



HINDUSTAN FOODS LIMITED

A Vanity Case Group Company

A Government Recognised Two Star Export House

Registered Office: Office No. 3, Level 2, Centrium, Phoenix Market City,
15, Lal Bahadur Shastri Road, Kurla (West), Mumbai, Maharashtra, India, 400 070.

Email: business@thevanitycase.com, Website: www.hindustanfoodslimited.com

Tel. No.: +91 22 6980 1700/01, CIN: L15139MH1984PLC316003

Date: August 26, 2026

To, The General Manager Department of Corporate Services BSE Limited Floor 25, P. J. Towers, Dalal Street, Mumbai- 400 001 Tel: (022) 2272 1233 / 34 Company Scrip Code: 519126	To, The Manager, National Stock Exchange of India Limited, Listing Department, Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai 400 070 Company Symbol: HNDFDS
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Dear Sir / Madam,

Sub.: Notice of the 41st Annual General Meeting of the Members of the Company and Annual Report for the FY 2025-26

Pursuant to Regulation 34 (1) and 30 (2) read with Part A of Schedule III and all other applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), We hereby inform you that, the 41st Annual General Meeting ("AGM") of the Members of the Company for the Financial Year 2025-26 has been scheduled to be held on **Wednesday, September 23, 2026 at 11:30 a.m.(IST) through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM")** facility *inter-alia* to transact the businesses stated in the Notice dated August 4, 2026.

Please find enclosed herewith, a copy of the Annual Report for the Financial Year 2025-26 including the Notice of the 41st AGM of the Members of the Company scheduled aforesaid and the Business Responsibility & Sustainability Report, which is being sent only through electronic mode to the Members of the Company.

The said 41st Annual Report of the Company for the FY 2025-26, containing the Notice will be made available on the website of the Company viz. www.hindustanfoodslimited.com.





Further, in terms of Section 108 of the Companies Act, 2013 and relevant rules, the Company has fixed September 16, 2026 as the cut – off date for determining the eligibility of the Members to cast their vote through electronic means through remote E-voting prior to the Meeting or E-voting during the Meeting for the Resolutions proposed in the said Notice of 41st AGM.

The Notice of the 41st AGM of the Members of the Company *inter-alia* indicates the process and the manner of voting by electronic means prior and during the AGM and instructions for participating at the AGM through VC/ OAVM.

We request you to take the above on record.

Thanking you,

Yours faithfully
for **HINDUSTAN FOODS LIMITED**

BANKIM
DILIP
PUROHIT

HINDUSTAN FOODS LIMITED
INCORPORATED IN INDIA
REGD. OFFICE: 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 873, 874, 875, 876, 877, 878, 879, 880, 881, 882, 883, 884, 885, 886, 887, 888, 889, 890, 891, 892, 893, 894, 895, 896, 897, 898, 899, 900, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 913, 914, 915, 916, 917, 918, 919, 920, 921, 922, 923, 924, 925, 926, 927, 928, 929, 930, 931, 932, 933, 934, 935, 936, 937, 938, 939, 940, 941, 942, 943, 944, 945, 946, 947, 948, 949, 950, 951, 952, 953, 954, 955, 956, 957, 958, 959, 960, 961, 962, 963, 964, 965, 966, 967, 968, 969, 970, 971, 972, 973, 974, 975, 976, 977, 978, 979, 980, 981, 982, 983, 984, 985, 986, 987, 988, 989, 990, 991, 992, 993, 994, 995, 996, 997, 998, 999, 1000

Bankim Purohit
Company Secretary and Legal Head
ACS 21865

Encl.: As above



HINDUSTAN FOODS LIMITED

41ST ANNUAL REPORT

2025-26



A PANTHEON OF
POSSIBILITIES



The cover brings HFL's annual report theme, 'A Pantheon of Possibilities,' to life through the timeless symbolism of the Pantheon, where many pillars stand together on one enduring foundation. Just as the Pantheon represents the strength of diverse forces united by a common structure, HFL's five specialised business verticals are brought together by a shared manufacturing platform that enables sustained growth and innovation.

The front cover celebrates the people and capabilities that define these possibilities. Set against a majestic landscape crowned by the Pantheon, five Greek deities are gathered in conversation, each representing one of HFL's business verticals: Demeter for Food & Beverages, Dionysus for Ice Creams, Hygieia for Home & Personal Care, Apollo for Healthcare, and Hermès for Footwear. Rather than standing apart, they are portrayed as collaborators, exchanging ideas, sharing perspectives and collectively looking ahead. The scene conveys partnership, complementary strengths and a unified ambition, reflecting how HFL's businesses work in harmony to unlock new opportunities while remaining rooted in a common manufacturing ecosystem. The abundance of harvest, crafted products and symbols of wellness surrounding them reinforces the breadth of HFL's portfolio and the value created through diversification. Each element contributes to the idea of a thriving ecosystem, where different capabilities and businesses come together to create a larger whole.

The back cover, as an extension of the same continuous visual narrative, presents the Pantheon itself rising above the clouds atop a dramatic mountain peak. Its monumental architecture symbolises HFL's manufacturing platform, the enduring foundation that supports every business vertical. Elevated above the landscape, it conveys resilience, scale, stability and aspiration, while the expansive skies and distant horizon evoke limitless opportunity and the Company's vision for long-term growth.

Together, the front and back covers tell a single story: a powerful foundation giving rise to diverse capabilities, and specialised businesses coming together with a shared purpose. They illustrate that HFL's greatest strength lies not in any one vertical, but in the collective power of five specialised pillars supported by one enduring foundation, truly embodying 'A Pantheon of Possibilities.'

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Investor Information

- Market Capitalisation : Rs. 6,094.76 cr.
(as of March 31, 2026)
- CIN : L15139MH1984PLC316003
- BSE Code : 519126
- NSE Symbol : HNDFDS
- Bloomberg Code : HFD:IN
- AGM Date : September 23, 2026
- AGM Day : Wednesday
- AGM Mode : Video Conferencing (VC) and Other Audio Visual Means (OAVM)

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

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Relations page



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.

Prelude

A PANTHEON OF POSSIBILITIES

*Many Pillars. One Foundation.**Some structures endure because they are built to hold many forces in balance.**The Pantheon is one such symbol. Beneath one vast dome, distinct powers found place within a single enduring form. United by design.**Its strength came not from one element, but from the way every pillar supports the whole.*

That idea finds a powerful parallel in our journey at HFL.

On our strong foundation of Contract Manufacturing, we have now created 5 strong pillars of growth – Home & Personal Care, Foods & Beverages, Ice Creams, Footwear and Health & Wellness. Each vertical brings its own capabilities, customers and opportunities. Together, they create a manufacturing footprint that is spread across the country and positions us for broader and stronger growth in the coming years.

In FY 2025-2026, we reinforced this platform through one of the largest investment programmes in our history. We expanded capacity, deepened backward integration, commissioned new facilities and strengthened shared manufacturing capabilities across our businesses. These investments are enhancing efficiency, agility and scale while strengthening the competitiveness of each vertical.

As we look ahead, our ambition is not merely to build for growth, but to build for endurance. We believe lasting strength does not reside in any one business, capability or opportunity. It comes from the foundation that allows many strengths to rise together.

That is the HFL we are building.

Many pillars. One foundation.

A Pantheon of Possibilities.

FY 2025-2026 Highlights

Rs. **4,265** cr.
Revenue[#]
17% YoY Growth

Rs. **1,816** cr.
Gross Block*

Rs. **377** cr.
EBITDA[#]
20% YoY Growth

Rs. **1,165** cr.
Net Worth

Rs. **149** cr.
Profit After Tax (PAT)
29% YoY Growth

[#]Includes other income
*includes CWIP, ROU assets and adjusted by accumulated depreciation of acquired plants

About the Company

THE GENESIS OF GROWTH

Since 1984, Hindustan Foods Limited ('HFL', 'The Company' or 'We') has grown steadily as a partner to the FMCG industry. Over the years, we have expanded our presence across India, building a network of 42 manufacturing facilities supported by a consistent focus on quality, reliability and operational discipline.

We provide Contract Manufacturing solutions across a range of product categories and business segments, serving emerging businesses as well as established FMCG companies. Our flexible and Customer-focused approach enables us to respond to changing requirements, adapt to evolving market needs and build long-term partnerships.

Our operations are centred on delivering manufacturing solutions suited to each Customer's requirements. These are supported by integrated manufacturing capabilities, advanced laboratories and an experienced workforce, allowing us to serve diverse needs across the manufacturing value chain.

Quality, innovation and operational excellence remain important to how we operate. We continue to invest in technology, talent and process improvements to enhance efficiency, maintain standards and create value across our operations.

Looking ahead, we remain focused on strengthening our capabilities, broadening our portfolio and supporting our Customers as their requirements evolve, while continuing to build HFL as a dependable Contract Manufacturing partner.

42
Sites

36
Years of Experience

13 Mn+
Lives Touched Daily

15 K+
Team Members

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.

Promoters and Promoters' Group	61.31%
Alternate Investment Funds (AIF)	4.61%
Investors (FPI)	8.94%
Bodies Corporate	1.76%
Insurance Companies	8.77%
Mutual Funds	1.68%
Public	12.93%

SHAREHOLDING PATTERN



OUR COMPETITIVE ADVANTAGE

We believe strong outcomes come from bringing complementary capabilities together. Much like the Pantheon brought distinct strengths within one larger whole, our integrated ecosystem combines technical expertise, manufacturing capabilities, innovation and operational flexibility to support the diverse requirements of our Customers.

Our capabilities extend across the manufacturing journey, from research and development to manufacturing, quality assurance and distribution. By connecting these capabilities within one platform, we are able to develop customised solutions around each Customer's requirements, while supporting greater flexibility, responsiveness and consistency in execution.

Our approach is shaped not only by the breadth of our capabilities, but also by how effectively they work together. We continue to adapt to changing market requirements, address complex manufacturing needs and expand alongside our Customers as their businesses evolve. Each relationship is built on collaboration, responsiveness and a long-term approach to partnership.

Through this combination of capabilities, people and processes, we aim to provide Customers with a dependable manufacturing platform that supports innovation, growth and evolving business requirements across the FMCG landscape.

Four Decades of Industry Leadership

With four decades of manufacturing experience, we bring together industry knowledge and established execution capabilities. This experience helps us anticipate challenges, improve processes and deliver consistently for our partners.

A Leader at Scale

As India's largest multi-category, organised Contract Manufacturer, we bring the scale, capabilities, and infrastructure needed to support the country's most recognised FMCG brands across their evolving manufacturing requirements.

A Flexible Business Model

Every brand has distinct manufacturing requirements. Our adaptable operating model allows us to develop customised solutions around each Client's needs, while supporting greater flexibility, efficiency and responsiveness as market requirements evolve.

Strengthening Local Ecosystems

Through greater localisation and responsible sourcing, we aim to strengthen supply chain resilience, support operational continuity and contribute to the development of regional manufacturing ecosystems.

Integrated Solutions

From concept to commercialisation, we provide end-to-end Contract Manufacturing solutions spanning product development, quality assurance and large-scale production. Our integrated capabilities allow us to support Customers across multiple product categories and evolving market requirements.

Partnerships that Endure

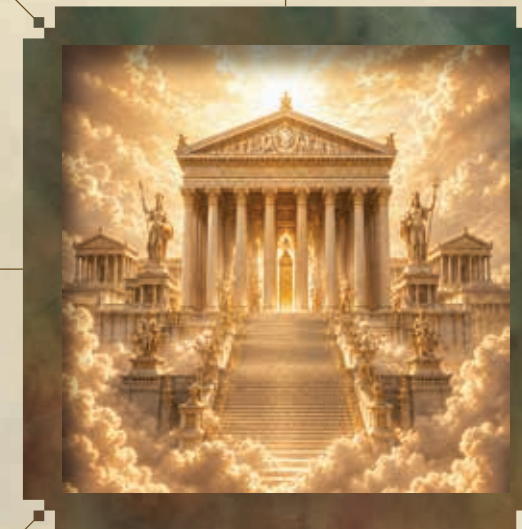
We believe strong partnerships are built over time. Our relationships with leading domestic and global brands are founded on trust, transparency and a shared focus on long-term growth.

Future-ready Manufacturing Network

Our strategically located manufacturing facilities combine advanced technology and efficient operations, enabling us to manufacture a broad portfolio of products while supporting reliable supply, scalable capacity and wider market reach.

Tailored Formulation Expertise

Innovation begins with the right formulation. Our teams develop customised solutions across a broad range of FMCG categories, responding to evolving consumer preferences while supporting varied business requirements, scales and distribution channels.



Our Journey

THE PATH TO THE PANTHEON

The Pantheon has endured through generations, shaped by a strong foundation, thoughtful design and craftsmanship that has stood the test of time. Our journey too has been one of steady evolution, built through careful choices, continuous learning and a consistent focus on strengthening what we do.

From a single manufacturing unit, we have grown into one of India's leading FMCG Contract Manufacturing partners. Each phase of this journey has added new capabilities, categories and opportunities, while helping us respond to the changing needs of our Customers and the industry. As we move forward, we remain focused on building on this foundation, broadening our capabilities and preparing the business for the opportunities ahead.

FY 1983-2016

FY 1983-1984

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

FY 2012-2013

- Entered a strategic partnership with The Vanity Case Group of Companies.

FY 2013-2014

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

FY 2015-2016

- Raised capital through the Company's Promoter and Non-Promoters, including Sixth Sense Ventures.

FY 2017-2019

FY 2016-2017

- Successfully acquired shoe manufacturing facilities previously owned by Hindustan Unilever Limited.
- Commenced manufacturing operations for renowned clients such as TBS, Gabor, Richter, and others following the acquisition.
- Added Steve Madden, US Polo, Hush Puppies, and Arrow to the portfolio.

FY 2017-2018

- Acquired Reckitt's plant in Jammu and entered a manufacturing and supply agreement for the Mortein brand 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 a 40% stake in ATC Beverages Private Ltd., Mysuru, engaged in manufacturing carbonated soft drinks, juices, energy drinks, and other beverages.
- Commenced production at the Coimbatore plant for blending and packaging tea and coffee.

FY 2020-2022

FY 2019-2020

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

FY 2020-2021

- Commenced manufacturing Detergent Bars in Hyderabad.
- Started work on the Greenfield Ice Creams & Frozen Dessert plant in Uttar Pradesh.

FY 2021-2022

- Started production of Floor & Surface Cleaner in Silvassa for Reckitt.
- Initiated a project in Tamil Nadu for manufacturing Sports & Knitted Shoes.
- Acquired the Colour Cosmetics plant in January 2022 in Silvassa and subsequently consolidated it through HFL.
- Received the final NCLT order approving the merger of the Malt Beverages plant in Coimbatore and the Mysuru Beverage plant into HFL (effective FY 2021-2022).
- Embarked on manufacturing injection moulded footwear for a national brand in Mumbai.

FY 2022-2024

FY 2022-2023

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

FY 2023-2024

- Raised equity through convertible warrants from various investors.
- Commenced commercial production of large beverage players in the Mysuru facility.
- Initiated partial commercial production of Detergent Bars.
- Completed acquisition of the Baddi unit from Reckitt Benckiser Healthcare India Pvt Ltd.
- Commenced production of Juices in a factory set up in Guwahati, Assam.
- Completed acquisition of all facilities under KNS Shoetech.

FY 2024-2025

- Received Board approval to invest up to Rs. 40 cr. in the colour cosmetics plant at Silvassa.
- Invested Rs. 20 cr. for expanding the Ice Cream plant in Lucknow.
- Commenced merger of Soups & Seasoning Manufacturing facility in Nashik.
- Signed up for an additional customer for the Ice Cream Project at Nashik, making the site an anchor-led model.
- Commenced manufacturing DOY packs for an existing customer in Mysore.
- Sanctioned capex of around Rs. 15 cr. to expand the beverage facility at Mysuru.
- Achieved notable efficiency gains in footwear operations and resumed operations in the South.
- Sanctioned investment of Rs. 20 cr. at the Baddi plant for a new customer.
- Integrated the bottled water facility of a MNC in Odisha.
- Achieved a significant milestone with PAT exceeding Rs. 100 cr.
- Completed preferential allotment of shares in the footwear subsidiary to identified investors and rolled out an ESOP scheme.

FY 2025-2027

FY 2025-2026

- Signed up projects worth Rs. 780 cr.
- Commissioned the Panipat Ice Cream plant in record time.
- Completed and integrated ice-cream cone manufacturing and sleeve printing facility at Nashik through a subsidiary company

FY 2026-27

- Completed acquisition of a Personal Care facility in Aurangabad
- Received the final NCLT order approving the merger of soups & Seasoning Manufacturing facility in Nashik and merger of Vanity Case India Private Limited into HFL. The Scheme came into effect in Q1 FY 2026-27.

Business Model

THE ARCHITECTURE OF SCALE

The Pantheon was more than a gathering of powerful deities. It brought together distinct domains, responsibilities and perspectives within a larger order. Each Olympian held a different sphere of influence, yet it was the balance between these individual strengths that gave the whole its coherence. No single power stood apart; the strength of Olympus lay in how its many capabilities came together.

Our business model is built on a similar principle. Rather than following a single manufacturing approach, we operate across a range of specialised models that work within a single integrated platform. Each serves a specific Customer requirement, while drawing on common standards of governance, quality and execution.

Our platform brings together dedicated manufacturing units, anchor-tenant partnerships, private-label manufacturing, and end-to-end turnkey solutions. This allows us to adapt our approach to the needs of each Customer and opportunity. Depending on the requirement, we can establish dedicated facilities for strategic partners, optimise

shared manufacturing infrastructure across multiple Customers or provide integrated solutions from concept to commercialisation.

Just as the Olympians complemented one another through their diverse responsibilities, our manufacturing models operate in harmony, allowing us to respond with agility, optimise resources, and deliver consistent quality across every engagement. This integrated approach enables us to navigate changing market dynamics while maintaining the operational discipline, reliability, and scalability that define our business.

DEDICATED MANUFACTURING FACILITY

Our Dedicated Manufacturing model is built on the principle of Customer exclusivity, with manufacturing facilities designed, developed, and operated exclusively for a single Principal company. Every facility is customised to align with the Customer's specific operational, capacity, and quality requirements. Working closely with our customers, we determine the optimal location, infrastructure, production capacity, and other critical parameters while assuming responsibility for all capital investments and manufacturing-related expenses.



ANCHOR TENANT MANUFACTURING AND SHARED MANUFACTURING

Our Anchor Tenant and Shared Manufacturing model offers a flexible alternative to the traditional dedicated manufacturing approach. Under this model, manufacturing facilities are designed to serve multiple companies through long-term contractual partnerships, enabling optimal utilisation of production capacity. By sharing infrastructure and resources, customers benefit from greater cost efficiencies, reduced operational overheads, and enhanced manufacturing flexibility. At the same time, robust confidentiality protocols, segregated processes, and stringent quality controls are implemented to protect proprietary information, ensuring the security and competitive advantage of every Customer's product.



PRIVATE LABEL MANUFACTURING

HFL also offers a Private Label Manufacturing model, providing a flexible and end-to-end Contract Manufacturing solution for customers seeking exclusive branded products. Under this model, HFL develops and manufactures customised product formulations tailored to each customer's private label requirements. Backed by research, development, and testing, we deliver high-quality, market-ready solutions with the flexibility to customise formulations, packaging, and product specifications, all while offering competitive pricing and seamless execution.



Business Verticals

A PANTHEON OF POSSIBILITIES

The Pantheon was more than a temple. It represented a world in which distinct powers presided over different realms, each bringing its own strength to a greater whole.

Hygieia embodied cleanliness and grooming. Demeter sustained life through the harvest. Dionysus embodied abundance and delight. Hermès inspired movement, enterprise and connectivity.

Apollo represented healing and renewal.

Different in purpose, yet united by a larger order, they created a universe where complementary strengths reinforced one another.

The symbolism of a universe governed by various deities was also exemplified in the architecture. The magnificent dome is supported by carefully designed structural pillars and anchored by an uncompromising foundation. Every pillar is strong in itself, but together they uphold a structure that has endured for nearly two millennia.

In addition to being a temple, the Pantheon was and continues to be one of history's greatest engineering achievements.

Our story reflects the same philosophy.

Today, our organisation is built around five specialised business verticals. Each serves a distinct market, possesses unique capabilities and is led with its own vision and expertise. Like the pillars of the Pantheon, each vertical has an individual purpose and strength. Together, they support a single enterprise that is greater than the sum of its parts.

The dome they uphold is our manufacturing network of 42 factories spread across the country. It is this scale, reach and industrial capability that enables us to serve customers across diverse sectors while creating resilience, agility and long-term growth.

Beneath it all lies an enduring foundation. Our manufacturing excellence ensures consistent quality and reliability. Our engineering expertise drives innovation and technical leadership. Our commitment to customer service builds lasting partnerships and trust. Our prudent approach to capital allocation ensures disciplined investment, sustainable growth and resilience across business cycles.

As we continue to expand capacity, invest in advanced technologies and strengthen operational execution, we are reinforcing this foundation while enabling each of our five pillars to grow stronger. Together, they support an enterprise designed not only for scale, but for enduring success.

Five pillars. Forty-two factories. One enduring foundation.

Together, they create not merely a platform for growth, but a Pantheon of Possibilities.



HOME AND PERSONAL CARE

In Greek mythology, Hygieia was the goddess of health, cleanliness and wellbeing. Revered as the personification of hygiene and preventive care, she embodied the belief that wellbeing is sustained through everyday habits and thoughtful care rather than treatment alone. Her symbolism came to represent health, purity and the daily rituals that protect and enhance quality of life. These values find a natural echo in our Home & Personal Care business.

Our HPC portfolio is built around products that support everyday home care, personal hygiene and grooming. Behind them, we are strengthening the manufacturing capabilities, innovation ecosystem and customer partnerships needed to support trusted home and personal care brands at scale. Much like Hygieia's enduring association with health and preventive care, our role is to provide a dependable foundation for products that promote cleanliness, comfort and confidence in everyday life.

FY 2025-2026 Highlights

Despite challenging macroeconomic conditions, the HPC segment continued to deliver strong growth, driven by focused investments in manufacturing capacity, infrastructure and customer acquisition across home care, personal care and allied consumer categories. Much like Hygieia, the Greek goddess of health, cleanliness and well-being, whose influence extends through care and prevention, we continued to expand our capabilities with purpose and discipline. The successful acquisition of the Aurangabad personal care facility has strengthened our manufacturing platform, enabling flexible, smaller production runs for emerging and D2C brands while expanding our product development and formulation expertise. These investments have not only enhanced our ability to meet evolving customer needs but have also created a stronger foundation for future growth.

Project Progress

Project	Capex	Remarks
Aurangabad - Personal Care Facility	Rs. 30 cr.	Acquisition completed; production commissioned from Q1 FY 2026-2027
Silvassa - Liquid Detergent Facility	Rs. 40 cr.	To be commercialised in Q2 FY 2026-2027
Lucknow - Detergent Bars Facility	Rs. 50 cr.	To be commercialised in Q3 FY 2026-2027

Outlook

Looking ahead, we remain focused on unlocking opportunities across liquid detergents, household cleaning, personal care, cosmetics, and formulation-led products. Strategic investments in Silvassa, Lucknow, and our existing facilities are expected to strengthen our operations and provide a solid foundation for future growth.

FOOD AND BEVERAGES

Long before agriculture became the foundation of civilisation, the Greeks looked to Demeter, the goddess of harvest, fertility, and abundance, as the guardian of nourishment and prosperity. She embodied the enduring relationship between nature, cultivation, and sustenance, reminding people that growth begins with care, patience, and the ability to nurture resources over time. Demeter's legacy extended beyond the harvest itself. She represented continuity, resilience, and the creation of ecosystems that sustained communities across generations. Her story is one of transforming nature's bounty into everyday nourishment, making her a fitting symbol for businesses that bring food and beverages to millions of consumers.



These principles find a natural parallel in our Food & Beverages business. Built across categories that form an essential part of everyday consumption, our business is anchored in quality, scale and innovation. We continue to expand our manufacturing capabilities, strengthen our presence across established categories and diversify into emerging, higher-value segments. In doing so, we are creating a more resilient and future-ready platform that can respond to evolving consumer preferences, support the growth ambitions of leading brands and create enduring value across the food and beverages ecosystem.

FY 2025-2026 Highlights

Reflecting the philosophy of sustained growth, we continued to strengthen our Food & Beverages platform through focused investments across beverages, dairy, snacks and adjacent high-growth categories. Just as Demeter's greatest legacy lay not merely in providing nourishment but in imparting knowledge that enabled communities to thrive independently, we continued to invest in manufacturing capabilities that create enduring value and strengthen the foundations for future growth.

An extended summer drove robust seasonal demand, improved throughput and strong customer traction, while capacity expansions completed ahead of the season enabled several facilities to achieve their highest-ever production levels. At the same time, we expanded the breadth of our manufacturing ecosystem, doubling capacity at the Mysuru juice line to meet rising demand and

increasing total beverage capacity to over 250,000 kL by the end of FY 2025-2026, making us one of India's largest independent beverage bottlers.

Project Progress

Project	Capex	Remarks
Goa - Greek Yoghurt Manufacturing	Rs. 40 cr.	To be commissioned by Q3 FY 2026-2027
Aurangabad - Bottled Water Plant	Rs. 30 cr.	To be commercialised by Q3 FY 2026-2027
South India - Bottled Water Plant	Rs. 50 cr.	To be commercialised by Q3 FY 2026-2027

Outlook

The planned entry into Greek yoghurt manufacturing in Goa, alongside new bottled water facilities in South India and Aurangabad, marks the next phase of our diversification into higher-value dairy and wellness-oriented categories. As we continue to build a future-ready Food & Beverages platform, we also see significant opportunities to scale our bottling operations, leverage our growing capabilities in extruded snacks, and expand into adjacent categories such as biscuits and condiments, further strengthening our position as a diversified manufacturing partner for leading consumer brands.

ICE CREAM

Every celebration has its patron, and in Greek mythology, that role belonged to Dionysus, the god of wine, festivity, and abundance. More than a symbol of indulgence, Dionysus represented the joy of shared experiences, the excitement of gatherings, and the simple pleasures that transformed ordinary moments into lasting memories. His spirit was one of creativity, vitality, and togetherness, inspiring occasions that brought people closer. Whether through grand festivals or everyday celebrations, Dionysus embodied the belief that life's greatest moments are often the ones shared.

That spirit finds a natural resonance in our Ice Cream business. Built on manufacturing excellence and a growing operating ecosystem, our ice cream platform enables brands to create and deliver products that add joy to everyday moments and shared occasions alike. As we continue to strengthen our capabilities and scale, we are building a platform designed to serve more brands, more consumers and more moments of delight.

FY 2025-2026 Highlights

FY 2025-2026 was an important year for HFL's ice cream business, marked by stronger seasonal execution and continued progress across our manufacturing network. Much like Dionysus, whose gift lay in transforming nature's bounty into something of greater value, we continued to strengthen our ice cream manufacturing through investments that convert capability into scale, efficiency and long-term growth. An extended summer supported robust seasonal demand, improved throughput and sustained customer traction across key markets.

During the year, the stick manufacturing facility commenced commercial production, enhancing backward integration and adding an important capability to the ice cream

ecosystem. We also completed the Panipat plant, with commercial production beginning in April, creating a significant new manufacturing node that further strengthens our ability to serve customers efficiently and support the long-term growth of our ice cream platform.

Project Progress

Project	Capex	Remarks
Panipat Plant	Rs. 225 cr.	Phase 1 commercialised
Nashik Plant	Rs. 60 cr.	commercialised
Lucknow Plant	Rs. 20 cr.	commercialised
Panipat Expansion	Rs. 50 cr.	To be commercialised by Q3 FY 2026-2027

Outlook

Our focus remains on strengthening seasonal readiness, improving supply reliability, deepening partnerships with leading ice cream brands, and increasing integration across our platform.

FOOTWEAR

Hermès, the Greek god of travel, commerce and movement, was known as the swift-footed messenger of the gods. With his winged sandals, he came to symbolise speed, agility and the effortless movement of people, ideas and trade. As the guardian of travellers and a guide across boundaries, he embodied the confidence to navigate new paths and connect distant worlds. Yet his significance extended beyond motion alone. Hermès also represented adaptability, enterprise and connection, qualities that enabled journeys to begin, markets to expand and possibilities to travel further. His legacy reflects the spirit of an industry shaped by movement, performance and constant evolution.

These qualities are strongly reflected in our Footwear business. We are building our capabilities around manufacturing excellence, operational agility and the ability to respond to changing consumer expectations across lifestyle, performance and comfort-led segments. By strengthening our manufacturing platform, expanding our capabilities and forging new partnerships, we are enabling brands to serve a market that is both fast-moving and highly competitive. As the business evolves, our focus remains on creating a stronger, more responsive platform that can support innovation, scale and the changing ways in which consumers move through everyday life.

FY 2025-2026 Highlights

FY 2025-2026 was a year of commercial progress and capability building for our Footwear division. Much like Hermès, who forged connections across worlds, we continued to strengthen the links between design, manufacturing and customer collaboration, creating a more agile and responsive production platform. We enhanced our in-house capabilities, improved process controls and upgraded key production and support areas, enabling greater operational efficiency.

During the year, we crossed the important milestone of Rs. 500 cr. in annual turnover while maintaining steady production for leading lifestyle and athleisure brands despite geopolitical headwinds, including rising petrochemical prices and LPG shortages. As we navigated these challenges, we invested in building new brand relationships and advanced multiple product trials to expand our presence across lifestyle, performance and comfort-led footwear categories.

Project Progress

Project	Capex	Remarks
Capacity expansion in North and South India	Rs. 50 cr.	In progress

Outlook

We are expanding capacity across North and South India and are targeting a turnover of Rs. 700–800 cr. in FY 2026-2027. We also see significant export opportunities as new trade agreements with the EU and the US encourage global retailers to diversify their supply chains. Our focus will remain on broadening our customer base, deepening relationships with existing customers, and building a geographically diversified operating network.

HEALTHCARE AND WELLNESS

Healing, in the world of Apollo, went hand in hand with knowledge. Associated with medicine, light and wisdom, Apollo came to represent the pursuit of better health through understanding, precision and discovery. As a patron of reason and harmony, he embodied the belief that true healing restores balance to both body and mind. His influence extended beyond treating illness to the broader ideas of balance, vitality and wellbeing, values that continue to resonate with healthcare today. Through his enduring legacy, Apollo remains a powerful symbol of science guided by insight and compassion.

These principles find a natural parallel in our Healthcare vertical. We are focused on building trusted manufacturing capabilities that support the evolving needs of pharmaceutical, wellness and preventive healthcare brands. Through continued investments in quality, innovation and regulatory excellence, we are strengthening a platform designed to help our partners deliver safe, effective and consumer-focused healthcare solutions. As the boundaries between healthcare, wellness and preventive care continue to evolve, we are building capabilities that position us to participate in this changing landscape with greater depth, reliability and scale.

FY 2025-2026 Highlights

Building on this foundation, we continued to strengthen our Healthcare platform through focused investments in manufacturing readiness, product development and robust quality systems. Much like Apollo, whose pursuit of precision and excellence inspired confidence, we remained focused on building capabilities that meet the highest standards of quality, compliance and reliability. During the year, we expanded our customer base by onboarding multiple domestic and international brands, with stability trials currently underway for several products.

Reinforcing our commitment to quality and regulatory excellence, we successfully completed multiple domestic and international audits, including inspections by the

US FDA and the Russian FDA, further strengthening our credentials as a trusted manufacturing partner. At the same time, we expanded our presence in wellness-led and Ayurveda-oriented categories, reflecting the growing consumer preference for preventive and natural healthcare solutions.

Project Progress

Project	Capex	Remarks
Ayurvedic Wellness Manufacturing (Baddi)	Rs. 25 cr.	To be commissioned during Q2 FY 2026-2027
Upgrading the existing facility to meet global standards (Baddi)	Rs. 5 cr.	To be completed by Q2 FY 2026-2027

Outlook

To further deepen our healthcare ecosystem, we are establishing a dedicated Ayurveda wellness facility in Baddi with an investment of Rs. 25 cr. while modernising our existing manufacturing site to meet global standards. Our focus remains on strengthening compliance-led manufacturing, expanding into higher-growth wellness categories, and building a more innovation-oriented healthcare platform.

Our Portfolio of Possibilities

THE MOSAIC OF EXCELLENCE



HOME CARE

Home Care

- Toilet Cleaner
- Surface Cleaner
- Glass Cleaner
- Liquid Dish Wash

Fabric Care

- Liquid Detergent
- Powder Detergent
- Fabric Conditioner
- Detergent Bars



PERSONAL CARE

Hair Care

- Shampoo
- Hair Oil
- Hair Food

- Hair Gel
- Hair Cream

Baby Care

- Creams
- Shampoo
- Lotion

- Hair Oil
- Baby Powder

Skin Care

- Body Lotion
- Moisturiser
- Creams
- Petroleum Jelly

- Shower Gel
- Face Wash
- Face & Body Scrubs

Pet Care

- Pet Hygiene

Toiletries & Fragrances

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

Beauty & Makeup

- Lipstick
- Lip Colour
- Lip Crayon
- Lip Paint
- ChapStick & Blush-On
- Eye Makeup
- Sindoor & Kajal
- Pressed Powder & Compact

Household Insecticides

- Aerosols
- Liquid Vaporiser
- Coils
- Mosquito Mats
- Active Cards

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

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

Hot & Cold Beverages & Energy Drink Concentrates

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



FOOD AND BEVERAGES



ICE CREAM

- Sticks
- Large & Small Cones
- Cups
- Tubs
- Choco-bars
- Molded Sticks
- Cream Sandwiches

- Twisters
- Party Packs
- Family Packs
- Kulfi
- Cassata
- Waffle Cones
- Sleeves & Sticks



FOOTWEAR

Leather, Sports & Knitted Shoes and Accessories

- Sports Shoes
- Leather Shoes
- Slippers & Flip-flops
- Uppers



HEALTHCARE AND WELLNESS

- Foot Care (Medicated & Non-medicated Plasters, Vitamins, Minerals & Nutraceuticals)
- Super Foods
- Personal Care
- Plant-based, Organic Foods
- Medicated Lozenges & Digestive Remedies

- Gels & Ointments
- Nutrition
- Dusting & Cosmetic Powders
- Cosmeceutical & Skincare
- Allopathic, Herbal & Ayurveda
- Oral Liquids
- Allopathic Tablets

Management's Message

LETTER FROM THE MANAGING DIRECTOR



FY 2025-2026 marked a pivotal milestone where our long-standing conviction has started bearing increasingly visible outcomes.

Dear Shareholders,

Last year, as I reflected on four decades of your Company, I wrote about the importance of making bold choices in uncertain times. Inspired by Prometheus who defied gods and brought fire to humanity, we chose to invest ahead of demand, diversify into new categories and strengthen our manufacturing capabilities even when the broader consumption environment remained subdued and the macroeconomic gods were against us. Those decisions were guided by a simple belief - enduring institutions are built through long-term conviction rather than short-term optimism.

FY 2025-2026 marked a pivotal milestone where our long-standing conviction has started bearing increasingly visible outcomes.

The year was significant not merely because we delivered our strongest financial performance to date, but because it marked an important stage in HFL's evolution. Years of disciplined investment, thoughtful capital allocation and relentless execution came together to create a broader, stronger and more diversified manufacturing platform. We delivered record profitability while simultaneously executing one of the largest capital investment programmes in our history.

The theme of this year's Annual Report '**A Pantheon of Possibilities**' captures that evolution. The Pantheon has endured for centuries because its strength does not reside in any single pillar. Every pillar is strong and magnificent by itself, but together they uphold a large dome that continues to make the Pantheon one of the architectural and engineering wonders of the world.

That philosophy closely mirrors the organisation we are building.

In this past year, we have built and strengthened the pillars on which we will build HFL.

Over the past few years, we have transformed from a company with a strong presence in Contract Manufacturing into a diversified manufacturing platform spanning Home & Personal Care, Foods & Beverages, Ice Creams, Footwear and Health & Wellness. Each serves a different market and requires specialised capabilities. These five pillars are what we believe will fuel the growth of the company in the coming years and decades.

What binds these pillars together is a common foundation: our manufacturing excellence, engineering capability, operational discipline, customer partnerships and prudent approach to capital allocation.

Over the past few years, we have transformed from a company with a strong presence in Contract Manufacturing into a diversified manufacturing platform spanning Home & Personal Care, Foods & Beverages, Ice Creams, Footwear and Health & Wellness.

An Evolving Industry Landscape

India's consumer economy continued to demonstrate resilience during FY 2025-2026, although growth remained uneven across categories. Urban demand recovered gradually, rural consumption showed encouraging signs and easing inflation supported a more stable environment in the second half of the year. At the same time, consumers increasingly sought convenience, healthier choices and premium experiences, prompting brands to accelerate innovation.

The operating environment also evolved following changes in the GST framework, with rate reductions across several categories resulting in a duty inversion where input taxes exceed output taxes, increasing working capital requirements. In response, we are working with select customers to transition to a conversion-based job-work model, which we expect to implement progressively from the second half of FY 2026-2027.

These structural shifts are reshaping manufacturing. As innovation cycles shorten and portfolios grow more complex, brand owners need partners that can do far more than manufacture efficiently: supporting faster innovation, managing multiple formats, maintaining world-class quality systems and scaling with speed. Geopolitical uncertainty, evolving supply chains and raw material volatility have made resilience and agility equally critical. Together, these trends are accelerating the evolution of Contract Manufacturing from a capacity provider to a strategic partner.

We believe this presents a significant opportunity for HFL.

The Pantheon of Excellence

Over the past several years, we have steadily transformed our business from a portfolio of manufacturing facilities into an integrated manufacturing platform with capabilities across:

- Home & Personal Care
- Food & Beverages
- Ice Cream
- Footwear
- Health & Wellness

Between them, they reach a remarkable number of everyday lives. If you used an FMCG product today, there is a fair chance that we made it. Our competitive advantage does not lie in any individual manufacturing facility. It lies in the integration of engineering expertise, process excellence, technical capabilities, quality systems and disciplined execution into a single operating platform, stronger than the sum of its parts.

This model lets us share capabilities across categories, accelerate new product introductions and respond quickly to changing customer needs.

Our competitive advantage does not lie in any individual manufacturing facility. It lies in the integration of engineering expertise, process excellence, technical capabilities, quality systems and disciplined execution into a single operating platform, stronger than the sum of its parts.

It has also built a more balanced business with multiple growth engines, reducing concentration risk and improving asset utilisation.

Every Business Unit operates against two clear objectives: delivering 20% annual EBITDA growth while generating a 20% Return on Equity on the capital entrusted to it. These twin goals ensure that growth is accompanied by capital efficiency and that every investment contributes to long-term value creation.

Mastering the Foundations

FY 2025-2026 marked another important milestone. We completed an investment cycle of over Rs. 750 cr., adding more than 5 lakh square feet of manufacturing space. Every project was commissioned on schedule and without cost overruns. More importantly, these investments have materially expanded our capabilities, positioning us to serve a broader set of customers and pursue larger opportunities.

As a Contract Manufacturer, our competitiveness is determined not only by scale but by how efficiently we operate. Dedicated teams drive automation, Kaizen and Six Sigma initiatives to improve productivity and eliminate waste, with best practices developed in one business replicated across others.

Taken together, these investments took our gross block, including capital work in progress and capital advances, to approximately Rs. 1,800 cr. as at March 31, 2026. A significant part of this capacity was commissioned late in the year and is yet to reach full utilisation, which means its earnings

contribution will accrue largely from FY 2026-2027 onwards. This timing is central to understanding our current returns profile.

Home and Personal Care

Inspired by Hygieia, advancing everyday well-being

Home and Personal Care represents one of the fastest evolving opportunities within India's consumer landscape. Echoing Hygieia, the Greek goddess of health and cleanliness, consumers increasingly seek products combining efficacy, safety and innovation, and partners offering formulation expertise, flexible production and faster innovation cycles.

The business maintained steady momentum during FY 2025-2026 through focused investments in capacity, manufacturing infrastructure and customer acquisition. All existing facilities operated at optimum utilisation through the year, and the Home Care business achieved record production across multiple quarters. We continued to invest in expanding our manufacturing footprint during the year. This included the acquisition of the Aurangabad personal care facility and continued investments across our Home & Personal Care network through brownfield and greenfield expansion projects.

It also included a brownfield investment in Silvassa to manufacture home care liquids which started commercial production in Q2 FY 2025-26.

Guided by the principles embodied by Hygieia, we remain committed to combining scientific capability,

operational excellence and manufacturing agility to create sustainable value for our customers, shareholders and all our stakeholders.

Food & Beverages

Like Demeter, nurturing the foundations of growth.

Food has always been the first pillar of HFL's manufacturing journey. The Company started as a food manufacturing company and while new product categories continued to get added, the legacy is borne out by the name itself.

Appropriately, it finds its parallel in Demeter, the Greek goddess of agriculture and the harvest, whose legacy represents cultivation, abundance and the patient stewardship that turns effort into enduring prosperity.

As Demeter's story reminds us, changing seasons call not for hesitation but for adaptation, and we remain focused on responding with agility while preserving the long-term strength of our business. After the acquisition of ATC Beverages in 2019, we accelerated our investments in the beverages segment last year and are confident of continuing this journey in the coming years as well.

