Company and current assets of the Reckitt Benckiser Scholl India Private Limited.

For vehicle loan

i. Vehicle loan from HDFC bank has been secured by charge on the vehicle.

C) Period and amount of default:

The Group has made no defaults in the payment of principal or interest during the year ended March 31, 2023.

D) The Bank loans contain certain debt covenants relating to limitation on indebtedness, debt-equity ratio, net Borrowings to EBITDA ratio and debt service coverage ratio. The limitation on indebtedness covenant gets suspended if the Group meets certain prescribed criteria. The debt covenant related to limitation on indebtedness remained suspended as of the date of the authorisation of the financial statements.

The Group has also satisfied all other debt covenants prescribed in the terms of bank loan. The other loans do not carry any debt covenant.

E)

Particulars of Loans	Purpose (as per Loan Agreement)	Whether used for the purpose stated in the loan Agreement
Term Loan - Yes Bank	Towards acquisition of manufacturing unit at samba industrial Area, Jammu.	Yes
Term Loan - Yes Bank	Towards Purchase of Land and Setting up of manufacturing plant in Coimbatore (Including reimbursement incurred)	Yes
Term Loan - Yes Bank	1. Towards purchase of Land and setting up manufacturing plant in Uttar Pradesh. 2. Toward Expansion of Plant & Machinery and Material for Expansion of plant in Uttar Pradesh.	Yes
Guaranteed Emergency Credit Line (GECL) - Yes Bank	Towards Working capital payments	Yes
Emergency Credit Line Guaranteed Scheme (ECGLS) - HDFC BANK LIMITED	Towards Working capital payments	Yes
Term Loan - HDFC BANK LIMITED	Towards process engineering at existing Plant at Hyderabad	Yes
Term Loan - HDFC BANK LIMITED	Towards capital expenditure of plant at Hyderabad	Yes
Term Loan - SVC BANK	Set up new factory at Silvassa, towards manufacturing of surface cleaning & toilet clearing product.	Yes
Term Loan - HDFC BANK LIMITED	Towards working capital and capacity addition at Hyderabad plant for making detergent bars and soaps	Yes
Term Loan - Bajaj Finance LIMITED	Towards General Corporate Purpose/ Share purchase of the Reckitt Benckiser Scholl India Private Limited	Yes
Vehicle Loan - HDFC BANK LIMITED	Towards purchase of vehicle	Yes

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

15 (b) Current borrowings

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Secured		
From banks		
Cash credits	4,807.60	2,427.21
Current maturities of long term borrowings [refer note 15 (a)]	5,448.54	3,570.81
Unsecured		
Loan from related party [refer note 15(b)(A)]	678.91	1,109.23
Total current borrowings	**10,935.05**	**7,107.25**

A) Terms of current borrowing are as under

Particulars	Rate of interest (pea)	Repayment terms
Current, secured borrowings	Ranging from 7.60% to 9.50%	Repayable on demand
Current, unsecured borrowings	Ranging from 8.50% to 10%	Repayable on demand

B) Nature of security :

i. Cash credit from Yes Bank has been secured by exclusive charge on the movable fixed assets of the Jammu & Goa factory of the Holding Company, pari passu charge over the entire current assets of the Holding Company with HDFC exclusive charge on land and building of Jammu factory and pari passu charge on the land and building of Goa plant along with HDFC bank.

ii. Cash credit from HDFC Bank has been secured by first pari passu charge on the stock and book debt of the Holding Company along with Yes bank, exclusive charge on current and future plant and machinery of the Hyderabad factory, first pari passu charge on the land and building of Goa factory and exclusive charge on current and future land and building of Hyderabad factory.

iii. Cash credit from Yes bank has been secured by exclusive charge by way of hypothecation on the current assets (inventory and debtors), plant and machinery (movable fixed assets), Industrial Land and building of Lucknow factory and corporate guarantee of holding company Hindustan Foods Limited.

C) Period and amount of default:

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

D) **The statements of current assets and stocks submitted by the Group with banks are materially in agreement with the books of accounts.**

16 PROVISIONS

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Non- current	Current	Non- current	Current
Provision for employee benefits (refer note 32)				
- Provision for gratuity (funded)	368.02	67.38	191.48	66.36
- Leave encashment (unfunded)	169.18	28.33	91.73	10.76
Total employee benefits obligation	**537.20**	**95.71**	**283.21**	**77.12**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

17 TRADE PAYABLES

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro enterprises and small enterprises	68.53	89.04
Total outstanding dues of creditors other than micro enterprises and small enterprises	33,462.74	27,025.94
Total trade payables	**33,531.27**	**27,114.98**

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

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Amount remaining unpaid to any supplier at the end of each accounting year:		
Principal	68.53	89.04
Interest	0.11	0.11
Total	**68.64**	**89.15**
(b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	0.11	0.11
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

Trade payables ageing schedule

March 31, 2023

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Unbilled	Payables Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	0.86	45.19	22.48	-	-	-	**68.53**
(ii) Disputed dues – MSME	-	-	-	-	-	-	**-**
(iii) Others	397.85	17,747.43	14,815.85	231.25	85.85	184.51	**33,462.74**
(iv) Disputed dues - Others	-	-	-	-	-	-	**-**
	398.71	**17,792.62**	**14,838.33**	**231.25**	**85.85**	**184.51**	**33,531.27**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

As at March 31, 2022

(Amounts in Rs. lakhs, unless otherwise stated)

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	26.25	50.86	11.93	-	-	-	**89.04**
(ii) Disputed dues – MSME							
(iii) Others	229.48	15,710.21	10,677.87	207.39	79.75	121.24	**27,025.94**
(iv) Disputed dues - Others							
	255.73	**15,761.07**	**10,689.80**	**207.39**	**79.75**	**121.24**	**27,114.98**

18 OTHER CURRENT FINANCIAL LIABILITIES

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Other financial liabilities at amortised cost		
Security deposit received	13.33	9.42
Employee related payable	459.42	379.14
Other Payables	443.13	561.72
Capital creditors	1,903.98	1,219.79
Total other financial liabilities	**2,819.86**	**2,170.07**

19 OTHER CURRENT LIABILITIES

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory dues payable	678.79	198.22
Advance from customers	2,216.59	470.44
Other payables	28.13	23.61
Security deposit received	84.66	84.67
Total other current liabilities	**3,008.17**	**776.94**

20 REVENUE FROM OPERATIONS

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from contracts with customers:		
- Sale of products	2,56,419.67	2,00,368.33
- Trading of goods	391.33	1,196.77
- Sale of services	2,403.97	1,971.38
Total (A)	**2,59,214.97**	**2,03,536.48**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Other operating revenue		
- Export incentive	203.99	188.81
- Scrap sales	326.72	178.16
- Trial charges	67.38	107.04
Total (B)	**598.09**	**474.01**
Total revenue from operations (A)+(B)	**2,59,813.06**	**2,04,010.49**

A. Disaggregation of revenue from contracts with customers

In the following table, revenue is disaggregated by major service lines.