We plan to further expand our beverage vertical and will become India's largest independent bottler in the coming year. This is on the back of planned greenfield and brownfield expansions at Mysuru, Aurangabad, Hyderabad, Bhubaneswar and Guwahati.

Our Foods & Beverages business under the leadership of Sanjiv Chatterjee is expected to deliver record-breaking performance in the years to come.

During the year, we commissioned the greenfield Nashik and Panipat facilities and expanded our Lucknow operations, taking cumulative investments across these projects to over Rs. 300 cr.

Ice Cream

Echoing Dionysus, celebrating joyful experiences

In Greek mythology, Dionysus, the god of wine and celebration, symbolised the transformation of agricultural produce into moments of joy. Ice cream occupies a similar place today. While consumers experience it as simple indulgence, behind every scoop lies one of the most execution-intensive categories in the food industry, demanding seasonal readiness, cold-chain precision and rapid response to shifting demand. We have positioned Ice Creams as a core growth engine, and under the leadership of Manoj Patni will become India's largest Contract Manufacturer of ice creams.

FY 2025-2026 was a defining year for this platform. During the year, we commissioned the greenfield Nashik and Panipat facilities and expanded our Lucknow operations, taking cumulative investments across these projects to over Rs. 300 cr. These investments significantly enhance our manufacturing network and position

us well to support future growth across key markets. Like Dionysus' enduring legacy, these milestones represent not a single season of success but the creation of a platform capable of delivering growth and delight consistently across markets.

We also accelerated backward integration to capture a larger share of the value chain. The acquisition of a waffle cone and packaging material unit, an investment of Rs. 30 cr., provides capacity of approximately 1 Mn cones per day and is expected to generate annual revenues of around Rs. 50 cr. This was complemented by our dedicated ice cream stick facility, expected to contribute approximately Rs. 10 cr. annually. Beyond efficiency and quality control, these initiatives strengthen margin resilience.

Looking ahead, new expansion projects have already been signed for FY 2026-2027 to further enhance our footprint in North India.

Footwear

Guided by Hermès, connecting markets through agility

The Footwear business has been one of the clearest examples of HFL's willingness to build capabilities beyond its traditional strengths. In many ways, it reflects the spirit of Hermès, the Greek god associated with movement, commerce and adaptability, whose ability to connect people and markets mirrors the agility and responsiveness that define a successful footwear manufacturing business.

Following the intensive integration efforts undertaken over the previous year, both our Northern and Southern facilities operated with significantly greater stability. The year also marked

a decisive improvement in financial performance.

Our investments have extended well beyond stabilising operations. We have broadened customer engagement across lifestyle, performance and athleisure segments, including partnerships with leading Indian D2C brands, and established a dedicated International Business Division. As international supply chains diversify, we are seeing encouraging interest from large organised retailers in the US seeking India as a strategic sourcing destination.

Healthcare & Wellness
Inspired by Apollo, advancing health through science, quality and trust

Health & Wellness has emerged as another strategic pillar in our journey. Much like Apollo, the Greek god associated with healing, knowledge and precision, this business is built on the belief that trust in healthcare is earned through scientific rigour and disciplined execution.

During FY 2025-2026, the vertical strengthened its position through focused investments, world-class compliance standards and a strategic expansion into the wellness and Ayurvedic segments. The division successfully cleared audits by global regulators, including the US FDA and the Russian FDA, reinforcing its credibility as a trusted manufacturing partner.

Capital allocation remained focused on expanding our Healthcare & Wellness platform through a Rs. 5 cr. modernisation programme at Baddi and a Rs. 25 cr. investment in a new Ayurvedic wellness facility. We also

appointed a dedicated Business Head for the vertical to support the next phase of growth.

Internationally, improved clarity on US tariff policies is expected to accelerate production for a key American customer, while discussions with leading US big-box retailers are opening new opportunities. These export volumes are expected to be ROCE accretive, as they can largely be accommodated within existing infrastructure.

The Treasury of Triumph

While the external environment remained dynamic, the foundations we have strengthened over the past several years enabled us to deliver our strongest financial performance to date.

Our total income grew 17% YoY to Rs. 4,265 cr., crossing the Rs. 1,000 cr. quarterly milestone for the first time

During FY 2025-2026, the vertical strengthened its position through focused investments, world-class compliance standards and a strategic expansion into the wellness and Ayurvedic segments. The division successfully cleared audits by global regulators, including the US FDA and the Russian FDA, reinforcing its credibility as a trusted manufacturing partner.

during Q2 of the year. EBITDA increased 20% YoY to Rs. 377 cr., while PAT grew 29% YoY to Rs. 149 cr. Earnings per share improved from Rs. 9.85 in FY 2024-2025 to Rs. 12.34 in FY 2025-2026, reflecting not only higher profitability but also the operating discipline embedded across our business.

What is encouraging about these results is not simply their scale, but their quality. They demonstrate that our expanding manufacturing network, diversified customer relationships and focus on operational excellence are translating into sustainable earnings growth.

While FY 2025-2026 was marked by significant capital investments, we continued to deliver an adjusted ROCE of 18.9%, measured after normalising for recently commissioned and still underutilised assets, reinforcing our belief that growth and capital discipline must go hand in hand.

We also remained disciplined in managing our balance sheet. Net debt-to-equity stood at 0.84x, comfortably within our internal threshold, and we closed the year with cash and cash equivalents of Rs. 90 cr. Working capital requirements increased, driven by the inverted GST duty structure introduced in September 2025 and a conscious decision to build inventories amid geopolitical uncertainties. I would equally like to be candid about where we fell short of our own expectations. While we met our profit guidance, our cash flow from operations as a proportion of EBITDA was lower than we would have liked. Improving this conversion is a clear priority for FY 2026-2027, and it is a measure against which we expect to be held.

Business Model Shift

Our evolution has also been shaped by a disciplined approach to capability building. Over the past four years, we have completed more than ten strategic acquisitions, expanding into new categories, strengthening our footprint and adding specialised capabilities, each guided by a clear objective: a more integrated platform delivering greater long-term value to our customers.

The progress of this transformation is now evident in our financial profile. During FY 2025-2026, the contribution of shared manufacturing to EBITDA increased from 13% to 26%. As of March 31, 2026, 39% of our gross block was deployed towards shared manufacturing, underscoring our conviction in this model while continuing to build on our dedicated business.

Building Responsibly for the Future

The mythology of Gaia reminds us that true growth is measured not by what is built today, but by what it enables tomorrow. As we scale, sustainability is increasingly an outcome of the way we build our business rather than a separate initiative, influencing how we design facilities, source energy and improve resource efficiency.

During the year, we completed the necessary actions to source green power through Group Captive Solar projects and commenced the installation of bio-briquette boilers. We advanced our circular economy initiatives by introducing recycled plastic bottles at our Piparia facility and investing in The Kabadiwala, a PET

recycling enterprise strengthening the recycling ecosystem for India's FMCG industry.

Responsible growth is equally about the people who power our organisation. As our manufacturing footprint expands across 42 factories, we continue to strengthen our focus on workplace safety, regulatory compliance and capability development. During the year, we proactively provided for the financial impact arising from the New Labour Code, reflecting our commitment to staying ahead of evolving regulatory expectations.

As we enter newer and more technologically demanding categories, manufacturing excellence requires investing in people as much as in infrastructure. Whether stabilising specialised businesses such as footwear through extensive training or preparing teams for new facilities like Panipat, where we expect to create employment for nearly 500 people, our emphasis remains on skills, quality systems and continuous learning.

Looking Ahead

The Greeks believed that the Pantheon derived its strength not from a single deity, but from the harmony of many distinct virtues. Wisdom, craftsmanship, resilience, enterprise and stewardship each had a role to play in shaping a greater whole.

We have built our business on the same principle. Every investment, every capability added and every customer relationship strengthened contributes to a platform that is more diversified, more resilient and better prepared for the future.

The opportunities before us are significant. As the investments we have made begin to mature, we expect them to translate into stronger profitability and improved capital productivity. We remain confident of delivering a Profit After Tax in the range of Rs. 200-220 cr. in FY 2026-2027, while continuing to uphold the financial discipline that has always guided our decisions. Every investment continues to be evaluated against our internal minimum ROCE threshold of 18%. We have already signed new projects of approximately Rs. 150 cr. for FY 2026-2027 across our beverages, Home & Personal Care and ice cream businesses, and our pipeline of opportunities remains active.

None of this is the result of one decision or one milestone. It is the cumulative outcome of thousands of decisions taken every day by our employees, the trust placed in us by our customers and the confidence of our shareholders.

To every member of the HFL family, and to all our stakeholders, thank you for your trust and belief.

We will remain guided by the same principles that have brought us here, investing with discipline, manufacturing with purpose and growing responsibly. Because enduring enterprises, much like the Pantheon itself, are not defined by the strength of one, but by the power of many. Which story we borrow from next year, I cannot yet say. The foundation it rests on, I can.

Warm Regards,
Sameer Kothari,
 Managing Director

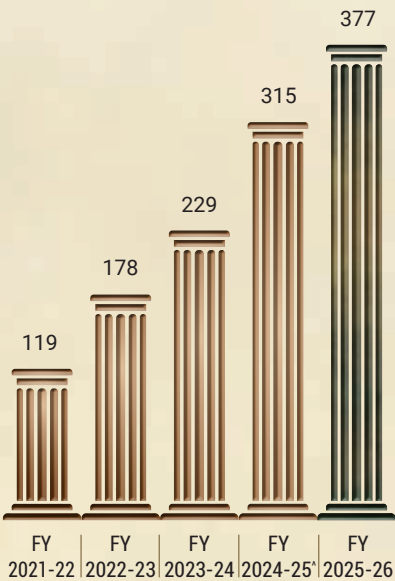
Financial Highlights

THE MEASURE OF MIGHT

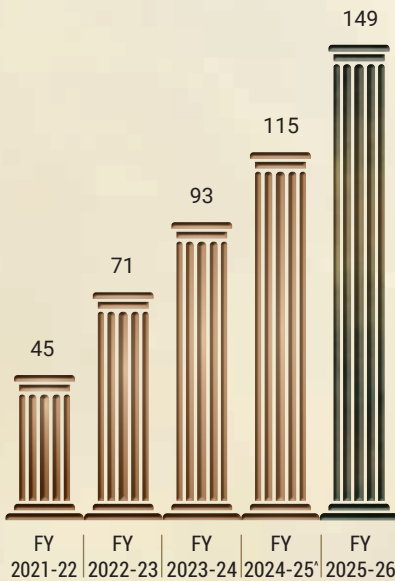
Revenue# (in Rs. cr.)



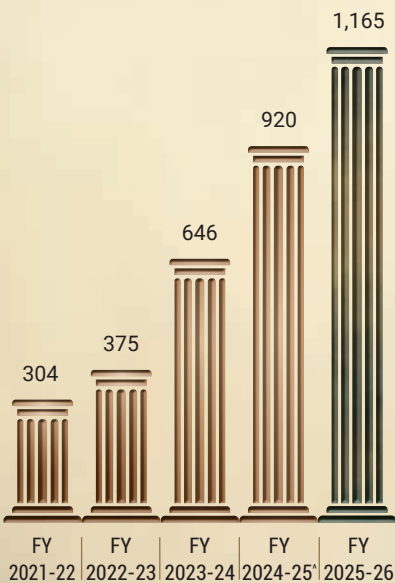
EBITDA# (in Rs. cr.)



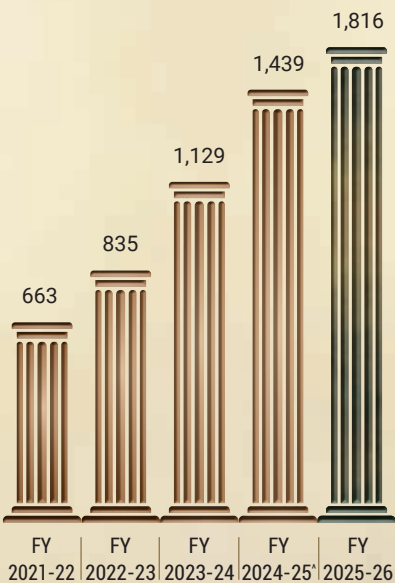
PAT (in Rs. cr.)



Net Worth (in Rs. cr.)



Gross Block* (in Rs. cr.)



#Includes other income
 *Includes CWIP, ROU assets and adjusted by accumulated depreciation of acquired plants
 ^Previous year numbers are restated
 The above figures are as per the Consolidated Financial Statements

Presence

A PRESENCE BUILT WITH PURPOSE



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

Manufacturing Facilities

WHERE CAPABILITY TAKES SHAPE

The Pantheon has stood for nearly two thousand years as a remarkable feat of engineering. Its endurance lies not in its iconic dome alone, but in the precision of its design, where every element contributes to the strength and balance of the whole. It is a reminder that lasting structures are built on thoughtful foundations. Our manufacturing network is shaped by a similar emphasis on design, discipline and functionality. Strategically located and built to support scale, efficiency and quality, our facilities bring together infrastructure, technology and processes to serve a wide range of Customer requirements. Together, they form the operational foundation of our business, enabling us to expand capabilities, respond to changing needs and support the continued growth of our Customers.



Hindustan Foods is capable of setting up factories across the globe.

Home & Personal Care

Product Categories

- Skin Care ◦ Toiletries ◦ Beauty & Make-up ◦ Hair Care
- Home Care ◦ Fabric Care ◦ Floor Cleaning Liquids
- Surface Cleaning Liquids & Household Insecticides

Aggregate Capacity / Year

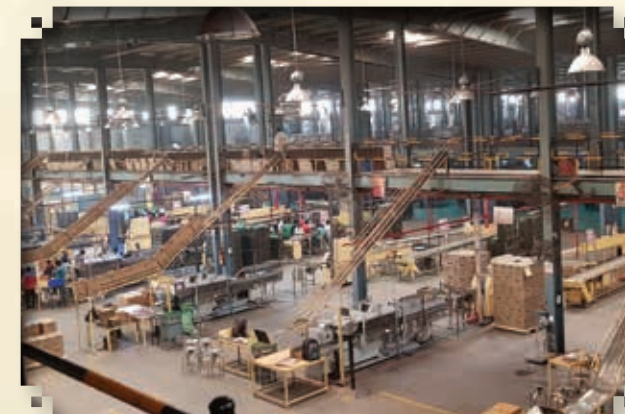
- Home & Personal Care: **3,00,000** Tonnes
- Household Insecticides: **20,00,000** Cases

12
No of Plants

70 Acres
Total Area

Plant Locations

- Jammu ◦ Lucknow ◦ Silvassa ◦ Aurangabad ◦ Hyderabad



Jammu



Hyderabad



Aurangabad

Food & Beverages

Product Categories

- Extruded Cereals & Snacks
- RTC
- RTE
- Hot & Cold Beverages & Energy Drink Concentrates

Aggregate Capacity / Year

- Beverages: 5,00,000 KL
- Food: 1,00,000 Tonnes

11
No of Plants

68 Acres
Total Area

Plant Locations

- Guwahati
- Nashik
- Goa
- Hyderabad
- Bhubaneswar
- Mysuru
- Coimbatore



Coimbatore



Mysuru



Goa

Ice Cream

Product Categories

- Ice Cream

Aggregate Capacity / Year

- Ice Cream: 8,50,00,000 Litres
- Cones: 36,00,00,000 Units
- Sticks: 36,00,00,000 Units

5
No of Plants

38 Acres
Total Area

Plant Locations

- Panipat
- Lucknow
- Nashik



Lucknow



Nashik



Panipat

Footwear

Product Categories

◦ Leather ◦ Sports & Knitted Shoes and Accessories

Aggregate Capacity / Year

◦ 72,00,000 Pairs

12
No of Plants

25 Acres
Total Area

Plant Locations

◦ Kundli (Haryana) ◦ Puducherry ◦ Chennai ◦ Tindivanam (TN)



Chennai



Tindivanam



Puducherry

Healthcare & Wellness

Product Categories

◦ Foot Care ◦ Nutrition ◦ Super Foods ◦ Oral Liquids
◦ Plant-based, Organic Foods ◦ Cosmeceutical & Skincare
◦ Medicated Lozenges & Digestive Remedies
◦ Gels & Ointments ◦ Allopathic, Herbal & Ayurveda
◦ Allopathic Tablets ◦ Dusting & Cosmetic Powders

Aggregate Capacity / Year

◦ Foot Care: 60 Mn Cu
◦ Personal Care: 14 Mn Cu
◦ Ayurveda Creams, Lotions & Hair Care: 215 Mn Cu
◦ Allopathy Tablets: 716 Mn
◦ Allopathy Lozenges: 872 Mn
◦ Allopathy Powder: 0.5 Mn Cu
◦ Allopathy Topical Creams & Ointments: 117 Mn Cu
◦ Allopathy Liquids: 26 Mn Cu
◦ Plasters: 15 Mn Cu

2
No of Plants

20 Acres
Total Area

Plant Locations

◦ Baddi (HP) ◦ Chennai



Baddi



Chennai

Environment

THE SANCTUARY OF SUSTAINABILITY

Environmental responsibility for us is a principle embedded across our operations. At the heart of the Pantheon lies the oculus, a circular opening that welcomes daylight, fresh air, and even rain into the structure. It reflects a philosophy of designing with nature rather than shutting it out, allowing the building to change with the movement of the sun and the passing of the seasons. This relationship between human ingenuity and the natural world continues to inspire our approach. Guided by the same philosophy, we strive to reduce our environmental footprint through responsible manufacturing, efficient resource management, and sustainable innovation.

Sustainability shapes every step of our operations and future ambitions. By investing in environmentally responsible practices, advancing energy efficiency, and preserving natural ecosystems, we are creating a positive impact that extends beyond our business. This commitment enables us to grow responsibly while contributing to a more sustainable world.

ENVIRONMENTAL INITIATIVES

Integrating renewable energy solutions, including solar power plants and rainwater harvesting systems, across our facilities to reduce reliance on conventional energy sources and promote resource conservation.

Transitioning to cleaner fuel alternatives by replacing traditional coal-fired boilers with briquette boilers, reducing carbon emissions and supporting sustainable energy practices.

Implementing energy-efficient technologies, such as smart lighting, air conditioning systems, digital payment methods, and paperless operations, to minimise energy use and reduce paper waste.

Promoting sustainable packaging practices by working with principals to adopt eco-friendly, minimal packaging, optimise supply chains, ensure responsible waste management, and reduce plastic waste in compliance with environmental regulations.

Supporting local communities by prioritising local employment opportunities, contributing to the economic development of rural and semi-urban regions where our facilities operate.

Enhancing environmental stewardship through the preservation of trees and green spaces in and around our facilities, fostering biodiversity and creating a healthier ecosystem.



As part of our commitment to advancing a circular economy, we have invested in Kabadiwala, a company dedicated to plastic scrap collection and recycling. This strategic investment, aligned with our commitments under Extended Producer Responsibility (EPR) regulations, includes an investment of up to Rs. 5 cr. for a substantial minority stake, strengthening our presence in the waste management and recycling ecosystem.

Beyond environmental impact, this partnership supports the formalisation and growth of the informal waste ecosystem, creating sustainable livelihoods while driving responsible recycling practices. It reflects our belief that business growth, environmental stewardship, and community development can go hand in hand, delivering lasting value for all stakeholders.

Social

THE PILLARS OF POSSIBILITY

The Pantheon continues to bear the inscription of Marcus Agrippa, preserving the name of the individual whose vision laid its foundation, even though the monument was rebuilt centuries later. Rather than replacing it with his own, Emperor Hadrian chose to retain Agrippa's inscription, reflecting a profound respect for the visionaries whose contributions laid the groundwork for future achievements. This enduring gesture serves as a timeless reminder that true progress is built not only by creating new legacies, but also by acknowledging and honouring those who make them possible.

We see our people and communities as an important part of that foundation. Our social initiatives seek to improve access to healthcare, education, skills and opportunities, while supporting inclusive development and stronger communities.

Through partnerships and community-focused programmes, we aim to enable greater self-reliance, improve quality of life and create opportunities for individuals to realise their potential.

Our approach is guided by a simple belief: when people are given the support and opportunity to progress, the benefits extend beyond the individual. By investing in people today, we contribute to stronger workplaces, communities and possibilities for tomorrow.

EMPLOYEE INITIATIVES

A strong organisation is shaped by the people who build it every day. We therefore seek to create a workplace where employees feel respected, supported and able to contribute meaningfully. Our initiatives focus on employee engagement, continuous learning, open communication and opportunities for development. Regular feedback helps us understand employee needs, recognise contributions and identify areas where additional support may be required. We also encourage employees to contribute ideas that can improve operations and strengthen responsible practices across the organisation. Through these efforts, we aim to create an environment where people can continue to learn, grow and contribute to HFL's progress.

Diversity, equity and inclusion are important to how we build our workplace. We continue to strengthen initiatives that promote equal opportunity, broaden participation in leadership and support fair access to career growth across the organisation.

A key area of focus is increasing the participation and progression of women. Through development opportunities, greater representation and an inclusive work environment, we aim to support women at different stages of their careers. Our Footwear and Colour Cosmetics divisions reflect this progress, with women representing a significant share of the workforce.

COMMUNITY INITIATIVES

Our responsibility extends beyond the boundaries of our business. Through partnerships and community-focused programmes, we contribute to areas such as education, healthcare, environmental sustainability, sports and culture.

Our initiatives are designed to improve access, create opportunities and support stronger communities. By focusing on practical needs and long-term outcomes, we aim to contribute meaningfully to the quality of life of the communities around us.



Creating Impact

Supporting access to quality education through school development, classroom renovations and the provision of learning resources.

Enhancing healthcare by funding medical assistance, eye care programmes and cancer support initiatives for underserved communities.

Promoting the wellbeing of girls through the Girl Child programme, with a focus on health, hygiene and education.

Improving learning environments by constructing and upgrading classrooms, canteens and sanitation facilities in government schools.

Providing essential educational resources, including laptops, books, uniforms, desks, sports equipment, hygiene kits, drinking water facilities and streetlights.

Empowering individuals with mobility challenges by donating prosthetic limbs and wheelchairs to promote greater independence and quality of life.

Governance

THE ARCHITECTS OF ACCOUNTABILITY

For centuries, the Pantheon has stood as a place that brought people, ideas and traditions together under one enduring structure. Beyond its architectural significance, it represents the power of unity, balance and a shared purpose, values that have enabled it to remain relevant across generations. Its enduring presence reflects how strong foundations, thoughtful design and collective purpose can withstand the test of time, inspiring confidence and resilience in an ever-changing world.

BOARD COMPOSITION AND DIVERSITY

A strong Board benefits from a diversity of experience, expertise and perspective. At HFL, the Board brings together members with varied professional backgrounds, industry knowledge and business experience, contributing to broader discussions and more balanced decision-making.

Transparency, accountability and constructive dialogue are central to the Board's functioning. By encouraging independent thinking and different viewpoints, the Board supports thoughtful deliberation, effective oversight and decisions aligned with the long-term interests of the Company and its stakeholders.

We view diversity as extending beyond demographics to include skills, experience, perspectives and ideas. This collective breadth strengthens the Board's ability to understand an evolving business environment, consider emerging opportunities and guide HFL with responsibility, integrity and a long-term perspective.

Our approach to governance is built on similar principles. We believe sound governance requires clear structures, diverse perspectives and accountability at every level. By promoting transparency, ethical conduct and responsible oversight, we seek to support informed decision-making and align the interests of our stakeholders with the long-term interests of the Company.

Integrity and accountability remain central to how we operate. Our governance framework provides for appropriate oversight, responsible leadership and stakeholder engagement, helping ensure that decisions are taken with fairness, transparency and due consideration for our shareholders, employees, Customers and communities.

As HFL continues to grow and evolve, we remain focused on strengthening these foundations. Through disciplined governance and responsible decision-making, we aim to build trust, support sustainable growth and ensure that the organisation remains prepared for the opportunities and responsibilities that come with scale.

OUR LEADERS



Shashi K Kalathil
Independent Director - Chairperson



Shrinivas V Dempo
Non-Executive Director



Sameer R Kothari
Managing Director



Ganesh T Argekar
Executive Director



Nikhil K Vora
Non-Executive Director



Honey Vazirani
Independent Woman Director



Neeraj Chandra
Independent Director

OUR MANAGEMENT TEAM



Mayank Samdani
CFO

A Chartered Accountant with deep expertise in Finance, Accounts, Audit, Legal, and Compliance. He has previously served in leadership roles with the Future Group and the Ashok Piramal Group.



Sanjay Sehgal
President, Healthcare and Wellness

A B.Tech graduate in Chemical Engineering from IIT Delhi, Sanjay brings 42 years of cross-industry experience with global exposure. He has worked with HUL, Sandoz, and Hindalco Industries, across APAC regions and Brazil.



Sunil Plakkat
President, Manufacturing Excellence

A seasoned Chemical Engineer with 34 years of experience in Manufacturing Operations across Plant and Corporate functions. His career includes leadership roles at Asian Paints, PPG Asian Paints, ICI, Rallis, and Atul Ltd.



Ravindar Rathi
GM, Operations North

A veteran Operations and Manufacturing professional with 28 years of experience in setting up new facilities and restructuring operations. He has held key roles at ITC Limited and Moser Baer.



Govind Singh Rawat
GM, Operations – Home Care & Personal Care

A Mechanical Engineer with 38 years of experience in Operations, Project Management, and Strategic Planning. He has held significant roles with PepsiCo, Parle Agro, Dukes, and served in the Indian Navy during his earlier assignments.



Shivaram Prasad
GM, Operations, Foods

Shivaram Prasad has 30+ years in operations and project management across F&B & Automotive. An IIT Kharagpur graduate with advanced training in operations and supply chain, he has been with AB InBev, Mondelez, Dabur and Maruti Udyog.



Sanjiv Chatterjee
President, Food & Beverages

Sanjiv Chatterjee is a seasoned business leader with 35 years of experience across manufacturing and supply chain, including senior leadership roles at HUL and Lipton, spanning operations, procurement, quality, and global Contract Manufacturing.



Manoj Patani
President, Ice Cream Business

A Chemical Engineer from UDCT, Mumbai (now ICT), and an MBA in Finance & Marketing from ISB Hyderabad. With over 20 years of experience in Manufacturing and Industrial Automation, Manoj has led functions in Business Strategy, Commercial Operations, and Marketing.



Girish Kalia
VP, Operations - Footwear

A Mechanical Engineer with more than 23 years of experience in Footwear Manufacturing. Girish brings strong expertise in Operations Management, Product Development, Business Strategy, and Manufacturing Excellence. He has previously worked with Adidas.



B N Prasad
GM, Operations, Beverages

A seasoned engineering professional with a B.Tech in Dairy Technology, B N Prasad brings over 31 years of rich experience in Manufacturing and Production across FMCG, Dairy, and Healthcare sectors. His career spans leadership roles in prominent organisations such as EID Parry, Lactalis India, CavinKare, and GlaxoSmithKline Consumer Healthcare.



R. Selvavinayagam
GM, Operations, Foot Care & Footwear, South

A Mechanical Engineer & MBA in Supply Chain with over 25 years in Plant Operations, Supply Chain Planning & Logistics across automobile, PC Manufacturing, Health & wellness and footwear. He has been with Reckitt & Bax Global.



Rajiv Bahadur
GM, Footwear, West

A footwear industry veteran with 37 years of expertise in Operations, Buying, Product Development, and Sales. Rajiv has held key positions at Bata, Tata Exports, and AU Thomas, and completed a prestigious three-year international assignment with Yanko/Pielfsa in Spain, further strengthening his global perspective and strategic insights.

OUR MANAGEMENT TEAM



Alok Bodhankar

GM, Human Resources

Armed with a Master's in Labour Studies, Alok brings 19 years of diverse HR experience across FMCG, Pharmaceuticals, Specialty Chemicals, and Insurance. He has led HR and Employee Relations functions at reputed companies including Glenmark, Croda Chemicals, HDFC, and Coca-Cola, fostering progressive workplace practices.



Prasad Kali

GM, Projects

A Chemical Engineer with 26 years of experience in Manufacturing Operations and Strategic Project Management. Prasad has led multiple functions, including Operations, Maintenance, Project Execution, Erection, Safety, Quality, and WCM/TPM initiatives. His professional journey includes key tenures at Hindustan Unilever.



Robin D'Souza

GM, Business Development & Customer Service

A seasoned professional with a Commerce background and 28 years of experience spanning New Product & Packaging Development, Business Development, and Contract Manufacturing. Robin has been instrumental in building and expanding Private-Label businesses across markets.



Nalini Kalra

GM, Private Labels

With over two decades of experience in the Personal Care sector, Nalini holds a degree in Political Science. She spent five years in New York's cosmetics industry and currently leads the Private Labels business, driving growth and innovation across multiple product categories.



Vimal Solanki

Head, International Businesses & Corporate Communications

A Management graduate with three decades of experience in launching and scaling FMCG brands across India, the Middle East, and North America. Vimal has previously worked with Shoppers Stop and Reliance Retail, bringing strategic depth to brand building and business development.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr Shashi K Kalathil
Chairman, Independent Director

Mr Shrinivas V Dempo
Non-Executive Director

Mr Sameer R Kothari
Managing Director

Mr Ganesh T Argekar
Executive Director

Mr Nikhil K Vora
Non-Executive Director

Ms Honey Vazirani
Independent Woman Director

Mr Neeraj Chandra
Independent Director

CHIEF FINANCIAL OFFICER

Mr Mayank Samdani

COMPANY SECRETARY & LEGAL HEAD

Mr Bankim Purohit

CIN NO.

L15139MH1984PLC316003

REGISTERED OFFICE

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

WORKS

Jammu
IGC, SIDCO Phase II, Samba - 184 121,
Jammu & Kashmir

Baddi, Himachal Pradesh
Khasra No. 701/534, Village Sandholi Baddi,
Nalagarh Road, PO Baddi, Tehsil Nalagarh,
District Solan - 173 205, Himachal Pradesh

Himachal Pradesh*
KNS Shoetech Private Limited
Village Mehruwala, PO Bhagani,
Teh. Paonta Sahib, Sirmour,
Paonta Sahib 173 025, Himachal Pradesh;
Village Bangran, District Sirmour,
Paonta Sahib - 173 025, Himachal Pradesh

Kundli, Haryana*
KNS Shoetech Private Limited
Plot No 158 and 427, EPIP, Sector -53,
Phase II, HSIIDC, Kundli, Sonipat,

*Wholly-owned Subsidiary Company of the Company

#Through 100% (directly - indirectly) Partnership interest in a Limited Liability Partnership

Haryana -131 028; 75, Sersa Road,
PO Janti Kalan, Kundli, Sonipat - 131 028,
Haryana

Guwahati*
HFL Multiproducts Private Limited
At Dag No 414, 416 to 421, 425, 426,
428, Uparhali, Bijaynagar, Dahali, Kamrup,
Guwahati - 781 122, Assam

Lucknow*
HFL Consumer Products Private Limited
Plot No C-3 & C-4, UPSIDC Industrial Area,
Sandila Village - 241 204, Som Hardoi,
Uttar Pradesh

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

Mumbai
Industrial Gala Nos. 7 to 13,
Survey No. 34 & 35,
Rajprabha Landmark Industrial Estate Road,
Gokhivare, Vasai East, Palghar,
Mumbai - 401 208

Nashik
Building No 2, Plot F-6, MIDC, Sinnar,
District Nashik - 422 103, Maharashtra

Nashik*
HFL Consumer Products Private Limited
Plot No. G-21 and A-42,
Sinnar Industrial Area, Sinnar,
District Nashik - 422 103, Maharashtra

Aurangabad
Plot No. C-15, Five Industrial area, Shendra,
Aurangabad, Maharashtra

Goa
Usgaon, Ponda - 403 406, Goa

Odisha*
HFL Multiproducts Private Limited
IDCO Plot No. B/6, Food Processing Park,
Industrial Area, Khorda, Odisha

Hyderabad I, II & III
Survey No. 44 & 49,
Peddapally Village, Jadcherla Taluk,
District Mahbubnagar - 509 202, Telangana,
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 - 605 111, Tamil Nadu

Tindivanam (Tamil Nadu)
Survey Nos. 4/1 to 4/8,
Sheds A & B - Kambur Village, Tindivanam,
District Villupuram- 604 101, Tamil Nadu

Tamil Nadu*
HFL Healthcare and Wellness Private Limited
At Plot No. F73 & F74, SIPCOT Industrial
Park, Irungattukottai, Sriperumbur, Taluk
Kancheepuram - 602 117, Tamil Nadu

Coimbatore I & II
SF No. 195/2A, Appanaickenpatti,
Sulthanpet Road, Sullur,
Coimbatore - 641 402, Tamil Nadu

STATUTORY AUDITORS

M S K A & Associates LLP

REGISTRAR & SHARE TRANSFER AGENTS

MUG Intime India Private Limited
(Formerly known as Link Intime India
Private Limited)
C-101, 247 Park, LBS Marg,
Vikhroli (West), Mumbai - 400 083
Tel: 1800 1020 878

BANKERS

HDFC Bank
Yes Bank
SVC Bank
IDFC Bank

WEBSITE

www.hindustanfoodslimited.com
Investor Grievance Email Address
investorrelations@thevanitycase.com

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

MANAGEMENT DISCUSSION & ANALYSIS

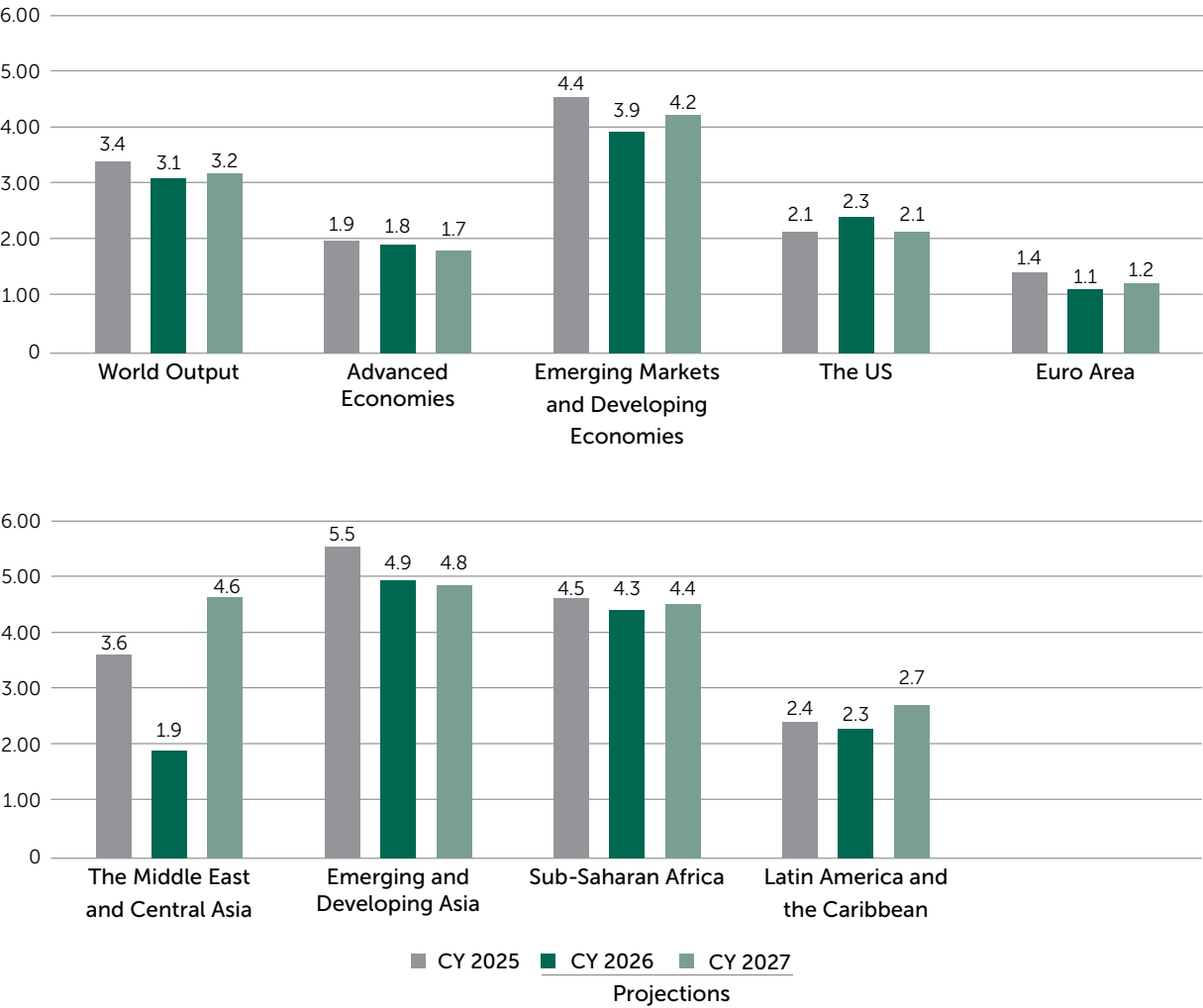
GLOBAL ECONOMY

The global economy is expected to maintain moderate growth over the coming years, supported by strong domestic demand, continuous technological investments, and favourable financial conditions. The IMF's World Economic Outlook (April 2026) projects global GDP growth at 3.1% in CY 2026, following an estimated 3.4% expansion in CY 2025, before a slight improvement to 3.2% in CY 2027. Although the outlook reflects underlying

strength, evolving geopolitical developments continue to affect growth prospects. These include trade-related uncertainties between the United States and China, alongside persistent tensions in the Middle East. Even so, supportive policy measures and continued investment are expected to sustain global economic momentum over the medium term.

3.1% Growth of Global Economy Projected in CY 2026

Global Economic Growth Projections (in %)



(Source: <https://www.imf.org/en/publications/weo/issues/2026/04/14/world-economic-outlook-april-2026>)

MANAGEMENT DISCUSSION & ANALYSIS (Contd.)

A CHANGING INFLATION ENVIRONMENT

After a sustained period of disinflation, global prices came under renewed pressure as Middle East tensions escalated in early CY 2026. Concerns over the security of the Strait of Hormuz, a critical global energy corridor, drove oil and gas prices sharply higher. The impact soon extended beyond energy, raising transportation costs, shipping insurance premiums, fertiliser prices, and broader trade expenses. For commodity-importing economies, these developments complicated the return to price stability just as policymakers prepared to ease monetary policy.

Inflation trends, however, remained uneven across regions. China continued to grapple with weak price growth and persistent deflationary pressures. India, by contrast, benefited from easing food inflation, softer commodity prices, and supportive fiscal measures that moderated consumer prices. Across Latin America, inflation eased further but remained above official targets in several economies. Consequently, policy responses diverged. Many advanced economies cautiously lowered interest rates, while several emerging markets continued prioritising inflation control and exchange-rate stability alongside economic growth.

(Source: <https://www.imf.org/en/publications/weo/issues/2026/04/14/world-economic-outlook-april-2026>)

EMERGING MARKETS AND DEVELOPING ECONOMIES

Emerging and developing economies remained key drivers of global growth, supported by resilient consumer demand, sustained infrastructure investment, and favourable demographics. India continued to lead this momentum through robust domestic demand and investment-led expansion. More broadly, Asia retained its position as the largest contributor to global growth, generating a substantial share of new economic output and reinforcing its role as a cornerstone of the global economy.

(Source: <https://www.imf.org/en/publications/weo/issues/2026/04/14/world-economic-outlook-april-2026>)

OUTLOOK

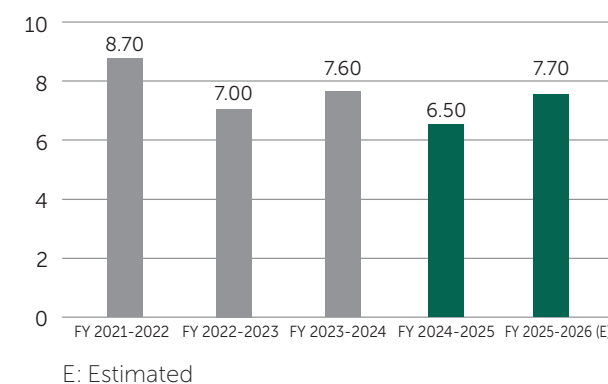
The global economic outlook remains resilient despite persistent uncertainty. Geopolitical tensions, growing trade fragmentation, limited fiscal capacity across several economies, and the risk of renewed financial market

volatility continue to weigh on prospects. At the same time, rapid advances in artificial intelligence present a significant long-term opportunity. By enhancing productivity, accelerating innovation, and easing supply-side constraints, AI could support future growth, although its benefits will likely differ across countries and industries as adoption progresses.

INDIAN ECONOMY

India continued to demonstrate remarkable economic resilience despite heightened global uncertainty and shifting geopolitical dynamics. According to provisional estimates, real GDP grew 7.7% in FY 2025-2026, reinforcing India's position among the world's fastest-growing major economies. Strong domestic demand, healthy foreign exchange reserves, a well-capitalised financial sector, stable inflation, and a predominantly domestically financed public debt profile underpinned this performance. Together, these strengths enhanced the economy's ability to absorb external shocks and navigate geopolitical tensions, supply chain disruptions, and evolving trade patterns.