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
- Sale of products - contract manufacturing	2,56,419.67	2,00,368.33
- Trading of goods	391.33	1,196.77
- Sale of services	2,403.97	1,971.38
Total	**2,59,214.97**	**2,03,536.48**
Geographic revenue		
- India	2,50,019.01	1,99,099.80
- Rest of the world	9,195.96	4,436.68
Total	**2,59,214.97**	**2,03,536.48**

B. Trade receivables and contract balances

The following table provides information about receivables, contract assets and current liabilities from contracts with customers:

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Receivables, which are included in trade receivables *	10,448.58	7,219.02
Unbilled revenue	4,771.48	3,095.10
Advances from customers ^	2,216.59	470.44
Total	**17,436.65**	**10,784.56**

* Trade Receivable represents the amount of consideration in exchange for goods or services transferred to the customers that is unconditional. Contract assets are initially recognised for revenue from sale of goods and services.

^ The Contract liability outstanding at the beginning of the year has been recognised as revenue during the year ended March 31, 2023.

C. Transaction price allocated to the remaining performance obligation

There are no unsatisfied long-term contracts / performance obligation that have impact on financial statements.

The Group applies the practical expedient in paragraph 121 of Ind AS 115 and does not disclose information about remaining performance obligations that have original expected durations of one year or less.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

D. Reconciliation of contract price with revenue during the year

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Revenue as per contract price	2,59,267.24	2,03,552.04
Adjustment for credit notes	(52.27)	(15.56)
Revenue from contract with customer	**2,59,214.97**	**2,03,536.48**

21 OTHER INCOME

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest income on fixed deposits	58.76	107.13
Interest on loan to related parties (refer note 35)	-	106.42
Other non operating income :		
Liabilities no longer required written back	30.42	66.58
Provision for doubtful debts written back	64.39	-
Miscellaneous income	111.91	40.58
Gain on sale of property, plant and equipment	-	4.51
Foreign exchange gain (net)	185.16	43.45
Total other income	**450.64**	**368.67**

22 COST OF MATERIAL CONSUMED

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Raw material		
Inventory at the beginning of the year	9,612.37	8,524.87
Inventory acquired [refer note 33(A)]	597.00	370.53
Add: Purchases	1,86,453.01	1,57,262.67
Less: Inventory at the end of the year	17,207.68	9,612.37
Cost of raw material consumed	**1,79,454.70**	**1,56,545.70**
Packaging material		
Inventory at the beginning of the year	4,178.08	2,484.04
Inventory acquired [refer note 33(A)]	86.47	-
Add : Purchases	44,578.17	25,393.39
Less : Inventory at the end of the year	3,867.55	4,178.08
Cost of packaging material consumed	**44,975.17**	**23,699.35**
Total cost of materials consumed	**2,24,429.87**	**1,80,245.05**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

23 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Inventories at the beginning of the year		
- Finished goods	6,873.41	4,026.14
- Stock in trade	42.86	44.47
- Work-in-progress	2,990.98	1,747.01
	9,907.26	**5,817.62**
Add : Inventory acquired on business combination [refer note 33(A)]	769.81	520.34
Less: Inventories at the end of the year		
- Finished goods	6,159.58	6,873.41
- Stock in trade	-	42.86
- Work-in-progress	5,937.05	2,990.98
	12,096.63	**9,907.26**
Net decrease/(increase)	**(1,419.54)**	**(3,569.30)**

24 EMPLOYEE BENEFITS EXPENSE

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salaries, wages, bonus and other allowances	4,959.12	3,700.35
Contribution to provident and other funds	221.84	155.95
Gratuity expense (refer note 32)	105.07	78.18
Staff welfare expenses	274.55	145.99
Total employee benefits expense	**5,560.58**	**4,080.47**

25 FINANCE COSTS

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest on borrowing	3,243.16	1,894.65
Interest expense on lease Liabilities	182.36	68.88
Interest on redeemable non cumulative non convertible preference shares	67.76	5.83
Other finance charge	86.91	54.74
Total finance costs	**3,580.19**	**2,024.10**

26 DEPRECIATION AND AMORTISATION EXPENSE

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation of property, plant and equipment [refer note 4 (a)]	3,441.18	2,256.01
Depreciation on right of use assets [refer note 4 (a)]	296.85	150.62
Amortisation of other intangible assets [refer note 5 (b)]	2.49	44.25
Total depreciation and amortisation expense	**3,740.52**	**2,450.88**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

27 MANUFACTURING AND OPERATING COSTS

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Job work expenses	1,848.99	1,693.56
Power, fuel & electricity	3,160.01	2,063.24
Repairs and maintenance - plant & machinery	570.48	395.40
Repairs and maintenance - building	44.51	19.44
Repairs and maintenance - others	269.28	229.04
Contract labour charges	4,270.08	3,367.81
Other manufacturing expenses	433.03	189.17
Total manufacturing and operating costs	**10,596.38**	**7,957.66**

28 OTHER EXPENSES

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Stores and spares consumed	319.32	302.26
Insurance	197.70	117.37
Rent [refer note 34(v)]	234.03	253.07
Rates and taxes	111.72	172.45
Carriage and freight	614.55	626.98
Travel and conveyance	305.78	190.69
Postage and courier	34.76	24.28
Printing & stationery	50.01	39.64
Legal and professional charges	341.74	239.05
Advertisement	6.94	6.39
Commission	2.72	3.78
Business promotion	2.44	9.65
Other receivable written off	2.81	83.15
Provision for doubtful debts	1.07	19.00
Foreign exchange loss (net)	23.44	55.06
CSR Expenses (refer note 40)	141.45	76.33
Security charges	386.39	260.21
Bank charges	14.42	9.81
Advances written off	35.85	-
Donation	3.01	0.41
Auditors remuneration [refer note (a) below]	36.75	38.85
Bad debts	5.18	-
Director's sitting fees (refer note 35)	18.40	9.95
Miscellaneous expenses	223.03	136.07
Total other expenses	**3,113.51**	**2,674.45**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

Note (a) Auditors remuneration (excluding GST)

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
As auditor:		
Statutory audit	26.25	29.85
Limited review fees	9.75	9.00
In other capacity:		
Other matters	0.75	-
Total	**36.75**	**38.85**

29 INCOME TAX AND DEFERRED TAX

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

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Current tax	3,153.24	1,941.31
Adjustment of tax relating to earlier periods	(181.07)	-
Deferred tax charge / (income)	367.03	740.55
Income tax expense reported in the statement of profit or loss	**3,339.20**	**2,681.86**

B) Income tax expense charged to OCI

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Net loss/(gain) on remeasurements of defined benefit plans	17.01	(22.92)
Income tax charged to OCI	**17.01**	**(22.92)**

C) Reconciliation of tax charge

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Profit before tax	10,450.91	7,148.18
Enacted income tax rate in India applicable to the Holding Company	34.94%	34.94%
Income tax expense at tax rates applicable	3,651.97	2,497.86
Tax effects of items that are not deductible in determining taxable income:		
Share of loss in associate not taxable	-	81.24
Loss of subsidiaries not taxable	(71.34)	-
CSR Expenditure and donations	38.47	11.23
Different tax rates in the components	(69.54)	-
Others	(29.29)	91.53
Income tax expense	**3,520.27**	**2,681.86**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

D) Deferred tax relates to the following:

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred tax assets		
On provision for employee benefits	265.82	125.34
On stamp duty provision	-	20.97
On unamortised processing cost	27.62	6.94
On unused tax losses	158.90	10.58
On others	1.17	13.01
	453.51	**176.84**
Deferred tax liabilities		
On property, plant and equipment	4,177.08	3,651.18
On lease liabilities (net)	83.64	151.29
	4,260.72	**3,802.47**
Deferred tax liabilities net	(3807.21)	(3,625.63)
Minimum alternative tax (MAT) entitlements	-	79.34
Deferred tax asset on tax losses of subsidiary taken over during the year	-	28.07
Deferred tax asset on tax losses taken over in business combination [refer note 33(b)]	-	895.41
Deferred tax liability on fair valuation of assets taken over pursuant to Business Combination [refer note 33(A)]	(878.39)	-
Deferred tax liability on fair valuation of land on account of merger [refer note 33(b)]	(47.78)	(47.78)
Deferred tax asset/(liability), net	**(4,733.38)**	**(2,670.59)**

E) Deferred tax assets/ (liabilities) to be recognised in Statement of Profit and Loss

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Deferred tax assets/(liabilities), net	(4,733.38)	(2,670.59)
Deferred tax asset on tax lossess taken over in business combination [refer note 33(b)]	-	(895.41)
Deferred tax liability on fair valuation of land on account of merger [refer note 33(b)]	-	47.78
Deferred tax asset on tax lossess of subsidiary taken over during the year	-	(28.07)
Deferred tax liability on fair valuation of assets taken over pursuant to Business Combination [refer note 33(A)]	878.39	-
Others	(15.08)	-
Less: MAT credit utilisation	832.45	603.68
Less: Opening deferred tax liabilities	2,670.59	2,202.06
Deferred tax expense for the year	**(367.03)**	**(740.55)**
Tax liability recognised in Statement of Profit and Loss	(384.04)	(717.63)
Tax liability recognised in OCI		
On re-measurements gain/(losses) of post-employment benefit obligations	17.01	(22.92)
Total deferred tax expenses recognised in the statement of profit and loss	**(367.03)**	**(740.55)**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

30 EARNINGS PER SHARE

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

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Profit attributable to equity holders	7,111.71	4,466.32
Weighted average number of equity shares (in lakhs) for basic and diluted EPS [refer note 13 (a)]	1,127.43	1,127.43
Basic per share (Rs) [refer note 13 (a)]	6.31	3.96
Diluted per share (Rs) [refer note 13 (a)]	6.31	3.96

31 CONTINGENT LIABILITIES

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Claim for expired goods	7.13	7.13
Letter of credit issued	39.58	59.26
Bank guarantees	175.40	186.85
Demand relating to income tax	277.28	-
Financial guarantee issued on behalf of subsidiary	16,260.00	9,000.00
	16,759.39	**9,253.24**
Capital commitments	**2,279.14**	**2,859.02**

32 EMPLOYEE BENEFITS

The Group has the following employee benefit plans:

(A) Defined contribution plans

Employers' Contribution to Provident Fund and Employee State Insurance (refer note 24)

(B) Defined benefit plans

Gratuity payable to employees

i) Actuarial assumptions

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Discount rate (per annum)	7.40%	6.95%
Rate of increase in Salary	7.00%	7.00%
Expected average remaining working lives of employees (years)	18.83 to 23.53	24.80
Attrition rate	2% - 10%	2% - 10%

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

ii) Changes in the present value of defined benefit obligation

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Employee's gratuity fund	
	March 31, 2023	March 31, 2022
Present value of obligation at the beginning of the year	**258.13**	**247.83**
Acquired through business combination	129.87	-
Transfer in/(out) obligation	-	37.49
Current service cost	85.33	65.40
Interest cost	26.47	15.20
Benefits paid	(9.17)	(40.23)
Actuarial (gain)/ loss on obligations	48.16	(67.56)
Present value of obligation at the end of the year	**538.79**	**258.13**

iii) Change in the fair value of plan assets:

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Employee's gratuity fund	
	March 31, 2023	March 31, 2022
Opening fair value of plan assets	0.29	20.84
Acquired through business combination	(95.52)	-
Expenses of the fund	(0.29)	-
Interest income	(7.02)	2.42
Contributions by employer	-	3.34
Benefits paid	(1.38)	(24.34)
Actuarial (losses)/ gains	0.53	(1.97)
Closing fair value of plan assets	**(103.39)**	**0.29**

iv) Expense recognised in the Statement of Profit and Loss

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Employee's gratuity fund	
	March 31, 2023	March 31, 2022
Current service cost	85.33	65.40
Past service cost	0.29	-
Interest cost	19.45	12.78
Total expenses recognised in the Statement Profit and Loss	**105.07**	**78.18**

v) Expense recognised in the statement of other comprehensive income

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Employee's gratuity fund	
	March 31, 2023	March 31, 2022
Actuarial (gain) / loss on obligations	48.16	(67.56)
Actuarial gain /(loss) for the year on asset	0.53	1.97
Total expenses recognised in the statement of other comprehensive Income	**48.69**	**(65.59)**

vi) Assets and liabilities recognised in the Balance Sheet:

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Employee's gratuity fund	
	March 31, 2023	March 31, 2022
Present value of funded obligation	538.78	258.13
Less: fair value of plan assets	(103.38)	(0.29)
Net asset / (liability) recognised in Balance Sheet*	**435.40**	**257.84**

*Included in provision for employee benefits (refer note 16)

vii) Expected contribution to the fund in the next year

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Employee's gratuity fund	
	March 31, 2023	March 31, 2022
Gratuity	66.98	66.36

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

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Employee's gratuity fund	
	March 31, 2023	March 31, 2022
Impact on defined benefit obligation		
Discount rate		
0.5% increase	379.76	245.24
0.5% decrease	410.34	268.64
Rate of increase in salary		
0.5% increase	408.44	266.96
0.5% decrease	381.26	246.57
Withdrawal rate		
110% change	394.21	255.87
90% change	394.72	257.19

ix) Maturity profile of defined benefit obligation

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Employee's gratuity fund	
	March 31, 2023	March 31, 2022
Year		
Apr 2022- Mar 2023	-	23.99
Apr 2023- Mar 2024	54.98	17.73
Apr 2024- Mar 2025	37.67	21.50
Apr 2025- Mar 2026	40.33	15.99
Apr 2026- Mar 2027	29.90	18.98
Apr 2027- Mar 2028	48.15	-
Apr 2027 onwards	-	127.08
Apr 2028 onwards	165.28	-

(C) Other long term employee benefit obligation

Leave entitlement

The liability for leave entitlement is recognised in the same manner as gratuity aggregating Rs. 86.15 lakhs as at March 31, 2023 (March 31, 2022: Rs. 31.47 lakhs).

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

33 (A) Business combinations during current year

(i) Acquisition of Reckitt Benckiser Scholl India Private Limited ('RBSIPL')

On January 24, 2022, the Holding Company had entered into an agreement with Reckitt Benckiser (India) Private Limited ('RBIPL') and nominee shareholder of RBSIPL and acquired all shares of RBSIPL with effect from July 01, 2022. As a result of this acquisition, RBSIPL became subsidiary of the Company. The acquisition of RBSIPL has been accounted in accordance with Ind AS 103 - Business Combinations. The acquisition was made to increase the contract manufacturing business of the Company.