Real GDP Growth Rate of Indian Economy (in %)



(Source: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2269286®=48&lang=2>)

7.7%

Growth of Indian Economy Projected in FY 2025-2026

The Union Budget 2026-2027 reinforced India's long-term growth agenda by prioritising manufacturing and industrial development. Strategic sectors, including semiconductors, electronics, biopharmaceuticals, and rare earth processing, received targeted policy support to strengthen domestic capabilities and reduce external dependence. At the same

MANAGEMENT DISCUSSION & ANALYSIS (Contd.)

time, traditional industries, including textiles and established manufacturing clusters, benefited from incentives to modernise operations, improve productivity, and enhance global competitiveness.

Infrastructure development remained central to economic expansion. Public capital expenditure increased to Rs. 12.2 lakh cr from Rs. 11.21 lakh cr in the previous year, supporting investments in transport networks, logistics infrastructure, and urban development. Policy attention also shifted towards Tier II and Tier III cities, particularly those with populations exceeding 5 lakh, recognising their growing role as centres of consumption, investment, and employment. For businesses operating in electronics and technology products, this expanding economic footprint beyond metropolitan markets creates significant growth opportunities.

Despite strong economic fundamentals, weather-related risks remained a key concern. The likelihood of an El Niño event and a weaker-than-normal monsoon increased, with forecasts indicating below-average rainfall during CY 2026. Although agriculture now contributes a smaller share of GDP, it continues to support a substantial workforce while influencing rural incomes, consumption, and food prices. A prolonged rainfall deficit could reduce agricultural output, particularly for rain-fed crops, increasing food inflation and weakening rural demand. However, improved irrigation coverage, healthy reservoir levels, and substantial food grain buffer stocks have strengthened India's resilience compared with previous El Niño episodes, helping limit the potential economic impact.

Monetary policy remained supportive while balancing emerging risks. Following cumulative policy rate cuts of 100 basis points during FY 2025-2026, the Reserve Bank of India (RBI) kept the repo rate unchanged at 5.25% in June 2026, maintaining a neutral stance that preserves flexibility to respond to evolving domestic and global conditions. Consumer price inflation remained benign at 3.93% in May 2026, supported by favourable food prices, strong agricultural output, and subdued core inflation. Against this backdrop, the RBI's calibrated approach aims to sustain growth while preserving macroeconomic stability and anchoring inflation expectations amid an increasingly uncertain global environment.

(Source: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2272112®=48&lang=1>)

3.93% Inflation in May 2026

OUTLOOK

The RBI has lowered its FY 2026-2027 GDP growth forecast to 6.6% from 6.9%, citing geopolitical tensions in West Asia, higher crude oil prices, supply chain disruptions, and weather-related risks. Despite these uncertainties, it retained the repo rate at 5.25% and maintained a neutral policy stance. This reflects confidence in the economy's resilience, supported by robust consumption, investment, manufacturing, and services exports.

However, the RBI identified a below-normal monsoon and El Niño conditions as key risks to agricultural output, rural demand, and food inflation. Economists also remain concerned about rising crude oil prices, given India's reliance on imports. Reflecting these risks, institutions including ICRA and HSBC have lowered their growth forecasts, warning that prolonged geopolitical tensions could further weaken growth while fuelling inflation.

Against this backdrop, policymakers may find it increasingly difficult to balance growth with price stability. Persistently high oil prices could widen the current account deficit, strain fiscal finances, and further complicate the RBI's monetary policy decisions in the coming quarters.

(Source: <https://economictimes.indiatimes.com/news/economy/indicators/rbi-gdp-growth-forecast-fy-2026-27-mpc-meeting-india-economic-outlook-gdp-forecast-india/articleshow/131519300.cms?from=mdr>)

6.6%

Projected Growth Rate of Indian economy in FY 2026-2027

INDUSTRY REVIEW

FMCG Industry

India's FMCG sector continued to grow steadily, driven by resilient consumer demand and higher prices for essential products. The industry remains a major employer, supporting nearly 3 Mn jobs and accounting for around 5% of India's factory workforce. As the country's fourth-largest sector, FMCG plays a vital economic role, with household and personal care products contributing nearly half of total industry sales.

MANAGEMENT DISCUSSION & ANALYSIS (Contd.)

FMCG is India's fourth-largest sector	3 Mn	5%
	People Employed in FMCG Sector	Of Country's Total Factory Workforce is Employed in FMCG Sector

The sector remained resilient during FY 2025-2026, supported by stable consumer demand, easing inflationary pressures, and the continued expansion of modern retail. Rural markets remained the primary driver of volume growth, while urban demand gradually recovered across smaller towns and metropolitan areas. Meanwhile, e-commerce and quick commerce strengthened their presence across urban India, emerging as key growth drivers for FMCG sales.

A defining development during the year was the implementation of GST 2.0, which reshaped the FMCG landscape through a simplified tax structure. Standard and essential goods attracted a 5% GST, premium products 18%, and sin and luxury goods 40%, while daily staples remained exempt. The reform aimed to improve affordability, simplify taxation, and encourage companies to pass tax benefits to consumers, supporting demand. Although the transition initially prompted pricing and supply chain adjustments across much of the FMCG portfolio, organised retail adapted faster than traditional trade, helping preserve market stability.

Category performance remained uneven. Food products benefited from GST-led price corrections and stable edible oil prices, driving stronger consumption. By contrast, home and personal care categories recorded slower volume growth because of greater exposure to pricing adjustments. Small and medium-sized manufacturers also continued to outpace larger players in volume growth, reflecting their agility in responding to evolving consumer preferences, pricing trends, and local market opportunities.

(Source: <https://nielseniq.com/global/en/news-center/2026/niq-gst-2-0-transition-reshapes-indias-fmcg-growth-landscape/>)

Rural FMCG Sales

Rural India remains a key growth engine for the FMCG sector, supported by rising aspirations, stronger infrastructure, and wider market access. Government initiatives across housing, road connectivity, financial inclusion, and livelihood generation have improved living standards, creating a

stronger foundation for consumption. Better infrastructure and connectivity have also enhanced access to goods, services, and distribution networks, integrating rural consumers more closely with the broader economy.

This progress is reshaping rural demand. Consumption now extends beyond essentials, with consumers increasingly seeking quality, convenience, and greater value. Higher disposable incomes, expanding retail access, and growing digital exposure have created a more informed and aspirational consumer base, driving demand for branded, premium, and value-added products across categories.

Despite these opportunities, rural markets remain operationally complex. Geographic dispersion, infrastructure gaps, seasonal disruptions, and fragmented distribution networks continue to raise last-mile delivery costs. Lower population density and limited retail infrastructure in some regions further constrain supply chain efficiency and product availability.

To overcome these challenges, FMCG companies are adopting localised distribution models, strengthening partnerships with rural entrepreneurs and retailers, and using technology to enhance demand forecasting and inventory management. Meanwhile, e-commerce, digital platforms, and community-led distribution initiatives are expanding rural reach and improving service levels.

Looking ahead, rural India's transition from a value-conscious market to an aspiration-driven consumer economy offers significant growth opportunities. Success will depend on balancing affordability with innovation, strengthening rural distribution, and developing products that meet the evolving preferences of a more connected and discerning consumer.

GROWTH DRIVERS

Rising Disposable Incomes

Rising disposable incomes continue to drive growth across India's FMCG sector, supporting higher consumption of both essential and discretionary products. Recent tax reforms and fiscal measures aimed at increasing household disposable income are expected to strengthen consumer confidence and spending. Improved purchasing power should sustain demand for packaged foods, personal care products, home care solutions, and premium offerings, creating a favourable environment for industry growth.

MANAGEMENT DISCUSSION & ANALYSIS (Contd.)

Favourable Demographic Profile

India's demographic advantage remains one of the FMCG industry's strongest long-term growth drivers. With a median age of approximately 29.8 years, the country has one of the world's youngest consumer populations. As urbanisation and incomes continue to rise, younger consumers increasingly favour convenience, innovation, quality, and personalised experiences. Their evolving lifestyles are reshaping consumption patterns and accelerating demand for differentiated products, creating opportunities for FMCG companies to broaden their portfolios and deepen market penetration.

(Source: [https://www.business-standard.com/industry/news/fmcg-industry-eyes-high-single-digit-volume-growth-in-2026-better-margins-125122200220_1.html#:~:text=years%20to%20come.-,India's%20young%20demographic%2C%20characterised%20by%20Millennials%20and%20Gen%20Z%2C%20has,%2Doriented%20spending%2C%20he%20said.\)](https://www.business-standard.com/industry/news/fmcg-industry-eyes-high-single-digit-volume-growth-in-2026-better-margins-125122200220_1.html#:~:text=years%20to%20come.-,India's%20young%20demographic%2C%20characterised%20by%20Millennials%20and%20Gen%20Z%2C%20has,%2Doriented%20spending%2C%20he%20said.)))

MSMEs as a Critical Growth Enabler

Micro, Small and Medium Enterprises (MSMEs) are integral to strengthening the FMCG ecosystem. They support localised manufacturing, enhance supply chain agility, drive innovation, and create employment. According to the Economic Survey 2025-26, India has over 7.47 cr MSMEs employing more than 32.82 cr people, making the sector the country's second-largest employer after agriculture. MSMEs contribute around 31.1% of India's GDP, 35.4% of manufacturing output, and 48.58% of exports. They also serve as vital partners for FMCG companies through contract manufacturing, packaging, logistics, and regional sourcing, while promoting local value addition and inclusive economic growth.

(Source: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2219984®=48&lang=2>)

The Rise of Quick Commerce

Quick commerce has become one of the most significant developments in India's retail landscape. Powered by technology-enabled dark stores and hyperlocal fulfilment networks, it has reshaped consumer expectations around convenience, accessibility, and delivery speed. Initially serving as an emergency grocery solution, the channel has evolved into a preferred destination for everyday FMCG purchases, including snacks, beverages, personal care products, and household essentials. As consumer

buying behaviour continues to shift, FMCG companies are redesigning supply chains, optimising inventory, and developing channel-specific offerings to capture this growing opportunity.

Accelerating Digital Transformation

Digital transformation is redefining the FMCG value chain by improving efficiency, strengthening customer engagement, and enabling faster, data-driven decisions. Companies are increasingly adopting technologies such as artificial intelligence (AI), the Internet of Things (IoT), cloud computing, and data analytics to enhance manufacturing, procurement, inventory management, and distribution.

Premiumisation and Wellness-Led Consumption

Growing demand for premium, health-focused products is reshaping consumption across the FMCG sector. Rising disposable incomes and greater consumer awareness are shifting purchase decisions towards quality, health benefits, ingredient transparency, and overall value. This shift is fuelling demand for premium packaged foods, functional nutrition, organic products, clean-label formulations, and science-backed personal care solutions. Consumers increasingly pay more for products that reflect their health, wellness, and lifestyle aspirations. This creates opportunities to expand premium portfolios while improving profitability.

Sustainability as a Strategic Imperative

Sustainability has become integral to long-term value creation in the FMCG sector. We continue investing in recyclable packaging, lower carbon emissions, greater resource efficiency, and responsible sourcing. Alongside these efforts, regenerative agriculture and sustainable supply chains help mitigate climate-related risks while strengthening brand reputation and stakeholder trust. Together, these initiatives enhance long-term resilience and competitive differentiation.

Strong Investment Momentum

The FMCG sector continues attracting strong domestic and foreign investment, supported by favourable policies, expanding consumer markets, and stronger manufacturing capabilities. Meanwhile, established companies are investing in emerging brands, digital-first businesses, and direct-to-consumer (D2C) platforms to capture evolving consumer preferences and strengthen future growth pipelines.

MANAGEMENT DISCUSSION & ANALYSIS (Contd.)

Government Initiatives

Government policies continue to support the growth of India's FMCG sector by strengthening rural consumption, improving infrastructure, advancing food processing, and promoting formalisation across the value chain. Investments in rural development, agriculture, housing, and connectivity are improving market access, expanding consumption, and enhancing distribution efficiency, particularly across semi-urban and rural regions. Meanwhile, continued emphasis on food processing, supply chain modernisation, and ease of doing business is boosting competitiveness and operational efficiency. Initiatives supporting MSMEs, domestic manufacturing, and stronger quality and food safety standards are further building a more resilient and organised FMCG ecosystem.

OUTLOOK

India's FMCG sector is projected to grow by 8% to 10% in FY 2026-2027, reinforcing its role as a key driver of the country's consumption-led economy. Growth is expected to stem primarily from selective price increases as companies offset rising input costs. Higher crude oil-linked raw material prices, packaging costs, freight expenses, and supply chain disruptions have significantly increased operating costs. Manufacturers of soaps, detergents, shampoos, and other personal care products are expected to face the greatest pressure because crude oil-derived inputs account for a significant share of their raw material costs.

Despite this, volume growth is expected to moderate to 2% to 3%, down from 5% to 6% in the previous year. Persistent inflation, softer consumer sentiment, and potential monsoon-related risks could weigh on demand across both urban and rural markets.

Although consumer spending remained resilient during FY 2025-2026, FMCG stocks lagged broader market and diversified consumption indices. Incremental spending increasingly shifted towards discretionary categories, including automobiles, travel, hospitality, retail, and consumer durables, instead of everyday staples. Consequently, broader consumption indices outperformed traditional FMCG companies despite favourable macroeconomic conditions.

The past few years have also reshaped the perception of FMCG as a purely defensive sector. Historically, essential

products helped sustain demand during economic slowdowns. However, supply-side pressures, including higher crude oil and edible oil prices, currency depreciation, and geopolitical disruptions, have shown that even defensive sectors remain vulnerable when costs rise sharply.

Against this backdrop, FMCG companies are expected to rely on selective price increases, shrinkflation, smaller pack sizes, targeted promotions, and supply chain optimisation. Together, these measures should help preserve affordability, protect market share, and sustain profitability in an increasingly price-sensitive market.

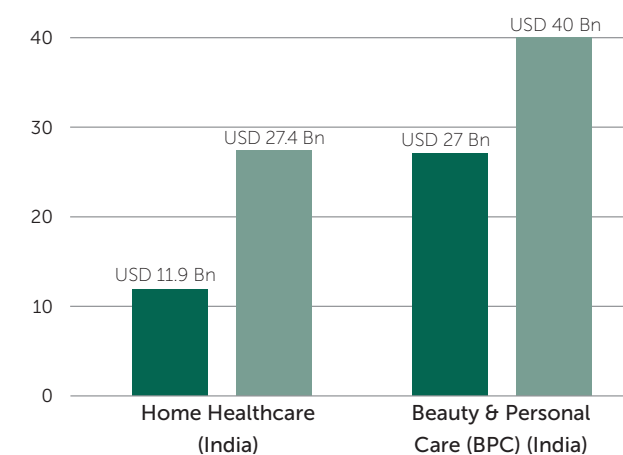
(Sources: <https://www.angelone.in/news/economy/india-s-fmkg-sector-expected-to-grow-8-10-in-fy27-driven-by-price-hikes-despite-rising-costs-slow-demand>

<https://www.cnbctv18.com/market/goldman-sachs-fy27-fmkg-growth-consumer-staples-discretionary-crude-oil-prices-gst-inflation-west-asia-geopolitical-tensions-19921393.htm>)

HOME AND PERSONAL CARE INDUSTRY

The Indian home care market continues to expand rapidly. Valued at an estimated USD 11.9 Bn in CY 2025, it is projected to reach approximately USD 27.4 Bn by CY 2030, growing at a CAGR of around 18%. India's Beauty and Personal Care (BPC) market is also on a strong growth trajectory. Currently valued at over USD 27 Bn, it is expected to approach USD 40 Bn by CY 2030, driven by evolving consumer preferences and deeper market penetration.

Market Size (USD Bn)



(Sources: <https://www.mordorintelligence.com/industry-reports/india-home-healthcare-market>

MANAGEMENT DISCUSSION & ANALYSIS (Contd.)

<https://www.personalcareinsights.com/news/india-beauty-boom-safety-concerns.html>)

GROWTH DRIVERS

Quick Commerce and Digital Infrastructure

Quick commerce has reshaped consumer purchasing behaviour by making everyday home and personal care products more accessible. Faster deliveries have increased purchase frequency, while wider 5G adoption and stronger logistics networks have expanded access to premium products across Tier-2 and Tier-3 cities. Together, these developments have significantly widened the addressable market.

Shifting Consumer Preferences

Indian consumers are moving beyond basic hygiene towards wellness, self-care and personalised beauty solutions. This shift has accelerated demand for premium formats such as body washes while driving the 'skinification' of body care, with products addressing specific concerns including pigmentation, hydration and barrier repair. At the same time, changing social norms and growing awareness of personal grooming have expanded the men's grooming category beyond shaving into skincare serums, specialised hair care and targeted grooming routines.

Growing Demand for Science-Backed and Clean Beauty Solutions

A more informed and digitally connected consumer base is driving demand for products that combine scientific efficacy with trusted natural ingredients. Consumers increasingly prefer formulations containing active ingredients such as niacinamide, hyaluronic acid and vitamin C, influenced by dermatologists and beauty content creators. Meanwhile, strong trust in Ayurveda and clean beauty continues to support products that combine natural ingredients with clinical validation and safety testing.

Premiumisation and Rising Influence of Global Beauty Trends

Rising disposable incomes and greater exposure to global beauty trends continue to accelerate premiumisation across the HPC sector. Although mass-market products account for most volumes, premium and luxury segments are growing faster. International beauty brands are expanding

through both physical and digital channels, supported by specialised beauty retailers. The fragrance segment reflects this trend, with premium perfumes steadily gaining share over traditional deodorants as consumers increasingly seek products that reflect their identity and lifestyle aspirations.

Urbanisation and Appliance Adoption Driving Home Care Evolution

Rapid urbanisation and increasing adoption of modern household appliances are transforming the home care segment. Greater penetration of dishwashers and automatic washing machines has boosted demand for specialised products, including liquid detergents, fabric conditioners, dishwasher tablets and other high-performance cleaning solutions. Consumers are also trading up to premium home hygiene products, including antibacterial cleaners, surface care solutions and home fragrancing systems, reinforcing home care as an important lifestyle category.

OUTLOOK

The Indian Home and Personal Care (HPC) industry is well positioned for sustained growth, strengthening India's position among the world's largest beauty markets. Consumer spending is steadily shifting from occasional discretionary purchases towards everyday self-care, wellness and personal expression.

As the market matures, competition is expected to intensify between emerging digital-first brands and established FMCG players. While D2C brands continue to attract consumers through innovation and agility, larger incumbents are reinforcing their market positions through acquisitions, brand incubation and omnichannel distribution.

Over the long term, sustained competitive advantage will depend not only on brand building and customer acquisition but also on investments in manufacturing, supply chain resilience, research and development, and regulatory compliance. At the same time, greater scrutiny of ingredient safety, clean-label claims and sustainable packaging will continue to shape product innovation and operational strategies across the industry.

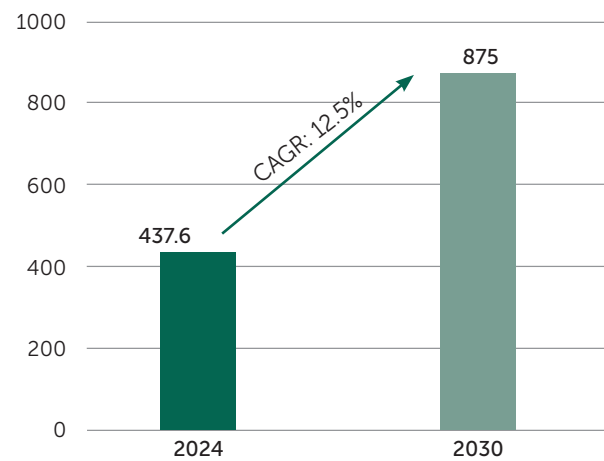
(Source: <https://www.ibluu.com/insights/inside-indias-40bn-beauty-and-personal-care-market-and-the-worlds-next-global-personal-care-powerhouse-by-2030/>)

MANAGEMENT DISCUSSION & ANALYSIS (Contd.)

FOOD & BEVERAGES INDUSTRY

India's food & beverages (F&B) sector remains one of the country's largest consumption-driven industries. Valued at approximately USD 437.6 Bn in CY 2024, the market is projected to reach USD 875 Bn by CY 2030, registering a CAGR of about 12.5%.

Market Size (USD Bn)



(Source: Brickwork Research)

GROWTH DRIVERS

Rising Incomes and Evolving Consumer Preferences

India's expanding middle class and rising disposable incomes continue to reshape food consumption across metropolitan and emerging cities. Consumers are spending more on dining out, online food delivery, premium cafés, and other experiential formats. Meanwhile, busy urban lifestyles and a growing preference for convenience are driving demand for quick-service restaurants, cloud kitchens, and organised food brands. These trends have also attracted strong private equity interest, underlining the sector's growth potential. As a result, organised food businesses are growing 1.5-2 times faster than the broader industry, reflecting the shift towards scalable, branded, and professionally managed food service platforms.

Strong Agricultural and Dairy Foundations

India's F&B industry is supported by one of the world's largest agricultural and dairy ecosystems, providing a

resilient supply base. The country produces nearly one-fourth of the world's milk, while its dairy sector contributes around Rs. 12 Tn to the economy. More than 17 Mn farmers across 2.35 lakh villages participate in dairy cooperatives, strengthening rural livelihoods and supply chain efficiency. Government initiatives, including White Revolution 2.0, are expected to further enhance production capacity and improve distribution networks.

(Source: <https://www.makreo.com/blog/what-is-driving-india-s-food-beverage-market-growth-and-how-can-market-research-unlock-the-opportunity>)

Expansion of Organised Food Services

India's food services industry is expected to exceed USD 125 Bn by CY 2030, with the organised segment expanding at nearly twice the pace of the unorganised market. At the same time, digital ordering platforms are reshaping consumer behaviour. Customers now order from 30% more restaurants, explore 20% more cuisines, and increasingly embrace late-night dining, which is growing almost three times faster than traditional dinner occasions.

Innovation in Beverages

The beverage category has emerged as one of the fastest-growing segments within India's F&B landscape. Demand is rising for matcha and hōjicha beverages, cold brews, bubble tea, and fusion café drinks. Beyond metropolitan markets, Tier-2 and Tier-3 cities are driving the next phase of premium and experiential beverage consumption.

F&B Demand is Redefining Retail Real Estate

Rapid expansion of the F&B sector is reshaping retail real estate across India. Over the past two years, the category accounted for nearly 4 Mn sq. ft. of retail leasing across the country's seven largest cities. In response, developers are allocating up to 25% of mall space to food and beverage operators. High streets continue to dominate leasing, accounting for 54% of total absorption, led by Bengaluru, followed by Mumbai and Delhi NCR. Looking ahead, another 6 Mn sq. ft. of F&B-focused retail space is expected to be delivered by CY 2028.

(Source: <https://www.makreo.com/blog/what-is-driving-india-s-food-beverage-market-growth-and-how-can-market-research-unlock-the-opportunity>)

MANAGEMENT DISCUSSION & ANALYSIS (Contd.)

OUTLOOK

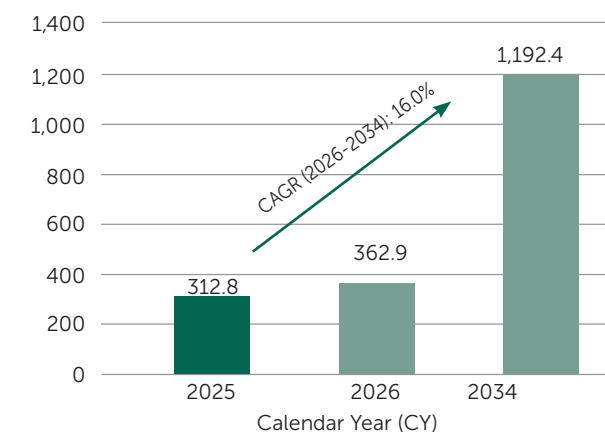
India's F&B industry is well positioned for sustained long-term growth, with the packaged foods & beverages market expected to surpass USD 150 Bn by CY 2030. Rising disposable incomes, rapid urbanisation, growing demand for convenience, and the continued expansion of quick commerce and organised retail will remain key growth drivers. At the same time, evolving consumer preferences, digital adoption, product innovation, and changing retail real estate dynamics are creating significant opportunities across the value chain.

(Source: <https://redseer.com/reports/reinventing-packaged-fb-with-quick-commerce/>)

ICE CREAM INDUSTRY

The Indian ice cream market was valued at approximately Rs. 312.8 Bn in CY 2025 and is projected to reach Rs. 362.9 Bn in CY 2026. It is expected to sustain strong momentum over the next decade, expanding to nearly Rs. 1,192.4 Bn by CY 2034 at a CAGR of 16.0% between CY 2026 and CY 2034.

Market Size (Rs. Bn)



(Source: <https://www.imarcgroup.com/ice-cream-market-india>)

GROWTH DRIVERS

Low Per Capita Consumption

India's ice cream market continues to benefit from rising per capita consumption, reflecting wider consumer acceptance and deeper market penetration. Consumption remains well below that of developed markets such as New Zealand and the United States, highlighting substantial

untapped potential. As affordability, accessibility and consumer awareness improve, the market offers significant long-term growth opportunities.

Climate Change and Seasonal Demand Growth

Rising temperatures, longer summers and recurring heat waves continue to drive ice cream consumption across India. Consumers increasingly view ice cream as a preferred refreshment during extreme weather, making climate-driven demand a key catalyst for category growth.

Expansion of Quick Commerce and Market Accessibility

Rapid growth in e-commerce and quick commerce has transformed product accessibility, allowing consumers to purchase ice cream instantly and encouraging impulse buying. At the same time, stronger logistics and cold-chain infrastructure have expanded market reach across urban, semi-urban and smaller cities.

Rural Penetration and Growth of Regional Manufacturers

Growing demand from rural and Tier-II and Tier-III markets, alongside the expansion of regional and unorganised manufacturers, continues to support market growth. Affordable raw materials, simple production processes and strong consumer preference for traditional flavours such as kulfi and kalakand have further accelerated penetration beyond metropolitan centres.

Product Innovation and Premiumisation

Continuous flavour innovation, premium product launches and rising disposable incomes are driving value growth. Consumers are increasingly exploring exotic and indulgent flavours, while evolving lifestyles and higher discretionary spending continue to strengthen demand for premium offerings. This creates opportunities for brands to diversify portfolios and capture higher-margin segments.

Rising Health and Wellness Consciousness

Greater awareness of health, nutrition and wellness is reshaping the category and accelerating demand for better-for-you alternatives. Consumers increasingly prefer low-sugar, low-fat, high-protein and plant-based options that align with their dietary choices and fitness goals. In response, manufacturers are introducing innovative formulations featuring probiotics, prebiotics, herbs and micronutrients, alongside dairy-free and vegan offerings. Alternative ingredients, including whey protein isolate

MANAGEMENT DISCUSSION & ANALYSIS (Contd.)

(WPI), are further enhancing nutritional value without compromising taste or texture, supporting the premium health-focused segment.

Expansion of Retail Networks and Cold Chain Infrastructure

The continued expansion of modern retail channels and cold-chain infrastructure remains central to India's ice cream market growth. Valued at approximately USD 24.9 Bn in CY 2025, the Indian cold-chain market is projected to exceed USD 33 Bn by 2031, reflecting sustained investment in cold storage, refrigerated transportation and temperature-controlled retail networks. These developments are improving storage, handling and distribution while helping manufacturers preserve product quality and expand their presence across urban and semi-urban markets. Coupled with the growth of supermarkets, hypermarkets and convenience stores, they are enabling broader product availability and supporting sustained category expansion.

(Source: <https://www.mordorintelligence.com/industry-reports/india-cold-chain-logistics-market>)

OUTLOOK

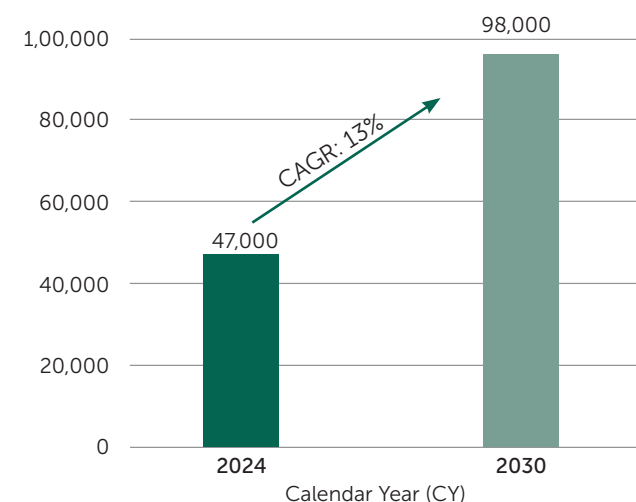
India's ice cream market is entering a new phase of growth, supported by rising consumption frequency, premiumisation and increasingly sophisticated consumer preferences. Although category penetration is relatively high, usage frequency remains low, leaving significant headroom for expansion as brands create new consumption occasions through product innovation and portfolio diversification. At the same time, the gap between indulgence and wellness is narrowing, with low-sugar, high-protein and functional nutrition products gaining prominence. Consequently, manufacturers are broadening their portfolios with healthier, value-added offerings that combine indulgence with nutritional benefits.

OTC PHARMACEUTICALS INDUSTRY

India's healthcare landscape is undergoing a fundamental shift, with consumers taking greater responsibility for managing everyday health needs. Valued at approximately Rs. 47,000 cr (USD 5.6 Bn) in CY 2024, India's over-the-counter (OTC) market is projected to nearly double to Rs. 98,000 cr by CY 2030, recording a CAGR of 13%.

Despite being one of the world's most populous countries, India remains significantly underpenetrated in OTC consumption. Per capita spending is less than one-tenth of the global average, underscoring substantial growth potential.

Market Size (Rs. cr)



(Source: https://www.ey.com/en_in/newsroom/2026/01/india-s-over-the-counter-drugs-market-set-to-hit-dollar-98-000-crore-by-2030-growing-at-13-percent-cagr-ey-parthenon-report)

GROWTH DRIVERS

Consumer-Driven Wellness Surge

Urban consumers are increasingly embracing self-care, with around 62% opting to self-medicate for common ailments such as fever, colds, and digestive discomfort. Meanwhile, changing lifestyles, rising stress, environmental challenges, and greater health awareness are accelerating demand for preventive wellness products, including multivitamins, immunity supplements, and cosmeceuticals.

Cost-Effective Healthcare Access

OTC medicines empower consumers to manage minor ailments independently, reducing dependence on physician consultations and lowering out-of-pocket (OOP) expenses. Healthcare professional visits account for nearly 86% of healthcare spending, compared with 10% for self-medication and 4% for pharmacist-led care. This highlights the cost-effectiveness of self-care for routine health conditions.

MANAGEMENT DISCUSSION & ANALYSIS (Contd.)

Rise of E-Commerce and E-Pharmacies

The rapid growth of e-commerce and digital pharmacy platforms has transformed OTC retail by offering convenient access, personalised recommendations, and doorstep delivery. The COVID-19 pandemic further accelerated this shift, reinforcing digital channels as a preferred purchase route.

Innovative OTC Formats

Rising health awareness and expanding product categories are driving innovation through convenient formats such as gummies, melts, and dissolvable tablets. These user-friendly offerings particularly appeal to younger consumers, including Gen Z, making wellness products more accessible and enjoyable.

Emergence of a Structured OTC Regulatory Framework

India is steadily moving towards a formal OTC regulatory framework, creating a more transparent and predictable operating environment. Similar to established markets such as the US, Canada, and Europe, the framework is expected to improve product safety, strengthen consumer trust, and support the growth of organised industry participants.

Government Initiatives

Government initiatives, including the Pradhan Mantri Bhartiya Janaushadhi Pariyojana (PMBJP), are expanding access to affordable, quality-assured generic medicines. Through an expanding network of Janaushadhi Kendras, essential healthcare products are reaching millions of consumers at significantly lower prices. These efforts are encouraging greater adoption of self-care while supporting broader OTC market growth.

OUTLOOK

India's OTC market is well positioned for sustained growth, driven by rising health awareness, higher disposable incomes, greater adoption of preventive healthcare, and expanding digital commerce. As consumers become more informed and proactive, demand is expected to shift further towards self-care, wellness, and preventive healthcare solutions. This positions OTC as a compelling growth opportunity for pharmaceutical companies beyond traditional prescription-led businesses.

Looking ahead, success will depend on building trusted consumer brands, embracing data-driven multi-channel marketing, strengthening digital engagement, and

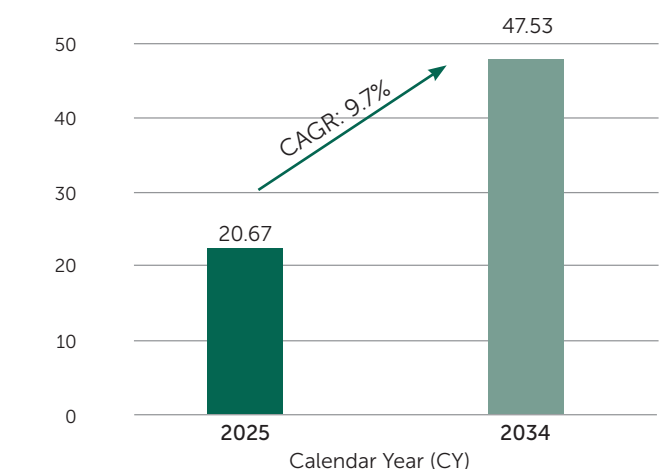
maintaining consumer confidence. Companies expanding from prescription (Rx) to OTC products must also balance broader consumer outreach with sustained credibility among healthcare professionals.

A robust regulatory framework will be equally critical. Clear guidance on product classification, labelling, health claims, and consumer communication will promote responsible self-medication, strengthen consumer confidence, and encourage long-term industry investment.

FOOTWEAR INDUSTRY

India's footwear market was valued at approximately USD 20.67 Bn in CY 2025 and is projected to reach USD 47.53 Bn by CY 2034, registering a CAGR of 9.7%. Rising disposable incomes, increasing footwear penetration, evolving consumer preferences, and expanding demand across branded and organised retail channels continue to support this growth.

Market Size (USD Bn)



(Source: <https://www.imarcgroup.com/india-footwear-market>)

The non-athletic segment remained the market's primary driver, accounting for 67.64% in CY 2025. Strong demand for formal, casual, and traditional footwear underpinned its performance. In contrast, athletic footwear, with a 32.36% share, is expected to be the fastest-growing category. It is projected to expand at a CAGR of approximately 11.8% through CY 2034, driven by rising fitness awareness, growing athleisure adoption, and sustained investments by global sportswear brands.

MANAGEMENT DISCUSSION & ANALYSIS (Contd.)

The premium segment accounted for 54% of the market in CY 2025, reflecting rising brand consciousness, higher disposable incomes, and social media's growing influence on purchasing decisions. The mass-market segment represented the remaining 46%, supported by steady demand for affordable products from domestic manufacturers.

Regionally, North India led the market with a 35.0% share, supported by its large consumer base and established manufacturing ecosystem, particularly in Agra. South India followed with 24.6%, driven by urbanisation and rising consumption in cities such as Chennai and Bengaluru. West and Central India contributed 22.8%, benefiting from expanding organised retail penetration. East India accounted for the remaining 17.6%, supported by improving retail access and growing consumer demand.

(Source: <https://www.imarcgroup.com/india-footwear-market>)

GROWTH DRIVERS

Expanding Urban Population and Higher Consumer Spending

India's urban population is expected to approach 600 Mn by CY 2031, expanding the footwear consumer base. Rising disposable incomes are also steering consumers towards branded products that deliver superior style, comfort, and quality. This shift is accelerating premiumisation while increasing the reach of organised footwear brands across metropolitan and emerging urban markets.

(Source: <https://www.imarcgroup.com/india-footwear-market>)

Growth of E-Commerce and Digital Retail Channels

Expanding internet access and smartphone adoption, especially across Tier II and Tier III cities, continue to transform footwear retail. India's e-commerce market is projected to surpass USD 145 Bn by CY 2025, driven by mobile-first shopping and personalised digital experiences. Online marketplaces offer wider product choices while helping brands expand their reach efficiently across the country.

(Source: <https://www.imarcgroup.com/india-footwear-market>)

Expansion of Regional Manufacturing Clusters

The success of established footwear hubs, particularly in Tamil Nadu, is encouraging other states to strengthen their manufacturing ecosystems. Uttar Pradesh, Haryana, Andhra Pradesh, and Telangana are attracting investments through supportive policies, infrastructure development, and workforce initiatives. As new regional clusters emerge, they are expanding production capacity, generating employment, and fostering balanced industrial growth nationwide.

Rising Demand for Athleisure and Fashion-Oriented Footwear

Growing health awareness, evolving fashion preferences, and a young consumer base continue to fuel demand for athleisure and lifestyle footwear. Hybrid work models have further reinforced this trend by increasing demand for footwear that blends comfort, functionality, and style. In response, brands are expanding their portfolios with innovative offerings across athletic and casual segments.

Technology Adoption across Manufacturing and Retail

Advanced technologies are reshaping the Indian footwear industry. Manufacturers are adopting automation, artificial intelligence, and data-driven production systems to improve efficiency and lower costs. At the consumer level, innovations such as augmented reality-enabled virtual try-ons and personalised shopping experiences are strengthening engagement, accelerating e-commerce adoption, and helping brands meet evolving expectations.

Sustainability and Eco-friendly Footwear

Sustainability is emerging as a key growth driver as consumers increasingly value environmental responsibility and ethical production. Growing awareness is boosting demand for footwear made from recyclable, renewable, and eco-friendly materials. In response, manufacturers and brands are investing in sustainable product development, adopting greener production processes, and enhancing supply chain transparency.

MANAGEMENT DISCUSSION & ANALYSIS (Contd.)

Government Initiatives

Government initiatives, including 100% foreign direct investment (FDI) in footwear, Production-Linked Incentive (PLI) schemes, and leather cluster development programmes, are strengthening the domestic manufacturing ecosystem. These measures are attracting investments, expanding production capabilities, reducing import dependence, and reinforcing India's position as a globally competitive footwear manufacturing and export hub.

Trade Compliance and Import Regulation Framework

Stronger enforcement of rules of origin under trade agreements, including ASEAN FTA and SAFTA, is creating a more level playing field for domestic manufacturers. By limiting trade circumvention and promoting fair competition, these measures encourage local production, attract investment, and deepen India's integration into regional and global supply chains.

OUTLOOK

India's footwear and leather industry is entering a transformative phase, supported by favourable policies, expanding manufacturing capabilities, and rising global demand. As the country strengthens its role in international value chains, the sector is poised to become a major contributor to industrial growth, exports, and employment. This long-term potential is reflected in the industry's ambition to achieve a turnover of USD 90 Bn by CY 2030.

The Indian Footwear and Leather Development Programme (IFLDP), backed by a government outlay of Rs. 1,700 cr, is expected to drive this transformation. The programme aims to develop world-class infrastructure, accelerate technological modernisation, and enhance manufacturers' competitiveness. It also supports integrated manufacturing clusters for footwear, leather goods, and accessories, creating a robust ecosystem for large-scale production and exports.

Alongside manufacturing expansion, the industry continues to prioritise innovation, design excellence, and skill development. Collaborations with leading institutions, including CSIR-CLRI, are advancing design capabilities and strengthening industry-academia partnerships. At the same time, specialised training programmes in footwear

and apparel design are building a skilled workforce capable of meeting evolving market needs and global quality standards.

CONTRACT MANUFACTURING INDUSTRY

India's contract manufacturing industry is witnessing robust growth, driven by supportive government policies, rising private investments, and the diversification of global supply chains. Its competitive cost structure, expanding skilled workforce, and strengthening manufacturing ecosystem make India an increasingly attractive destination for global companies seeking reliable, scalable production across industries.

According to several market reports, India is witnessing growing demand for contract manufacturing services, driven by increasing cost pressures across industries. At the same time, strong domestic and international demand, coupled with extensive support from manufacturing consultants, is accelerating the growth of the country's contract manufacturing sector.

To further strengthen the industry, the Government of India has permitted 100% Foreign Direct Investment (FDI) under the automatic route. This policy is encouraging greater foreign investment and creating new business opportunities across manufacturing segments. It also positions India as an attractive manufacturing destination for global companies seeking to diversify their supply chains and expand operations amid ongoing shifts in global trade dynamics, including the U.S.-China trade tensions.

To capitalise on these opportunities, contract manufacturers are expanding facilities, pursuing mergers and acquisitions, and forming strategic partnerships to strengthen capabilities and broaden market reach. Together, these initiatives are enhancing the industry's competitiveness and supporting its long-term growth.

Key government initiatives supporting the sector include:

- 100% FDI under the automatic route.
- Permission for foreign single-brand retail enterprises to sell goods manufactured in India, subject to the prescribed 30% local sourcing requirement.

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

MANAGEMENT DISCUSSION & ANALYSIS (Contd.)

Just like the FMCG industry, the contract manufacturing industry has evolved multi-fold over the years:

Phase	Period	Key Characteristics
Phase I	1980s	- Small Scale Industry (SSI) reservations protected domestic manufacturing. - Tax exemptions provided for SSI units. - Focus on encouraging small-scale production through policy support.
Phase II	2000s	- Shift from SSI reservations to area-based reservations. - Direct tax exemptions introduced to stimulate investment. - Indirect tax exemptions provided to support regional industrial development.
Phase III	Present Day	- Introduction of GST and creation of a unified national market ('One Country, One Market'). - Significant changes in distribution and supply networks. - Growth of e-commerce and modern trade channels. - Rapid emergence of small brands, many preferring asset-light models rather than investing heavily in manufacturing facilities.
Phase IV	Future Outlook	- India evolves into a global sourcing and pharmaceutical generics hub. - Continued rise of small brands with limited interest in owning manufacturing assets. - Product categories become more fragmented, moving away from duopolies and oligopolies towards greater brand diversity. - Investments in advanced manufacturing technologies, supply chain integration, and digital production systems. - Deeper understanding of emerging consumer segments and faster capability to meet evolving preferences. - Greater manufacturing flexibility, enabling efficient small-batch production and customisation.

FAVOURABLE OPPORTUNITIES FOR CONTRACT MANUFACTURERS IN INDIA

As businesses pursue greater agility and cost efficiency, they are increasingly partnering with third-party manufacturers to support growth and strengthen competitiveness. Today's contract manufacturers offer far more than production capabilities. Their strategic insight, technical expertise and cross-industry experience help optimise operations, strengthen supply chains and drive sustainable growth.

In-Depth Technical Expertise

Serving clients across multiple industries gives contract manufacturers broad technical expertise in production processes, cost optimisation and operational efficiency. Their experience also helps identify design flaws and manufacturing risks early, enabling businesses to avoid costly mistakes and reduce investment risks.

Cost Savings

Contract manufacturing significantly lowers both operational and capital expenditure. By outsourcing production, companies avoid substantial investments in manufacturing facilities, equipment and workforce management. Reliable manufacturing partners also streamline vendor coordination, minimise unexpected costs and reduce labour expenses, improving overall profitability.

Production Scalability

Expanding production often challenges start-ups and small and medium-sized enterprises (SMEs) with limited resources. Contract manufacturers overcome these constraints through established facilities, skilled talent and scalable production capacity. This enables businesses to increase output quickly, respond to shifting demand and scale operations without significant capital investment.

MANAGEMENT DISCUSSION & ANALYSIS (Contd.)

Regulatory Compliance Expertise

Indian contract manufacturers possess extensive knowledge of domestic and international regulations. Their expertise helps businesses navigate complex compliance requirements, secure necessary certifications and meet safety, quality and environmental standards. Consequently, companies can minimise compliance risks and accelerate market entry.

Faster Time-to-Market

An established manufacturing ecosystem enables businesses to speed up product development and commercialisation. Contract manufacturers provide immediate access to production infrastructure, skilled personnel and robust supply chain networks, shortening timelines for prototyping, manufacturing and distribution. This helps companies launch products faster and respond swiftly to changing market demands.

Superior Product Quality

Indian contract manufacturers have earned a strong reputation for delivering superior product quality through advanced manufacturing practices and rigorous quality standards. By leveraging technologies such as CNC machining, 3D printing and precision engineering, they achieve exceptional accuracy and consistency across production runs. Skilled engineers and technical specialists complement these capabilities with meticulous execution, producing products that combine functionality with refined aesthetics.

Access to Established Local Supply Chains

Long-standing relationships with raw material suppliers and logistics partners enable contract manufacturers to secure reliable procurement and cost-effective sourcing. Their established supply chain networks reduce lead times, lower transportation costs and ensure a consistent supply of high-quality materials, supporting uninterrupted production and operational efficiency.

THREATS

Competition from the Unorganised Sector

India's FMCG industry remains highly fragmented, with competition from established national brands and numerous regional and unorganised players. Regional

businesses often enjoy strong customer loyalty within their markets. Their ability to respond quickly to evolving preferences and maintain close customer relationships strengthens their competitive position. Consequently, contract manufacturers serving national and multinational FMCG brands may face pricing pressure, fluctuating demand, and market share challenges in regions where local players maintain a strong presence.

Intellectual Property Infringement

Outsourcing production to third-party manufacturers increases the risk of intellectual property (IP) theft or infringement. The risk is particularly significant for products relying on patented technologies, proprietary designs, or specialised manufacturing processes. Without robust security measures and effective safeguards for confidential information, sensitive knowledge may be leaked, copied, or misused.

Supply Chain Challenges

Contract manufacturing can create supply chain complexities that disrupt production and delay deliveries. Raw material shortages, procurement delays, inconsistent material quality, transportation disruptions, and operational interruptions at manufacturing facilities can affect production schedules. These challenges may also compromise the quality of finished products.

Quality Control Concerns

Maintaining consistent quality becomes more challenging when production is outsourced. Differences in manufacturing standards, production practices, or quality assurance processes between the Company and its manufacturing partner may result in defects or product inconsistencies. Such issues can increase returns, reduce customer satisfaction, and damage our reputation.

Contractual Risks

Poorly drafted or inadequately negotiated contracts can expose companies to significant operational and financial risks. Ambiguous terms, unclear responsibilities, unrealistic production schedules, and inadequate quality requirements may trigger disputes, delays, and unforeseen costs. Well-defined contractual agreements remain essential for sustaining successful manufacturing partnerships.

Time-Related Risks

Selecting an unsuitable contract manufacturing partner can delay production and postpone market entry. Although manufacturers continually pursue efficiency and cost optimisation, delays may still arise. Even superior products can lose commercial potential if competitors enter first or customer demand shifts before launch.

Managing Supply Chain Risks

Global supply chains continue to face disruption from raw material shortages, transportation bottlenecks, geopolitical uncertainties, and economic volatility. Excessive dependence on a single supplier or sourcing region increases exposure to unexpected disruptions, affecting production continuity and business resilience. We mitigate these risks through supplier diversification, adequate safety stock, and stronger supplier relationships. We also leverage real-time supply chain monitoring, data analytics, and structured risk management frameworks to improve visibility and respond proactively to emerging disruptions.

Why HFL for Contract Manufacturing

Recognised as one of India’s most diversified contract manufacturers, we have expanded through disciplined organic growth and strategic acquisitions. This balanced approach strengthens our capabilities, broadens our presence across categories, and enables us to anticipate industry trends. As customer requirements evolve, we continue to deliver agile, scalable manufacturing solutions across multiple sectors.

Integrated End-to-End Manufacturing Platform

We offer a comprehensive manufacturing ecosystem supported by modern infrastructure and integrated processing, packaging, warehousing, and logistics capabilities. This end-to-end platform helps our customers simplify operations, accelerate time-to-market, and improve supply chain efficiency.

Partnering with us gives customers access to high-quality manufacturing while protecting intellectual property and ensuring consistent product standards. This allows them to focus on innovation, brand building, customer engagement, and long-term growth.

Flexible Manufacturing Models for Every Stage of Growth

To address the diverse needs of our customers, we operate through a flexible three-tier business model:

- **Dedicated Manufacturing Facilities:** Exclusive production facilities designed for large-scale anchor customers with significant volume requirements.
- **Shared Manufacturing Units:** Cost-efficient production infrastructure that delivers economies of scale for customers with moderate manufacturing needs.
- **Turnkey Private Label Solutions:** End-to-end product development and manufacturing services that enable emerging brands to move rapidly from concept to market.

Operational Excellence and Speed of Execution

Execution excellence distinguishes us. Strong project management capabilities enable us to expand capacity, modernise facilities, and commission new production lines within compressed timelines. This agility helps our customers minimise capital expenditure, optimise operating costs, and respond quickly to changing market demands.

Diversified Portfolio and Long-Term Customer Relationships

Our manufacturing capabilities span home and personal care, food and beverages, leather products, mosquito repellents, ice cream, footwear, and OTC pharmaceuticals. This diversified portfolio, combined with our ability to respond swiftly to changing consumer preferences, makes us a preferred manufacturing partner for both domestic and international brands.

We build enduring customer relationships founded on trust, quality, confidentiality, and operational reliability. Long-term contracts enhance revenue visibility while reinforcing our position as a scalable, dependable, and globally competitive manufacturing partner.

Growth Drivers for Contract Manufacturers

Contract Manufacturing has become an integral part of the FMCG value chain, with its growth closely aligned to that of the broader industry. Consequently, the long-term structural drivers supporting FMCG demand continue to create significant opportunities for Contract Manufacturers.

COMPANY OVERVIEW

Hindustan Foods Limited (also referred to as ‘HFL’, or ‘The Company’) is India’s largest and most diversified multi-category FMCG Contract Manufacturer, backed by a track record spanning more than three-and-a-half decades. Our diversified business model drives stability and resilience, enabling us to serve a broad range of consumer categories.

Our presence spans Home Care, Personal Care, Pet Care & Hygiene, Beauty & Cosmetics, Household Insecticides, Food & Beverages, Ice Cream, Leather & Sports Footwear, Healthcare & Wellness and Foot Care. Complementing this portfolio, our Research and Development capabilities enable us to continuously enhance our formulation expertise and expand our product offerings across multiple FMCG segments.

Our manufacturing network comprises 42 strategically located facilities across India. Each facility is equipped with advanced processing technologies, automated packaging systems, warehousing, and integrated logistics infrastructure. Our in-house laboratories uphold rigorous quality standards at every stage of production. At the same time, our dedicated Product Development arm drives innovation and product excellence.

Together, these capabilities enable us to deliver scale, consistency, quality, and speed, reinforcing our position as a trusted manufacturing partner for leading brands.

During FY 2025-2026, we achieved several significant operational and strategic milestones that strengthened our

manufacturing capabilities and positioned us for long-term growth. This reflects our continued investment in capacity creation and infrastructure development.

Within our Ice Cream business, we commissioned the Panipat [Haryana] manufacturing facility in less than 10 months, demonstrating strong execution capabilities. At the same time, we enhanced backward integration by acquiring a Waffle Cones manufacturing unit and commissioning an Ice Cream Sticks production facility. These initiatives strengthened supply chain efficiency while providing greater operational control.

Furthermore, our Footwear division achieved an important milestone by reaching operational stability. While the business delivered a strong performance, it encountered some margin pressure towards the end of the year due to higher petrochemical prices arising from geopolitical developments.

We also continued to strengthen our shared manufacturing platform, with its contribution to total EBITDA increasing to 26% in FY 2025-2026 from 13% in the previous year. This demonstrates the expanding scale and diversification of our business model.

In addition, the acquisition of a Personal Care facility in Aurangabad expanded our footprint in the category, enabling us to support premium and direct-to-consumer brands through flexible and smaller-batch production solutions.

FINANCIAL HIGHLIGHTS

(Rs. in cr.)			
Particulars	FY 2024-2025 (Restated)	FY 2025-2026	YoY Growth (%)
Revenue from Operations	3,638.7	4,251.0	17
EBITDA	315.3	377.0	20
Profit After Tax	115.2	149.0	29
Basic Earnings per Share (Rs.)	9.85	12.34	25

MANAGEMENT DISCUSSION & ANALYSIS (Contd.)

Statement of Key Ratios

Types of Ratios	Explanation of Ratios	FY 2024-2025 (Restated)	FY 2025-2026	% Change
Inventory Turnover Ratio (Times)	Measures how often inventory is sold and replenished during a period. It is calculated by dividing Cost of Goods Sold (COGS) by the average inventory.	4.50	3.82	(15.1)
Current Ratio (Times)	A liquidity ratio that assesses a company's ability to meet its short-term obligations. It is calculated by comparing current assets with current liabilities.	1.43	1.41	(1.4)
Net Profit Margin (%)	Indicates the percentage of revenue retained as net profit after all expenses. It is calculated by dividing net profit after tax by total revenue.	3.17	3.51	10.7
Debtors Turnover (Days)	Measures how efficiently the Company manages credit sales and collects receivables.	18.79	18.23	(3.0)
Return on Net Worth (%)	Reflects how effectively the Company generates profit from shareholders' equity. It is calculated by dividing net profit by average net worth.	14.72	14.29	(2.9)

RISKS AND THEIR MITIGATION STRATEGY

As a leading Contract Manufacturer, we operate in a dynamic environment shaped by operational, financial, regulatory, and market risks. To address these challenges, we have established a structured risk management framework that enables us to identify, assess, and mitigate potential risks. By integrating risk management into our business planning and daily operations, we enhance resilience, safeguard stakeholder interests, and support sustainable growth across business cycles.

Risk	Impact	Mitigation Strategy	Risk Level
Economic Risk	Our business is influenced by external factors, including inflation, regulatory changes, currency fluctuations, interest rate movements, geopolitical developments, and evolving consumer preferences. These factors can impact demand, costs, profitability, and overall operational performance.	We manufacture a diversified portfolio of essential consumer products, enabling us to maintain stable demand across economic cycles. Our presence across multiple FMCG categories reduces dependence on any single segment, strengthens business continuity, and enhances the resilience and consistency of our operations.	Medium
Raw Material Price Risk	Our operations are exposed to raw material risks arising from supply-demand imbalances, market volatility, and disruptions in global and regional supply chains. In particular, sustained increases in input prices can impact our cost structure, margins, and overall profitability.	Our business model enables us to pass on a significant portion of raw material cost increases to our principals, thereby reducing the impact of price volatility on our financial performance. Additionally, we leverage strong supplier relationships, a diversified sourcing network, and industry expertise to secure raw materials efficiently and respond proactively to evolving market conditions.	Low

MANAGEMENT DISCUSSION & ANALYSIS (Contd.)

Risk	Impact	Mitigation Strategy	Risk Level
Liquidity Risk	Our business is exposed to liquidity risk, which may arise if adequate funds are not available to meet financial obligations on time. Such constraints could impact operational flexibility, working capital management, and overall financial stability.	We actively monitor and manage cash flows through a forward-looking approach that covers short-, medium-, and long-term funding requirements. This enables us to identify potential liquidity pressures early and implement timely corrective measures, ensuring financial flexibility and stability.	Low
Contract Risk	Our business is exposed to financial and reputational risks if we do not consistently meet customer requirements, quality expectations, or compliance standards. This could potentially impact client relationships and future business opportunities.	We focus on consistently delivering high-quality products while maintaining rigorous quality standards. This strengthens customer relationships, supports contract renewals, and enhances our ability to pursue new business opportunities.	Low
Quality and Safety Risk	Our reputation depends on maintaining the highest standards of safety and compliance. Any lapse in these standards could result in reputational damage, affecting the trust and confidence we have built with customers, partners, and other stakeholders.	To mitigate quality and safety risks, we maintain a robust quality management system with end-to-end oversight across the production lifecycle, from raw material procurement to the delivery of finished products. This ensures consistent quality, safety, and compliance.	Low
Personnel Risk	We operate in a highly competitive talent market, where attracting and retaining skilled employees remain a challenge. This could result in staffing gaps and delays in filling critical roles, potentially impacting operational efficiency and business growth.	To address this risk, we maintain a structured recruitment process aligned with business requirements. Our HR team emphasises timely hiring, skill relevance, and cultural fit, ensuring critical roles are filled with qualified individuals who can contribute effectively from the outset.	Medium

HUMAN RESOURCE MANAGEMENT

At HFL, we believe our employees are central to our success. We are committed to building a future-ready workforce through an agile and forward-looking talent strategy that enables us to attract, develop, and retain high-calibre professionals, while fostering a supportive, inclusive, and growth-oriented work environment. Through active monitoring of our employee engagement, we continue to enhance productivity and strengthen organisational performance.

We invest in continuous learning and development through year-round training programmes focused on health, safety, and skill enhancement. By prioritising career development, employee well-being, empowerment, and inclusivity, we create a positive employee experience while strengthening organisational resilience. We further maintain stringent safety standards across all our operational sites and work closely with regulatory authorities to ensure compliance and prevent workplace incidents.

As of March 31, 2026, our workforce comprised 1,646 employees.

During FY 2025-2026, we implemented several initiatives to strengthen organisational capabilities, expand our workforce, and enhance regulatory compliance, thereby supporting the continued growth of our operations.

Organisational Development and Leadership Strengthening

- Introduced structural changes to enhance accountability and execution at the business unit level as the Company scaled
- Appointed dedicated Business Heads for the OTC Pharma, Ice Cream, and Food & Beverages segments, along with a President for Food & Beverages, to strengthen focused leadership
- Established an International Business Division, led by an experienced industry professional, to expand global sourcing capabilities and accelerate export growth

MANAGEMENT DISCUSSION & ANALYSIS (Contd.)

Workforce Expansion and Capability Building

- Supported significant hiring requirements through new manufacturing facilities, including plans to recruit around 500 employees for the Panipat ice cream plant
- Invested heavily in training and skill development programmes within the footwear business, particularly at our South facility, to improve workforce productivity and meet stringent international quality standards
- Supported operational excellence through dedicated teams focused on automation, Kaizen practices, and Six Sigma methodologies to improve efficiency and competitiveness

Compliance and Regulatory Preparedness

- Recognised a one-time provision of Rs. 4.57 Cr related to the implementation of the New Labour Code, forming part of the year’s exceptional expenses
- Maintained a strong focus on operational discipline across our manufacturing network by ensuring workplace safety, regulatory compliance, and timely approvals while commissioning new production lines and facilities

CORPORATE SOCIAL RESPONSIBILITY (CSR)

We remain committed to advancing the highest standards of ethical, inclusive, and sustainable business practices in line with our Corporate Social Responsibility (CSR) philosophy. We believe that social responsibility and environmental stewardship are integral to our long-term growth strategy. By embedding innovation into our CSR initiatives and aligning them with our business operations, we continue to create meaningful impact and contribute towards building a stronger, more resilient society.

Our CSR initiatives are centred around creating meaningful and sustainable impact across key areas, including education, healthcare, sanitation, environmental sustainability, sports development, and the promotion of arts and culture. Through these initiatives, we continue to support underserved communities by improving access to education, strengthening public infrastructure, and supporting critical healthcare needs.

As part of our commitment to education, we are enhancing learning environments in government schools by providing educational resources, including books, uniforms, laptops, desks, and sports equipment. We are also helping to create safer and more inclusive spaces through initiatives that improve access to safe drinking water, install water facilities, and introduce solar-powered streetlights. Together, these efforts are fostering safer, more functional, and conducive surroundings for students and local communities.

Looking ahead, we remain focused on empowering the girl child through interventions that promote education, menstrual hygiene awareness, and overall well-being. In healthcare, we continue to support life-changing medical assistance through initiatives covering cancer treatment, cataract surgeries, and the distribution of prosthetic limbs and mobility aids to differently abled and economically disadvantaged individuals.

These sustained efforts reflect our commitment to fostering inclusive growth, enhancing quality of life, and creating lasting social impact across the communities we serve.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

A strong internal control environment is fundamental to protecting stakeholder interests, ensuring regulatory compliance, and supporting long-term value creation.

The Board of Directors has established a comprehensive Internal Financial Controls (IFC) framework in accordance with the requirements of Section 134(5)(e) of the Companies Act, 2013. Designed to reflect the Company’s size, complexity, and operational requirements, the framework provides a structured approach to strengthening risk management and governance.

The Company recognises that the IFC framework must continuously evolve with changing business models, technological advancements, competitive dynamics, industry practices, regulatory requirements, and broader economic conditions. Accordingly, we regularly review and refine our control environment to ensure continued relevance and effectiveness.

MANAGEMENT DISCUSSION & ANALYSIS (Contd.)

As the business grows and diversifies, potential control gaps may emerge. To address these proactively, the Company follows a systematic process to identify, evaluate, and mitigate such gaps in a timely manner. Where required, we implement additional or enhanced controls to strengthen the overall control framework and ensure effective management of material risks.

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 **41st (Forty First) Annual General Meeting** of the Members of **Hindustan Foods Limited** ('the Company') will be held on **Wednesday, September 23, 2026 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. a. To consider and adopt the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2026 and 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, 2026, including the Audited Balance Sheet as at March 31, 2026, Statement of Profit & Loss and Statement of Cash Flows for the year ended on that date and Reports of the Board of Directors and Auditors thereon be and are hereby considered, approved and adopted."
- b. To consider and adopt the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2026 together with the Report of the Auditors thereon and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2026, including the Audited Balance Sheet as at March 31, 2026, Statement of Profit & Loss and Statement of Cash Flows for the year ended on that date and the Reports of the Auditors thereon be and are hereby considered, approved and adopted."

2. To appoint Mr Shrinivas V Dempo (DIN: 00043413), 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 Shrinivas V Dempo (DIN: 00043413), who retires by rotation at this Meeting, be and is hereby re- appointed as a Director of the Company, liable to retire by rotation."

SPECIAL BUSINESS:

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

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

"RESOLVED THAT pursuant to the provisions of Section 148 of the Companies Act, 2013 ('the Act') read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions of the Act (including any statutory amendment(s), modification(s), clarification(s), substitution(s) or re-enactment thereof for the time being in force), the remuneration payable to M/s. Poddar & Co. Cost Accountants (Firm Registration No. 101734), appointed by the Board of Directors of the Company in their Meeting held on August 4, 2026, 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, 2027, amounting to Rs. 5,25,000/- (Rupees Five lakhs Twenty-Five Thousand Only) plus out of pocket expenses and taxes as applicable, be and is hereby ratified and confirmed;

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

NOTICE (CONTD.)

4. 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 up to Rs. 1,300 Crores:

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

"RESOLVED THAT in supersession of the earlier resolutions passed by the Members on 40th Annual General Meeting held on Tuesday, September 23, 2025 and pursuant to the provisions of Sections 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactments thereof, for the time being in force) read with the rules made thereunder, as may be amended from time to time, the Board of Directors of the Company (hereinafter referred as 'Board' which term shall include a Committee thereof authorised for the purpose) be and are hereby authorised to borrow any sum or sums of money, from time to time from any one or more persons, Bank/s, firms, bodies corporate, foreign lender/s or financial institutions from any other source in India or outside India whomsoever on such terms and conditions and with or without security as the Board of Directors may think fit notwithstanding that the monies already borrowed and the monies to be borrowed (apart from temporary loans obtained from Company's bankers in the ordinary course of business) may exceed the paid-up capital and free reserves and securities premium of the Company, provided that the total principal amount upto which such monies may be raised or borrowed or already borrowed by the Board of Directors shall not exceed the aggregate of the paid up capital and free reserves and securities premium of the Company or by more than Rs. 1,300 Crores (Rupees One Thousand Three Hundred Crores Only) at any point of time whichever is higher.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors (including any Committee which the Board may have constituted or may hereinafter constitute to exercise the power conferred by this Resolution) and the Company Secretary of the Company, be and

are hereby authorised to arrange or settle the terms and conditions on which all such monies are to be borrowed from time to time as to interest, repayment, security or otherwise howsoever as it may think fit and to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required to give effect to this resolution."

5. 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:

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

"RESOLVED THAT in supersession of the earlier resolutions passed by the Members on 40th Annual General Meeting held on Tuesday, September 23, 2025 and pursuant to the provisions of Sections 180(1)(a) and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactments thereof, for the time being in force) read with the rules made thereunder, as may be amended from time to time, consent of the Members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred as 'Board' which term shall include a Committee thereof authorised for the purpose) of the Company, to mortgage, hypothecate, pledge and/or charge all or any of the movable and/or immovable properties of the Company (both present and future) wheresoever's situated and/or any other assets including tangible and intangible assets or properties of the Company and/or the whole or part of any of the undertaking of the Company together with or without the power to take over the management of the business or any undertaking of the Company in case of events of defaults, in favour of the Banks, Financial Institutions, any other Lender(s), Agent(s) and Trustee(s), for securing the borrowing availed or to be availed by the Company, by way of loans, debentures (comprising fully/partly Convertible Debentures and/or Secured/ Unsecured Non-Convertible Debentures or any other securities) or otherwise, in foreign currency or in Indian rupees, from time to time, up to the

NOTICE (CONTD.)

Borrowing limits approved or as may be approved by the Shareholders, from time to time, under Section 180(1)(c) of the Companies Act, 2013 (including any statutory modification or re-enactment thereof) along with interest, additional interest, accumulated interest, default interest, further interest, principal amounts, premia on prepayment, liquidated charges, commitment charges or costs, expenses, any fees and all other monies whatsoever stipulated in or payable under the respective financing documents and any other agreements and amendments thereto that have or may be entered into by the Company in respect of such borrowings.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors (including any Committee which the Board may have constituted or may hereinafter constitute to exercise the power conferred by this Resolution) and the Company Secretary of the Company, be and are hereby authorised to finalise, settle and execute such documents/ deeds/ writings/ papers/ agreements/ undertakings as may be required and to do all such acts, deeds and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to creating mortgage/ charge/ pledge/ hypothecation as mentioned aforesaid."

By Order of the Board of Directors

BANKIM PUROHIT
Company Secretary and Legal Head

Place: Mumbai
Date : August 4, 2026

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

NOTICE (CONTD.)

NOTES:

1. A statement pursuant to Section 102(1) of the Act, relating to the Special Business to be transacted at the Annual General Meeting ('AGM') is annexed hereto. Further, additional information as required under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and Circulars issued thereunder are also annexed.
2. The Ministry of Corporate Affairs ('MCA'), vide its General Circular No. 20/2020 dated May 05, 2020 read with subsequent circulars issued from time to time, the latest one being General Circular no. 03/2025 dated September 22, 2025 ('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 further orders. In accordance with the MCA Circulars, provisions of the Act, the 41st 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. MUFG InTime India Private Limited (Formerly known as Link Intime India Private Limited) ("MUFG InTime") 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, September 19, 2026 to Wednesday, September 23, 2026** (both days inclusive).
7. Details as required in Regulations 26(4) and 36(3) of Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India ('ICSI'), in respect of the Directors seeking appointment/re-appointment at the AGM forms integral part of this Report. Requisite declarations have been received from the Directors seeking appointment/re-appointment. Details of Directors retiring by rotation/seeking appointment/re-appointment at this Meeting are provided in the 'Annexure' to the Notice.

In terms of the provisions of Section 152 of the Act, Mr Shrinivas V Dempo (DIN: 00043413), Non-Executive Non-Independent Director retires by Rotation at the 41st Annual General Meeting. Mr Shrinivas V Dempo is interested in the Ordinary Resolution set out at Item No. 2 of the Notice with regard to his appointment.

NOTICE (CONTD.)

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

8. In compliance with the MCA Circulars and SEBI Circulars, Notice of the AGM along with the Annual Report for the Financial Year ended 2025-2026 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Additionally, in accordance with Regulation 36(1)(b) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company is also sending a letter to Shareholders whose e-mail addresses are not registered with Company/Registrar/DP providing the weblink of Company's website from where the Annual Report for FY 2025-2026 can be accessed. Members may note that the Notice and Annual Report 2025-2026 will also be available on the Company's website www.hindustanfoodslimited.com, website of BSE Limited ('BSE') at www.bseindia.com and the National Stock Exchange of India Limited ('NSE') at www.nseindia.com and on the website of Company's Registrar and Transfer Agent ('RTA'), MUFG InTime at www.in.mpms.mufg.com
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@in.mpms.mufg.com
 - 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 MUFG InTime.

- 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 **Sunday, September 20, 2026 (9:00 Hours IST) and ends on Tuesday, September 22, 2026 (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 **Wednesday, September 16, 2026**, may cast their vote by remote E-voting. The remote E-voting module shall be disabled by MUFG InTime for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

Remote e-voting Instructions for Shareholders are as follows:

In terms of SEBI circular no. SEBI/HO/CFD/PoD2/ CIR/P/0155 dated November 11, 2024, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants.

Shareholders are advised to update their mobile number and email Id correctly in their demat accounts to access remote e-Voting facility.

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

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

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METHOD 1 - NSDL OTP BASED LOGIN

- a) Visit URL: <https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp>
- b) Enter your 8 - character DP ID, 8 - digit Client Id, PAN, Verification code and generate OTP.
- c) Enter the OTP received on your registered email ID/ mobile number and click on login.
- d) Post successful authentication, you will be redirected to NSDL depository website wherein you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services.
- e) Click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

METHOD 2 - INDIVIDUAL SHAREHOLDERS REGISTERED WITH NSDL IDEAS FACILITY

Shareholders who have registered for NSDL IDeAS facility:

- a) Visit URL: <https://eservices.nsdl.com> and click on "Beneficial Owner" icon under "Login".
- b) Enter User ID and Password. Click on "Login"
- c) 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.
- d) Click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

OR

Shareholders who have not registered for NSDL IDeAS facility:

- a) To register, visit URL: <https://eservices.nsdl.com> and select "Register Online for IDeAS Portal" or click on <https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp>
- b) Proceed with updating the required fields.

- c) Post successful registration, user will be provided with Login ID and password.
- d) After successful login, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services.
- e) Click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

METHOD 3 - INDIVIDUAL SHAREHOLDERS DIRECTLY VISITING THE E-VOTING WEBSITE OF NSDL

- a) Visit URL: <https://www.evoting.nsdl.com>
 - b) Click on the "Login" tab available under 'Shareholder/Member' section.
 - c) Enter User ID (i.e., your sixteen-digit demat account number held with NSDL), Password/ OTP and a Verification Code as shown on the screen.
 - d) Post successful authentication, you will be redirected to NSDL depository website wherein you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services.
 - e) Click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.
2. Individual Shareholders holding securities in demat mode with CDSL

METHOD 1 - INDIVIDUAL SHAREHOLDERS REGISTERED WITH CDSL EASI/ EASIEST FACILITY

Shareholders who have registered/ opted for CDSL Easi/ Easiest facility:

- a) Visit URL: <https://web.cdslindia.com/myeasitoken/Home/Login> or www.cdslindia.com
- b) Click on New System Myeasi Tab

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- Login with existing my easi username and password
- After successful login, user will be able to see e-voting option. The evoting option will have links of e-voting service providers i.e., MUFG InTime, for voting during the remote e-voting period.
- Click on "Link InTime/ MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

OR

Shareholders who have not registered for CDSL Easi/ Easiest facility:

- To register, visit URL:
<https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration> / <https://web.cdslindia.com/myeasitoken/Registration/EasiestRegistration>
- Proceed with updating the required fields.
- Post registration, user will be provided username and password.
- After successful login, user able to see e-voting menu.
- Click on "Link InTime / MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

METHOD 2 - INDIVIDUAL SHAREHOLDERS DIRECTLY VISITING THE E-VOTING WEBSITE OF CDSL

- Visit URL: <https://www.cdslindia.com>
- Go to e-voting tab.
- Enter Demat Account Number (BO ID) and PAN No. and click on "Submit".
- System will authenticate the user by sending OTP on registered Mobile and Email as recorded in Demat Account

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

3. Individual Shareholders holding securities in demat mode with Depository Participant

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

- Login to DP website
- After Successful login, user shall navigate through "e-voting" option.
- Click on e-voting option, user will be redirected to NSDL / CDSL Depository website after successful authentication, wherein user can see e-voting feature.
- After successful authentication, click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

Login method for shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode

Shareholders holding shares in physical mode / Non-Individual Shareholders holding securities in demat mode as on the cut-off date for e-voting may register for InstaVote as under:

- Visit URL: <https://instavote.linkintime.co.in>

Shareholders who have not registered for INSTAVOTE facility:

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

A. User ID:

NSDL demat account – User ID is 8 Character DP ID followed by 8 Digit Client ID.

CDSL demat account – User ID is 16 Digit Beneficiary ID.

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Shareholders holding shares in physical form – User ID is Event No + Folio Number registered with the Company.

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 **NSDL form**, shall provide 'D' above

Shareholders holding shares in **physical form but have not recorded 'C' and 'D', shall provide their Folio number in '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).
- Enter Image Verification (CAPTCHA) Code
- Click "Submit" (You have now registered on InstaVote).

Shareholders who have registered for INSTAVOTE facility:

- Click on "Login" under 'SHARE HOLDER' tab.
 - User ID: Enter your User ID
 - Password: Enter your Password

- Enter Image Verification (CAPTCHA) Code
- Click "Submit"
- Cast your vote electronically:
 - After successful login, you will be able to see the "Notification for e-voting".
 - Select 'View' icon.
 - E-voting page will appear.
 - 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).
 - 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 ("Custodian / Corporate Body/ Mutual Fund")

STEP 1 – CUSTODIAN / CORPORATE BODY/ MUTUAL FUND REGISTRATION

- Visit URL: <https://instavote.linkintime.co.in>
- Click on "Sign Up" under "Custodian / Corporate Body/ Mutual Fund"
- Fill up your entity details and submit the form.
- A declaration form and organization ID is generated and sent to the Primary contact person email ID (which is filled at the time of sign up). The said form is to be signed by the Authorised Signatory, Director, Company Secretary of the entity & stamped and sent to insta.vote@linkintime.co.in.
- Thereafter, Login credentials (User ID; Organisation ID; Password) is sent to Primary contact person's email ID. (You have now registered on InstaVote)

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STEP 2 –INVESTOR MAPPING

- a) Visit URL: <https://instavote.linkintime.co.in> and login with InstaVote Login credentials.
- b) Click on "Investor Mapping" tab under the Menu Section
- c) Map the Investor with the following details:
 - a. Investor ID' –
 - i. NSDL demat account – User ID is 8 Character DP ID followed by 8 Digit Client ID i.e., IN00000012345678
 - ii. CDSL demat account – User ID is 16 Digit Beneficiary ID.
 - b. 'Investor's Name - Enter Investor's Name as updated with DP.
 - c. 'Investor PAN' - Enter your 10-digit PAN.
 - d. 'Power of Attorney' - Attach Board resolution or Power of Attorney.

*File Name for the Board resolution/ Power of Attorney shall be – DP ID and Client ID or 16 Digit Beneficiary ID. Further, Custodians and Mutual Funds shall also upload specimen signatures.
 - e. Click on Submit button. (The investor is now mapped with the Custodian / Corporate Body/ Mutual Fund Entity). The same can be viewed under the "Report Section".

STEP 3 – VOTING THROUGH REMOTE E-VOTING.

The corporate shareholder can vote by two methods, during the remote e-voting period.

METHOD 1 - VOTES ENTRY

- a) Visit URL: <https://instavote.linkintime.co.in> and login with InstaVote Login credentials.
- b) Click on "Votes Entry" tab under the Menu section.
- c) Enter the "Event No." for which you want to cast vote.
- d) Event No. can be viewed on the home page of InstaVote under "On-going Events".

- e) Enter "16-digit Demat Account No." for which you want to cast vote.
- f) 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).
- g) After selecting the desired option i.e. Favour / Against, click on 'Submit'.
- h) 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.

OR

METHOD 2 - VOTES UPLOAD

- a) Visit URL: <https://instavote.linkintime.co.in> and login with InstaVote Login credentials.
- b) After successful login, you will be able to see the "Notification for e-voting".
- c) Select "View" icon for "Company's Name / Event number".
- d) E-voting page will appear.
- e) Download sample vote file from "Download Sample Vote File" tab.
- f) Cast your vote by selecting your desired option 'Favour / Against' in the sample vote file and upload the same under "Upload Vote File" option.
- g) Click on 'Submit'. 'Data uploaded successfully' message will be displayed.

(Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently).

NOTE: Non-Individual Body corporate shareholders shall send a scanned copy of the board resolution authorising its representative to vote, to the scrutinizer at registered email address with a copy marked to RTA at enotices@in.mpms.mufg.com and the company at registered email address.

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Helpdesk:

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

Shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode facing any technical issue in login may contact INSTAVOTE helpdesk by sending a request at enotices@in.mpms.mufg.com or contact on: - Tel: 022 – 4918 6000.

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
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

Forgot Password:

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

Shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode have forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on: <https://instavote.linkintime.co.in>

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

In case shareholders have a 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 information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. The password should contain a minimum of 8 characters, at least one special character (!#\$%*), at least one numeral, at least one alphabet and at least one capital letter.

User ID:

NSDL demat account – User ID is 8 Character DP ID followed by 8 Digit Client ID.

CDSL demat account – User ID is 16 Digit Beneficiary ID.

Shareholders holding shares in physical form – User ID is Event No + Folio Number registered with the Company.

In case Custodian / Corporate Body/ Mutual Fund has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on: <https://instavote.linkintime.co.in>

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

In case shareholders have a 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 information about the particulars of the Security Question and Answer, PAN, DOB/DOI etc. The password should contain a minimum of 8 characters, at least one special character (!#\$%*), at least one numeral, at least one alphabet and at least one capital letter.

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

Individual Shareholders holding securities in demat mode have forgotten the USER ID [Login ID] or Password or both, then the Shareholders 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:

In terms of Ministry of Corporate Affairs (MCA) General Circular No. 03/2025 dated September 22, 2025, the companies can continue to conduct AGMs by VC or OAVM, as per the existing procedural requirements. Till further orders, the relaxations will remain in force.

Shareholders are advised to update their mobile number and email Id correctly in their demat accounts to access InstaMeet facility.

PROCEDURE FOR JOINING THE AGM THROUGH VC/ OAVM:

- Login method for shareholders to attend the General Meeting through InstaMeet:
 - Visit URL: <https://instameet.in.mpms.mufg.com> & click on "Login".
 - Select the "Company Name" and register with your following details:
 - Select Check Box - **Demat Account No./Folio No./PAN**
 - Shareholders holding shares in NSDL/ CDSL demat account shall select check box - Demat Account No. and enter the 16-digit demat account number.

- Shareholders holding shares in physical form shall select check box – Folio No. and enter the Folio Number registered with the Company.
- Shareholders shall select check box – PAN and enter 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 by MUFG Intime, if applicable.
- Mobile No: Mobile No. as updated with DP is displayed automatically. Shareholders who have not updated their Mobile No with the DP shall enter the mobile no.
- Email ID: Email Id as updated with DP is displayed automatically. Shareholders who have not updated their Mobile No with the DP shall enter the mobile no.

d) Click "Go to Meeting"

You are now registered for InstaMeet, and your attendance is marked for the Meeting.

- 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.
- 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.
- 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.
- Members are encouraged to join the Meeting through Laptops for better experience.
- Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the Meeting.
- 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.

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Instructions for shareholders to Speak during the General Meeting through InstaMeet:

- 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.
- Shareholders will get confirmation on first cum first basis depending upon the provision made by the client.
- Shareholders will receive "speaking serial number" once they mark attendance for the Meeting.
- Other shareholder may ask questions to the panellist, via active chat-board during the Meeting.
- Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.

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

Instructions for Shareholders to Vote during the General Meeting through InstaMeet:

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

- On the Shareholders VC page, click on the link for e-Voting "Cast your vote"
- 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
- Click on 'Submit'.
- After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.
- 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'.
- 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. 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 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 General Meeting will be eligible to attend/ participate in the 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.

Shareholders facing any technical issue in login may contact INSTAMEET helpdesk by sending a request at instameet@in.mpms.mufg.com or contact on: - Tel: 022 – 4918 6000/4918 6175.

GENERAL INFORMATION:

- The voting rights shall be as per the number of Equity Shares held by the Member(s) as **on Wednesday, September 16, 2026** being the **cut-off date**. Members are eligible to cast vote electronically only if they are holding Shares as on that date.
- Your Board has appointed Mr Amit Surase, Practicing Company Secretary of M/s. AUS & Co. (CP No.: 18482/ Membership No. 26485), to act as a Scrutiniser, to scrutinise the entire E-voting process in a fair and

NOTICE (CONTD.)

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 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 MUFG InTime 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 endeavour 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. Pursuant to Regulation 40 of Listing Regulations, as amended, mandates transfer, transmission and transposition of securities shall be effected only in dematerialised form. Further, SEBI vide its Circular dated January 25, 2022, has clarified that listed companies, with immediate effect, shall issue securities only in demat mode while processing any investor service requests including transmission, issuance of duplicate shares, deletion of name, exchange of shares, etc. In view of this as also to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to demat mode.

Further, in continuation of SEBI's earlier circular dated July 02, 2025, which opened a special window for relodgement of transfer deeds of physical shares lodged prior to April 01, 2019 but rejected/returned due to deficiencies, SEBI has further extended the facility through its subsequent circular dated January 30, 2026. The updated circular provides a oneyear special window from February 05, 2026 to February 04, 2027 for shareholders to relodge such transfer requests with complete documentation. All such re-lodged transfers shall be processed only in dematerialised form with the due process for such transfer-cum-demat requests.

Eligible shareholders are encouraged to take advantage of this facility within the prescribed timeline.

30. Members are requested:

- I. Write to the Company through email at investorrelations@thevanitycase.com atleast 7 days before the date of the Meeting, in case they desire any information as regards the Audited Accounts for the Financial Year ended March 31, 2026.
- II. Intimate to the Registrar & Transfer Agent (RTA) of the Company immediately, about any change in their address.
- III. Members holding Shares in demat form are hereby informed that bank particulars registered with their respective Depository Participants, with whom they maintain their demat accounts, will be used by the Company for the payment of

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

- 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, MUFG InTime, 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.

In case of non-updation of PAN or address with PIN code, contact details, mobile number, bank account details or specimen signature in respect of physical folios, the payment of dividend, interest or any other entitlements shall be processed only after receipt of all the required details.

- 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: <https://in.mpms.mufg.com> under Investor Services > E-mail 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

BANKIM PUROHIT
Company Secretary and Legal Head

Place: Mumbai
Date : August 4, 2026

Registered Office:

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

NOTICE (CONTD.)

EXPLANATORY STATEMENT

The statement of Material facts pursuant to Section 102 (1) of the Act relating to businesses mentioned under the Item Nos. 3 to 5 of the accompanying Notice.

IN RESPECT OF ITEM NO. 3

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

In view of the aforesaid statutory provisions Board of Directors, on the recommendation of the Audit Committee at its Meeting held on August 4, 2026, 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 2026-2027 at remuneration detailed below:

Name of the Cost Auditor	Financial Year	Audit Fees
M/s Poddar & Co.	2026-2027	Rs. 5,25,000/- (Rupees Five lakhs Twenty Five Thousands Only) plus out of pocket expenses and applicable taxes

There has been no change in the remuneration payable to the Cost Auditor for the Financial Year under consideration as compared to the previous Financial Year. The remuneration proposed to be paid to the Cost Auditor remains the same as that paid in the preceding year.