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

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Amount
A) **Assets acquired on July 01, 2022**	
Property, plant and equipment	3,547.79
Capital work-in-progress	6.95
Financial assets	
Non-current tax assets	30.70
Other non current financial assets	38.13
Deferred tax assets (net)	13.10
Inventories*	1,485.57
Trade receivables	1,006.39
Cash and cash equivalents	2,665.41
Other current financial assets	0.78
Other current assets	206.48
Total Assets acquired (A)	**9,001.30**
B) **Liabilities assumed on July 01, 2022**	
Provisions - Non - Current	51.14
Financial liabilities	
Lease liabilities	
Trade payables	991.21
Other current financial liabilities	26.70
Other current liabilities	5.14
Provisions - Current	1.32
Total Liabilities Assumed (B)	**1,075.51**
Net Assets acquired (A-B)	**7,925.79**
Less: Purchase consideration	**(7,489.28)**
Add : Contingent consideration	**140.26**
Add: Deferred tax liability on fair valuation of assets taken over pursuant to Business Combination	**(878.39)**
Goodwill on Consolidation	**(301.62)**

* It includes consumables, store and spares parts of Rs 32.29 lakhs

The acquired business of RBSIPL contributed revenues and profits to the group for the year March 31, 2023 as follows:

Revenue of 5,949.49 lakhs and profit of Rs. 269.80 lakhs for the period from July 01, 2022 till March 31, 2023

If the acquisition had occurred on April 01, 2022, consolidated pro-forma revenue and profit for the year ended March 31, 2023 would have been Rs. 2,61,707.02 lakhs and Rs. 6,796.98 lakhs respectively.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

33 (B) Business combinations during previous year

33 (a) Merger Information - Coimbatore Manufacturing Unit of Avalon Cosmetics Private Limited

(i) The Scheme of Arrangement ('the Scheme'), presented under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 read with the rules prescribed thereunder, for the business combination of Coimbatore Manufacturing Unit of Avalon Cosmetics Private Limited ('Avalon Cosmetics') with the Holding Company was approved by the Hon'ble National Law Tribunal (Mumbai Bench) vide its order dated December 21, 2021 ("the NCLT Order"). The Certified copy of the NCLT Order was filed with Registrar of Companies on February 18, 2022. Consequently, the Scheme become operative from February 18, 2022 and effective from April 01, 2020 i.e. appointed date.

The said business combination has been accounted under the 'pooling of interests' method in accordance with Appendix C of Ind AS 103 'Business Combination' and the previously issued consolidated financial statement of the Group for the year ended March 31, 2021 included in this consolidated financial statement have been restated to give effect to the Scheme. All the assets and liabilities of the Coimbatore Manufacturing Unit of Avalon Cosmetics have been transferred to and vested in the Holding Company at it's carrying value w.e.f. April 01, 2020 and the amount of Rs. 263.67 lakhs is recorded as capital reserve on account of the Scheme. "

Further, in terms of the Scheme, during the year, 13,49,283 Ordinary (Equity) shares of Rs. 10 each in the Holding Company has been issued and allotted as fully paid up to the shareholders of ACPL other than the Holding Company, in the ratio of 1.325 Ordinary (Equity) Share of Rs. 10 each fully paid-up in the capital of the Holding Company for every 1 fully paid-up Equity Shares of Rs. 10 each held in ACPL. Consequently, an amount of Rs. 134.93 lakhs representing difference between the consideration issued and value of net identifiable assets acquired has been transferred to Capital Reserve in the Consolidated Financial Statements as at April 01, 2020. The same is presented as "Share Pending Issuance" under "Other Equity" as at April 1, 2020 and March 31, 2021.

Pursuant to the business combination between Coimbatore Manufacturing Unit of Avalon Cosmetics and the Holding Company with effect from April 1, 2020, the profit attributable to the equity shareholders for the comparative periods have been restated to include the figures of Coimbatore Manufacturing Unit of Avalon Cosmetics. Accordingly, as per the requirement of the Ind AS 33 'Earnings per Share', the Basic and Diluted earnings per share of the comparative year have been restated taking into consideration the equity shares issued to the shareholders of Avalon Cosmetics. Further, the current tax and deferred tax amounts in the comparative year have been restated owing to the said business combination.

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

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Amount
A) Assets acquired on April 01, 2020	
Property, plant and equipment	2,922.73
Financial assets	
Non-current tax assets	12.28
Other non current assets	45.39
Trade receivables	15.84
Cash and cash equivalents	407.71
Other current assets	528.77
Total Assets acquired (A)	**3,932.72**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Amount
B) Liabilities assumed on April 01, 2020	
Other equity	2,604.60
Financial liabilities	-
Non current borrowings	-
Deferred tax liabilities (net)	8.91
Current borrowings	-
Trade payables	212.33
Other current financial liabilities	96.01
Other current liabilities	1,010.87
Total Liabilities Assumed (B)	**3,932.72**
Net Assets acquired (A-B)	**-**
Add: Adjustment made for harmonisation of accounting policies	**724.14**
Less: Deferred tax liability on assets acquired pursuant to amalgamation	**(325.53)**
Less: Shares issued	**(134.93)**
Net assets acquired transferred to capital reserve	**263.68**

(iii) On business combination of the Detergent Manufacturing Unit of Avalon Cosmetics Private limited ('ACPL'), ACPL was following the written down value method for accounting of depreciation however the method has been changed to the Straight line method leading to a change in the accounting policy. The abovementioned change in accounting policy resulted into creation of capital reserve amounting to Rs 724.13 lakhs and a deferred tax liability amounting to Rs. 325.53 lakhs.

(iv) **Acquisition related cost**

The Group has incurred an aggregate of Rs. 29.27 lakhs (March 31,2021 - Rs. Nil) towards merger of Coimbatore Manufacturing Unit of Avalon Cosmetics and ATC Beverages Private Limited with the Group, which are included in other expenses in profit or loss and in operating cash flows in statement of cash flows.

33 (b) Merger Information - ATC Beverages Private Limited

(i) The Group was holding 44.43% stake in ATC Beverages Private Limited ('ATC'). On February 18, 2022, the Holding Company has completed the merger of ATC via an all-equity merger under which one share of the Holding Company was allotted for every 16,228 shares of ATC as a consideration for acquiring remaining 55.57% stake. The scheme of merger("Scheme") submitted by the Holding Company was approved by Hon'ble National Company Law Tribunal by its order dated December 21, 2021 (Mumbai bench). The Scheme was filed with Registrar of Companies on February 18, 2022, and effective from April 01, 2020 i.e. appointed date. Accordingly, February 18, 2022, is considered as the acquisition date, i.e., the date on which control is transferred to the Group. The business combination has been accounted for using the acquisition accounting method under 'Ind AS 103 – Business Combinations'. All identified assets acquired, and liabilities assumed on the date of merger were recorded at their fair value. This amalgamation resulted in a Goodwill amounting to Rs. 157.70 lakhs.