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

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

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.

IN RESPECT OF ITEM NO. 4

Pursuant to the Section 180(1)(c) of the Companies Act, 2013, borrowings (apart from temporary loans obtained from the Company's bankers in ordinary course of business) by the Company beyond the aggregate of the paid up Share capital of the Company and its free reserve and securities premium requires the approval from the Shareholders of the Company.

The Members of the Company had vide Special resolution passed in the 40th Annual General Meeting held on Tuesday, September 23, 2025, authorised the Board of Directors to borrow monies (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) from time to time on behalf of the Company not exceeding Rs. 1000 Crores (Rupees One Thousand Crores Only), for the business of the Company.

Over the last 18 months, the Company has significantly scaled up its project pipeline and has announced projects involving investments in excess of Rs. 1,000 Crores, of which projects aggregating over Rs. 600 Crores have already been commercialised. The Company continues to witness a large opportunity size across its business verticals, driven by increasing outsourcing opportunities, strong relationships with marquee customers and a substantial proportion of projects being backed by long-term customer contracts. The Company's demonstrated track record of securing and timely commercialising projects provides a strong foundation for its next phase of growth. In order to capitalise on the significant opportunities available and support the timely execution and commercialisation of upcoming projects, it is important for the Company to maintain adequate funding headroom. Accordingly, the proposed enhancement in the borrowing limit from Rs. 1,000 Crores to Rs. 1,300 Crores will provide the Company with the necessary financial flexibility to fund its growing business requirements and pursue identified growth opportunities, thereby enabling the Company to continue on its growth trajectory while maintaining financial discipline.

However, keeping in view Company's requirements to fund its growing activities and operations, the Board of Directors of the Company at its Meeting held on August 4, 2026, proposed to raise the existing borrowing limit from Rs. 1,000 Crores (Rupees One Thousand Crores Only) to Rs. 1,300 Crores (Rupees One Thousand Three

NOTICE (CONTD.)

Hundred Crores Only), which is subject to the approval of the Shareholders of the Company under the provisions of Section 180(1)(c) of the Companies Act, 2013 (the "Act"). Your consent is required under the provisions of Sections 180(1)(c) of the Act, to increase the borrowing limits.

Accordingly, the Board of Directors recommends the Special Resolution at Item no. 4 of the accompanying Notice for the approval of Members.

None of the Directors and Key Managerial Personnel of the Company and their relatives are in any way, concerned or interested, financial or otherwise, in this resolution except to the extent of their Shareholding in the Company, if any.

IN RESPECT OF ITEM NO. 5

The Members of the Company had vide Special resolution passed in the 40th Annual General Meeting held on Tuesday, September 23, 2025, authorised the Board of Directors to create charge/ mortgage/ hypothecation on the Company's assets, both present and future, in favour of the lenders/ trustees for the holders of debentures, to secure the repayment of monies borrowed by the Company.

Under the provisions of Section 180(1)(a) of the Companies Act, 2013 the above powers can be exercised by the Board only with the consent of the Shareholders obtained by way of a Special Resolution.

Accordingly, the Board of Directors at its Meeting held on August 4, 2026, proposed to obtain fresh approval of the Shareholders by way of a Special Resolution under Section 180(1)(a) of the Companies Act, 2013, to create charge/ mortgage/ hypothecation /pledge on the Company's assets including tangible and intangible, both present and future, in favour of the Banks, Financial Institutions, any other Lender(s), Agent(s) and Trustee(s), for securing the borrowing availed or to be availed by the Company, by way of loans, debentures (comprising fully/partly Convertible Debentures and/or Secured/ Unsecured Non-Convertible Debentures or any other securities) or otherwise, in foreign currency or in Indian rupees, from time to time up to the limits approved or as may be approved by the Shareholders from time to time under Section 180(1)(c) of the Companies Act, 2013.

Accordingly, the Board of Directors recommends the Special Resolution at Item no. 5 of the accompanying Notice for the approval of Members.

None of the Directors and Key Managerial Personnel of the Company and their relatives are in any way, concerned or interested, financial or otherwise, in this resolution except to the extent of their Shareholding in the Company, if any.

By Order of the Board of Directors

BANKIM PUROHIT
Company Secretary and Legal Head

Place: Mumbai
Date : August 4, 2026

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

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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 Shrinivas V Dempo
Category	Non-Executive, Non-Independent Director
Age	57 years
DIN	00043413
Date of first appointment	September 25, 1999
Date of last Re-appointment	Not Applicable
Brief Profile of the Drector	Shrinivas V. Dempo is Chairman of the Goa-based Dempo Group of Companies, a diversified business house with interests in calcined petroleum coke, shipbuilding, food processing, real estate and newspaper publishing. Under his leadership, the Group has expanded its industrial footprint while maintaining a strong commitment to community development and institution building. In January 2026, he was conferred one of the highest civilian honours of the Italian Republic, the Order of the Star of Italy, in recognition of his contribution to strengthening Indo-Italian relations and promoting economic and cultural ties between Italy and India. He has served as the Honorary Vice Consul of Italy in Goa since 2013. He has also been conferred the Vidyadiraj Puraskar by the Partagali Mutt, in recognition of his contributions to industry and society. Mr Dempo is also a Trustee of the Dempo Charities Trust, one of Goa's longstanding philanthropic institutions working extensively in the field of education. Through its initiatives, the Trust supports educational institutions, scholarships, infrastructure development and programmes aimed at strengthening access to quality education for students across the state. He is the Past President of the Goa Chamber of Commerce and Industry (GCCI) and has held several national leadership roles, including Chairman – Western Region of the Confederation of Indian Industry (CII) and President of the All India Management Association (AIMA). He has also served as Chairman (Independent Director) of Automobile Corporation of Goa Ltd, a Tata Group company, and Independent Director at Kirloskar Brothers Limited. In June 2025, he was elected Chairman of the Management & Entrepreneurship and Professional Skills Council (MEPSC). A passionate patron of sports, Mr Dempo has had a longstanding association with football. He has supported and nurtured one of Goa's premier football clubs and has served as President of the Goa Football Association (GFA) and Vice President of the All India Football Federation (AIFF). He also actively supports cricket and table tennis and is a co-promoter of the Goa Challengers team in Ultimate Table Tennis (UTT).

NOTICE (CONTD.)

	In academia and public life, Mr Dempo serves on the Executive Council of Goa University and is a Trustee on the Board of Carnegie Mellon University (CMU), Pittsburgh, USA. His associations with organisations such as the Charles Correa Foundation and the Goa Cancer Society further reflect his commitment to social and cultural advancement. Mr Dempo earned his Bachelor's and Master's degrees from the University of Mumbai in 1990 and 1992 respectively, and completed his Master of Science in Industrial Administration & Finance from Carnegie Mellon University, Pittsburgh, in 1995.
Expertise in specific functional area, Skill & Capabilities	Leadership and Industrial Administration
Qualification	Masters in Business Administration from the Carnegie Mellon University, USA
Directorship held in other Companies (including Foreign and Private Companies) (as on March 31, 2026)	- Goa Carbon Ltd - Kirloskar Brothers Ltd - V.S.Dempo Holdings Pvt.Ltd. - Dempo Industries Pvt. Ltd - V.S.Dempo Mining Corporation Pvt.Ltd. - Dempo Shipbuilding and Engineering Pvt Ltd - Marmagoa Shipping & Stevedoring Company Pvt Ltd - Dempo Sports Club Pvt Ltd - Motown Trading Pvt Ltd - West Coast Hotels Pvt. Ltd - Nagesh Dempo Company Pvt Ltd - Dempo Global Corporation Pte. Ltd - Motown Global Corporation Pte. Ltd
Membership/chairmanship of the Committees of the Board of other Public Companies (as on March 31, 2026)	- Hindustan Foods Limited- Member of the Stakeholders Relationship Committee - Kirloskar Brothers Limited- Chairman of the Stakeholders Relationship Committee
Listed entities from which the Director has resigned in the past three years	Nil
Details of Remuneration paid during the Financial Year 2025-2026	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.
Remuneration sought to be paid	The remuneration is sought to be paid to Mr Shrinivas Dempo by way of sitting fees for attending Meetings of the Board & Committees thereof, if any.
Terms and conditions of appointment/re-appointment	Re-appointment as a Non-Executive Director of the Company, liable to retire by rotation to comply with the applicable provisions of Section 152 of the Act.
Shareholding in the Company (Equity) including shareholding as a beneficial owner	20,00,000 Equity Shares
No. of Board Meetings attended during the year 2025-2026	3 of 5
Relationship with other Directors/Manager/Key Managerial Personnel	Nil

DIRECTORS' REPORT

TO THE MEMBERS OF HINDUSTAN FOODS LIMITED

Your Directors are pleased to present Your Company's 41st (Forty First) Annual Report on the business and operations, together with the Audited Financial Statements (Consolidated and Standalone) for the Financial Year ended March 31, 2026.

(Rs. In Crores)

Particulars	Consolidated		Standalone	
	Financial year ended March 31, 2026	Financial year ended March 31, 2025 (Restated)	Financial year ended March 31, 2026	Financial year ended March 31, 2025 (Restated)
Total Revenue	4264.69	3655.77	3298.39	2829.29
Profit for the year before finance charges, depreciation, share of net loss of associates, exceptional item and tax	377.02	315.33	266.71	238.65
Less: Finance charges	82.30	80.06	49.39	46.86
Profit for the year before depreciation, share of net loss of associates, exceptional item and tax	294.72	235.27	217.32	191.79
Less: Depreciation	90.08	80.22	52.30	45.90
Profit for the year before share of net loss of associates exceptional item and tax	204.64	155.05	165.02	145.89
Less: Share of net loss of associates	0.43	-	-	-
Profit for the year before exceptional item and tax	204.21	155.05	165.02	145.89
Less: Exceptional Item	4.57	-	4.37	-
Profit for the year before tax	199.64	155.05	160.65	145.89
Less: Provision for Tax				
Current Tax	43.00	39.00	38.24	35.18
Deferred Tax	7.61	0.79	3.04	1.75
Profit for the year after Tax	149.03	115.26	119.37	108.96
Other Comprehensive Income	2.02	0.46	0.73	0.66
Total Comprehensive Income	151.05	115.72	120.10	109.62

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

YEAR IN RETROSPECT

Your Company has once again delivered record operational performance, aligned with the Board's expectations and guidance, delivering its highest-ever annual Profit After Tax ('PAT') of Rs.149.03 Crores and reinforcing its leadership position in the industry.

Despite a challenging global environment marked by geopolitical headwinds, elevated input and petrochemical prices, and continued softness in FMCG consumption, your Company achieved its highest-ever annual revenue and profits, while continuing to strengthen existing

business relationships and its customer base. In addition, it further expanded its operations by commercialising new manufacturing facilities, integrating recent acquisitions and diversifying its product portfolio into newer, higher-margin areas, laying the foundation for sustained growth.

During the Financial Year 2025-26, consolidated revenue from operations increased by approximately 17% over the previous year, reaching Rs. 4,251.04 Crores, as compared to Rs. 3,638.71 Crores (Restated) in the previous year, while total income rose to Rs. 4,264.69 Crores from Rs. 3,655.77 Crores for the previous year. Consolidated EBITDA grew

DIRECTORS' REPORT (CONTD.)

by 20% to Rs. 377.00 Crores from Rs. 315.30 Crores for the previous year, and Consolidated PAT grew by 29%, rising to Rs.149.03 Crores from Rs. 115.26 Crores in the previous year.

This performance demonstrates your Company's resilience and its ability to deliver consistent, compounding growth, despite challenging global conditions and continued slowdown in FMCG consumption, with revenue, EBITDA, PBT and PAT recording a compound annual growth rate of 20%, 34%, 30% and 35% respectively over the last four years (FY22 to FY26).

Your Directors are pleased to inform you that HFL Multiproducts Private Limited ('HMPL'), Wholly-Owned Subsidiary of your Company, continued to scale up its plant operations during the year under review, having successfully integrated the business undertaking acquired from MMG Enterprises Private Limited at IDCO Plot No B/6, Food Processing Park, Makundaprasad, District Khurda, Odisha, which is engaged in the manufacturing, processing, and packaging of bottled water and associated components. During the year under review, HMPL reported a turnover of Rs. 21.52 Crores, as compared to Rs.13.53 Crores in the previous Financial Year, and a Net Loss of Rs. 3.89 Crores for the year, as compared to Net Loss of Rs. 3.13 Crores in the previous Financial Year.

Your Directors remain confident that HMPL will contribute meaningfully to the consolidated revenues of your Company in the coming years and continue its growth trajectory.

Your Directors are pleased to report that HFL Consumer Products Private Limited ('HCPPL'), a Wholly-Owned Subsidiary of your Company, achieved a strong operational performance for the year ended March 31, 2026. During the year, HCPPL further strengthened its footprint in the Ice Cream contract manufacturing business, including through the acquisition of one ice cream cone and one sleeve manufacturing facilities at Sinnar, Nashik, for a consideration of Rs. 26.25 Crores. HCPPL reported total revenue from operations of Rs. 326.47 Crores, as compared to Rs. 229.90 Crores in the previous year, and recorded highest-ever PAT of Rs. 23.03 Crores for the year under review, as compared to PAT of Rs. 3.95 Crores in the previous year. Your Directors remain optimistic that HCPPL will continue to contribute meaningfully to the Company's

consolidated profitability in the upcoming financial year, driven by ongoing expansion and market demand.

Your Directors are further pleased to share that the Company's strategic acquisition of Aero Care Personal Products LLP ('ACPPL') continued to strengthen the Company's presence in the Color Cosmetics segment during the year under review an important part of our consumer product portfolio. ACPPL reported a highest-ever turnover of Rs. 135.51 Crores for Financial Year 2025-26, as compared to turnover of Rs.131.02 Crores in the previous Financial Year, and a PAT of Rs. 6.19 Crores, as compared to PAT of Rs. 5.16 Crores in the previous year. With this trajectory, your Directors anticipate continued contributions from ACPPL to the Company's consolidated income in the coming financial year, reinforcing our growth momentum and diversification strategy.

During the year under review, HFL Healthcare and Wellness Private Limited ('HHWPL'), a wholly-owned subsidiary of your Company is significantly engaged in the OTC Healthcare and Wellness sector, continued its growth momentum. HHWPL reported a turnover of Rs. 129.48 Crores, up from Rs. 92.99 Crores in the previous year, and a PAT of Rs. 3.79 Crores, compared to PAT of Rs. 9.38 Crores in the prior period. Your Directors remain confident that this subsidiary will contribute significantly to the Company's consolidated performance and support its expansion into global OTC Healthcare and Wellness markets.

Your Directors are pleased to report that the Company's acquisition of KNS Shoetech Private Limited ('KNS'), now a Material Wholly-Owned Subsidiary of your Company, engaged in the manufacturing and supply of sports shoes and sneakers, continued to scale the Company's footprint in the footwear segment. KNS reported its highest-ever turnover of Rs. 411.07 Crores in Financial Year 2025-26, as compared to turnover of Rs. 390.91 Crores in the previous Financial Year. KNS reported a Net Profit of Rs. 1.52 Crores for the Financial year, as compared to a Net Loss of Rs. 8.17 Crores in the previous Financial Year.

Your Directors remain confident that this acquisition will contribute meaningfully to the Company's consolidated growth and position it as a key player in the global contract manufacturing space for sports shoes and sneakers, with the management continuing to prioritise diversification of the segment's customer base as a near-term lever to mitigate raw-material price volatility.

DIRECTORS' REPORT (CONTD.)

Your Board is confident that customers will continue to look at your Company's track record of executing greenfield and brownfield projects flawlessly and integrating acquisitions seamlessly, and continue to propel us towards sustained industry leadership in contract manufacturing, enhanced customer trust, and long-term value creation.

During the year under review, your Company's greenfield ice cream project at 'Nashik', which commenced commercial production in May 2025, was ramped up further, enabling your Company to better leverage the factory and enhance capacity to serve key customers. Building on this, your Company also commissioned Phase 1 of a new greenfield ice cream facility at 'Panipat' in April 2026, further expanding its footprint in the ice cream contract manufacturing business to serve customers in North India.

During the year under review, the Scheme of Arrangement involving the demerger of the Contract Manufacturing Business (Nashik) of Avalon Cosmetics Private Limited into the Company and the amalgamation of Vanity Case India Private Limited with the Company, sanctioned by the Hon'ble National Company Law Tribunal, Mumbai Bench, on February 25, 2026, became effective from closing of business hours on March 31, 2026, further consolidating the Group's FMCG contract manufacturing operations.

REVISION IN FINANCIAL STATEMENT

(i) Merger Information - Nashik Manufacturing Unit of Avalon Cosmetics Private Limited

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 Nashik Manufacturing Unit of Avalon Cosmetics Private Limited ('ACPL') with your Company was approved by the Hon'ble National Company Law Tribunal (Mumbai Bench) vide its order dated February 25, 2026 ('the NCLT Order'). The Certified copy of the NCLT Order was filed with Registrar of Companies on March 31, 2026. Consequently, the Scheme become operative from closing of business hours on March 31, 2026 and effective from April 01, 2024 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 financial statements of the Company for the year ended March 31, 2025 included in this statement have been restated to give effect to the Scheme. All the assets and liabilities of Nashik Manufacturing unit of ACPL have been transferred to and vested in the Company at its carrying value w.e.f. April 01, 2024 and amount Rs. 0.34 Crores is recorded as debit to the capital reserve on account of the Scheme. In consideration of business combination, the Company will allot 16,80,939 equity shares Rs. 2 each credited as fully paid-up shares of the Company to the shareholders of ACPL for each equity share held in ACPL. The same is presented as "Share Pending Issuance" under "Other Equity" as at April 01, 2024.

Pursuant to the business combination between Nashik Manufacturing Unit of ACPL and the Company with effect from April 01, 2024, the profit attributable to the equity shareholders for the comparative year has been restated to include the figures of Nashik Manufacturing unit of ACPL. Accordingly, as per the requirement of the IND AS 33 'Earnings Share', the Basic and Diluted earnings per share of the comparative year has been restated taking into consideration the equity shares issued to the shareholders of ACPL. Further, the current tax and deferred tax amounts in the comparative year has been restated owing to the said business combination.

(ii) Amalgamation Information - Vanity Case India Private Limited ('VCIPL')

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 amalgamation of Vanity Case India Private Limited ('VCIPL') with the Company was approved by the Hon'ble National Company Law Tribunal (Mumbai Bench) vide its order dated February 25, 2026 ('the NCLT Order'). The Certified copy of the NCLT Order was filed with Registrar of Companies on March 31, 2026. Consequently, the Scheme become operative

DIRECTORS' REPORT (CONTD.)

from Closing of business hours on March 31, 2026 and effective from October 1, 2024 i.e. appointed date.

SHARE CAPITAL

CHANGE IN CAPITAL STRUCTURE

During the year under review, in accordance with the Order dated February 25, 2026 of the Hon'ble National Company Law Tribunal ('NCLT'), in the matter of Scheme of Arrangement between Avalon Cosmetics Private Limited ('the Demerged Company' or 'ACPL') and Vanity Case India Private Limited ('the Transferor Company' or 'VCIPL') and your Company ('the Transferee Company' or the Resulting Company' or 'HFL' or 'the Company') and their respective shareholders ('the Scheme'), your Company's Authorised Share Capital stands increased from existing 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 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 to Rs. 55,40,22,530/- (Rupees Fifty Five Crores Forty Lakhs Twenty Two Thousand Five Hundred and Thirty Only) divided into 26,70,11,265 (Twenty Six Crores Seventy Lakhs Eleven Thousand Two Hundred 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.

Your Company's Authorised Share Capital as on the date of this report is Rs. 55,40,22,530/- (Rupees Fifty Five Crores Forty Lakhs Twenty Two Thousand Five Hundred and Thirty Only) divided into 26,70,11,265 (Twenty Six Crores Seventy Lakhs Eleven Thousand Two Hundred Sixty Five) Equity Shares of Rs. 2/- (Rupees Two Only) each and 2,00,000 (Two Lakhs) 9% Redeemable Non-Convertible Preference Shares of Rs. 100/- (Rupees One Hundred Only) each.

During the year under review, Two of the Warrants holders of the Preferential issue, named Malabar Select Fund, Qualified Institutional Buyers, Non-Promoter, holding 9,15,331 Warrants having face value of Rs. 2/- (Rupees Two Only) each at a premium of Rs. 544.25/- (Rupees Five Hundred Forty Four and Twenty Five Paise Only) per share and Bay Capital Holdings Limited, Non-Qualified Institutional Buyers, Non-Promoter, holding 10,64,018

Warrants having face value of Rs. 2/- (Rupees Two Only) each at a premium of Rs. 561.90/- (Rupees Five Hundred Sixty One and Ninety Paise Only) per shares, had exercised their options aggregating to 19,79,349 (Nineteen Lakhs Seventy Nine Thousand Three Hundred and Forty Nine) for the conversion of Warrants into equivalent number of Equity Shares having face value of Rs. 2/- (Rupees Two Only) each of the Company and upon receipt of an amount aggregating to Rs. 82,49,99,481.71/- (Rupees Eighty Two Crores Forty Nine Lakhs Ninety-Nine Thousand Four Hundred Eighty One and Seventy One Paise Only), being 75% of the balance amount on the said Warrants, the Share Allotment Committee of your Board of Directors of your Company at their Meeting held on June 18, 2025, had allotted 19,79,349 Equity Shares having face value of Rs. 2/- (Rupees Two Only) each to Malabar Select Fund and Bay Capital Holdings Limited.

Further, the remaining warrant holder, Ms Vanaja Sundar Iyer, Non- Qualified Institutional Buyers, Non-Promoter, had not exercised the option to convert 5,32,009 warrants into Equity Share, hence these warrants lapsed / cancelled and initial amount paid i.e., 25% upfront application money amounting to Rs. 7,49,99,969/- (Rupees Seven Crores Forty Nine Lakhs Ninety Nine Thousand Nine Hundred and Sixty Nine Only) at the time of allotment of warrants, have been forfeited by the Share Allotment Committee of your Board of Directors of your Company at their Meeting held on June 18, 2025, in accordance with the terms of the issue/ allotment and Regulation 169 (3) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

As on March 31, 2026, your Company's Issued, Subscribed and Paid-up Share Capital, after Conversion of Convertible Warrants into Equity Shares and Forfeiture/ Cancellation of Warrants as mentioned above, stands increased from existing Rs. 25,10,04,826/- (Rupees Twenty-Five Crores Ten Lakhs Four Thousand Eight Hundred Twenty Six Only) divided into 11,75,02,413 (Eleven Crores Seventy-Five Lakhs Two Thousand Four Hundred Thirteen) 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 to Rs. 25,49,63,524/- (Rupees Twenty-Five Crores Forty Nine Lakhs Sixty Three Thousands Five Hundred Twenty Four Only) divided into 11,94,81,762 (Eleven Crores

DIRECTORS' REPORT (CONTD.)

Ninety Four Lakhs Eighty One Thousand Seven Hundred Sixty Two) 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.

As at March 31, 2026, no warrants were outstanding for conversion into Equity Shares.

The Nomination and Remuneration Committee of the Board of Directors of your Company at their Meeting held on July 28, 2025, had granted 1,47,100 Stock Options to the eligible Employees of your Company and its Subsidiary Companies. Your Company has not issued any Shares with differential voting rights or by way of Rights issue or Sweat Equity Shares. 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 obtained the approval and Order dated February 25, 2026, from the Hon'ble NCLT, Mumbai Bench, sanctioning the Scheme of Arrangement under Section 230-232 and other applicable provisions of the Act, the Scheme was between (i) Avalon Cosmetics Private Limited ('the Demerged Company' or 'ACPL'), (ii) Vanity Case India Private Limited ('the Transferor Company' or 'VCIPL') and (iii) Your Company ('the Transferee Company' or the Resulting Company' or 'HFL' or 'the Company'). The Scheme interalia provides for i) De-Merger of Nashik business of ACPL with your Company and ii) Merger of VCIPL with your Company. The appointed date was April 01, 2024 for the Demerged Company and October 01, 2024 for the Transferor Company with your Company and the Scheme became effective on closing of business hours on March 31, 2026.

Further, your Company had entered into a Business Transfer Agreement ("BTA") on March 23, 2026 with M/s. Ultra Beauty Care Private Limited and its authorised representatives, for acquisition of manufacturing facility of

Ultra Beauty Care Private Limited situated at C-15, Five Star Industrial Area MIDC Shendra, Aurangabad, Maharashtra, India – 431201 Which is engaged in the business of contract manufacturing of comprehensive range of ayurvedic, herbal beauty care and cosmetic products on a slump sale and going concern basis as per conditions set out in BTA.

During the year under review, your Company had entered into Share Subscription Agreement ("SSA") on August 21, 2025 with Asar Green Kabadi Private Limited ("Asar Green") and its Promoters to acquire 24,643 Series B Compulsorily Convertible Preference Shares ("CCPS") aggregating to 25.07% Share Capital (on a fully diluted basis) of Asar Green, subject to completion of the conditions precedent as set out in the SSA.

During the year under review, HFL Consumer Products Private Limited "HCPPL", a Wholly Owned Subsidiary Company of your Company, entered into a Business Transfer Agreement ("BTA") on November 11, 2025 with M/s. Ashish Industries and M/s. Vijay and its partners and sole traders, for acquisition of manufacturing facility of Ashish Industries situated at Plot No G-21, MIDC, Malegaon, Sinnar, Nashik, and M/s. Vijay situated at Plot No. A -42, MIDC, Malegaon, Sinnar, Nashik ("Business Undertaking"), which are engaged in the business of the Ice-Cream cone manufacturing and sleeves printing and packaging of cones plants ("Undertaking") on a slump sale and going concern basis as per conditions set out in BTA.

This acquisition is in line with your Company's strategy to enter Contract Manufacturing and expansion of its business into bottled water including all its components thereof.

EMPLOYEES STOCK OPTION SCHEME

During the year under review, the Shareholders of your Company approved the Employee Stock Option Scheme 2025 by way of Postal Ballot on April 10, 2025. There has been no material change in the Scheme post its implementation. The Scheme is in compliance of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI SBEB Regulations"). A certificate issued by Pankaj S. Desai, Practicing Company Secretaries, Mumbai, Secretarial Auditors of your Company confirming that the Scheme has been implemented in accordance with SEBI SBEB Regulations and in accordance with the resolution passed by the Members of your Company, is available

DIRECTORS' REPORT (CONTD.)

for inspection at the website of your Company at www.hindustanfoodslimited.com.

Further, during the year under review, the Nomination and Remuneration Committee of the Board of Directors of your Company at their Meeting held on July 28, 2025, had granted 1,47,100 Stock Options to the eligible Employees of your Company and its Subsidiary Companies.

The disclosures in compliance of Regulation 14 of the SEBI SBEBSE Regulations, to the extent applicable, are available on your Company's website at www.hindustanfoodslimited.com.

DIVIDEND

To conserve resources and in order to strengthen your 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("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 Listing Regulations, and the details of the same are available on your Company's website at www.hindustanfoodslimited.com.

LISTING INFORMATION

Your Company's Equity Shares are listed on BSE Limited ('BSE') and on National Stock Exchange of India Limited ('NSE'). The applicable listing fees for Financial Year 2026-2027 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, 2026, 97.94% of the Equity Shares of your Company were held in Demat form.

ACCREDITATIONS

Your Company continues to enjoy following accreditations:-

1. FSSC 22000 – Food Safety System Certification
2. ISO 9001: 2015 – Quality Management System
3. ISO 14001: 2015 – Environment Management System
4. ISO 45001: 2018 – Occupational Health & Safety Management System
5. ISO 13485: 2016 – Medical Devices - Quality Management Systems
6. ISO 22716: 2007 – Quality Management Systems Cosmetics
7. BRC GS – Global Standard for Consumer products Personal Care and Household
8. BRC GS – GFSI – Global Standard for Food Products
9. Sedex SMETA 4 pillar – Sedex Members Ethical Trade Audit certification
10. USFDA (United States Food and Drug Administration) Registration
11. Russia Federation
12. WHO - Good Manufacturing Practices - Oral Liquid
13. WHO - Good Manufacturing Practices - Tablets & External Preparation
14. Good Manufacturing Practices Certificate - Cosmetic Manufacturing
15. Good Manufacturing Practices Certificate - Ayush

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, 2026.

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

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

DIRECTORS' REPORT (CONTD.)

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

HFL Healthcare and Wellness Private Limited ('HHWPL') continues to be a Wholly-Owned Subsidiary of your Company as on date of this report. HHWPL is into the business of manufacturing and supplying of footcare products and also engaged in the business of OTC Healthcare and Wellness segment as a Contract Manufacturer.

HFL Multiproducts Private Limited ('HMPL'), continues to be a Wholly Owned Subsidiary of your Company as on date of this report. HMPL is into the business of food & beverages for a branded Company and has started business of manufacturing, processing and packaging of bottled water.

KNS Shoetech Private Limited ('KNS'), continues to be a Wholly-Owned Subsidiary of your Company as on date of this report. KNS is into the business of manufacturing the entire portfolio of sports shoes and sneakers and open footwear including all their Components thereof. During the year under review KNS was a material subsidiary of your Company as per the Listing Regulations.

During the year under review, your Company had entered into Share Subscription Agreement ("SSA") on August 21, 2025 with Asar Green Kabadi Private Limited ("Asar Green") and its Promoters to acquire 24,643 Series B Compulsorily Convertible Preference Shares ("CCPS") aggregating to 25.07% Share Capital (on a fully diluted basis) of Asar Green. After the said acquisition, Asar Green has become an Associate Company of your Company with effect from August 21, 2025. Asar Green is into the business of waste management, scrap collection, recycling solutions, and circular economy services.

Your Company monitors the performance of all 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 Subsidiaries of your Company by the Senior Management.

In terms of the Company's Policy on determining "Material Subsidiary" and as defined in Regulation 16(1)(c) of the Listing Regulations, as amended, KNS Shoetech Private Limited identified as Material Subsidiary of your Company with effect from May 19, 2025. Your Company's Policy for determining Material Subsidiary is available on your Company's Website www.hindustanfoodslimited.com.

CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

CREDIT RATING

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

DIRECTORS' RESPONSIBILITY 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:

DIRECTORS' REPORT (CONTD.)

- (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, 2026 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

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 your Company, Mr Shrinivas Dempo (DIN: 00043413) Non-Executive, Non-Independent Director of your Company, retires by rotation at the ensuing Annual General Meeting and being eligible, Mr Shrinivas Dempo offers himself for re-appointment. Your Board has recommended his re-appointment.

The brief resume of Director seeking re-appointment at the ensuing AGM along with other details in pursuance

of Regulation 36(3) of the Listing Regulations is enclosed herewith as Annexure to the Notice of the 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 and Legal Head are the Key Managerial Personnel of your Company.

INDEPENDENT DIRECTORS' DECLARATION

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

DIRECTORS' REPORT (CONTD.)

FAMILIARISATION PROGRAMMES

Familiarisation programmes for the Independent Directors were conducted during the Financial Year 2025-2026. Apart from this, there were quarterly business presentations by Mr Ganesh T Argekar, Executive Director (ED) of your Company. Details of the familiarisation programme are explained in the Corporate Governance Report and are also available on your 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 19, 2025, August 8, 2025, October 15, 2025, November 12, 2025 and February 10, 2026. 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 and Regulation 25(3) of the Listing Regulations, the Independent Directors of your Company are required to hold at least one Meeting in a Financial Year without attendance of Non-Independent Directors and Members of the Management.

During the Financial Year 2025-2026, the Independent Directors of your Company met twice on May 19, 2025 and November 12, 2025. All the Independent Directors were present at the Meeting.

ANNUAL EVALUATION OF BOARD'S PERFORMANCE

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

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

AUDIT COMMITTEE

The Audit Committee comprises of 3 (Three) Members, out of which 2 (Two) are Independent Directors. Mr Shashi K Kalathil, Independent Director, serves as the Chairman of the Committee. Ms Honey Vazirani and Mr Ganesh Argekar are the other Members of the Committee.

The terms of reference, number of Meetings held during the Financial Year and other information of the Audit Committee 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

The Nomination and Remuneration Committee comprises of 3 (Three) Members out of which 2 (Two) are Independent Directors. Ms Honey Vazirani, Independent Director, who serves as the Chairperson of the Committee, Mr Shashi K Kalathil and Mr Shrinivas Dempo are the other Members of the Committee.

The terms of reference, number of Meetings held during the Financial 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.

DIRECTORS' REPORT (CONTD.)

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. Mr Neeraj Chandra, Independent Director, serves as the Chairman of the Committee, Mr Shrinivas Dempo, Ms Honey Vazirani and Mr Sameer Kothari are the other Members of the Committee.

The composition, terms of reference, number of Meetings held during the Financial 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. Mr Sameer Kothari, Managing Director, serves as the Chairman of the Committee. Mr Ganesh Argekar and Mr Shashi K Kalathil are the other Members of the Committee.

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

During the year under review, your Company took various initiatives towards supporting projects in the area of Education, Welfare, Healthcare and Safety Measures, Rehabilitation of homeless young women and providing various facilities to senior citizens and needy peoples. Based on the recommendation of the CSR Committee for the amount of expenditure to be incurred on the CSR activities, your Board and the Management of your Company had

contributed towards the specified activities laid down under your Company's policy on expenditure on CSR.

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

RISK MANAGEMENT COMMITTEE

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

The Risk Management Committee comprises of 6 (Six) Members out of which 2 (Two) are Independent Directors. Mr Sameer Kothari, Managing Director, serves as the Chairman of the Committee. 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 your Board.

The terms of reference, number of Meetings held during the Financial 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.

SHARE ALLOTMENT COMMITTEE

The Share Allotment Committee comprises of 4 (Four) Members out of which 1 (One) is Independent Director. Mr Shashi K Kalathil, Independent Director, serves as the Chairman of the Committee. Mr Sameer Kothari, Mr Ganesh Argekar and Mr Mayank Samdani are the other Members of the Committee.

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

DETAILS OF UTILISATION OF FUNDS RAISED THROUGH PREFERENTIAL ALLOTMENT

Your Company had raised Rs. 175 cr against receipt of being 25% upfront money against preferential issue of warrant and received 75% of the balance amount against

DIRECTORS' REPORT (CONTD.)

the part conversion of warrants into Equity Shares in the Financial Year 2023-2024. From time to time, your Company has converted warrants into Equity Shares on receipt of balance 75% from the warrant holders. As on March 31, 2026, your Company has raised aggregating to Rs. 377.50 cr through preferential issue.

Further, During the Financial Year 2025-2026, your Company had obtained a Shareholders approval for the variation, deviation of the unutilised proceeds raised through preferential issue in its Meeting held on September 23, 2025.

The details of the funds raised, objects and amount of deviation, if any is provided in the below table:

(Rs. In cr)				
Sr. No	Original Object	Amount proposed in the offer document/ revised by the Shareholders	Particulars of Issue	Utilisation of funds raised
1	Funding Inorganic growth opportunities and strategic acquisition	108.125	The Company had received Rs. 99,99,99,470.24/- i.e. 25% of the issue price for allotment of 72,71,081 Convertible Warrants on December 20, 2023.	103.09
2	Funding capital expenditure for new green field projects		The Company had allotted 18,30,663 Equity Shares on February 2, 2024 on receipt of Rs. 74,99,99,748/- (Rupees Seventy-Four Crores Ninety-Nine Lakhs Ninety-Nine Thousand Seven Hundred Forty Eight Only).	
a.	Greenfield project of the Company	60.000		53.08
b.	Greenfield project of the Subsidiary Company	45.000		24.06
3	Funding capital expenditure for Brown field projects		The Company had further allotted 29,29,060 Equity Shares on December 28, 2024 on receipt of Rs. 1,19,99,99,267/- (Rupees One Hundred Nineteen Crores Ninety-Nine Lakhs Ninety-Nine Thousand Two Hundred Sixty Seven Only).	
a.	Brown field project of the Company	45.000		42.28
b.	Brown field project of the Subsidiary Company	25.000		24.82
4	General Corporate purpose	90.875	The Company has further allotted 19,79,349 Equity Shares on June 18, 2025 on receipt of Rs. 82,49,99,481.71/- (Rupees Eighty Two Crores Forty Nine Lakhs Ninety-Nine Thousand Four Hundred Eighty One and Seventy One Paise Only).	74.25
5	Issue Expenses	3.500	-	-
	TOTAL	377.50		321.58

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

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

INTERNAL CONTROL SYSTEM

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

DIRECTORS' REPORT (CONTD.)

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The information required under Section 197(12) of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the year ended March 31, 2026 is given in a separate Annexure to this Report as **Annexure II**.

The Annexure in pursuance to the Rule 5 (2) of the Companies (Appointment and Remuneration) Rules, 2014, is not being sent along with this Report to the Members of your Company in line with the provisions of Section 136 of the Companies Act, 2013. Members who are interested in obtaining these particulars may write to the Company Secretary and Legal Head at the Registered Office of the Company. The aforesaid Annexure is also available for inspection by the Members at the Registered Office of the Company, 21 days before the 41st 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 LLP, 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 FY 2026-2027. As per notification issued by the Ministry of Corporate Affairs dated May 07, 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 Meeting held on August 4, 2026 has appointed

M/s Poddar & Co., Cost Accountants (Firm Registration No: 101734) as the Cost Auditors of your Company for the FY 2026-2027 under Section 148 and all other applicable provisions of the Act.

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

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

M/s Poddar & Co., Cost Accountants have carried out the Cost Audit for applicable businesses during the year. There are no qualifications, reservations or adverse remarks or disclaimer made in the Cost Auditors' Report for the Financial Year 2025-2026, which requires any clarification or explanation.

3. Secretarial Auditors

Pursuant to the provisions of Section 204 of the Act and Regulation 24A of Listing Regulations, CS Pankaj S Desai, Practicing Company Secretary (COP no. 4098 & Membership no. 3398), were appointed as Secretarial Auditors of the Company, for a term of five consecutive years i.e. from FY 2025-2026 to FY 2029-2030.

CS Pankaj S Desai, Practicing Company Secretary has confirmed, he is not disqualified from being appointed as the Secretarial Auditors of the Company under the amended SEBI regulations and satisfy the prescribed eligibility criteria.

The Secretarial Audit Report for the Financial Year ended March 31, 2026 forms a part of this Annual Report as **Annexure III**. The Secretarial Audit Report and Secretarial Compliance Report for the Financial year 2025-2026, does not contain any qualification, reservation, or adverse remark.

DIRECTORS' REPORT (CONTD.)

As per the requirements of the Listing Regulations, CS Pankaj S Desai, Practicing Company Secretary, have undertaken Secretarial Audit of KNS Shoetech Private Limited, Material Subsidiary of your Company for the FY 2025-2026. The Secretarial Audit Report for the Financial Year ended March 31, 2026 is annexed as **Annexure – IIIA** to this Report.

STATUTORY AUDITORS' OBSERVATIONS

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

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

ANNUAL SECRETARIAL COMPLIANCE REPORT

Pursuant to Regulation 24 (A) of the Listing Regulations, the Independent Secretarial Auditor, CS Pankaj S Desai, Practicing Company Secretary (COP no 4098 & Membership no. 3398) had undertaken an audit for the Financial Year 2025-2026 for the SEBI compliances, it does not contain any qualification, reservation, or adverse remark. The Annual Secretarial Compliance Report has been submitted to the Stock Exchanges within 60 days of the end of the Financial Year.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

Your Company has established a Mechanism for the Directors and Employees to report their genuine concerns or grievances about unethical behavior, actual or suspected fraud or violation of the Code. It also provides 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 your Company to report any instances of leak of Unpublished Price Sensitive information. This policy is also posted on the website of your Company at www.hindustanfoodslimited.com. The Audit Committee of your Company oversees the Vigil Mechanism.

RISK MANAGEMENT

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

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

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

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORTING ('BRSR')

As stipulated under the Regulation 34(2)(f) of the Listing Regulations and SEBI circular no. SEBI/LAD-NRO/GN/2021/22 dated May 05, 2021 read with SEBI circular no. SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122 dated July 12, 2023 and recent circular dated March 28, 2025, circular no. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2025/42 your Company provides the prescribed disclosures in new reporting requirements on Environmental, Social and Governance ('ESG') parameters called the Business Responsibility and Sustainability Report ('BRSR') which includes performance against the nine principles of the National Guidelines on Responsible Business Conduct and the report under each principle which is divided into essential and leadership indicators, forms part of this Annual Report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

DIRECTORS' REPORT (CONTD.)

RELATED PARTY TRANSACTIONS

As required under Regulation 23(1) of the Listing Regulations, 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 their 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, 2026 and the date of Board's Report i.e. August 4, 2026 except;

Pursuant to the Scheme of Arrangement, your Company, at the Meeting of the Share Allotment Committee of the Board of Directors held on May 21, 2026, allotted 4,81,39,085 (Four Crores Eighty-One Lakhs Thirty-Nine Thousand and Eighty-Five) fully paid-up Equity Shares of

face value of Rs. 2/- (Rupees Two Only) each, issued at par. This allotment included shares issued against fractional entitlements, and was made to the eligible Shareholders of the Demerged Company and the Transferor Company in accordance with the provisions of the Scheme.

The fractional entitlements arising under the Scheme in respect of the Shareholders of the Demerged Company and the Transferor Company were consolidated. The corresponding Equity Shares were allotted to the Hindustan Foods Limited – Fractional Shares Trust, for which Axis Trustee Services Limited acts as the Trustee.

Subsequently, pursuant to allotment of 4,64,58,145 Equity Shares to the eligible Shareholders of Transferor Company and in accordance with Clause 19 and 21 of the Scheme, 4,64,58,145 Equity Shares held by Transferor Company in the Company were cancelled upon the Scheme becoming effective and equivalent number of shares were allotted to the shareholders of the Transferor Company in the proportion of their shareholding in the Transferor Company.

The Issued, Subscribed and Paid-up Share Capital as on the date of this report after the said allotment, stands increased from existing Rs. 25,49,63,524/- (Rupees Twenty-Five Crores Forty Nine Lakhs Sixty Three Thousands Five Hundred Twenty Four Only) divided into 11,94,81,762 (Eleven Crores Ninety Four Lakhs Eighty One Thousand Seven Hundred Sixty Two) 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 to Rs. 25,83,25,404/- (Rupees Twenty-Five Crores Eighty Three Lakhs Twenty Five Thousands Four Hundred Four Only) divided into 12,11,62,702 (Twelve Crores Eleven Lakhs Sixty Two Thousand Seven Hundred Two) 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.

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.

DIRECTORS’ REPORT (CONTD.)

MANAGEMENT DISCUSSION & ANALYSIS REPORT

Pursuant to Regulation 34 of the 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, 2026 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 received under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Accordingly, the Internal Complaints Committee (ICC) report is presented below with ‘Nil’ entries:

Number of complaints of sexual harassment received in the year;	NIL
Number of complaints disposed off during the year	NIL
Number of cases pending more than ninety days	NIL

Your Company is in compliances with the provisions relating to Maternity Benefit Act 1961.

COMPLIANCE WITH SECRETARIAL STANDARDS

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

CORPORATE GOVERNANCE

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

- (i) Declaration regarding compliance of Code of Conduct by Board Members and Senior Management Personnel;
- (ii) Management Discussion and Analysis Report;
- (iii) Report on Corporate Governance and;
- (iv) Practicing Company Secretary Certificate regarding compliance of conditions of Corporate Governance.
- (v) Practicing Company Secretary Certificate confirming that none of the Director of your Company are disqualified as the Director of your Company.

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;

DIRECTORS’ REPORT (CONTD.)

- No shares with differential voting rights and sweat equity shares have been issued;
- 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

Place: Mumbai
Date : August 4, 2026

Sameer R Kothari
Managing Director
DIN: 01361343

Ganesh T Argekar
Executive Director
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	3	3
2.	Mr Ganesh T Argekar	Member, Executive Director	3	3
3.	Mr Shashi K Kalathil	Member, Independent Director	3	3

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

Web link – www.hindustanfoodslimited.com

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

5. (a) Average net profit of the Company as per sub-section (5) of section 135 - Rs. 110.60 Crores
- (b) Two percent of average net profit of the Company as per sub-section (5) of section 135 - Rs. 2.21 Crores
- (c) Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years – NIL
- (d) Amount required to be set off for the Financial Year, if any – Nil
- (e) Total CSR obligation for the Financial Year (b+c-d) - Rs. 2.21 Crores

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) - Rs. 2.22 Crores
- (b) Amount spent in Administrative Overheads – NIL
- (c) Amount spent on Impact Assessment, if applicable – Not applicable
- (d) Total amount spent for the Financial Year [(a)+(b)+(c)]– Rs. 2.22 Crores

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

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

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

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

Sl. No.	Particular	Amount (in Rs.Crores)
(1)	(2)	(3)
i.	Two percent of average net profit of the Company as per sub-section (5) of section 135	Rs. 2.21 Crores
ii.	Total amount spent for the Financial Year	Rs. 2.22 Crores
iii.	Excess amount spent for the Financial Year [(ii)-(i)]	Rs. 0.0062 Crores
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	Nil
v.	Amount available for set off in succeeding Financial Years [(iii)-(iv)]*	Rs. 0.0062 Crores

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

1	2	3	4	5	6		7	8
Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under subsection (6) of section 135 (in Rs. Crores)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in Rs. Crores)	Amount spent in the reporting Financial Year (in Rs. Crores)	Amount transferred to any fund specified under Schedule VII as per second proviso to subsection (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in Rs. Crores)	Deficiency, if any
					Amount (in Rs. Crores)	Date of transfer		
1.	March 31, 2023	0.2	NIL	0.2	NIL	-	NIL	NA
2.	March 31, 2024	NIL	NIL	NIL	NIL	NIL	NIL	NIL
3.	March 31, 2025	NIL	NIL	NIL	NIL	NIL	NIL	NIL

ANNEXURE – I TO THE DIRECTORS’ REPORT (CONTD.)

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

Yes ✓ No

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

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

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

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

9. Specify the reason(s), if the Company has failed to spend two percent 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)

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 year 2025-26.

Name of Directors and KMP	Ratio to median Remuneration of all employees	% increase in remuneration in Financial Year
Executive Director		
Mr. Ganesh Argekar	34.34	11.69
Mr. Sameer Kothari	110.11	5.65
Other KMPs		
Chief Financial Officer		
Mr. Mayank Samdani	27.24	11.14
Company Secretary & legal head		
Mr. Bankim Purohit	8.40	12.46

- 2) The percentage increase in the median remuneration of employees in the Financial Year – **1.67%**.
- 3) The number of permanent employees on the rolls of company - **1646**
- 4) The average percentile increase in the salaries of the employees other than the Managerial Person (i.e. ED) is **9.92%**. While increase in the Managerial remuneration is **7.02%**. 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, 2026

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, 2026, 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, 2026 and according to the provisions of:

- (i) The Companies Act, 2013 (‘the Act’) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- (iii) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (d) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities), 2021; **(Not applicable during the period under review.)**
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

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

- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not applicable during the period under review)**
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable during the period under review).**
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments made thereunder (Listing Regulations);

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

A. Food items and related business:

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

B. Footwear business:

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

C. Tea Business:

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

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

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

D. Pest repellents and other related items:

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

E. Pharmaceutical and Non-Pharmaceutical related items:

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

I further report that,

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

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.

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

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited read with the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. to the extent possible as mentioned above.

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

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

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

- The Share Allotment Committee of the Board of Directors in their Meeting held on June 18, 2025, had allotted 9,15,331 equity shares of Face Value of Rs. 2/- each at a price of Rs. 546.25/- per share to Qualified Institutional Buyers and 10,64,018 equity shares of Face Value of Rs. 2/- each at a price of Rs. 563.90/- per share to Non-Qualified Institutional Buyers under Non-Promoter Category on exercising option for Conversion of the Convertible Warrants into equivalent number of Equity Shares and the Company has complied with all the provisions of SEBI (ICDR) Regulations, 2018.
- One of the warrant holders under category of Non- Qualified Institutional Buyers, Non-Promoter, has not exercised the option to convert 5,32,009 warrants into Equity share within the stipulated time. The said warrants lapsed / cancelled and initial amount paid i.e., 25% upfront application money amounting to Rs. 7,49,99,969/- (Rupees Seven Crores Forty Nine Lakhs Ninety Nine Thousand Nine Hundred and Sixty Nine Only) at the time of allotment of warrants, has been forfeited in accordance with the terms of the issue/ allotment by the Company.
- During the reporting period, the Company had obtained approval for Employee Stock Option Scheme 2025 ("Scheme") by way of Postal Ballot through Special Resolution passed by the shareholders of the Company on June 21, 2025 as per the provisions of SEBI (SBEB & SE) Regulations, 2021 and also obtained SEBI approval and had granted 1,47,100 options under the said scheme to the eligible employees of Hindustan Foods Limited and its group companies including subsidiary companies and associate companies of Hindustan Foods Limited in their Nomination and Remuneration Committee / Compensation Committee Meeting of the Board of Directors held on July 28, 2025.
- The Company is having one material subsidiary named KNS Shoetech Private Limited.

Sd/-
Name of the Company Secretary: - Pankaj Desai
ACS No:- 3398
C. P. No:- 4098
UDIN NO:- A003398H001034615
Peer Review No.: 2702/2022

Place: Mumbai
Date : August 6, 2026

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:- A003398H001034615
Peer Review No.: 2702/2022

Place: Mumbai
Date : August 6, 2026

ANNEXURE – IIIA TO THE DIRECTORS’ REPORT

Form No. MR-3

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

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2026

To,
The Members,
KNS SHOETECH PRIVATE LIMITED
CIN: U19119DL2022PTC399320
Industrial Shed No. 159,
New Okhla Phase-1, Industrial Complex,
South Delhi, Delhi – 110019.

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

Based on my verification of the **KNS SHOETECH PRIVATE LIMITED’S** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2026, 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, 2026 and according to the provisions of:

- (i) The Companies Act, 2013 (‘the Act’) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder; **(Not applicable during the period under review)**
- (iii) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018; **(Not applicable during the period under review)**
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not applicable during the period under review)**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not applicable during the period under review)**
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; **(Not applicable during the period under review)**
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not applicable during the period under review)**

ANNEXURE – IIIA TO THE DIRECTORS’ REPORT (CONTD.)

- d) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(Not applicable during the period under review)**
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not applicable during the period under review)**
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not applicable during the period under review)**
- h) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable during the period under review)**
- j) Securities and Exchange Board of India (Issue and Listing of Securitised Debt Instruments and Security Receipts) Regulations, 2008 **(Not applicable during the period under review)**

I further report that,

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

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

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India;
- (ii) The Company was not required to enter into any listing agreements with the Stock Exchanges.

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

A. 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.

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

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

Sd/-

Name of the Company Secretary: - Pankaj Desai

ACS No:- 3398

C. P. No:- 4098

UDIN NO:- A003398H001034648

Peer Review No.: 2702/2022

Place: Mumbai

Date : August 6, 2026

ANNEXURE I (INTEGRAL PART OF SECRETARIAL AUDIT REPORT)

To,
The Members,
KNS SHOETECH PRIVATE LIMITED,

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

- 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.
- 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.
- I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
- Wherever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
- 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.
- 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:- A003398H001034648
Peer Review No.: 2702/2022

Place: Mumbai
Date : August 6, 2026

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, 2026.

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

- 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.
- Total energy consumption and average rate are as under:

(A) Power and Fuel Consumption

(Amount in Rs.)			
Particulars		Unit	Current Year
1	Electricity		
	Purchased Units	Kwh	48,086,089
	Total amount	Rs.	402,469,503
	Average Rate / Unit	Rs.	8.37
2	High Speed Diesel / Light Diesel Oil (LDO) (For DG / Boiler / Hot Water Generator)		
	Quantity consumed	Ltr.	1,100,594
	Total amount	Rs.	89,221,104
	Average Rate / Liter	Rs.	81.07
3	Briquettes – For Boiler		
	Quantity consumed	Kgs.	6,051,138
	Total amount	Rs.	46,693,309
	Average Rate / Kg	Rs.	7.716
4	LPG – For Band drier		
	Quantity consumed	Kgs.	26,115
	Total amount	Rs.	2,047,002
	Average Rate / Kg	Rs.	78.38

The steps taken or impact on conservation of energy:

- Below mentioned are the major energy conservation initiatives undertaken by the Company during FY:2025-2026:
 - Sourced Solar Power through Group Captive energy agreement & Third party Open Access in HFL Mysore.
 - Replaced fossil fuel boiler in Hyderabad with bio-fuel boiler.
 - OEE improvements on production lines delivering better energy consumption / unit of production.

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 doing the clinicals are shortlisted. These molecules are adapted to our formulation and customised to Indian customers to best suit.
(ii)	The benefits derived like product improvement, cost reduction, product development or import substitution.	Product improvement is one of the benefit because these specialty chemicals give the functional benefit. Due to cost incurred there is no cost saving but product performance is increased.
(iii)	In case of imported technology (imported during the last three years reckoned from the beginning of the Financial Year) – (a) the details of technology imported; (b) the year of import; (c) whether the technology been fully absorbed; (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof;	No new technologies imported or absorbed in last three years for new product development.
(iv)	The expenditure incurred on Research and Development.	nil

(C) Foreign Exchange Earnings and Outgo

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows	Foreign Exchange used for importing material, purchase of Fixed Assets, Capital advance and Travel Expenses of Employee for office work etc. were equivalent to Rs. 12.90 Crores.
	Foreign Exchange earned during the year by exporting finished products were equivalent to Rs. 91.15 Crores.

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, 2025 to March 31, 2026
10.	Name of the Stock Exchange(s) where shares are listed	1. BSE Limited 2. National Stock Exchange of India Limited
11.	Paid-up Capital	Rs. 23,89,63,524
Contact Person		
12.	Name of the Person	Mr Sameer R Kothari
	Telephone	+91 22 69801700
	Email address	business@thevanitycase.com
Reporting Boundary		
13.	Type of Reporting (Standalone /Consolidated Basis)	Standalone
14.	Name of assurance provider	NA
15.	Type of assurance obtained	NA

II. Product/Services

16. Details of business activities

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

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT [BRSR] (CONTD.)

17. Products/Services sold by the entity

S. No.	Product/Service	NIC Code (last 3 digits)	% of Total Turnover contributed
1.	Manufacturing of Food and Beverages	10794 Milk & Cereal based Baby Food, Extruded Snacks, Instant Porridge and Extruded Cereal Products 10791 Tea 10792 Coffee 10304 Fruit Juice 11041 Aerated Juice 15205 Ice cream and kulfi 107905 Soups 1105 Bottled Water	49%
2.	Manufacturing of Home and Personal Care	20211 Pest Control Product 20233 Detergents 20239 Home Care Products	43%
3.	Others	15201 Leather 152002 Sports Shoes 2100 Healthcare and OTC	8%

III. Operations

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

Location	Number of plants	No. of Offices	Total
National	19	2	21
International	0	0	0

19. Market served by the entity

	Locations	Numbers
• No. of Locations	National (No. of States)	12
	International (No. of Countries)	14
• What is the contribution of exports as a percentage of the total turnover of the entity?	2.79%	
• A brief on types of Customers	The Company is engaged in contract manufacturing across the Fast-Moving Consumer Goods (FMCG) sector. Its long-standing relationships with leading industry players have positioned it as a preferred manufacturing partner for a wide range of brands. Its diverse customer base includes leading multinational corporations, national brand owners, modern retail chains, e-commerce brands and emerging start-ups.	

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT [BRSR] (CONTD.)

IV. Employees

20. Details as at the end of Financial Year:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
a. Employees and workers (including differently abled)						
Employees						
1.	Permanent (D)	809	712	88%	97	12%
2.	Other than Permanent (E)	0	0	0	0	0
3.	Total Employees (D+E)	809	712	88%	97	12%
Workers						
4.	Permanent (F)	837	799	95%	38	5%
5.	Other than Permanent (G)	4483	3021	67%	1462	33%
6.	Total Workers (F+G)	5320	3820	72%	1500	28%
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 Differently Abled Employees (D+E)	2	2	100%	0	0
Differently abled Workers						
4.	Permanent (F)	0	0	0	0	0
5.	Other than Permanent (G)	0	0	0	0	0
6.	Total Differently Abled workers (F+G)	0	0	0	0	0

21. Participation/Inclusion/Representation of women

S. No.	Category	Total (A)	No. and % of females	
			No. (B)	% (B/A)
1.	Board of Directors	7	1	14.29%
2.	Key Management Personnel (other than Executive Directors)	4	0	0%

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

Category	FY 2025-2026 (Turnover rate in current FY)			FY 2024-2025 (Turnover rate in current FY)			FY 2023-2024 (Turnover rate in previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	32%	8%	40%	33%	4%	37%	31%	3%	34%
Permanent Workers	25%	10%	35%	0	0	0	0	0	0

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT [BRSR] (CONTD.)

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

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

S. No	Name of the holding / subsidiary / associate companies / joint ventures	Indicate whether it is a holding / Subsidiary / Associate / or Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	Vanity Case India Private Limited	Holding Company	-	No
2.	HFL Consumer Products Private Limited	Wholly owned Subsidiary Company	100	No
3.	HFL Healthcare and Wellness Private Limited	Wholly owned Subsidiary Company	100	No
4.	Aero Care Personal Products LLP	Subsidiary Company	81	No
5.	HFL Multiproducts Private Limited	Wholly owned Subsidiary Company	100	No
6.	KNS Shoetech Private Limited	Wholly owned Subsidiary Company	100	No
7.	Asar Green Kabadi Private Limited	Associate Company	25.07	No

VI. CSR Details

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

Turnover (Rs. In Crores)	3,275.62
Net worth (Rs. In Crores)	1,087.93

VII. Transparency and Disclosures Compliances

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

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	If yes, then provide web-link for grievance redress policy	FY 2025-2026 Current Financial Year			FY 2024-2025 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 (hindustanfoods limited.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		12	12	NA	209	0	NIL
Value Chain Partners	Yes		0	0	NA	0	0	NA

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT [BRSR] (CONTD.)

26. OVERVIEW OF THE ENTITY'S MATERIAL RESPONSIBLE BUSINESS CONDUCT ISSUES

S. No	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk /opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Business Continuity Plan and Disaster Resilience	Risk	HFL's Business Continuity Plan (BCP) primarily focuses on identifying the resources and capabilities required by the organization 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. Addition of new capacities for various business units viz. Home Care, Personal Care and Ice Cream through Greenfield, Brownfield projects and acquisition offers alternate manufacturing options as business contingency. Additionally, all manufacturing facilities have well-prepared disaster management plans and are equipped for disaster preparedness, to minimise the impact of any untoward situation.	Positive: Impact of HFL's key measures on the business continuity plan. However, costs can be incurred negatively during the time of disaster management.
2	Regulatory Compliance	Risk	The rapidly changing regulatory environment and adapting to major regulatory changes can cost the company more.	In its current practice, HFL is compliant with all applicable laws and regulations. HFL always follows updates in the regulatory framework.	Positive: Ensuring compliance with all applicable laws and regulations fosters a positive environment for businesses.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT [BRSR] (CONTD.)

S. No	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk /opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3	Business Ethics and Conduct and Corporate Governance	Risk	HFL operates within a context where it faces risks associated with corporate governance and ethical business practices. Engaging in unethical conduct can significantly damage the company's reputation and result in financial repercussions, such as fines and penalties. On the other hand, implementing strong corporate governance practices contributes to the long-term sustainability and resilience of the business.	HFL recognizes 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.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT [BRSR] (CONTD.)

S. No	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk /opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
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, recognizing 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 utilization of energy by selecting appropriate low-carbon transition technologies. All new facilities set up by the company uses bio briquettes as the primary fuel for its boilers. The Company identifies opportunities for improving energy efficiency. The company has taken steps to increase renewable energy sourcing for its power requirement for three of its major facilities, through participation in a Group Captive arrangement under an SPV and adopted wind energy at two of its major factories.	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, reducing production wastes and evaluating the process for improvement opportunities.	Positive: Due to the increase in Productivity

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT [BRSR] (CONTD.)

S. No	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk /opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
				HFL has also implemented the 5S model and has been accredited with certifications such as FDA, ISO 9001:2008, BRC Food Certificates, and ISO 14001. Additionally, HFL aims to continually improve the organization by focusing on customer requirements and process optimization.	
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 prioritize 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 organization is well-equipped to face tomorrow's challenges and ensure long-term growth.	HFL is fortunate to have an excellent record of worker and employee relations. HFL up-skills the workforce constantly through various training programmes. These investments meet workforce aspirations and provide us with increasing skill sets in a win-win relationship. Moreover, various programmes and initiatives taken by governments are further enhancing the availability of skilled workers.	Positive: Through Increased revenues

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT [BRSR] (CONTD.)

S. No	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk /opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
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 including sanitation, water conservation, and education.	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 prioritizes gender equality. Currently, female representation at the board level is around 14%. Female representation among employees and workers is at 28%. Additionally, HFL's units across India promote diversity in their business.	Positive impact due to diversity and inclusion in their business.
10	Stakeholder Engagement	Opportunity	Stakeholder engagement is crucial for all internal and external stakeholders. Understanding the grievances of stakeholders and their feedback enables the company to assess the key issues of stakeholders and devise a plan for improvement.	HFL clearly understands the grievances of its stakeholders. The company provides efficient platforms for receiving stakeholders' grievances and ensures timely resolution. HFL offers different channels for different stakeholders to report their grievances. This mechanism allows stakeholders to freely provide feedback on the services offered by the company.	Positive impact due to goodwill with all stakeholders.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

Disclosure Questions		P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and Management Processes										
1.	a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	No	Yes	Yes	Yes	Yes	No	Yes	Yes
	b. Has the policy been approved by the Board? (Yes/No)	Yes								
	c. Web Link of the Policies, if available	Hindustan Foods Corporate Policies (hindustanfoodslimited.com)								
2.	Whether the entity has translated the policy into procedures. (Yes / No)	Yes	No	Yes	Yes	Yes	Yes	No	Yes	Yes
3.	Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes								
4.	Name of the national and international codes/certifications/labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	The Company has been accredited with the following certifications: - ISO 9001:2015 - ISO 45001:2018 - ISO 14001:2015 - ISO 22716:2007 - BRC GS - BRC GS-GFSI - BRC Food Certificates - FSSC 22000 - ISO 13485:2016 - MHRA - US FDA - Russia Federation - WHO Oral Liquid, Tablets & External preparations - Sedex SMETA 4 pillar								
5.	Specific commitments, goals and targets set by the entity with defined timelines, if any.	We have established Environmental, Social, and Governance (ESG) Goals as part of our Sustainability Strategy.Through targeted initiatives, we aim to reduce our environmental footprint, support inclusive growth, and operate with integrity and accountability. As a contract manufacturing company, we recognise our role in supporting the sustainability agendas of our clients while embedding ESG principles across our value chain.								

Disclosure Questions		P1	P2	P3	P4	P5	P6	P7	P8	P9
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. Actions to increase the share of Solar power at its factories, replacement of fossil fuel with bio fuels, sourcing of surface water instead of underground water are under way.								
Governance, Leadership and Oversight										
7.	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements.	The Company strongly believes that long-term success is possible only by connecting economic growth with environmental stewardship and financial performance with social responsibility. As a responsible Company, the Company always strives to ensure that an ESG focus is embedded into its strategy and that growth ambitions are well-suited to sustainable development practices. The Company diligently uses the right approach to build a responsible business.								
8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	The Managing Director of the Company is responsible for implementation of all Business Responsibility (BR) policies and to oversee the performance on BR. Details of the Managing Director: Name: Mr Sameer R Kothari DIN: 01361343 Email ID: business@thevanitycase.com Telephone No: +91 22 69801700								
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.								

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT [BRSR] (CONTD.)

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.								

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT [BRSR] (CONTD.)

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	70	Trainings on Company policies, safety, quality control, audit, and good manufacturing practices	100%
Workers	40	Trainings on Company policies, safety, quality control, audit, and good manufacturing practices	100%

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity’s website):

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

Non-Monetary				
	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

During FY 2025-2026, there were no material fines/penalties/ punishments/awards/compounding fees/settlements as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 imposed on the Company or its Directors/KMPs.

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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 \(hindustanfoodslimited.com\)](https://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 2025-2026 (Current Financial Year)	FY 2024-2025 (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 2025-2026 (Current Financial Year)		FY 2024-2025 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	NA	0	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	NA	0	NA

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

Not Applicable

8. Number of days of accounts payables (365 days /(Net Credit purchase / Average Trade payables)) in the following format

	FY 2025-2026 (Current Financial Year)	FY 2024-2025 (Previous Financial Year)
Number of days of accounts payable	58	52

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9. Open-ness of business: Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format

Parameter	Metrics	FY 2025-2026 (Current Financial Year)	FY 2024-2025 (Previous Financial Year)
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	0.01%	0.02%
	b. Number of trading houses where purchases are made from	1	1
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	100%	100%
Concentration of Sales	a. Sales to dealers/ distributors as % of total sales	0%	0.00%
	b. Number of dealers / distributors to whom sales are made	0	0
	c. Sales to top 10 dealers/ distributors as % of total sales to dealers/ distributors	0.00%	0.00%
Share of RPTs in	a. Purchases (Purchases with related parties/ Total Purchases)	0.60%	0.67%
	b. Sales (Sales to related parties/ Total Sales)	0.14%	0.14%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	100%	99.12%
	d. Investments (Investments in related parties/ Total Investments made)	99.78%	100%

LEADERSHIP INDICATORS

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

Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	% Age of persons in value chain covered by the awareness programmes
Value chain partners (Vendors) are nominated by Principals. Principals conduct awareness programmes for the same.		

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

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

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

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT [BRSR] (CONTD.)

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

ESSENTIAL INDICATORS

- 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 2025-2026 (Current Financial Year)	FY 2024-2025 (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)	0.13%	0%	Personal care - Personal care formulations are developed without parabens - Sulfates are replaced with natural surfactants - Paraffin oil is replaced with natural emollients 90% of the formulation contains natural ingredients - Synthetic fragrances are replaced by natural essential oils Foods - No preservative - No artificial colors - No artificial flavors - Naturally sourced raw materials - Increased shelf life with latest retort technology

- Does the entity have procedures in place for sustainable sourcing? (Yes/No)
The Company has majorly involved in contract manufacturing which contributes to 100% of the total business activities. Since contract manufacturing forms a major part of the business activities, the Company has limited control over the procurement activities. All the sourcing processes are governed by the principal Company/ Customer. Thus, the Company does not have any specific sourcing guidelines of its own. However, the Company is in the process of introducing policies and procedures for supply chain in the upcoming years.
 - If yes, what percentage of inputs were sourced sustainably?
Not Applicable
- Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.
Not applicable, as a contract manufacturer that does not have a brand name associated with it.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT [BRSR] (CONTD.)

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

Yes, as per recent amendment in the Plastic Waste Management Rules issued by CPCB the factories have initiated registering itself under EPR as "Producer". The registered factories are filing their first annual returns as per EPR rules this year.

LEADERSHIP INDICATORS

- 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)
NA	NA	NA	NA	NA	NA

- 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

- 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 2025-2026 (Current Financial Year)	FY 2024-2025 (Previous Financial Year)
NA	NA	NA

- 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 2025-2026 (Current Financial Year)			FY 2024-2025 (Previous Financial Year)		
	Re-used	Recycled	Safely Disposed	Re-used	Recycled	Safely Disposed
Plastics (including packaging)	NA	NA	NA	NA	NA	NA
E-waste	NA	NA	NA	NA	NA	NA
Hazardous waste	NA	NA	NA	NA	NA	NA
Other waste	NA	NA	NA	NA	NA	NA

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT [BRSR] (CONTD.)

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

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Nil	0%

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	712	627	88%	712	100%	NA	NA	712	100%	NA	NA
Female	97	76	78%	97	100%	97	100%	NA	NA	97	100%
Total	809	703	87%	809	100%	97	100%	712	100%	97	100%
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	799	534	67%	799	100%	NA	NA	799	100%	NA	NA
Female	38	1	3%	38	100%	38	100%	NA	NA	38	100%
Total	837	535	64%	837	100%	38	100%	799	100%	38	100%
Other than Permanent Workers											
Male	3,021	NA	NA	3,021	100%	NA	NA	NA	NA	NA	NA
Female	1,462	NA	NA	1,462	100%	NA	NA	NA	NA	1,462	100%
Total	4,483	NA	NA	4,483	100%	NA	NA	NA	NA	1,462	100%

- c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent

	FY 2025-2026 (Current Financial Year)	FY 2024-2025 (Previous Financial Year)
Cost incurred on well-being measures as a % of total revenue of the Company	0.03%	0.03%

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

S. No.	Benefits	FY 2025-2026 (Current Financial Year)			FY 2024-2025 (Previous Financial Year)		
		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.

Yes, the equal opportunity policy is in place as Hindustan Foods | Corporate Policies (hindustanfoodslimited.com)

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

Gender	Permanent Employees		Permanent Workers	
	Return to work rate	Retention Rate	Return to work rate	Retention Rate
Male	100%	100%	100%	100%
Female	100%	100%	100%	100%
Total	100%	100%	100%	100%

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

Yes

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

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT [BRSR] (CONTD.)

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

Category	FY 2025-2026 (Current Financial Year)			FY 2024-2025 (Previous Financial Year)		
	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	712	0	0%	815	0	0%
Female	97	0	0%	88	0	0%
Total	809	0	0%	903	0	0%
Permanent Workers						
Male	799	279	35%	545	338	62%
Female	38	0	0%	10	0	0%
Total	837	279	35%	555	338	61%

8. Details of training given to employees and workers:

Category	FY 2025-2026 (Current Financial Year)					FY 2024-2025 (Previous Financial Year)				
	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	712	712	100%	662	93%	815	815	100%	776	95%
Female	97	97	100%	85	88%	88	88	100%	79	90%
Total	809	809	100%	747	92%	903	903	100%	855	95%
Permanent Workers										
Male	799	799	100%	799	100%	545	545	100%	545	100%
Female	38	38	100%	38	100%	10	10	100%	10	100%
Total	837	837	100%	837	100%	555	555	100%	555	100%

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

Category	FY 2025-2026 (Current Financial Year)			FY 2024-2025 (Previous Financial Year)		
	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	712	545	76%	815	652	80%
Female	97	65	67%	88	63	71%
Others	0	0	0	0	0	0
Total	809	610	75%	903	715	79%

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT [BRSR] (CONTD.)

Category	FY 2025-2026 (Current Financial Year)			FY 2024-2025 (Previous Financial Year)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who had a career review (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who had a career review (D)	%(D/C)
Permanent Workers						
Male	799	663	83%	545	0	0%
Female	38	19	50%	10	0	0%
Others	0	0	0	0	0	0%
Total	837	682	81%	555	0	0%

10. Health and safety management system:

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

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

Safety Incident/Number	Category	FY 2025-2026 (Current Financial Year)	FY 2024-2025 (Previous Financial Year)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0	0.28
Total recordable work-related injuries	Employees	0	0
	Workers	2	1
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

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

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

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

	FY 2025-2026 (Current Financial Year)			FY 2024-2025 (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 2025-2026	Previous FY 2024-2025	Current FY 2025-2026	Previous FY 2024-2025
Employees	0	0	0	0
Workers	0	0	0	0

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4. Does the entity provide transition assistance programmes 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

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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
Suppliers	No	- Supplier meets - Emails - Plant visits - Discussion meetings	Monthly, Quarterly, Annually, Need based	Timely delivery
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

- 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.
- 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.
- Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalised stakeholder groups.
None

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT [BRSR] (CONTD.)

PRINCIPLE 5: Businesses should respect and promote human rights

ESSENTIAL INDICATORS

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

Category	FY 2025-2026 (Current Financial Year)			FY 2024-2025 (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	809	809	100%	903	903	100%
Other than permanent	0	0	0	0	0	0
Total Employees	809	809	100%	903	903	100%
Workers						
Permanent	837	837	100%	555	555	100%
Other than permanent	4,483	4,483	100%	4,157	4,157	0
Total Workers	5,320	5,320	100%	4,712	4,712	100%

- Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2025-2026 (Current Financial Year)					FY 2024-2025 (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	712	0	0%	712	100%	815	0	0	815	100%
Female	97	0	0%	97	100%	88	0	0	88	100%
Other than Permanent										
Male	0	0	0%	0	0	0	0	0%	0	NA
Female	0	0	0%	0	0	0	0	0%	0	NA
Workers										
Permanent										
Male	799	0	0%	799	100%	545	0	0%	545	100%
Female	38	0	0%	38	100%	10	0	0%	10	100%
Other than Permanent										
Male	3,021	3,021	100%	0	0%	3,592	3,592	100%	0	0%
Female	1,462	1,462	100%	0	0%	565	565	100%	0	0%

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

a. Median remuneration/ wages:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective categories (Rs. In cr)	Number	Median remuneration/ salary/ wages of respective categories (Rs. In cr)
Executive Directors	2	2.94	0	0
Board of Directors (Non-Executive and Non-Independent)	2	0.021	0	0
Board of Directors (Non-Executive and Independent)	2	0.037	1	0.038
KMPs	4	1.25	0	0
Employees other than BoD and KMP	708	0.052	97	0.038
Workers	799	0.037	33	0.026

b. Gross wages paid to females as % of total Wages paid by the entity, in the following format:

	FY 2025-2026 (Current Financial Year)	FY 2024-2025 (Previous Financial Year)
Gross wages paid to females as % of total wages	6.44%	5.02%

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

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 2025-2026 (Current Financial Year)			FY 2024-2025 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	NA	0	0	NA
Discrimination at workplace	0	0	NA	0	0	NA
Child Labour	0	0	NA	0	0	NA
Forced Labour/Involuntary Labour	0	0	NA	0	0	NA
Wages	0	0	NA	0	0	NA
Other human rights related issues	0	0	NA	0	0	NA

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT [BRSR] (CONTD.)

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2025-2026 (Current Financial Year)	FY 2024-2025 (Previous Financial Year)
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	0
Complaints on POSH as a % of Female employees/ workers	0	0
Complaints on POSH upheld	0	0

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

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

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

Yes

10. Assessments for the year:

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

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

None

LEADERSHIP INDICATORS

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

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

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

No human rights due diligence was conducted during the reporting year

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

Yes

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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. Value Chain Partners are nominated by the Principal. The Principle conducts periodic Audits to monitor Vendors. Any vendor not meeting required criterion are discontinued as per alignment with principals.
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 2025-2026 (Current Financial Year)	FY 2024-2025 (Previous Financial Year)
From renewable sources		
Total electricity consumption (A) (GJ)	29,557	13,583
Total fuel consumption (B) (GJ)	70,193	63,138
Energy consumption through other sources (C) Steam (GJ)	0	0
Total energy consumption (A+B+C) (GJ)	99,750	76,720
From non-renewable sources		
Total electricity consumption (D) (GJ)	143,568	112,167
Total fuel consumption (E) (GJ)	39,828	37,096
Energy consumption through other sources (F) (GJ)	0	0
Total energy consumption (D+E+F) (GJ)	183,396	1,49,263
Total energy consumption (A+B+C+D+E+F) (GJ)	283,146	225,984
Energy intensity per rupee of turnover (Total energy consumption/turnover in rupees) (GJ per Rs. in lakhs)	0.86	0.83
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed/ Revenue from operations adjusted for PPP)	22.91	18.52
Energy intensity in terms of physical output	-	-
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

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

No, independent assessment has been carried out by any external agency

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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 2025-2026 (Current Financial Year)	FY 2024-2025 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	289,985	173,755
(iii) Third party water	354,362	249,400
(iv) Seawater / desalinated water	0	0
(v) Others (Rainwater storage)	0	0
Total volume of water withdrawal (in kiloliters) (i + ii + iii + iv + v)	644,347	423,155
Total volume of water consumption (in kiloliters)	622,222	402,915
Water intensity per rupee of turnover (Water consumed / Revenue from Operations) (kl per Rs. in lakhs)	1.58	1.47
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	52.13	33.01
Water intensity in terms of physical output	-	-
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

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

No, independent assessment has been carried out by any external agency

4. Please provide the following details related to water discharged:

	FY 2025-2026 (Current Financial Year)	FY 2024-2025 (Previous Financial Year)
Water discharged by destination and level of treatment (in Kilolitres)		
(i) To Surface water		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(ii) To Groundwater		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0

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	FY 2025-2026 (Current Financial Year)	FY 2024-2025 (Previous Financial Year)
(iii) To Seawater		
- No treatment	0	0
- With treatment - please specify level of treatment	0	0
(iv) Send to third-parties		
- No treatment	0	0
- With treatment - please specify level of treatment	22,125	20,240
(v) Others		
- No treatment	0	0
- With treatment - please specify level of treatment	0	0
Total water discharged (in kiloliters)	22,125	20,240

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 has been carried out by any external agency

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.
- 11 number of sites have implemented a mechanism for Zero Liquid Discharge, wastewater generated is treated and reused within the site premises.
 - HFL Baddi discharges treated water to CETP as per State government guidelines.
6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2025-2026 (Current Financial Year)	FY 2024-2025 (Previous Financial Year)
SOx	T / Year	2.883	18.594
NOx	T / year	4.195	4.496
Particulate matter (PM)	T / year	3.429	3.927
Persistent organic pollutants (POP)	T / year	NA	NA
Volatile organic compounds (VOC)	T / year	NA	NA
Hazardous air pollutants (HAP)	T / year	NA	NA
Others – please specify	T / year	NA	NA

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

No, independent assessment has been carried out by any external agency

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT [BRSR] (CONTD.)

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2025-2026 (Current Financial Year)	FY 2024-2025 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, if available)	T CO ₂ e	9,960.70	6,099.92
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	T CO ₂ e	28,314.84	22,121.87
Total Scope 1 and Scope 2 emissions intensity per INR in lakhs of turnover	T CO ₂ e / INR	0.117	0.103
(Total Scope 1 and Scope 2 GHG emissions/ Revenue from operations)			
Total Scope 1 and Scope 2 emissions intensity per Rs. in lakhs of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	T CO ₂ e / USD	3.10	2.31
Total Scope 1 and Scope 2 emissions intensity in terms of physical output		-	-
Total Scope 1 and Scope 2 emission intensity (optional)– the relevant metric may be selected by the entity			

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

No, independent assessment has been carried out by any external agency.

8. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details
- The Company is taking measures to reduce its carbon footprint through various initiatives. One of these projects includes the use of renewable energy. The Company has entered into a Group Captive energy agreement for sourcing its power from Solar sources; It is also replacing a fossil fuel fired boiler with bio briquettes as its fuel.
9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2025-2026 (Current Financial Year)	FY 2024-2025 (Previous Financial Year)
Total Waste generated (in metric tons)		
Plastic waste (A)	687	695
E-waste (B)	0	0.4
Bio-medical waste (C)	1	1
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)	833	804

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Parameter	FY 2025-2026 (Current Financial Year)	FY 2024-2025 (Previous Financial Year)
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector)	1,625	1,833
Total (A+B + C + D + E + F + G+ H)	3,146	3,333
Waste intensity per INR to lakhs of turnover (Total waste generated / Revenue from operations)	0.010	0.012
Waste intensity per INR to lakhs of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	0.255	0.273
Waste intensity in terms of physical output	-	-
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tons)		
Category of waste		
(i) Recycled	1,927	2,525
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	1,927	2,525
For each category of waste generated, total waste disposed by nature of disposal method (in metric tons)		
Category of waste		
(i) Incineration	28	5
(ii) Landfilling	66	74
(iii) Other disposal operations	1,125	729
Total	1,219	808

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 has been carried out by any external agency.

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Since the Company is into a Contract Manufacturing business, all its operations are governed by the principal company (Customers) ranging from procuring raw materials and manufacturing products to safe disposal of waste. The Company has SOPs in place to ensure safe and responsible disposal of waste as per environment consent.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

None of our operations/offices are situated in/around ecologically sensitive areas.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT [BRSR] (CONTD.)

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.
1	NIL	NIL	NIL

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
NIL	NIL	NIL	NIL	NIL	NIL

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Yes, the entity is compliant with the applicable environmental laws/regulations/guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and rules. Its factories have applied for EPR registration as Producer and four of them have obtained the same; The others are awaiting approvals from the respective state pollution boards.

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. 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 2025-2026 (Current Financial Year)	FY 2024-2025 (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

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Parameter	FY 2025-2026 (Current Financial Year)	FY 2024-2025 (Previous Financial Year)
Water intensity per rupee of turnover (Water consumed / turnover)	NA	NA
Water intensity (optional) – the relevant metric may be selected by the entity (KI/MT)	NA	NA
Water discharge by destination and level of treatment (in kilolitres)		
(i). Into Surface water		
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(ii). Into Groundwater		
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(iii). Into Seawater		
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(iv). Sent to third parties		
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(v). Others		
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
Total water discharged (in kilolitres)	NA	NA

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

No, independent assurance has been carried out by an external agency.

2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Not reported

Parameter	Unit	FY 2025-2026 (Current Financial Year)	FY 2024-2025 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	TCO ₂ e	NIL	NIL
Total Scope 3 emissions per rupee of turnover	TCO ₂ e/INR	NIL	NIL
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	TCO ₂ e/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, independent assurance has been carried out by any external agency.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT [BRSR] (CONTD.)

3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not applicable

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

No specific initiative has been undertaken.

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1.	NA	NA	NA

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

The Company has formulated Risk Management Policy and the same has been uploaded on the Company's website Hindustan Foods | Corporate Policies (hindustanfoodslimited.com)

The role of the Risk Management Committee includes the implementation of Risk Management Systems and framework, reviewing the Company's financial and risk management policies, assess risk and procedures to minimise the same. Risk management Policy and Terms of Reference included Business continuity plan.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?

Not Applicable

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impact

Not Applicable

8. How many Green Credits have been generated or procured:

a. By the listed entity – 0 Credits

b. By the top ten (in terms of value of purchases and sales, respectively) value chain partners - 0 Credits

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
1.	NA	NA

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT [BRSR] (CONTD.)

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities:

Name of authority	Brief of the case	Corrective action taken
NIL	NIL	NIL

LEADERSHIP INDICATORS

1. Details of public policy positions advocated by the entity

S. no	Public policy advocated	Method resort for such advocacy	Whether the information is available in the public domain? (Yes/No)	Frequency of review by board (Annually/ Half yearly/ Quarterly/ Other-please specify)	Web Link, if available
1.	NIL	NIL	NIL	NIL	NIL

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development.