Further, in terms of the Scheme, during the year, 1,177 Ordinary (Equity) shares in the Holding Company has been issued and allotted, valued based on the share price of the Holding Company on the completion date (Rs. 2,028) to the shareholders of ATC other than the Holding Company in the ratio of 1 Ordinary (Equity) Share of face value of Rs. 10 each fully paid-up in the capital of the Holding Company for every 15,075 fully paid-up Equity Shares of Rs. 10 each held in ATC.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

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

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Amount
A) Assets acquired on February 18, 2022	
Property, plant and equipment	2,042.71
Capital work-in-progress	383.50
Financial assets	
Non-current tax assets	5.50
Other non current assets	76.86
Inventories	529.59
Trade receivables	690.10
Cash and cash equivalents	70.40
Other current financial assets	
Other current assets	238.84
Total Assets acquired (A)	**4,037.50**
B) Liabilities assumed on February 18, 2022	
Provisions - Non - Current	41.94
Financial liabilities	
Current borrowings	2,871.53
Lease liabilities	110.99
Trade payables	1,093.84
Other current financial liabilities	378.96
Other current liabilities	192.04
Provisions - Current	12.00
Total Liabilities Assumed (B)	**4,701.30**
Net Assets acquired and amalgamated with holding company (A-B)	**663.80**
Add: Shares issued pursuant to amalgamation	**23.87**
Add: Equity investment in ATC Beverages extinguished pursuant to Business Combination	**317.66**
Less: Deferred tax asset on brought forward losses of ATC pursuant to Business Combination	**(895.41)**
Add: Deferred tax liability on fair valuation of assets taken over pursuant to Business Combination	**47.78**
Less: Cumulative losses of ATC adjusted pursuant to amalgamation	**(557.53)**
Capital Reserve on Consolidation	**(399.83)**

(iii) On business combination of the ATC Beverages Private Limited ('ATC'), ATC was having Income tax losses of Rs. 2,531.81 lakhs on which Deferred tax asset was created of Rs. 895.41 lakhs which was adjusted against Capital reserve accounted as per note 37 (b)(II) as per para 66 of Ind AS 12. Further, deferred tax asset of Rs. 47.78 lakhs was created on gain on fair valuation of Building of Rs. 136.72 lakhs which was adjusted against Capital reserve accounted as per note 33 (b)(ii).

33 (c) Acquisition of Aero Care Personal Products LLP ('ACPPL')

On February 11, 2022, the Group had entered into an agreement with designated partners of ACPPL and acquired an entire contribution in ACPPL with effect from January 01, 2022. As a result of this acquisition, ACPPL became subsidiary of the Company. The acquisition of ACPPL has been accounted in accordance with Ind AS 103 - Business Combinations. The acquisition was made to increase the contract manufacturing business of the Company.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
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(ii) Details of purchase consideration, assets and liabilities acquired are as follows:

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Amount
A) Assets acquired on April 01, 2020	
Property, plant and equipment	2,922.73
Financial assets	
Non-current tax assets	12.28
Other non current assets	45.39
Trade receivables	15.84
Cash and cash equivalents	407.71
Other current assets	528.77
Total Assets acquired (A)	**3,932.72**
B) Liabilities assumed on April 01, 2020	
Other equity	2,604.60
Financial liabilities	-
Non current borrowings	-
Deferred tax liabilities (net)	8.91
Current borrowings	-
Trade payables	212.33
Other current financial liabilities	96.01
Other current liabilities	1,010.87
Total Liabilities Assumed (B)	**3,932.72**
Net Assets acquired (A-B)	**-**
Add: Adjustment made for harmonisation of accounting policies	**0.01**
Less: Deferred tax liability on assets acquired pursuant to amalgamation	**-**
Less: Shares issued	**(134.93)**
Net assets acquired transferred to capital reserve	**(134.92)**

Details of the purchase consideration, the net assets acquired and gain on bargain purchase are as follows:

(Amounts in Rs. lakhs, unless otherwise stated)

Purchase Consideration	Amount
Cash paid	688.00
Fixed Capital	6.17
Fluctuating Capital	283.13
Total Purchase Consideration	**977.30**

The assets and liabilities recognised as a result of the acquisition are as follows:

(Amounts in Rs. lakhs, unless otherwise stated)

Description	Amount
Assets Acquired on January 01, 2022	
Property, plant and equipment	1,061.59
Inventories	1,306.37
Trade receivables	481.95
Cash and cash equivalents	104.35
Other current assets	424.66
Total Assets Acquired (A)	**3,378.92**
Liabilities Assumed on January 01, 2022	
Trade Payables	1,841.91
Other financial liabilities	521.90
Total Liabilities Assumed (B)	**2,363.81**
Net identifiable assets acquired (A-B)	**1,015.11**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

Calculation of Gain on Bargain Purchase

(Amounts in Rs. lakhs, unless otherwise stated)

Description	Amount
Net identifiable assets acquired	1,015.11
Less: Consideration	(977.30)
Gain on Bargain Purchase recognised in OCI	**37.81**

The acquired business of ACPPL contributed revenues and profits to the group for the year March 31, 2022 as follows:

Revenue of 1,940.46 lakhs and Loss of Rs. 126.69 lakhs for the period from January 01, 2022 till March 31, 2022

If the acquisition had occurred on April 01, 2021, consolidated pro-forma revenue and profit for the year ended March 31, 2022 would have been Rs. 2,08,081.24 lakhs and Rs. 4,460.65 lakhs respectively. These amounts have been calculated using the subsidiary's results and adjusting them for differences in the accounting policies between the group and the subsidiary.

34 LEASES

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

(ii) Changes in the Lease liabilities

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Category of ROU Asset			Total
	Leasehold land	Building	Plant and Machinery	
Balance as at April 01, 2021	**37.00**	**177.58**	**9.36**	**223.94**
Interest	6.25	61.77	0.86	68.88
Additions	119.21	2,079.13	-	2,198.34
Lease Payments	(3.60)	(81.18)	(10.22)	(95.00)
Balance as at March 31, 2022	**158.86**	**2,237.30**	**-**	**2,396.16**
Interest	6.62	175.74	-	182.36
Lease Payments	(3.93)	(447.80)	-	(451.73)
Balance as at March 31, 2023	**161.55**	**1,965.24**	**-**	**2,126.79**

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

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Current Lease Liabilities	102.41	140.65
Non-current Lease Liabilities	2,024.39	2,255.51

(iv) Maturity analysis of lease liabilities

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Less than one year	336.67	354.32
One to five years	1,594.18	1,544.05
More than five years	2,464.22	2,743.75
Total	**4,395.07**	**4,642.12**

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

(v) Amounts recognised in statement of Profit and Loss account

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest on Lease Liabilities	182.36	68.88
Short-term and low value leases expensed	234.03	253.07
Total	**416.39**	**321.95**

(vi) Amounts recognised in statement of Cash Flows

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Total Cash outflow for leases	(451.73)	(95.00)

35 RELATED PARTY DISCLOSURES:

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

Holding company

Vanity Case India Private Limited

Entity under common control

V.S Dempo Private Limited

Avalon Cosmetics Private Limited

Motown Trading Private Limited

Adonia Cosmetics Private Limited

Mahak Cosmetics and Credit Private Limited

Christine Valmy Institute Private Limited

Allies Logistics Private Limited

Firm in which Directors of Group are Partner

M/s Shivom Industries

M/s Athene Laboratories

M/s Sundaram Cosmetics

M/s Galaxy Healthcare Products

M/s Spans Healthcare

M/s J. Sagar Associates

Associate

ATC Beverages Private Limited (up to February 17, 2022) [Refer note 33 (b)]