ESSENTIAL INDICATORS

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year-

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
NIL	NIL	NIL	NIL	NIL	NIL

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity:

Not Applicable

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In 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 2025-2026 (Current Financial Year)	FY 2024-2025 (Previous Financial Year)
Directly sourced from MSMEs/ Small producers	0.01%	0.10%
Sourced directly from within the district and neighboring districts	48.7%	49%

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT [BRSR] (CONTD.)

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on a contract basis) in the following locations, as % of total wage cost:

Location	FY 2025-2026 (Current Financial Year)	FY 2024-2025 (Previous Financial Year)
Rural	58.44%	66.39%
Semi-urban	-	-
Urban	41.56%	33.61%
Metropolitan	-	-

(Place to be categorised as per RBI Classification System – rural/ semi-urban/ urban/ metropolitan)

LEADERSHIP INDICATORS

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
NIL	NIL

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

Sl.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

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT [BRSR] (CONTD.)

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	Ashoka University [International Foundation for Research and Education]	3	100%
2	Ashwin Medical Foundation	10	100%
3	Savera Charitable Trust	20	100%
4	Ekam Foundation	60	100%
5	Angel Xpress Foundation	40	100%
6	K J Somaiya Hospital and Research Centre	10	100%
7	Rotary Club of Mumbai	20	100%
8	Mahila Seva Mandal	20	100%
9	Tata Memorial Centre	8	100%
10	St. Jude India Child Care Centers	22	100%
11	Mudita - An Alliance for Giving	35	100%
12	Umang Foundation Trust [towards Wayanad Disaster Relief]	120	100%
13	Umang Foundation Trust	82	100%
14	Can Care Trust	5	100%
15	Vishwa Jagruti Mission Trust	8	100%
16	The Bombay Champion High School Society	50	100%
17	Ashermukh Foundation	3	100%
18	Vasantrao Dempo Education Research Foundation	30	100%

PRINCIPLE 9: Businesses should engage with and provide value to their consumers in responsible manner

ESSENTIAL INDICATORS

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

The Company continuously measures the satisfaction levels of Customers. It has a feedback form on their respective portals, where a customer can freely give feedback on the services being offered by the Company.

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.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT [BRSR] (CONTD.)

3. Number of consumer complaints in respect of the following

	FY 2025-2026 (Current Financial Year)		Remarks	FY 2024-2025 (Previous Financial Year)		Remarks
	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)	12	12		209	0	

4. Details of instances of product recalls on account of safety issues

	Number	Reason for recall
Voluntary recalls	0	NA
Forced recalls	0	NA

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes, the Company have a framework or policy on cyber security and risks related to data privacy, Hindustan Foods | Corporate Policies (hindustanfoodslimited.com)

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of Customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

Not applicable

7. Provide the following information relating to data breaches:

a. Number of instances of data breaches - Nil

b. Percentage of data breaches involving personally identifiable information of customers - Nil

c. Impact, if any, of the data breaches - Nil

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 engages with Customers to ensure business continuity takes place properly. In case of any emergency disruption/discontinuation, we communicate through formal mail/call. In such cases of planned disruption activity, we will inform well in advance to Customers to ensure seamless operations.
4.

Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable)? If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Not applicable because we are in a Contract Manufacturing business.

REPORT ON CORPORATE GOVERNANCE

"Corporate governance is about promoting corporate fairness, transparency and accountability." — James D. Wolfensohn

FOR THE FINANCIAL YEAR 2025-26

Your Directors are pleased to present your Company's Report on Corporate Governance for the Financial Year ended March 31, 2026, 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 an optimum combination of Executive and Non-Executive Directors. As on March 31, 2026, your Board comprises Seven (7) Members, consisting of Two (2) Executive Directors, i.e. one Managing Director and one Whole-time Director (WTD), and Five (5) Non-Executive Directors (NEDs).Amongst the five NEDs, Three (3) are Independent Directors (IDs), including One Woman Independent Director. Your Board is headed by a Non-Executive, Independent Director as Chairman of the Company, who is one of the aforesaid three Independent Directors. As on March 31, 2026, the number of Independent Directors is more than one-third of the total number of Directors, as required under the Listing Regulations.

Name of the Director	DIN	Category	Number of Equity Shares held as at March 31, 2026
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

None of the Directors held convertible instruments as on March 31, 2026.

REPORT ON CORPORATE GOVERNANCE (Contd.)

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, the last Annual General Meeting (AGM) held during the year and the number of Directorships and Committee Chairpersonships / Memberships held by them in other Public Companies are as given below:

Name of the Director	No. of Board Meetings attended during FY 2025-2026	Whether attended last AGM held in 2025	No. of Directorships in other Companies ⁹	No. of Committee positions held in other Companies	
				Chairperson	Member
Mr Shashi K Kalathil	5 of 5	Yes	-	-	-
Mr Shrinivas V Dempo	3 of 5	Yes	2	1	1
Mr Sameer R Kothari	5 of 5	Yes	-	-	-
Mr Ganesh T Argekar	5 of 5	Yes	-	-	-
Ms Honey Vazirani	4 of 5	No	-	-	-
Mr Nikhil K Vora	5 of 5	Yes	2	-	1
Mr Neeraj Chandra	5 of 5	Yes	2	1	3

Note:

⁹Excluding Directorships held in Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013.

Notes:

- During the Financial Year 2025–2026, none of the Independent Directors of the Company served as an Independent Director in more than seven listed companies. Further, the Executive Director/Managing Director of the Company did not serve as an Independent Director in any other listed company.
- None of the Directors of the Company served as a member of more than ten committees or as the Chairperson of more than five committees across all public limited companies, whether listed or unlisted, in which they held directorships. For this purpose, only the committees specified under Regulation 26(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, namely the Audit Committee and the Stakeholders' Relationship Committee, have been considered.
- None of the Directors of the Company held directorships in more than seven listed companies during the Financial Year 2025–2026.
- None of the Directors of the Company had any inter-se relationship with any other Director.
- During the Financial Year 2025–2026, none of the Independent Directors resigned before the expiry of their respective terms of office. Accordingly, the disclosure relating to the detailed reasons for resignation, along with the confirmation that there were no material reasons other than those stated by the Independent Director, as required under the SEBI Listing Regulations, is not applicable.

REPORT ON CORPORATE GOVERNANCE (Contd.)

2.3 Names of the other listed entities where the Directors of your Company are the Directors as on FY ended March 31, 2026

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 Director
	2. 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	1. Dalmia Bharat Sugar and Industries Limited- Non-Executive, Independent Director

a. 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 2025-2026 viz. on May 19, 2025, August 08, 2025, October 15, 2025, November 12, 2025 and February 10, 2026.

Your Company did not have any pecuniary relationship or transactions with any of the Non-Executive Directors of your Company during the Financial Year 2025-2026, except for payment of the sitting fees.

b. Directors Remuneration

Remuneration of the Executive Directors is determined by the Board of Directors on the recommendation of the Nomination & Remuneration Committee, subject to the approval of the Shareholders, if required.

The Executive Directors are entitled to performance bonus for each Financial Year, as may be determined by the Board on the recommendation of the Nomination & Remuneration Committee; such remuneration is linked to the performance of your Company in as much as the performance bonus is based on various qualitative and quantitative performance criteria.

Non-Executive Directors are entitled to sitting fees for attending the Meetings of the Board and its various Committees. During the year under review, the sitting fees as determined by the Board are Rs. 50,000/- for each Meeting of the Board, Rs. 20,000/- for each Meeting of the Audit Committee, Nomination & Remuneration Committee, Stakeholders' Relationship Committee, Risk Management Committee and CSR Committee and Rs. 15,000/- for each Meeting of the Selection Committee except for Share Allotment Committee.

REPORT ON CORPORATE GOVERNANCE (Contd.)

The details of remuneration to each of the Directors on the Board during the Financial Year 2025-2026 are as follows:

(Amount in Rs.)

Name of the Directors	Fixed Salary			Commission (b)*	Sitting Fees (c)	Total Remuneration (a+b+c)	Service Contract / Notice Period/ Severance Fees
	Basic	Perquisites/ Allowances	Total (a)				
Mr Shashi K Kalathil	-	-	-	-	4,70,000	4,70,000	Re-appointed as an Independent Director for the 2 nd term of 5 consequent years with effect from September 24, 2021 upto September 23, 2026
Mr Shrinivas V Dempo	-	-	-	-	1,70,000	1,70,000	Retirement by Rotation
Mr Sameer R Kothari*	-	-	1,86,60,000	2,62,00,000	-	4,48,60,000	Re-appointed as a Managing Director for 5 years with effect from May 22, 2022 upto May 21, 2027
Mr Ganesh T Argekar	-	-	1,40,04,608	-	-	1,40,04,608	Re-appointed as a Whole-time Director designated as Executive Director for 5 years with effect from May 19, 2023 upto May 18, 2028
Ms Honey Vazirani	-	-	-	-	3,80,000	3,80,000	Re-appointed as an Independent Director for the 2 nd 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

REPORT ON CORPORATE GOVERNANCE (Contd.)

(Amount in Rs.)

Name of the Directors	Fixed Salary			Commission (b)*	Sitting Fees (c)	Total Remuneration (a+b+c)	Service Contract / Notice Period/ Severance Fees
	Basic	Perquisites/ Allowances	Total (a)				
Mr Neeraj Chandra	-	-	-	-	2,70,000	2,70,000	Re-appointed as an Independent Director for the 2 nd term of 5 consequent years with effect from January 25, 2024 upto January 24, 2029

Notes:

*On recommendation of the Nomination and Remuneration Committee, your Board in their Meeting held on May 19, 2025, passed the necessary resolution for revision and increase in the remuneration payable to Mr Sameer Kothari, Managing Director, from Rs. 14,30,000/- (Rupees Fourteen Lakhs Thirty Thousand only) per month to Rs. 15,30,000/- (Rupees Fifteen Lakhs Thirty Thousand only) per month with effect from January 01, 2025 and further granted extension for the Profit-Linked Bonus at the rate of 2% of the consolidated Net Profit (Profit after Tax) for each of the Financial Year ended 2025-2026, 2026-2027.

None of the Directors of your Company hold Stock options as on March 31, 2026. 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.

c. Independent Directors' Meeting

The Independent Directors of your Company met twice on May 19, 2025 and November 12, 2025, without the presence of Non-Independent / Executive Directors and Members of the Management. At these Meetings, 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.

d. 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.

REPORT ON CORPORATE GOVERNANCE (Contd.)

e. Skill matrix for the Board of Directors

The Board of Directors are collectively responsible for selection of a Member on the Board of your Company, based on the recommendations made by the Members of the Nomination and Remuneration Committee.

The Nomination and Remuneration Committee of your Company follows a defined criteria for identifying, screening, recruiting and recommending candidates for election as a Director on the Board.

In terms of the requirement of the Listing Regulations, the Board has identified the following core skills/ expertise / competencies of the Directors in the context of the Company's business for effective functioning as given below:

- Leadership experience**
Experience in leading well-governed large organisations, with an understanding of organisational systems and processes complex business and regulatory environment, strategic planning and risk management, understanding of emerging local and global trends and management of accountability and performance.
- Experience of crafting Business Strategies**
Experience in developing long-term strategies to grow consumer / FMCG business, consistently, profitably, competitively and in a sustainable manner in diverse business environments and changing economic conditions.
- Understanding of customer insights in diverse environment and conditions**
Experience of having managed organisation's with large consumer / customer interface in diverse business environments and economic conditions which helps in leveraging consumer insights for business benefits.
- Finance and Accounting Experience and Risk Management**
Leadership experience in handling Financial and Risk Management of a large organisation along with an understanding of Accounting and Financial Statements.
- 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**

REPORT ON CORPORATE GOVERNANCE (Contd.)

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 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	√	√	-	√	√

f. 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 2025-2026 viz. on May 19, 2025, August 08, 2025, November 12, 2025 and February 10, 2026. The gap between two Meetings were not exceeded one hundred and twenty days. The quorum was present for all the above four Meetings.

The composition of the Committee and the attendance details of the Members are given below:

Name 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 Ganesh Argekar – Member	ED	4 of 4

ID – Independent Director; ED – Executive Director

REPORT ON CORPORATE GOVERNANCE (Contd.)

4 NOMINATION AND REMUNERATION COMMITTEE

4.1 Details of the composition of the Nomination and Remuneration Committee, Meetings and attendance of the Members are as follows:

The Nomination and Remuneration Committee of your Company is constituted in line with the provisions of Regulation 19(1) and (2) of the Listing Regulations read with Section 178 of the Companies Act, 2013. The terms of reference of the Nomination and Remuneration Committee are as per the guidelines set out in Part D (A) of Schedule II of the Listing Regulations.

Two Meetings of the Committee were held during the Financial Year 2025-2026 viz. on May 19, 2025 and July 28, 2025.

The composition of the Committee and the attendance details of the Members are given below:

Name of Members	Category	No. of Meetings attended
Ms Honey Vazirani – Chairperson	ID	2 of 2
Mr Shashi K Kalathil – Member	ID	2 of 2
Mr Shrinivas V Dempo – Member	NED	1 of 2

ID – Independent Director; NED – Non Executive Director

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.

REPORT ON CORPORATE GOVERNANCE (Contd.)

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.

One Meeting of the Committee was held during the Financial Year 2025-2026 viz. on May 19, 2025.

The composition of the Committee and the attendance details of the Members are given below:

Name of Members	Category	No. of Meetings attended
Mr Neeraj Chandra - Chairman	ID	1 of 1
Mr Shrinivas V Dempo - Member	NED	0 of 1
Ms Honey Vazirani - Member	ID	1 of 1
Mr Sameer Kothari - Member	MD	1 of 1

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, 2026 and their break-up is as under:

Type of Complaint/Request	No. of Complaint/Request
Non-Receipt of Annual Reports	10
Transfer/Transmission/Name Deletion/Duplidcate issue of Share Certificate	Transfer/Change of name (5), Transmission (19), Name Deletion (11), Duplicate/Replacement/Split (7)
Updating of address/bank account details/KYC details	180
Others	351
Total	583

5.4 Compliance Officer

Name, designation and address of Compliance Officer under Regulation 6(1) of the Listing Regulations:

Mr Bankim Purohit

Company Secretary, Compliance Officer and Legal Head

Hindustan Foods Limited

Office No. 3, Level-2, Centrium, Phoenix Market City,

15, LBS Marg, Kurla (W), Mumbai 400 070, Maharashtra, India

Tel: 022 69801700

Email: investorrelations@thevanitycase.com

REPORT ON CORPORATE GOVERNANCE (Contd.)

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

- 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;
- To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the Company;
- To monitor the CSR policy of the Company from time to time;
- Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

6.2 Details of the composition of the CSR Committee, Meetings and attendance of the Members are as follows:

The CSR Committee of your Company is headed by Mr Sameer Kothari, Managing Director of your Company. Three Meetings of the Committee were held during the Financial Year 2025-2026, viz. on May 19, 2025, August 08, 2025 and February 10, 2026. The composition of the Committee and the attendance details of the Members are given below:

Name of Members	Category	No. of Meetings attended
Mr Sameer Kothari – Chairman	MD	3 of 3
Mr Ganesh Argekar- Member	ED	3 of 3
Mr Shashi K Kalathil - Member	ID	3 of 3

MD – Managing Director; ED –Executive Director; ID – Independent Director

7 RISK MANAGEMENT COMMITTEE – MANDATORY COMMITTEE

In compliance with the provisions of Listing Regulations and Companies Act, 2013, your Board had duly constituted a Risk Management Committee on June 26, 2020 under the Chairmanship of Mr Sameer Kothari, Managing Director of your Company.

Your Company has formulated Risk Management Policy and the same has been uploaded on the Company's website www.hindustanfoodslimited.com. The role of Risk Management Committee includes the implementation of Risk Management Systems and framework, review the Company's financial and risk management policies, assess risk and procedures to minimise the same.

7.1 Terms of reference

The Terms of Reference of the Committee are to:-

- To formulate a detailed Risk Management Policy which shall include:
 - 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.
 - Measures for risk mitigation including systems and processes for internal control of identified risks.
 - Business continuity plan.

REPORT ON CORPORATE GOVERNANCE (Contd.)

- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of your Company;
- To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- 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 2025-2026, viz. on August 08, 2025 and November 12, 2025.

The composition of the Committee and the attendance details of the Members are given below:

Name of Members	Category	No. of Meetings attended
Mr Sameer Kothari – Chairman	MD	2 of 2
Mr Ganesh Argekar – Member	ED	2 of 2
Mr Shashi K Kalathil – Member	ID	2 of 2
Ms Honey Vazirani – Member	ID	2 of 2
Mr Mayank Samdani – Member	Group Chief Financial Officer	2 of 2
Mr Bankim Purohit - Member	Company Secretary and Legal Head	2 of 2

MD – Managing Director; ED –Executive Director; ID – Independent Director

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 Bankim Purohit	Company Secretary - Compliance Officer and Legal Head
3	Mr Sunil Plakkat	President - Manufacturing Excellence
4	Mr Sanjay Sehgal	President - Healthcare and Wellness
5	Mr Manojkumar Patani	President - Icecream
6	Mr Sanjeev Chatterjee	President - Foods & Beverages (w.e.f. January 12, 2026)
7	Mr Alok Bodhankar	General Manager - Human Resources
8	Mr Prasad Kali	General Manager – Projects

REPORT ON CORPORATE GOVERNANCE (Contd.)

Sr no.	Name of Senior Management	Designation
9	Mr Vimal Solanki	General Manager - Business Development (Icecream & International Business) & Corporate Communications
10	Ms Nalini Kalra	General Manager - Business Development (Home & Personal Care)
11	Mr Robin D'Souza	General Manager - Business Development (Food & Beverages)
12	Mr Ashish Vyawahare	General Manager – Corporate Quality and R&D (upto November 01, 2025)

9 SHARE ALLOTMENT COMMITTEE - NON-MANDATORY COMMITTEE

The Share Allotment Committee exercises such powers as delegated by the Board from time to time and meets as and when required, depending upon the need for allotment of securities. Share Allotment Committee to facilitate timely issuance and allotment of securities, as and when required, in accordance with the applicable provisions of the applicable acts, rules, regulation, laws.

9.1 Terms of Reference

The terms of reference of the Share Allotment Committee include, inter alia, the following:

- 1) To allot equity shares, preference shares, debentures, warrants, convertible securities, or any other securities as approved by the Board and/or shareholders.
- 2) To approve the allotment of securities pursuant to rights issues, preferential issues, qualified institutions placement (QIP), employee stock option schemes (ESOPs), employee stock purchase schemes (ESPS), conversion of warrants or convertible instruments, bonus issues, and other modes permitted under applicable laws.
- 3) To determine the basis of allotment, issue price (where applicable), record dates, and other incidental matters within the authority delegated by the Board.
- 4) To approve corporate actions relating to allotment and to authorise filings with the Registrar of Companies, stock exchanges, SEBI, depositories, and other statutory authorities.
- 5) To do all such acts, deeds, matters, and things as may be necessary or incidental to the issue and allotment of securities in accordance with applicable laws and the authority delegated by the Board.

9.2 Details of the composition of the Share Allotment Committee, Meetings and attendance of the Members are as follows:

The Committee met once on June 18, 2025 during the Financial Year 2025-2026. The composition of the Committee and the attendance details of the Members are given below:

Name of Members	Category	No. of Meetings attended
Mr Shashi K Kalathil	ID	1 of 1
Mr Sameer Kothari	MD	1 of 1
Mr Ganesh Argekar	ED	1 of 1
Mr Mayank Samdani	Group Chief Financial Officer	1 of 1

ID – Independent Director; MD – Managing Director; ED – Executive Director;

No Sitting fees is paid to the Committee Members.

REPORT ON CORPORATE GOVERNANCE (Contd.)

10 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.

10.1 Terms of reference

The Terms of Reference of the Committee are to:-

- Identifying the list of criteria to be considered in recruiting candidates at Senior level and one level below CEO of your Company.
- To review & recommend to Nomination & Remuneration Committee and Management, suitable candidate at Senior level & one level below CEO of your Company on payroll.

10.2 Details of the composition of the Selection Committee, Meetings and attendance of the Members are as follows:

The Committee was not required to meet during the Financial Year 2025-2026. The composition of the Committee and the attendance details of the Members are given below:

Name of Members	Category	No. of Meetings attended
Mr Sameer Kothari	MD	Not Applicable
Mr Shashi K Kalathil	ID	
Mr Neeraj Chandra	ID	
Ms Honey Vazirani	ID	

MD – Managing Director; ID – Independent Director

11 GENERAL MEETINGS AND POSTAL BALLOT

I. General Meetings:- Annual General Meetings/ Extra-Ordinary General Meetings

Location and time, where last three AGMs were held:

Financial Year Ended	Date and Time	Venue
March 31, 2023	September 15, 2023 at 11:30 am	AGM through Video Conferencing / Other Audio Visual Means facility [Deemed Venue for Meeting: Registered Office: Office no. 3, level-2, Centrium, Phoenix Market City, 15, LBS road, Kurla (W), Mumbai 400 070]
March 31, 2024	September 24, 2024 at 04:30 pm	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, 2025	September 23, 2025 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]

No Extra-ordinary General Meeting of the Members was held during the year 2025-2026.

REPORT ON CORPORATE GOVERNANCE (Contd.)

Meeting of Equity Shareholders of the Company pursuant to directions of the Hon'ble National Company Law Tribunal, Mumbai Bench (NCLT)

Pursuant to the Order dated August 20, 2025, passed by the Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT"), a Meeting of the Equity Shareholders of the Company was convened and held on October 15, 2025, at 12:00 Noon (IST) through Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM"), in compliance with the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, for the purpose of considering and, if thought fit, approving the Scheme of Arrangement amongst Avalon Cosmetics Private Limited ("ACPL" or the "Demerged Company"), Vanity Case India Private Limited ("VCIPL" or the "Transferor Company"), Hindustan Foods Limited ("HFL" or the "Company" or the "Transferee Company" or the "Resulting Company") and their respective shareholders ("Scheme").

The Equity Shareholders of the Company duly approved the Scheme by passing the requisite Special Resolution at the aforesaid Meeting, in accordance with the applicable provisions of the Companies Act, 2013, the rules framed thereunder and the directions contained in the Order of the Hon'ble NCLT.

The aforesaid Scheme of Arrangement was approved by the Equity Shareholders with requisite majority, as detailed below:

Sr. No.	Particulars	No. of shares held	No. of votes polled	% of votes polled on outstanding shares	Voted in favour of the resolution		Voted against of the resolution	
					No. of votes cast (No. of Shares)	% of total no. of votes cast	No. of votes cast (No. of Shares)	% of total no. of votes cast
1	Special Resolution Approval of the Scheme of Arrangement between Avalon Cosmetics Private Limited ("ACPL" or "the Demerged Company" or "First Applicant Company") and Vanity Case India Private Limited ("VCIPL" or "the Transferor Company" or "Second Applicant Company") and Hindustan Foods Limited ("HFL" or "the Resulting Company" or "the Transferee Company" or "HFL") and their respective shareholders (the "Scheme")	11,94,81,762	9,66,94,973	80.92	9,29,07,081	96.08	37,87,892	3.91

REPORT ON CORPORATE GOVERNANCE (Contd.)

The following is/are the special resolution(s) passed at the previous three AGMs:

AGM held on	Special Resolution passed	Summary
September 15, 2023	Yes	1. Enabling resolution for raising funds upto Rs. 500 Crores through issue of securities
September 24, 2024	No	Not Applicable
September 23, 2025	Yes	1. 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. 1,000 Crores 2. Authorizing 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 3. Approval for variation of utilisation of proceeds of Preferential allotment of 72,71,081 Convertible Warrants into Equity on a preferential basis to Non-Promoter QIB & Non-QIB's within the approved objects limits.

II. Resolution passed through Postal Ballot

During the year under review, pursuant to Section 110 of the Companies Act, 2013 ('the Act') read with Rule 22 of the Companies (Management and Administration) Rules, 2014, the details of the resolutions passed during the Financial Year 2025-2026 by way of Postal Ballot are as follows:

- A. One Resolution was passed through Postal Ballot on April 10, 2025 Advocate Mr Prashant Sharma, (MAH/882/2025), was appointed as the Scrutiniser for conducting the Postal Ballot process in fair and transparent manner. Voting rights were reckoned on the paid-up value of the shares registered in the names of the Members as on the cut-off date. The Members were requested to vote before the close of the business hours on the last date of the E-voting. Upon completion of the scrutiny of electronic responses, the Scrutiniser had submitted his report to the Chairman of the Company. The results of the Postal Ballot were declared on April 11, 2025. The said results along with the Scrutiniser's Report was displayed on the website of your Company i.e. www.hindustanfoodslimited.com and intimated to the Stock Exchanges where the shares of the Company are listed and the said results were also available on the website of MUFG Intime India Private Limited (Formerly Known as Link Intime India Private Limited) ("MUFG"), the E-voting service provider of your Company. Details of voting pattern for the Postal Ballot declared on April 11, 2025 are as given below:

Sr. No.	Particulars	No. of shares held	No. of votes polled	% of votes polled on outstanding shares	Voted in favour of the resolution		Voted against of the resolution	
					No. of votes cast (No. of Shares)	% of total no. of votes cast	No. of votes cast (No. of Shares)	% of total no. of votes cast
1	Special Resolution Approve the Employee Stock Option Scheme 2025("HFL ESOS 2025" or "Scheme")	11,75,02,413	8,47,80,587	72.15	8,22,78,017	97.04	25,02,570	2.95

REPORT ON CORPORATE GOVERNANCE (Contd.)

- B. One Resolution was passed through Postal Ballot on June 21, 2025. Advocate Mr Prashant Sharma, (MAH/882/2025) was appointed as the Scrutiniser for conducting the Postal Ballot process in fair and transparent manner. Voting rights were reckoned on the paid-up value of the shares registered in the names of the Members as on the cut-off date. The Members were requested to vote before the close of the business hours on the last date of the E-voting. Upon completion of the scrutiny of electronic responses, the Scrutiniser had submitted his report to the Chairman of the Company. The results of the Postal Ballot were declared on June 23, 2025. The said results along with the Scrutiniser's Report was displayed on the website of your Company i.e. www.hindustanfoodslimited.com and intimated to the Stock Exchanges where the shares of the Company are listed and the said results were also available on the website of MUFG, the E-voting service provider of your Company. Details of voting pattern for the Postal Ballot declared on June 23, 2025 are as given below:

Sr. No.	Particulars	No. of shares held	No. of votes polled	% of votes polled on outstanding shares	Voted in favour of the resolution		Voted against of the resolution	
					No. of votes cast (No. of Shares)	% of total no. of votes cast	No. of votes cast (No. of Shares)	% of total no. of votes cast
1	Special Resolution Grant of options under Employee Stock Option Scheme 2025 ("HFL ESOS 2025" or "Scheme") to the Eligible Employees of Hindustan Foods Limited ("HFL" or "the Company")	11,75,02,413	8,67,12,691	73.79	8,38,29,103	96.67	28,83,588	3.32
2	Special Resolution Grant of options under Employee Stock Option Scheme 2025 ("HFL ESOS 2025" or "Scheme") to the Eligible Employees of Group Companies, including Subsidiary Companies and Associate Companies of Hindustan Foods Limited ("HFL" or "the Company")	11,75,02,413	8,67,12,691	73.79	8,37,18,464	96.54	29,94,227	3.45

III. Proposed Postal Ballot

There is no immediate proposal for passing any resolution through Postal Ballot.

REPORT ON CORPORATE GOVERNANCE (Contd.)

12 MEANS OF COMMUNICATION

The extract of the quarterly Un-Audited/ Audited Financial Results were published in the Free Press Journal (English Daily) and Navshakti (Marathi Daily). The results were also displayed on your Company's website www.hindustanfoodslimited.com and also on the website of BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE'), where the Shares of your Company are listed. The Shareholders can access the Company's website for financial information, shareholding information etc.

All price sensitive information and matters which are material and relevant to Shareholders are intimated to the Stock Exchanges where the securities of your Company are listed and are also displayed on your Company's website.

Your Company submits to the BSE and NSE all Compliances, disclosures and communications through BSE's Listing Centre portal and NSE's NEAPS portal.

Your Company's Annual Report is e-mailed to all the Shareholders of your Company who has registered their e-mail id's with your Company and also made available on the website of your Company www.hindustanfoodslimited.com. Pursuant to the various SEBI Circulars and MCA Circulars, soft copies of the Annual Report for the Financial Year 2024-2025 were circulated to the Members of your Company. Further the Company had sent a letter providing a web-link of the exact path where the complete details of the Annual Report for Financial Year 2024-2025 is available, to those Members who had not registered their e-mail addresses with the Company/Depositories.

Press Releases, Corporate/Earnings Presentations and Schedule of analyst or institutional investors meet are displayed on the website of your Company www.hindustanfoodslimited.com and are also submitted to the Stock Exchanges where the Shares of your Company are listed. No Unpublished Price Sensitive Information (UPSI) is discussed in the presentation made to institutional investors and financial analysts.

The Management Discussion and Analysis Report is provided separately as a part of this Annual Report.

13 DISCLOSURES

13.1 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 from time to time 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.

13.2 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.

13.3 Confirmation by the Board of Directors acceptance of Recommendation of Mandatory Committees

In terms of the amendments made to the Listing Regulations, the Board of Directors confirms that during the year, it has accepted all recommendations received from its mandatory committees.

REPORT ON CORPORATE GOVERNANCE (Contd.)

13.4 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 2025-2026 are as follows:

Auditors remuneration (excluding GST) as on year ended March 31, 2026	Rs. in Crores
As Auditor:	
Statutory audit	0.36
Limited review fees	0.21
In other capacity:	
Other matters	0.04
Total	0.61

13.5 Prevention of Insider Trading

Pursuant to Listing Regulations, your Company has formulated the "Code of Conduct" and "Code Practices & Procedures for 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.

13.6 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

13.7 Statutory Compliance, Penalties and Strictures

During the Financial Year 2023-2024, your Company had filed a Suo-moto Settlement application without admitting or denying the violation with the SEBI in the matter of Regulation 17(1)(b) of Listing Regulations, which was settled upon payment of Rs. 24.32 lakhs. Despite this, BSE imposed a separate penalty of Rs. 84.49 lakhs under the SOP circular for the same matter, post a waiver request and hearing, the penalty was reduced to Rs. 52.21 lakhs, which your Company paid under protest. Your Company has filed an appeal before SAT against the penalty levied by BSE and the said appeal has been admitted and the outcome is awaited.

In the Financial Year 2024-2025, there was no instances of penalties and strictures imposed on your Company by any Stock Exchanges or SEBI or any other statutory authority, on any matter related to capital markets.

During the year under review, there was no instances of penalties and strictures imposed on your Company by any Stock Exchanges or SEBI or any other statutory authority, on any matter related to capital markets.

REPORT ON CORPORATE GOVERNANCE (Contd.)

13.8 Disclosures of Loans and advances by Company and subsidiaries in the nature of loans to firms/companies in which Directors are interested by name and amount

The Disclosures regarding loans and advances provided to firms/companies including Company's Subsidiaries in which Directors are interested is disclosed in the Note no 38 of the Standalone Financial Statement and Note no 39 of the Consolidated Financial Statement which sets out related party transactions/disclosures pursuant to Ind AS.

13.9 Policy for Determining Material Subsidiaries

Your Company has one material unlisted Subsidiary Company viz. KNS Shoetech Private Limited ("KNS"), whose Turnover exceeds 10% of the Consolidated Turnover of your Company's immediately preceding FY and during the year under review, KNS identified to be a material subsidiary of your Company, as defined in Regulation 16 of the Listing Regulations as on March 31, 2026.

The Board of Directors of your Company periodically reviews the statement of all significant transactions and arrangements entered into by the unlisted Subsidiary Companies. Copies of the Minutes of the Board Meeting of the unlisted Subsidiary Companies were placed at the Board Meetings of your Company held during the year.

Your Company has framed the policy for determining material Subsidiary and the same is disclosed on your Company's website www.hindustanfoodslimited.com.

The requirement of appointment of Independent Director of your Company on the Board of Directors of the material unlisted Subsidiary Companies as per Regulation 24 of the Listing Regulations does not apply as on March 31, 2026.

13.10 Details of material Subsidiaries; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries

Sr. No.	Subsidiaries whose Turnover / net worth exceeds 10% of the Group's Consolidated net worth	Name of statutory auditors	Date of appointment of statutory auditors	Date of Incorporation	Place of Incorporation
1	KNS Shoetech Private Limited	M/s NKN and Co.	April 16, 2025	May 31, 2022	Delhi

13.11 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 to the extent to which the discretionary requirements have been adopted are given elsewhere in this report.

13.12 Commodity price risks or foreign exchange risks and hedging activities

This has been discussed in the Management Discussion and Analysis Report, which forms part of this Annual Report.

13.13 Utilisation of funds raised through preferential allotment or qualified institutions placement

Your Company had raised the funds through Preferential Issue of Convertible Warrants in the FY 2023-2024. There is no deviation or variation in the utilisation of funds from the objects stated in the Explanatory Statement to the Notice of the Extra Ordinary-General Meeting held on October 20, 2023 for Issue of Convertible Warrants on preferential basis to the certain Qualified Institutional Buyers and Non-Qualified Institutional Buyers under Non-Promoter category for cash. The funds raised through the said issues were utilised for the purpose for which it was raised and in accordance with the objects of the said preferential issue. The details of fund raised and Utilisation thereof has been provided in Director's Report.

REPORT ON CORPORATE GOVERNANCE (Contd.)

13.14 Code of Conduct

In terms of Regulation 17(5) of the Listing Regulations, your Company has adopted the Code of Conduct for the Board Members and Senior Management of the Company which has been posted on your Company's website www.hindustanfoodslimited.com. Requisite annual affirmations of Compliance with the code have been made by the Directors and Senior Management of your Company.

The declaration of the Managing Director is given below:

I, Sameer R Kothari, Managing Director of Hindustan Foods Limited, declare that all Board Members and Senior Management Personnel of the Company have affirmed their compliance with the Company's Code of Conduct during the Financial Year 2025-2026.

Place: Mumbai.
Date: August 4, 2026

Sameer R Kothari
Managing Director

13.15 Compliance Certificate from CEO / CFO

As required by Regulation 17(8) of the Listing Regulations, the CEO and CFO of your Company have furnished the Compliance Certificate of the Financial Statements for the year ended March 31, 2026 to the Board of Directors. The same is enclosed at the end of the report.

13.16 Whistle Blower Policy

Your Company has in place a Vigil Mechanism / Whistle Blower Policy. The policy provides a channel to the employees to report to the Management concerns about unethical behavior, actual or suspected fraud or violation of the code of conduct policy. The mechanism provides for adequate safeguards against victimisation of employees to avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee in exceptional cases. None of the personnel of the Company has been denied access to the Audit Committee.

13.17 Details of non-compliance with requirements of Corporate Governance Report

Your Company has complied with all the requirements of the Corporate Governance Report as specified in sub-paras (2) to (10) of Part C of Schedule V of the Listing Regulations.

13.18 Details of compliance with Corporate Governance requirements

Your Company has complied with the Corporate Governance requirements as specified in Regulation 17 to 27 and Clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

13.19 Practicing Company Secretary Certificate on Corporate Governance

As required by the Listing Regulations, the Compliance Certificate from the Practicing Company Secretary regarding compliance of conditions of Corporate Governance is annexed to the Corporate Governance Report.

The Company has also obtained a Certificate from Mr Pankaj S Desai, Practicing Company Secretary (COP no. 4098), confirming that none of the Directors on the Board of your Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India and Ministry of Corporate Affairs or any such authority and the same forms part of this Corporate Governance Report.

REPORT ON CORPORATE GOVERNANCE (Contd.)

14 GENERAL SHAREHOLDER INFORMATION

14.1 Annual General Meeting

Date and Time: Wednesday, September 23, 2026 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]

14.2 Financial Year:

- The Company's Financial Year is from April 01 to March 31
- Financial Year Dates (2026-27)
(Tentative and subject to change)

Results for quarter ending June 30, 2026	By August 14, 2026
Results for quarter ending September 30, 2026	By November 14, 2026
Results for quarter ending December 31, 2026	By February 14, 2027
Results for quarter ending March 31, 2027	By May 28, 2027
Annual General Meeting for the year ending March 31, 2027	By September 30, 2027

14.3 Dividend Payment Date:

Not Applicable

14.4 Book Closure Date

Your Company's Share Transfer Books and Register of Members of Equity Shares shall remain closed from Saturday, September 19, 2026 to Wednesday, September 23, 2026 (both days inclusive) for the purpose of Annual General Meeting.

14.5 Listing of Equity Shares

Your Company's Shares are listed on the BSE Limited ('BSE') as well as on the National Stock Exchange of India Limited ('NSE'). The address of BSE and NSE are as follows:

Name of Stock Exchanges	Address and Contact details
BSE Limited	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001 Tel.: (022) 22721233; Fax: (022) 22721919; Website: www.bseindia.com
National Stock Exchange of India Limited	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

The Annual Listing Fee for the Financial Year 2025-2026 has been paid to the BSE and NSE.

14.6 During the year under review the security of your Company was not suspended from trading.

14.7 Registrar and Share Transfer Agent

MUFG Intime India Private Limited (Formerly Known as Link Intime India Private Limited)
C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai 400083.
Ph.: (022) 49186000 Fax: (022) 49186060
Email: rnt.helpdesk@in.mpms.mufg.com

REPORT ON CORPORATE GOVERNANCE (Contd.)

14.8 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, 2026, no Equity Shares were pending for transfer.

Your Company conducts a Reconciliation of Share Capital Audit on a quarterly basis in accordance with the SEBI requirements. The audit reports for the Financial Year under review have been filed with the Stock Exchanges within 30 days of the end of each quarter.

In terms of Regulation 40(1) of the Listing Regulations, as amended from time to time, transfer, transmission and transposition of securities shall be effected only in dematerialised form.

Pursuant to SEBI Circular dated January 25, 2022, the listed companies shall issue the securities in dematerialised form only, for processing any service requests from shareholders viz., issue of duplicate share certificates, endorsement, transmission, transposition, etc. As per SEBI guidelines, listed entities/RTAs issued a Letter of Confirmation (LOC) in lieu of physical share certificates while processing any of the aforesaid investor service requests. Pursuant to SEBI circular dated January 30, 2026, the process has been simplified by dispensing with the requirement of LOC with effect from April 02, 2026. Accordingly, after completion of additional requirements as per the revised process, RTAs/ listed companies shall credit the securities directly to the investor's demat account.

Further, pursuant to SEBI Circular dated July 02, 2025, introduced a special window from July 07, 2025 to January 06, 2026 for shareholders to re-lodge transfer requests that were originally submitted before April 01, 2019 but were rejected/returned/not processed due to document deficiencies. All such re-lodged transfers shall be processed only in dematerialised form with the due process for such transfer-cum-demat requests. Subsequently, SEBI, vide its Circular dated January 30, 2026, extended this facility by opening a fresh one-year special window from February 05, 2026, to February 04, 2027, for re-lodgement of such pending transfer requests under the same framework.

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.

14.9 Distribution of Shareholding

Distribution Schedule as on March 31, 2026

No. of Shares	No. of Shareholders	% of Shareholders	No. of Shares	% of total No. of Shares
Upto 500	61,451	95.0019	44,40,797	3.7167
501 to 1000	1,699	2.6266	14,16,090	1.1852
1001 to 2000	747	1.1548	10,93,873	0.9155
2001 to 3000	298	0.4607	7,60,857	0.6368
3001 to 4000	94	0.1453	3,36,914	0.2820
4001 to 5000	71	0.1098	3,34,026	0.2796
5001 to 10000	124	0.1917	8,91,754	0.7464
10001 and above	200	0.3092	11,02,07,451	92.2379
Total	64,684	100.0000	11,94,81,762	100.00

REPORT ON CORPORATE GOVERNANCE (Contd.)