Employee Benefit Trust

Hindustan Foods Management staff Superannuation Fund Trust

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

Key Management Personnel (KMP)	
Shashi Kalathil	Chairman (w.e.f. November 09, 2022)
Shashi Kalathil	Independent Non-Executive Director
Shrinivas Dempo	Chairman (upto November 08, 2022)
Shrinivas Dempo	Non-Independent Non-Executive Director
Sameer Kothari	Managing Director
Ganesh Argekar	Executive Director, Whole-Time Director
Nikhil Vora	Non-Independent, Non-Executive Director
Honey Vazirani	Independent, Non-Executive Director (woman)
Neeraj Chandra	Independent, Non-Executive Director
Sarvjit Singh Bedi	Non-Independent Non-Executive Director
Sandeep Mehta	Independent Non-Executive Director
Harsha Raghavan	Non-Independent Non-Executive Director
Sanjay Sehgal	Additional director (w.e.f. February 08, 2022)
Mayank Samdani	Chief Financial Officer
Bankim Purohit	Company Secretary

Relatives of Directors	
Asha R Kothari	Relative of Managing Director

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

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars		Year ended March 31, 2023	Year ended March 31, 2022
(i)	**Avalon Cosmetics Private Limited**		
	Reimbursement of expenses	0.01	4.07
	Sale of property, plant and equipment	-	1.80
(ii)	**Motown Trading Private Limited**		
	Interest on loan taken	86.91	10.11
	Loans repaid	(221.09)	-
	Interest payment	(287.60)	-
(iii)	**Athene Laboratories**		
	Purchase of consumables	0.13	0.15
	Rent paid	60.90	60.00
(iv)	**Shivom Industries**		
	Reimbursement of expenses	-	3.91
	Purchase of export licenses	-	2.97
	Purchase of consumables and other items	1.65	2.69
	Sales of product	0.32	0.01
	Purchase of property, plant and equipment	8.37	-

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars		Year ended March 31, 2023	Year ended March 31, 2022
(vi)	**Adonia Cosmetics Private Limited**		
	Purchase of export licences	-	3.06
	Sales of product	0.02	-
(vii)	**ATC Beverages Private Limited**		
	Interest income accrued on loans granted	-	105.69
	Loans given	-	671.72
(viii)	**Sameer Kothari**		
	Equity shares issued*	-	51.84
(ix)	**Asha R Kothari**		
	Equity shares issued*	-	51.84
(x)	**Christine Valmy Institute Private Limited**		
	Sale of products	0.23	0.43
(xi)	**Vanity Case India Private Limited**		
	Equity shares issued*	-	31.00
(xii)	**Spans Healthcare**		
	Purchase of raw material	1,500.90	1,868.53
(xiii)	**Allies Logistics Private Limited**		
	Freight inward	78.73	98.04
(xviii)	**J. Sagar Associates**		
	Professional fees	45.00	-
(xviii)	**Sitting fees**		
	Shrinivas Dempo	3.10	1.50
	Sandeep Mehta	0.60	1.50
	Shashi K. Kalathil	4.65	2.10
	Honey Vazirani	4.00	2.20
	Nikhil K Vora	2.50	1.00
	Neeraj Chandra	3.55	1.65
(xviii)	**Compensation of key management personnel**		
	Sameer Kothari	159.90	156.00
	Ganesh Argekar	79.71	73.85
	Mayank Samdani	71.90	79.67
	Bankim Purohit	21.05	19.39

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
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(C) Amount due to/from related party as on:

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars		Year ended March 31, 2023	Year ended March 31, 2022
(i)	**Avalon Cosmetics Private Limited**		
	Other receivables	-	0.14
	Other payable	-	0.25
(ii)	**Spans Healthcare**		
	Trade payables	614.34	456.00
(iv)	**Motown Trading Private Limited**		
	Loans given	678.91	900.00
	Interest accrued	8.54	209.23
(v)	**Athene Industries**		
	Security deposit	42.00	42.00
	Advance given	-	1.42
(vi)	**Christine Valmy Institute Private Limited**		
	Trade payable	-	0.01
(vii)	**Sameer Kothari**		
	Remuneration payable	7.71	0.21
(viii)	**Allies Logistics Private Limited**		
	Trade payables	-	12.45

* Shared issued during the year ended March 31, 2022 as per the NCLT approved scheme for Coimbatore Manufacturing Unit of Avalon Cosmetics Private Limited

(D) Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free except for borrowings and settlement occurs in cash. The Group has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2022: Nil). This assessment is undertaken each financial year through examining the financial position of the related parties and the market in which the related parties operates. "

36 SEGMENT REPORTING

The Group's operations predominantly relate to contract manufacturing. The Chief Operating Decision Maker (CODM) reviews the operations of the Group as contract manufacturing. Since, the quantitative threshold as per para 13 of Ind AS 108 on Segment Reporting are not met, no separate segment information has been furnished herewith.

Majority of the revenue is derived from one geography and two external customers amounting to Rs. 243,151.56 lakhs (Previous year: Rs. 193,072.73 lakhs From two external customers).

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

37 FAIR VALUES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Financial Instrument measured at Amortised cost:

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

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

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

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

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Note	Amortised Cost	Fair value through profit or loss	Fair value through OCI	Total fair value	Total carrying value
Financial assets						
Other Non Current Financial Assets	6	1,896.21	-	-	-	1,896.21
Other Current Financial Assets	6	5,133.12	-	-	-	5,133.12
Trade receivable	10	10,448.58	-	-	-	10,448.58
Cash and cash equivalents	11	3,986.92	-	-	-	3,986.92
Bank balances other than cash and cash equivalents	12	1,059.65	-	-	-	1,059.65
		22,524.48	**-**	**-**	**-**	**22,524.48**
Financial liabilities						
Non current Borrowings	15(a)	38,195.45	-	-	-	38,195.45
Current Borrowings	15(b)	10,935.05	-	-	-	10,935.05
Non-current and Current lease liabilities	34	2,126.80				2,126.80
Other current financial liabilities	18	2,819.86	-	-	-	2,819.86
Trade payables	17	33,531.27	-	-	-	33,531.27
		87,608.43	**-**	**-**	**-**	**87,608.43**

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

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Note	Amortised Cost	Fair value through profit or loss	Fair value through OCI	Total fair value	Total carrying value
Financial assets						
Other Non Current Financial Assets	6	669.10	-	-	-	669.10
Other Current Financial Assets	6	3,265.55	-	-	-	3,265.55
Trade receivable	10	7,219.02	-	-	-	7,219.02
Cash and cash equivalents	11	3,259.75	-	-	-	3,259.75
Bank balances other than cash and cash equivalents	12	1,079.90	-	-	-	1,079.90
		15,493.32	**-**	**-**	**-**	**15,493.32**
Financial liabilities						
Non current Borrowings	15(a)	25,430.83	-	-	-	25,430.83
Current Borrowings	15(b)	7,107.25	-	-	-	7,296.97
Non-current and Current lease liabilities	34	2,396.16				2,396.16
Other current financial liabilities	18	2,170.07	-	-	-	1,980.35
Trade payables	17	27,114.98	-	-	-	27,114.98
		64,219.29	**-**	**-**	**-**	**64,219.29**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

38 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

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Level 3		
Financial assets measured at amortised cost		
Other non current financial assets	1,896.21	669.10
Other current financial assets	5,133.12	3,265.55
Trade receivable	10,448.58	7,219.02
Cash and cash equivalents	3,986.92	3,259.75
Bank balances other than cash and cash equivalents	1,059.65	1,079.90
Loans	-	-
	22,524.48	**15,493.32**

Fair value measurement hierarchy for liabilities:

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Level 3		
Financial liabilities measured at amortised cost		
Non current Borrowings	38,195.45	25,430.83
Current Borrowings	10,935.05	7,296.97
Non-current and Current lease liabilities	2,126.80	2,396.16
Other current financial liabilities	2,819.86	1,980.35
Trade payables	33,531.27	27,114.98
	87,608.43	**64,219.29**

Management has assessed that Cash and cash equivalents, Other balances with banks, Loans, Trade receivables, Other financial assets, Short term Borrowings, Trade payables and Other financial liabilities carried at amortised cost approximate their carrying amounts largely due to the short-term maturities of these instruments.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

39 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

(A) Market risk

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

(i) Interest rate risk

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

Interest rate sensitivity

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

Exposure to interest risk	Increase/ decrease in basis points	Effect on profit before tax
2023		
Rs	+50	(245.27)
Rs	-50	245.27
Exposure to interest risk	**Increase/ decrease in basis points**	**Effect on profit before tax**
2022		
Rs	+50	(156.96)
Rs	-50	156.96

(ii) Foreign currency risk

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

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

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars		As at March 31, 2023		As at March 31, 2022	
		Foreign currency in lakhs	Rs. in lakhs	Foreign currency in lakhs	Rs. in lakhs
Trade receivable	EURO	2.95	270.89	5.56	467.66
	USD	5.75	466.08		
	GBP	-	-	0.07	7.49
Cash & cash equivalents	EURO	5.93	531.20	1.09	91.96
	USD	1.68	139.74	-	-
	GBP	-	0.14	0.05	4.63
Trade Payables	EURO	0.03	2.81	-	-
	GBP	0.07	6.76	-	-
	USD	1.44	119.44	0.71	53.98
Capital Creditors	EURO	-	-	3.66	309.26

Foreign currency sensitivity

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

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Effect on profit- total gain / (loss)			
	5% increase in exchange rate		5% decrease in exchange rate	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Trade receivable	36.85	23.76	(36.85)	(23.76)
Cash & cash equivalents	33.55	4.83	(33.55)	(4.83)
Trade Payables	(6.45)	(2.70)	6.45	2.70
Capital Creditors	-	(15.46)	-	15.46
	63.95	**10.43**	**(63.95)**	**(10.43)**

(B) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk is primarily attributable to the Group's trade and other receivables. The amounts presented in this consolidated statement of financial position are net of allowances for doubtful receivables, estimated by management based on prior experience and their assessment of the current economic environment.

The Group measures the expected credit loss of trade receivables from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, loss on collection of receivable is not material hence no additional provision considered.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

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

Fair value measurement hierarchy for liability

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Not due	8,883.95	6,649.85
Less than 6 months	1,529.57	566.29
6 months to 12 months	24.52	2.88
beyond 12 months	10.54	-
	10,448.58	**7,219.02**

(C) Liquidity risk

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

The table below summarises the maturity profile of the Group's financial liabilities:

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Less than 1 year	More than 1 Years	Total
As at March 31, 2023			
Long-term borrowings	-	38,195.45	38,195.45
Short term borrowings	10,935.05	-	10,935.05
Trade payables	33,531.27	-	33,531.27
Lease Liability	102.41	2,024.39	2,126.80
Other financial liability	2,819.86	-	2,819.86
	47,388.59	**40,219.84**	**87,608.43**

As at March 31, 2022	Less than 1 year	More than 1 Years	Total
Long-term borrowings	-	25,430.83	25,430.83
Short term borrowings	7,107.25	-	7,107.25
Trade payables	27,114.98	-	27,114.98
Lease Liability	140.65	2,255.51	2,396.16
Other financial liability	2,170.07	-	2,170.07
	36,532.94	**27,686.34**	**64,219.29**

40 CORPORATE SOCIAL RESPONSIBILITY

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are in the field of promoting healthcare and education. A CSR committee has been formed by the Group as per the Act. The funds are utilised through the year on these activities which are specified in Schedule VII of the Companies Act, 2013.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Gross amount required to be spent :	141.45	71.23
Add: Amount unspent from previous years	-	21.98
Total gross amount required to be spent during the year	141.45	93.21
Amount approved by the Board to be spent during the year	**141.45**	**93.21**
Amount spent during the year	**121.45**	**98.31**

Amount spent during the year

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
i. construction/acquisition of any asset	-	-
- under control of the Group for future use	-	-
- not under control of the Group for future use	-	-
ii. On purpose other than (i) above	121.45	98.31
	121.45	**98.31**
Less: Amount capitalised as corporate social responsibility assets	-	-
Excess amount spent in previous year set off in current year	-	-
Provision for unspent CSR amount	20.00	-
	141.45	**98.31**

During the year ended March 31, 2023, the Group has spent Rs 121.45 lakhs on activities for eradicating hunger, poverty and malnutrition, preservation of monuments and icons, promoting preventive health care, promoting education, supporting homeless young womens.

During the year ended March 31, 2023, the Group has not made any CSR Expenditure incurred with Related Parties / contribution made to related party.

41 CAPITAL MANAGEMENT

For the purpose of the Group's capital management, capital includes issued equity capital, equity component of redeemable non cumulative non convertible preference shares, share premium and all other equity reserves attributable to the equity holders. The primary objective of the Group's capital management is to maximise the shareholder value and to ensure the Group's ability to continue as a going concern.

The Group has not distributed any dividend to its shareholders. The Group monitors gearing ratio i.e. total debt in proportion to its overall financing structure, i.e. equity and debt. Total debt comprises of non-current borrowing, current borrowings and lease liabilities which represents borrowings from bank and others, lease liabilities and liability component of redeemable non cumulative non convertible preference shares. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars		As at March 31, 2023	As at March 31, 2022
Total equity	(i)	37,493.03	30,412.98
Total non current borrowings (including liability portion of redeemable non cumulative non convertible preference shares)		51,257.30	35,023.28
Less: cash and cash equivalents		(3,986.92)	(3,259.75)
Total debt	(ii)	47,270.38	31,763.53
Overall financing	(iii) = (i) + (ii)	84,763.41	62,176.51
Gearing ratio	(ii)/ (iii)	0.56	0.51

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2023 and March 31, 2022.

42 DISCLOSURE AS REQUIRED BY IND AS 7 - "CASH FLOW STATEMENTS" - CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES:

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	As at March 31, 2022	Cash flow changes		Non-cash flow changes	As at March 31, 2023
		Receipts	Payments		
Non-current borrowings [refer note 15(a)]	25,430.83	18,259.20	(5,500.94)	6.36	38,195.45
Current borrowings [refer note 15(b)]	7,107.25	3,827.80	-	-	10,935.05
Total	**32,538.08**	**22,087.00**	**(5,500.94)**	**6.36**	**49,130.50**

43 Disclosures pursuant to Regulation 34 (3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 186 of the Companies Act, 2013

(a) Loans

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Loans to associate (up to February 18, 2022)		
ATC Beverages Private Limited		
Balance as at the beginning of the year	-	898.86
Loans given during the year	-	671.72
Eliminated on Business Combination [refer note 33 (b)]	-	(1,570.58)
Balance as at the end of the year	-	-

(b) Investment by the loanees in the shares of the Holding Company

The loanees have not made any investments in the shares of the Holding Company.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

44 DISCLOSURES MANDATED BY SCHEDULE III OF COMPANIES ACT 2013, BY WAY OF ADDITIONAL INFORMATION :

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	FY 2022-23							
	Net Assets i.e. total assets minus total liabilities		Share in profit / (loss)		Share in OCI		Share in total comprehensive income	
	As a % of consolidated net assets	Amount	As a % of consolidated profit	Amount	As a % of consolidated profit	Amount	As a % of consolidated profit	Amount
Parent :								
Hindustan Foods Limited	99.28%	37,222.37	90.71%	6,451.35	107.01%	(33.89)	90.64%	6,417.46
Subsidiary :								
HFL Consumer Products Private Limited	0.39%	147.32	2.95%	210.07	0.00%	-	2.97%	210.07
Aero Care Personal Products LLP (From January 01, 2022)	0.62%	233.83	4.43%	314.96	2.05%	(0.65)	4.44%	314.31
Reckitt Benkiser Scholl India Private Limited	0.80%	300.09	4.16%	295.67	(9.06%)	2.87	4.22%	298.54
Elimination	(1.10%)	(410.58)	(2.25%)	(160.34)	0.00%	-	(2.26%)	(160.34)
Grand Total	**100.00%**	**37,493.03**	**100.00%**	**7,111.71**	**100.00%**	**(31.67)**	**100.00%**	**7,080.04**

(Amounts in Rs. lakhs, unless otherwise stated)

Particulars	FY 2021-22							
	Net Assets i.e. total assets minus total liabilities		Share in profit / (loss)		Share in OCI		Share in total comprehensive income	
	As a % of consolidated net assets	Amount	As a % of consolidated profit	Amount	As a % of consolidated profit	Amount	As a % of consolidated profit	Amount
Parent :								
Hindustan Foods Limited	101.29%	30,804.91	112.12%	5,007.70	52.76%	42.67	111.07%	5,050.37
Subsidiary :								
HFL Consumer Products Private Limited	(0.21%)	(62.75)	(1.14%)	(50.95)	0.00%	-	(1.12%)	(50.95)
Aero Care Personal Products LLP (From January 01, 2022)	(0.27%)	(81.14)	(2.81%)	(125.38)	46.75%	37.81	(1.93%)	(87.57)
Associate :								
ATC Beverages Private Limited (Upto January 01, 2022)	(0.92%)	(281.14)	(6.29%)	(281.14)	0.48%	0.39	(6.17%)	(280.75)
Aero Care Personal Products LLP	0.16%	48.65	1.09%	48.65	0.00%	-	1.07%	48.65
Elimination	(0.05%)	(15.55)	(2.97%)	(132.56)	0.00%	-	(2.92%)	(132.56)
Grand Total	**100.00%**	**30,412.98**	**100.00%**	**4,466.32**	**100.00%**	**80.87**	**100.00%**	**4,547.19**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

45 DISCLOSURE OF INTEREST IN OTHER ENTITIES

The Consolidated Financial Statements present the consolidated accounts of Hindustan Foods Limited with its following subsidiaries:

A. Subsidiary

Name	Country of incorporation	Activities	Percentage of ownership interest As at March 31, 2023	Percentage of ownership interest As at March 31, 2022
HFL Consumer Products Private Limited	India	Contract Manufacturing	100%	100%
Aero Care Personal Products LLP	India	Contract Manufacturing	100%	100%
Reckitt Benckiser Scholl India Private Limited (w.e.f. July 01, 2022)	India	Contract Manufacturing	100%	-

46 ADDITIONAL REGULATORY INFORMATION

(A) Details of benami property held

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

(B) Wilful defaulter

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

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

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

(D) Compliance with number of layers of companies

The Group is in compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017 (as amended).

(E) Undisclosed income

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

(F) Details of Crypto currency or Virtual currency

The Group has not traded or invested in Crypto currency or Virtual currency during the year ended March 31, 2023.

(G) Utilisation of borrowed funds and share premium

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

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (ultimate beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

(ii) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

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

During the year the Holding Company has not entered into scheme of arrangement and amalgamation having an accounting impact. However, during the previous year the Holding Company has entered into scheme of arrangement and amalgamation having an accounting impact [Refer note 33 (B)].

(I) Valuation of Property plant and equipment

The Group has not revalued its property, plant and equipment during the current year or during the previous year.

(J) Loans and advances to promoters and directors

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

47 The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post-employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued. The Group will assess the impact of the Code and will give appropriate impact in the consolidated financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

48 The Holding Company has executed a Business Transfer Agreement ("BTA") on December 15, 2022, with Reckitt Benckiser Healthcare India Private Limited ("Reckitt") for acquisition of manufacturing facility of Reckitt situated at Baddi, Himachal Pradesh that is engaged in manufacturing of pharmaceutical and non-pharmaceutical products on a slump sale and going concern basis. This transaction will be effected once the Holding Company receives required statutory approvals for acquisition.

49 These consolidated financial statements were authorised for issue by the Board of Directors on May 18, 2023.

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
Date : May 18, 2023

For and on behalf of the Board of Directors of
Hindustan Foods Limited
CIN: L15139MH1984PLC316003

Sameer R. Kothari
Managing Director
DIN: 01361343

Ganesh T. Argekar
Executive Director
DIN: 06865379

Mayank Samdani
Chief Financial Officer

Bankim Purohit
Company Secretary
Membership No:ACS21865

Place : Mumbai
Date : May 18, 2023

Annexure

FORM NO. AOC.1

Statement containing salient features of the Financial Statement of Subsidiaries/ Associate Companies/ Joint Ventures

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries

Amount (Rs. in Lakhs)

Sr. No.	Particulars	Name of Subsidiaries	
		HFL Consumer Products Private Limited ('HCPPL')	Reckitt Benckiser Scholl India Private Limited ('RBSIPL')
1	Date since when Subsidiary was acquired	August 06, 2020	July 1, 2022
2	Reporting period	2022-23	2022-23
3	Reporting Currency	INR	INR
4	Share Capital/ Partner's Capital Account	1.00	5000.00
5	Reserves & Surplus	147.32	712.21
6	Total Assets	22,775.10	7773.35
7	Total Liabilities	22,626.78	2061.15
8	Investments	Nil	Nil
9	Turnover	4844.22	6122.96
10	Profit/(Loss) before taxation	242.69	269.80
11	Provision for taxation	32.62	(25.86)
12	Profit/(Loss) after taxation	210.07	295.66
13	Proposed Dividend	Nil	Nil
14	% of Shareholding	100%	100%

Notes:

1. Names of Subsidiaries which are yet to commence operations – Not Applicable
2. The Financial Statements are as on March 31, 2023
3. Names of Subsidiaries which have been liquidated or sold during the year - Not Applicable.

Part "B": Associates and Joint Ventures

Associates and Joint Ventures-**Not Applicable**

Notes:

1. On January 24, 2022, the Holding Company had entered into an agreement with Reckitt Benckiser (India) Private Limited ('RBIPL') and nominee shareholder of RBSIPL and acquired all shares of RBSIPL with effect from July 1, 2022. As a result of this acquisition, RBSIPL became subsidiary of the Company. The acquisition of RBSIPL has been accounted in accordance with Ind AS 103 - Business Combinations.

NOTES

HINDUSTAN FOODS LIMITED

Registered Office
Office No. 3, Level 2, Centrium,
Phoenix Market City,
15 Lal Bahadur Shastri Road,
Kurla (W), Mumbai 400 070, India
CIN No.: L15139MH1984PLC316003