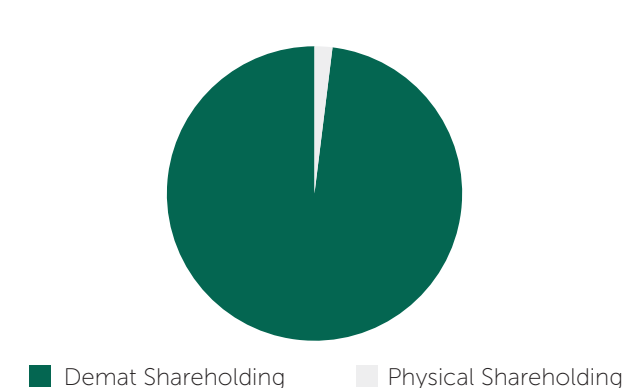
Distribution of Shareholding (Category wise) as on March 31, 2026

Category	No. of Shareholders	No. of Shares held	% of share Holding
Promoters and Promoter Group	11	7,32,54,877	61.3100
Relatives of Promoters (other than immediate relative)	1	25,319	0.0212
Directors and their relatives	3	2,873,644	2.4051
Key Managerial Personnel	2	1,25,450	0.1050
Financial Institutions / Banks	2	1,680	0.0015
Bodies Corporate	144	21,05,900	1.7625
Insurance Companies	6	1,04,74,454	8.7666
Non-Resident Indians (NRI's)	1318	6,90,714	0.5781
Resident Individuals / Trusts/Mutual Funds	62,557	1,61,32,885	13.5027
Clearing Members	8	6,106	0.0051
NBFC registered with RBI	1	665	0.0006
HUF	521	2,20,450	0.1845
Alternate Investment Funds	9	5,502,402	4.6053
Foreign Portfolio Investors (Corporate)	73	6,957,937	5.8234
Partnership Firms/LLP	26	43,511	0.0364
HFL Suspense Escrow Account	1	1,750	0.0015
Foreign Company	1	10,64,018	0.8905
Total	64,684	11,94,81,762	100.00

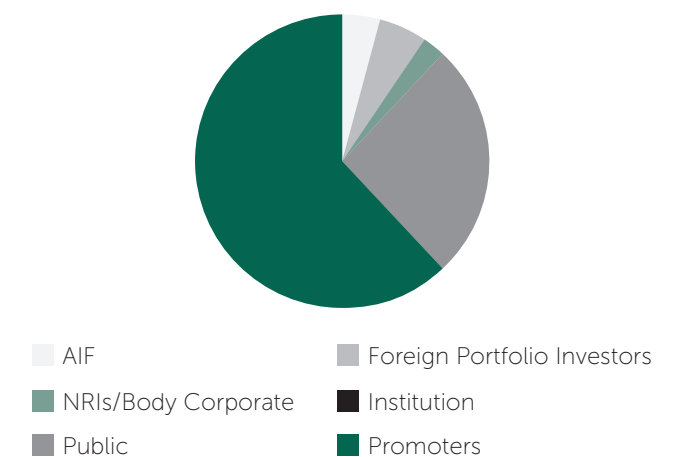
14.10 Dematerialisation of Shares and liquidity

As on March 31, 2026, 97.94% of your Company's listed Paid-up capital representing 11,70,18,479 Shares were held in dematerialised form as compared to 97.84% of your Company's Paid-up capital representing 11,49,65,298 Shares as on March 31, 2025.

Shares held in Demat/Physical form as at March 31, 2026



Shareholding Pattern as at March 31, 2026



REPORT ON CORPORATE GOVERNANCE (Contd.)

Physical Holding is 24,63,283	Alternate Investment Funds 4.60%	Foreign Portfolio Investors 5.82%
Shares i.e. 2.07%	NRIs/Corporate Bodies 2.34%	Institution 0.00% (Negligible)
Demat holding is 11,70,18,479	Public 25.91%	Promoters 61.31%
Shares i.e. 97.94%		

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.

14.11 Outstanding GDRs/ADRs/Warrants or any Convertible instruments

During the year under review, two of the Warrants holders of the Preferential issue named Malabar Select Fund, Qualified Institutional Buyer and Bay Capital Holdings Limited, Non-Qualified Institutional Buyer exercised their option to convert an aggregate of 19,79,349 Warrants into an equivalent number of Equity Shares of the Company, comprising 9,15,331 held by Malabar Select Fund and 10,64,018 Warrants held by Bay Capital Holdings Limited and upon receipt of an aggregate amount of Rs. 82,49,99,482/- (Rupees Eighty-Two Crores Forty-Nine Lakhs Ninety-Nine Thousand Four Hundred Eighty-Two Only), being the balance 75% of the issue price payable on the aforesaid Warrants, the Share Allotment Committee of the Board of Directors, at its Meeting held on June 18, 2025, allotted 19,79,349 Equity Shares of face value of Rs. 2/- (Rupees Two Only) each at a premium of Rs. 544.25 per share to Malabar Select Fund and Rs. 561.90 per share to Bay Capital Holdings Limited. The Listing and Trading approvals for the aforesaid Equity Shares were subsequently received from the Stock Exchanges on July 29, 2025.

Further, one of the warrant holders, Ms Vanaja Sundar Iyer, a Non-Qualified Institutional Buyer, did not exercise the option to convert 5,32,009 Warrants into Equity Shares within the stipulated period. Accordingly, the said Warrants stood lapsed/cancelled, and the initial amount paid, being 25% of the warrant issue price, aggregating to Rs. 7,49,99,969/- (Rupees Seven Crores Forty-Nine Lakhs Ninety-Nine Thousand Nine Hundred Sixty-Nine Only), was forfeited in accordance with the terms and conditions of the issue and allotment.

As at March 31, 2026, there were no outstanding GDRs/ADRs/Warrants or any Convertible instruments of your Company.

14.12 Plant Locations:

- Jammu:** IGC, SIDCO Phase II, Samba 184 121, Jammu & Kashmir
- Baddi:** Khasra #701/534, Village Sandholi Baddi, Nalagarh Road, PO Baddi, Tehsil Nalagarh, Dist Solan 173 205, Himachal Pradesh
- Silvassa:** Survey #452/3, Village Masat, Silvassa 396 230, Dadra and Nagar Haveli and Daman and Diu
- Silvassa:** Unit #2, Plots #110 & 111, Piparia Industrial Estate, Piparia, Silvassa 396 230, Dadra and Nagar Haveli and Daman and Diu
- Silvassa:** No. 284/2, Village Naroli, Silvassa 396 235, Dadra & Nagar Haveli.
- Mumbai:** Industrial Gala #7 to 13, Survey #34 & 35, Rajprabha Landmark Industrial Estate Road, Gokhivare, Vasai (East), Palghar, Mumbai 401 208
- Goa:** Usgaon, Ponda 403 406

REPORT ON CORPORATE GOVERNANCE (Contd.)

- Hyderabad/Telangana:** Survey #44, 49 & 50E, Peddaipally Village, Jadcherla Taluk, District Mahbubnagar, Telangana 509 202, Andhra Pradesh
- Mysuru:** Plot #11B & C, KIADB Industrial Area, Nanjangud 571 302, District Mysuru, Karnataka
- Puducherry:** RS #254/1B, Gorimendu-Poothurai Road, Poothurai Rev Village, Vanur Taluk 605 111, Tamil Nadu
- Tindivanam:** Survey #4/1 to 4/8, Shed A & B, Kambur Village, Tindivanam 604 101, District Villupuram, Tamil Nadu
- Coimbatore:** SF No. 195/1A, 195/1B, 195/2A, Appanaickenpatti, Sulthanpet Road, Sulur, Coimbatore 641 402, Tamil Nadu
- Nashik:** Building #2, Plot F-6, MIDC Sinnar, Dist. Nashik 422 103, Maharashtra
- Aurangabad:** C-15, Five Star Industrial Area MIDC Shendra 431201, Maharashtra

14.13 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 –

MUFG Intime India Private Limited (Formerly Known as Link Intime India Private Limited)

C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai-400083.

Ph.: (022) 49186000 Fax: (022) 49186060

Email: rnt.helpdesk@in.mpms.mufg.com

Investor complaints, if any, may be addressed to –

Mr Bankim Purohit

Company Secretary, Compliance Officer and Legal Head

Hindustan Foods Limited

Office No.3, Level-2, Centrium, Phoenix Market City,

15, Lal Bahadur Shastri Road, Kurla (West), Mumbai – 400070.

Maharashtra, India. Tel.: (022) 69801700

Email: investorrelations@thevanitycase.com

Service of documents through electronic mode

As a part of Green initiative, the Members who wish to receive the Notices/documents through e-mail, may kindly intimate their e-mail addresses to your Company's Registrar and Transfer Agents MUFG Intime India Private Limited (Formerly Known as Link Intime India Private Limited) ("MUFG") i.e. rnt.helpdesk@in.mpms.mufg.com or to the Company to its dedicated e-mail id i.e. investorrelations@thevanitycase.com.

14.14 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.

REPORT ON CORPORATE GOVERNANCE (Contd.)

14.15 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:

The Board of Directors periodically reviewed the compliance of all applicable laws and steps taken by the Company to rectify instances of non-compliance, if any. The Company is in compliance with all mandatory requirements of Listing Regulations. Your Company neither maintain any office to Non-Executive Chairman nor reimburse any expenses incurred by the Non-Executive Chairman in the performance of his duties.

b) Shareholders Rights:

Since the Quarterly, Half Yearly and Annual Financial Results of your Company are posted on the Company’s website, these are not sent individually to the Shareholders of your Company. Further, significant events are informed to the Stock Exchanges from time to time and then the same is also posted on the website of your Company under the ‘Investors’ section. The complete Annual Report is sent to every Shareholder of your Company.

c) Modified opinion(s) in audit report:

There are no audit qualification in your Company’s Financial Statements for the Financial Year ended March 31, 2026.

d) Separate posts of Chairperson and the Managing Director or the Chief Executive Officer:

As at March 31, 2026, 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.

14.16 Disclosure with respect to Demat Suspense Account / Unclaimed Suspense Account

Pursuant to SEBI Circular dated January 25, 2022, to enhance the Shareholders experience in dealing with securities markets, the listed companies shall issue the securities in dematerialised form only, while processing any investor service requests viz., issue of duplicate share certificates, endorsement, transmission, transposition. After processing the investor service request(s), a Letter of Confirmation (‘LOC’) would be issued to the Shareholders in lieu of a physical securities certificate. LOC shall be valid for a period of 120 days, within which the Shareholder shall make a request to the Depository Participant for dematerializing the said securities/shares. In case the Shareholders fails to submit the dematerialisation request within 120 days, the Company shall then credit those securities to the SEDA held by the Company. The Shareholders can reclaim these shares from the Company’s SEDA on submission of documentation prescribed by SEBI.

The above process was followed till March 31, 2026. Pursuant to SEBI circular dated January 30, 2026, the above process has been simplified by dispensing with the requirement of issuance of LOC with effect from April 02, 2026. Accordingly, after processing the investor service requests with necessary due diligence, RTAs/listed companies shall credit the securities directly to the investor’s demat account.

REPORT ON CORPORATE GOVERNANCE (Contd.)

The details of shares transferred to/released from SEDA during Financial Year 2025-2026 are as under:

Particulars	No. of Shares
Aggregate number of shareholders and the outstanding shares in the SEDA as on April 01, 2025	4 Shareholders (comprising of 2250 Shares)
Shareholders who approached the Company for transfer of shares from SEDA during the year	1 (comprising of 500 Shares)
Shareholders to whom shares were transferred from SEDA during the year	1(comprising of 500 Shares)
Aggregate number of shareholders and the outstanding shares in SEDA as on March 31, 2026	3 Shareholders (comprising of 1750 Shares)

In view of the aforesaid, the voting rights on these shares transferred to SEDA shall remain frozen till the rightful owner of such shares claims the shares.

14.17 Disclosure of certain type of agreements binding listed entites

There are no agreements with any party which impact the management or control of the Company or impose any restriction or create any liability upon the Company.

REPORT ON CORPORATE GOVERNANCE (Contd.)

COMPLIANCE CERTIFICATE UNDER REGULATION 17(8) AND AS SPECIFIED IN PART B OF SCHEDULE II OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

We, Sameer R Kothari, Managing Director, Chief Executive Officer and Mayank Samdani, Chief Financial Officer of Hindustan Foods Limited ('Company') hereby certify that:-

- a) We have reviewed Financial Statement and the cash flow statement of the Company for the Financial Year ended March 31, 2026 and that to the best of our knowledge and belief:

i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for Financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit Committee that there is no:

(i) Significant changes in internal control over financial reporting during the year;

(ii) Significant changes in accounting policies during the year requiring disclosure in the notes to the financial statements; and

(iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Mumbai
Date : May 21, 2026

Sameer R Kothari
Managing Director
DIN: 01361343

Mayank Samdani
Chief Financial Officer

REPORT ON CORPORATE GOVERNANCE (Contd.)

PRACTICING COMPANY SECRETARY'S CERTIFICATE ON DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

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

I, have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Hindustan Foods Limited having CIN L15139MH1984PLC316003 and having registered office at Office No. 03, Level 2, Centrium, Phoenix Market City, 15, Lal Bahadur Shastri Road, Kurla, Mumbai 400070 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I, hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2026 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

* The date of appointment is as per the MCA Portal.

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 : A003398H001034890
Place : Mumbai
Date : August 6, 2026
Peer Review No : 2702/2022

REPORT ON CORPORATE GOVERNANCE (Contd.)

CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To,
The Members
Hindustan Foods Limited

I have examined the compliance of conditions of Corporate Governance by HINDUSTAN FOODS LIMITED (the Company), for the Financial Year ended on March 31, 2026, as stipulated under the relevant clauses of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the Management. My examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me and based on the representations made by the Directors & the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Sd/-
Practicing Company Secretary: **Pankaj S. Desai**
ACS No. : 3398
C. P. No. : 4098
UDIN NO : A003398H001034835
Place : Mumbai
Date : August 6, 2026
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, 2026, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including material accounting policy information and other explanatory information (hereinafter referred to as the “standalone financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, and its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs 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 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 we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No	Key Audit Matters	How the Key Audit Matters were addressed in our audit
1.	Revenue is a key driver of the Company’s profitability and is therefore susceptible to misstatement. Revenue is recognised when control of the products being sold is transferred to the customer and when the performance obligation related to service has been fulfilled by the Company based on the terms of the agreements. Accordingly, the timing of revenue recognition and completion of performance obligation has a direct impact on the Company’s reported performance.	Our audit procedures include the following: - Obtained an understanding of the management’s process and controls around revenue recognition. - Evaluated and tested the design and operating effectiveness of controls addressing this risk. - Verified, on a test-check basis, revenue transactions recorded during the year and around the reporting date and assessed whether revenue has been recognised in accordance with Ind AS 115 by performing the following procedures: - Reviewed underlying customer contracts, purchase orders and sales arrangements to identify performance obligations and assess the basis of revenue recognition;

INDEPENDENT AUDITOR'S REPORT (Contd.)

Sr. No	Key Audit Matters	How the Key Audit Matters were addressed in our audit
	We have identified revenue recognition as a key audit matter due to the presumed risk of fraud, particularly in relation to the overstatement of revenue at the reporting date. This may arise from the recognition of revenue for transactions where control of the goods has not been transferred to customers as at year-end, including instances where the timing of transfer of control may have been inappropriately altered or performance obligations have not been satisfied.	- Examined supporting documents such as invoices, dispatch documents and lorry receipts, to determine whether control of goods/ performance obligation related to service had passed to the customers at the time revenue was recognised; - Performed substantive cut-off testing for revenue transactions recognised immediately before and after the year-end, including review of supporting dispatch and delivery documentation to evaluate whether revenue had been recorded in the appropriate accounting period. - Obtained evidence on the existence and accuracy of unbilled revenue recognized, on sample basis, from underlying supporting documents, including customer approvals and acceptance. - Performed Analytical procedures on revenue recognized during the year to identify and inquire on unusual variances, if any and getting the reasons for variances confirmed from the management. - Assessed the valuation and accuracy of trade receivables and sales returns/discount provisions, where applicable, by examining underlying supporting documentation and subsequent adjustments. - Assessed the adequacy and appropriateness of the disclosures made in the financial statements in respect of revenue recognition in accordance with Ind AS 115 and the applicable financial reporting framework.
2.	The Scheme of Arrangement ('the Scheme') under section 230-232 and other applicable provisions of the Companies Act, 2013 read with the rules prescribed thereunder for merger of the Contract Manufacturing (Nashik) Business unit of Avalon Cosmetics Private Limited ("transferor") into Hindustan Foods Limited ("transferee") and Amalgamation of Vanity Case India Private Limited ("transferor") with Hindustan Foods Limited was approved by the Hon'ble National Law Tribunal vide its order dated March 06, 2026 ("the NCLT Order").	Our audit procedures include the following: - Obtained understanding of the process followed by the Company in respect of the assessment of accounting for the business combination during the year. - We understood from the management, assessed and tested the design and operating effectiveness of the Company's key controls over the accounting of business combination including those over assessment of business, common control, acquisition date, identification of assets, liabilities and reserves, and disclosures related to the same. - We have read the order passed by the National Company Law Tribunal and other related documents to obtain an understanding of the transactions and the key terms and conditions.

INDEPENDENT AUDITOR'S REPORT (Contd.)

Sr. No	Key Audit Matters	How the Key Audit Matters were addressed in our audit
	The business combination with Contract Manufacturing (Nashik) Business unit of Avalon Cosmetics Private Limited and amalgamation with the Vanity Case India Private Limited is accounted in accordance with the Appendix C of Ind AS 103 'Business Combinations' and the approved scheme of amalgamation.	4. We tested management's assessment of accounting for the business combination and determined that it was appropriately accounted for in accordance with Ind AS 103 Business Combination and the approved scheme of amalgamation.
	Considering the magnitude and complex accounting involved, the aforesaid business combination treatment in standalone financial statements has been considered to be a key audit matter. The carrying value of the assets and liabilities of the as at April 1, 2024 (being the beginning of the previous period presented), as appearing in the consolidated financial statements of the Transferor Companies before the merger have been incorporated in the books of Transferee with merger adjustments, as applicable.	- We have verified supporting workings and evidence relating to the accounting as per the terms of the Scheme of Arrangement. - We have traced the assets, liabilities and reserves of Avalon Cosmetics Private Limited ("transferor") from unaudited financial statements and from audited financial statements of Vanity Case India Private Limited ("transferor"). - We also assessed the adequacy and appropriateness of the disclosures made in the standalone financial statements are in accordance with the Ind AS.

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 Annual Report, but does not include the standalone financial statements and our auditor's report thereon, which is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we 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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required

to communicate the matter to those charged with governance.

RESPONSIBILITIES OF MANAGEMENT AND BOARD OF DIRECTORS FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Management and Board of Directors are 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 Indian 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,

INDEPENDENT AUDITOR'S REPORT (Contd.)

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 of the Company are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is 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 of the aforesaid standalone financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid standalone financial statements have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the standalone financial statements.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on March 31, 2026 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 2(b) above on reporting under Section 143(3)(b) and paragraph 2(h)(vi) below on reporting under Rule 11(g).
 - (g) 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".

INDEPENDENT AUDITOR'S REPORT (Contd.)

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2026.
 - iv. a. 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.

- b. 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, 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.
- c. Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material mis-statement.
- v. The Company has neither declared nor paid any dividend during the year.
- vi. Based on our examination which included test checks, the Company has used Focus 7 Accounting Software for Nashik unit of Avalon Cosmetics Private Limited and Focus 9 Accounting Software for other locations for maintaining its books of account during the year ended March 31, 2026, which has a feature of recording audit trail (edit log) facility except that the audit trail feature for Focus 9 Accounting Software at the application level was enabled from Jan

01, 2026 and was enabled at the database level from Jan 09, 2026 and that no audit trail feature is available in the system at the database level in respect of Focus 7 Accounting Software to log any direct data changes for the entire year.

Further, where enabled for Focus 7 Accounting Software and Focus 9 Accounting Software, audit trail feature has operated for all relevant transactions recorded in the accounting software. Also, during the course of our audit, we did not come across any instance of audit trail feature being tampered with in respect of such accounting software. Additionally, the audit trail of prior years for Focus 7 Accounting Software and Focus 9 Accounting Software has been preserved by the Company as per the statutory requirements for record

retention to the extent it was enabled and recorded in respective years.

3. In our opinion, according to information, explanations given to us, the remuneration paid or provided by the Company to its directors is within the limits laid prescribed under Section 197 of the Act.

For M S K A & Associates LLP
(Formerly known as M S K A & Associates)
Chartered Accountants
ICAI Firm Registration No. 105047W/W101187

Virendra Kanak
Partner
Membership No.: 110811
UDIN: 26110811AOLPIV1962

Place: Mumbai
Date : May 21, 2026

ANNEXURE A TO THE INDEPENDENT AUDITOR’S REPORT
OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF HINDUSTAN FOODS LIMITED

AUDITOR’S RESPONSIBILITIES FOR THE AUDIT OF THE
STANDALONE FINANCIAL STATEMENTS

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Director’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of current period and are therefore, the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For M S K A & Associates LLP
(Formerly known as M S K A & Associates)
Chartered Accountants
ICAI Firm Registration No. 105047W/W101187

Virendra Kanak
Partner
Membership No.: 110811
UDIN: 26110811AOLPIV1962

Place: Mumbai
Date: May 21, 2026

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF HINDUSTAN FOODS LIMITED FOR THE YEAR ENDED MARCH 31, 2026

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

- i. a) A. The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment and relevant details of right-of-use assets.
B. The Company has maintained proper records showing full particulars of intangible assets.
- b) Property, Plant and Equipment, and right of use assets were physically verified by the management according to a phased programme designed to cover all items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of Property, plant and equipment and right of use assets have been physically verified by Management during the year. No material discrepancies were noticed on such verification.
- c) According to the information and explanations given to us, the title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Note 47(B) to the standalone financial statements, are held in the name of the Company, except for the following which are not held in the name of the Company.

(Rs. in Crores)

Sr. No.	Description of Property	Gross carrying value	Held in the name of	Whether promoter, director or their relative or employee	Period held – Indicate range, where appropriate	Reason for not being held in name of Company (also indicate if in dispute)
1	Leasehold Land	1.07	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 47(B)] w.e.f. February 18, 2022. As per the lease agreement with KIADB, the Company has an option of purchasing the land. The Company is in process of applying to KIADB for purchase of the land.
2	Leasehold Land	2.14	Reckitt Benckiser Healthcare India Private Limited	No	December, 2023	The leasehold land was acquired by the Company as a part of business transfer agreement entered with Reckitt Benckiser Healthcare India Private Limited for acquisition of Baddi factory. The Company is in the process of transferring the title in the name of Hindustan Foods Limited.

- d) According to the information and explanations given to us, the Company has not revalued its property, plant and Equipment (including Right of Use assets) and intangible assets during the year. Accordingly, the provisions stated under clause 3(i)(d) of the Order are not applicable to the Company.
- e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988, as amended and rules made thereunder. Accordingly, the provisions stated under clause 3(i)(e) of the Order are not applicable to the Company.

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT (Contd.)

- ii. a) The inventory (excluding stocks with third parties which is immaterial) has been physically verified by the management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency, coverage and procedure of such verification is reasonable and appropriate, having regards to the size of the company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories.
- b) During any point of time of the year, the Company has been sanctioned working capital limits in excess of Rs. 5 crores rupees, in aggregate from Banks, on the basis of security of current assets. Based on the records examined by us in the normal course of audit of the standalone financial statements, quarterly returns/statements filed with such Banks are in agreement with the books of accounts of the Company. Further, during any point of time of the year, the Company has not been sanctioned working capital limits from financial institutions, on the basis of security of current assets.
- iii. a) According to the information and explanations provided to us, the Company has provided loans, advances in the nature of loans, stood guarantee, or provided security to other entities.

(A) The details of such loans, advances in the nature of loans, guarantee or security to subsidiaries are as follows:

(Rs. In crores)

	Guarantees	Security	Loans	Advances in the nature of loans
Aggregate amount granted/provided during the year	141.97	-	551.16	-
- Subsidiaries				
Balance Outstanding as at balance sheet date in respect of above cases	457.01	-	198.00	-
- Subsidiaries				

During the year the company has not provided advances in the nature of loans or any given any security to Subsidiaries.

(B) The details of such loans given, to other than subsidiaries are as follows:

(Rs. in crores)

	Guarantees	Security	Loans	Advances in the nature of loans
Aggregate amount granted/provided during the year	-	-	0.45	-
- Others				
Balance Outstanding as at balance sheet date in respect of above cases	-	-	-	-
- Others				

During the year the company has not provided advances in the nature of loans or any security nor stood any guarantee to any other party.

- b) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the investments made, guarantees provided and terms and conditions in relation to grant of all loans, investments made and guarantees provided are not prejudicial to the interest of the Company.

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT (Contd.)

- c) The loans are repayable on demand and interest on the same has been stipulated and the borrowers have been regular in the payment of interest. During the year, the Company has not demanded repayment of such loans. Accordingly, in our opinion the repayments of principal amounts and receipts of interest are regular (Refer reporting under clause 3(iii)(f) below).
- d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount remaining outstanding as at the balance sheet date as the loans are repayable on demand and the Company has not demanded such loans.
- e) According to the information explanation provided to us, the loans granted has not been demanded by the Company during the year. Accordingly, the provisions stated under clause 3(iii)(e) of the Order are not applicable to the company.
- f) According to the information explanation provided to us, the Company has granted loans repayable on demand. The details of the same are as follows:

	(Rs. in crores)			
	All Parties	Unrelated Parties	Promoters	Related Parties
Aggregate amount of loans				
- Repayable on demand (A)	198.00	-	-	198.00
- Agreement does not specify any terms or period of repayment (B)	-	-	-	-
Total (A+B)	198.00	-	-	198.00
Percentage of loans/advances in nature of loans to the total loans	100%	-	-	100%

- iv. According to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, in respect of loans, investments and guarantees made.
- v. According to the information and explanations given to us, the Company has neither accepted any deposits from the public nor any amounts which are deemed to be deposits, within the meaning of the provisions of Sections 73 to 76 of the Act and the rules framed there under. Accordingly, the requirement to report under clause 3(v) of the Order is not applicable to the Company.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act, in respect of its products/ services. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including Goods and Services tax, provident fund, employees' state insurance, income-tax, duty of customs, cess and other statutory dues have generally been regularly deposited with the appropriate authorities during the year, though there has been a slight delay in a few cases.
- There are no undisputed amounts payable in respect of Goods and Services tax, provident fund, employees' state insurance, income-tax, duty of customs, cess, and other statutory dues in arrears as at March 31, 2026, outstanding for a period of more than six months from the date they became payable.

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT (Contd.)

- b) According to the information and explanation given to us and the records of the Company examined by us, dues relating to goods and services tax and income-tax which have not been deposited as on March 31, 2026 on account of any dispute are as follows:

Sr. No.	Name of the Statute	Nature of the Dues	Amount (Rs. In Crores)	Period to which the amount belongs	Forum where dispute is pending	Remarks, If Any
1	Income Tax Act, 1961	Income Tax	8.05	AY 2017-18 AY 2025-26	CIT CPC	
2	Goods And Service tax Act, 2017	Goods And Service tax	17.00	FY 2017-18, FY 2018-19, FY 2019-20, FY 2020-21, FY 2021-22 FY 2022-23	Appellate Tribunal	

- viii. According to the information and explanations given to us, there are no transactions which are not recorded in the books of account which have been surrendered or disclosed as income during the year in Income-tax Assessment under Income Tax Act, 1961. Accordingly, the provision stated under clause 3(viii) of the Order is not applicable to the Company.
- ix. a) In our opinion and according to the information and explanations given to us and the records of the Company examined by us, the Company has not defaulted in repayment of loans or borrowings or in payment of interest thereon to any lender.
- b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any Bank or financial institution or government or any government authority.
- c) In our opinion and according to the information and explanations provided to us, money raised by way of term loans during the year have been applied for the purpose for which they were raised.
- 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 the no funds raised on short-term basis have been used for long term purposes by the Company.
- e) According to the information and explanation given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries. Accordingly, the requirement to report under clause 3(ix)(f) of the order is not applicable to the company.
- x. a) In our opinion and according to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting requirement under clause 3(x)(a) of the Order is not applicable to the Company.
- b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has made preferential allotment of convertible share warrants during the year and the requirements of Section 42 and Section 62 of the Act, have been complied with. The amount raised has been used for the purposes for which they were raised except for idle/surplus funds amounting to Rs. 52.42 Crores which were not required for immediate utilization and which have been invested in liquid

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT (Contd.)

- investments payable on demand. The maximum amount of idle/surplus funds invested during the year was Rs 52.42 Crores, of which Rs 52.42 Crores was outstanding at the end of the year.
- xi. a) Based on our examination of the books and records of the Company and according to the information and explanations given to us, we report that no fraud by the Company or no material fraud on the Company has been noticed or reported during the year in the course of our audit.
- b) During the year no report under Section 143(12) of the Act, has been filed by us in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c) As represented to us by the Management, there are no whistle-blower complaints received by the Company during the year.
- xii. The Company is not a Nidhi Company. Accordingly, the provisions stated under clause 3(xii)(a) to (c) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 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 the internal audit reports of the Company issued till the date of our audit report, for the period under audit.
- xv. According to the information and explanations given to us, and based on our examination of the records of the Company, in our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, the requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- xvi. a) The Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934 (2 of 1934) and accordingly, the requirements to report under clause 3(xvi)(a) of the Order is not applicable to the Company.
- b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities during the year and accordingly, the provisions stated under clause 3 (xvi)(b) of the Order are not applicable to the Company.
- c) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report under clause 3 (xvi)(c) of the Order is not applicable to the Company.
- d) The Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any Core Investment Company (as part of its group. Accordingly, the requirement to report under clause 3(xvi)(d) of the Order is not applicable to the Company.
- xvii. Based on the overall review of standalone financial statements, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Accordingly, the requirement to report under clause 3(xvii) of the Order is not applicable to the Company.
- xviii. There has been no resignation of the Statutory auditors during the year. Accordingly, reporting under Clause 3(xviii) of the order is not applicable to the Company.
- xix. According to the information and explanations given to us and on the basis of the financial ratios (as disclosed in note 47(A) to the standalone financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT (Contd.)

- sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a Fund as specified in Schedule VII of the Act, as disclosed in note 43 to the Standalone financial statements.
- b) There are no ongoing projects and accordingly reporting under Clause 3(xx)(b) of the Order is not applicable to the Company.
- xxi. The reporting under clause 3(xxii) 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 LLP (Formerly known as M S K A & Associates)

Chartered Accountants

ICAI Firm Registration No. 105047W/W101187

Virendra Kanak

Partner

Membership No.: 110811

UDIN: 26110811AOLPIV1962

Place: Mumbai

Date : May 21, 2026

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(g) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the Members of Hindustan Foods Limited on the Standalone Financial Statements for the year ended March 31, 2026]

Report on the Internal Financial Controls with reference to standalone financial statements 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, 2026 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, and to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2026, based on the internal financial controls 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI").

MANAGEMENT'S AND BOARD OF DIRECTOR'S RESPONSIBILITIES FOR INTERNAL FINANCIAL CONTROLS

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the

safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITOR'S RESPONSIBILITY

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

ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

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 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 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 LLP
(Formerly known as M S K A & Associates)
Chartered Accountants
ICAI Firm Registration No. 105047W/W101187

Virendra Kanak
Partner
Membership No.: 110811
UDIN: 26110811AOLPIV1962

Place: Mumbai
Date : May 21, 2026

STANDALONE BALANCE SHEET

AS AT MARCH 31, 2026

(Amounts in Rs. cr, unless otherwise stated)

	Notes	As at March 31, 2026	As at March 31, 2025 (Restated - refer note 36)
ASSETS			
Non-current assets			
Property, plant and equipment	4 (a)	740.76	540.65
Capital work-in-progress	4 (b)	18.71	99.02
Right of use assets	4 (a)	11.08	10.97
Goodwill	5 (a)	21.28	21.28
Other intangible assets	5 (b)	1.79	1.81
Intangible assets under development	5 (c)	-	0.40
Financial assets			
Investments	10	137.53	127.13
Other financial assets	7	18.63	19.30
Other non-current assets	8	25.96	37.99
Total non-current assets		975.74	858.55
Current assets			
Inventories	9	695.48	570.53
Financial assets			
Trade receivables	11	186.63	135.48
Cash and cash equivalents	12	13.18	45.77
Bank balances other than cash and cash equivalents	13	15.84	6.63
Loans	6	198.00	113.91
Other financial assets	7	152.37	146.47
Other current assets	8	101.12	41.14
Total current assets		1,362.62	1,059.93
Total assets		2,338.36	1,918.48
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	23.90	23.50
Other equity	15	1,064.03	858.11
Total equity		1,087.93	881.61
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	16(a)	364.09	364.52
Lease liabilities	35	2.61	2.35
Provisions	17	17.14	11.81
Deferred tax liabilities (net)	31	36.70	33.66
Other non current liabilities	20	27.80	-
Total non-current liabilities		448.34	412.34
Current liabilities			
Financial liabilities			
Borrowings	16(b)	203.61	141.58
Lease liabilities	35	1.03	1.07
Trade payables	18		
i) total outstanding dues of micro enterprises and small enterprises		0.03	0.02
ii) total outstanding dues of creditors other than micro enterprises and small enterprises		498.88	412.16
Other financial liabilities	19	60.70	28.58
Other current liabilities	20	24.65	25.88
Provisions	17	1.56	0.88
Current tax liabilities (net)	21	11.63	14.36
Total current liabilities		802.09	624.53
Total liabilities		1,250.43	1,036.87
Total equity and liabilities		2,338.36	1,918.48

Summary of material accounting policies

2-3

The accompanying notes 1 to 52 are an integral part of the standalone financial statements.

As per our report of even date attached
For M S K A & Associates LLP
(Formerly known as M S K A & Associates)
Chartered Accountants
Firm's Registration No.:105047W/W101187

For and on behalf of the Board of Directors of
Hindustan Foods Limited
CIN: L15139MH1984PLC316003

VIRENDRA KANAK
Partner
Membership No: 110811

SAMEER R. KOTHARI
Managing Director
DIN: 01361343

MAYANK SAMDANI
Chief Financial Officer

GANESH T. ARGEKAR
Executive Director
DIN: 06865379

BANKIM PUROHIT
Company Secretary
Membership No:ACS21865

Place: Mumbai
Date : May 21, 2026

Place: Mumbai
Date : May 21, 2026

STATEMENT OF STANDALONE PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2026

(Amounts in Rs. cr, unless otherwise stated)

	Notes	Year ended March 31, 2026	Year ended March 31, 2025 (Restated - refer note 36)
Income			
Revenue from operations	22	3,275.62	2,808.19
Other income	23	22.77	21.10
Total income		3,298.39	2,829.29
Expenses			
Cost of materials consumed	24	2,734.38	2,337.77
Changes in inventories of finished goods and work-in-progress	25	(6.47)	(6.17)
Employee benefits expense	26	102.17	84.14
Finance costs	27	49.39	46.86
Depreciation and amortisation expenses	28	52.30	45.90
Manufacturing and operating costs	29	149.30	126.27
Other expenses	30	52.30	48.63
Total expenses		3,133.37	2,683.40
Profit before exceptional items & tax		165.02	145.89
Exceptional item	48	4.37	-
Profit before tax		160.65	145.89
Tax expense	31		
Current tax		38.24	35.18
Deferred tax		3.04	1.75
Total tax expense		41.28	36.93
Profit for the year		119.37	108.96
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
- Re-measurement gains on defined benefit plans		0.97	0.88
- Income tax effect on these items		(0.24)	(0.22)
Total other comprehensive income for the year		0.73	0.66
Total comprehensive income for the year		120.10	109.62
Earnings per share (face value Rs. 2 each)			
Basic earnings per share (Rs.)	32	9.89	9.31
Diluted earnings per share (Rs.)	32	9.89	9.31

Summary of material accounting policies

2-3

The accompanying notes 1 to 52 are an integral part of the standalone financial statements.

As per our report of even date attached
For M S K A & Associates LLP
(Formerly known as M S K A & Associates)
Chartered Accountants
Firm's Registration No.:105047W/W101187

For and on behalf of the Board of Directors of
Hindustan Foods Limited
CIN: L15139MH1984PLC316003

VIRENDRA KANAK
Partner
Membership No: 110811

SAMEER R. KOTHARI
Managing Director
DIN: 01361343

MAYANK SAMDANI
Chief Financial Officer

GANESH T. ARGEKAR
Executive Director
DIN: 06865379

BANKIM PUROHIT
Company Secretary
Membership No:ACS21865

Place: Mumbai
Date : May 21, 2026

Place: Mumbai
Date : May 21, 2026

STANDALONE STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2026

(Amounts in Rs. cr, unless otherwise stated)

Particulars	For the year ended on March 31, 2026	For the year ended on March 31, 2025 (Restated - refer note 36)
Cash flows from operating activities		
Profit before tax	160.65	145.89
Adjustments for:		
Depreciation and amortisation expenses	52.30	45.90
Finance costs	49.39	46.86
Interest income	(18.86)	(15.07)
Liabilities no longer required written back	(1.58)	(0.62)
(Profit)/Loss on sale of property plant and equipment	(0.80)	0.23
Employee share based payment expenses	0.28	-
Profit on sale of investment	-	(2.36)
Provision for doubtful advances (net)	0.30	-
Provision for doubtful debts (net)	0.25	-
Unrealised foreign exchange translation loss/(gain)(net)	0.98	(0.10)
Operating profit before working capital changes	242.91	220.73
Changes in working capital		
(Increase) in inventories	(124.95)	(169.41)
(Increase) in trade receivables	(51.09)	(33.45)
(Increase) in other assets	(40.27)	(0.29)
(Increase) in financial assets	(43.60)	(12.39)
Increase in trade payables	88.31	99.66
Increase/(decrease) in other liabilities	26.57	(1.99)
Increase in financial liabilities	1.80	1.07
Increase in provisions	6.98	0.59
Cash generated from operations	106.66	104.52
Income tax paid (net)	(41.21)	(17.69)
Net cash generated from operating activities (A)	65.45	86.83
Cash flows from investing activities		
Payment for acquisition of property plant and equipment, capital work-in-progress, other intangible assets and intangible assets under development (net of capital creditors and including capital advances)	(146.22)	(162.31)
Proceeds from disposal of property, plant and equipment	16.04	40.53
Proceeds from bank balances other than cash and cash equivalents	27.94	38.13
Advance for business combination paid (refer note 51)	(19.75)	-
Payment for investment in subsidiary	-	(43.00)
Proceeds from sale of investment	-	2.70
Payment for investment in associate	(4.00)	-
Payment for investment in equity shares	(0.31)	-
Loan given to related parties net of repayment	(85.09)	(10.14)
Payment of loan to others	-	(1.00)
Interest received	20.09	14.57
Net cash used in investing activities (B)	(191.30)	(120.52)

STANDALONE STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2026 (Contd.)

(Amounts in Rs. cr, unless otherwise stated)

Particulars	For the year ended on March 31, 2026	For the year ended on March 31, 2025 (Restated - refer note 36)
Cash flows from financing activities		
Proceeds from issue of equity shares (net off share issue expenses)	80.85	119.95
Proceeds from long-term borrowings	84.76	87.11
Repayment of long term borrowings	(89.02)	(66.77)
Preceeds from/(Repayment) of short-term borrowings (net)	65.72	(17.36)
Lease rentals paid against lease liability	(0.08)	(1.15)
Interest paid	(48.97)	(46.60)
Net cash generated from financing activities (C)	93.26	75.18
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(32.59)	41.49
Cash and cash equivalents at the beginning of the year	45.77	3.89
Cash acquired pursuant to business combination (refer note 36)	-	0.29
Exchange difference on translation of foreign currency cash and cash equivalents	-	0.10
Cash and cash equivalents at the end of the year	13.18	45.77
Cash and cash equivalents comprise of (refer note 12)		
Balances with banks:		
On current accounts	2.99	45.44
Fixed deposits with maturity of less than 3 months	9.93	0.07
Cash on hand	0.26	0.26
Total cash and cash equivalents at end of the year	13.18	45.77

Foot note:-

- Figures in brackets represent cash outflow.
- 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.
- Refer note 45(a) for reconciliation of movement of liabilities to cash flows arising from financing activities.

The accompanying notes 1 to 52 are an integral part of the standalone financial statements.

As per our report of even date attached

For M S K A & Associates LLP
(Formerly known as M S K A & Associates)
Chartered Accountants
Firm's Registration No.:105047W/W101187

VIRENDRA KANAK
Partner
Membership No: 110811

Place: Mumbai
Date : May 21, 2026

**For and on behalf of the Board of Directors of
Hindustan Foods Limited**
CIN: L15139MH1984PLC316003

SAMEER R. KOTHARI
Managing Director
DIN: 01361343

MAYANK SAMDANI
Chief Financial Officer

Place: Mumbai
Date : May 21, 2026

GANESH T. ARGEKAR
Executive Director
DIN: 06865379

BANKIM PUROHIT
Company Secretary
Membership
No:ACS21865

STANDALONE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2026

(Amounts in Rs. cr, unless otherwise stated)

(A) EQUITY SHARE CAPITAL [REFER NOTE 14]

	As at March 31, 2026		As at March 31, 2025 (Restated - refer note 36)	
	No. of shares	Amount	No. of shares	Amount
Equity shares of Rs. 2/- each issued, subscribed and fully paid				
Balance at the beginning of the year	11,75,02,413	23.50	11,45,73,353	22.91
Add: Changes in equity share capital during the year [refer note 49]	19,79,349	0.40	29,29,060	0.59
Balance at the end of the year	11,94,81,762	23.90	11,75,02,413	23.50

(B) OTHER EQUITY [REFER NOTE 15]

Particulars	Equity component of redeemable non cumulative non convertible preference shares	Shares pending issuance	Employee stock option plan	Securities premium	Capital reserve	Retained earnings	Money received against share warrants	Total
Balance as at April 01, 2024*	0.86	-	-	233.07	3.91	292.60	75.00	605.44
Profit for the year	-	-	-	-	-	108.96	-	108.96
Other comprehensive income	-	-	-	-	-	0.66	-	0.66
Total comprehensive income for the year	0.86	-	-	233.07	3.91	402.22	75.00	715.06
Shares pending issuance [refer note 36 (a)]	-	0.34	-	-	-	-	-	0.34
Acquired on business combination [refer note 36]	-	-	-	16.48	1.85	5.02	-	23.35
Securities premium on shares issued [refer note 49 (ii)]	-	-	-	159.41	-	-	-	159.41
Shares issued during the year [refer note 49 (ii)]	-	-	-	-	-	-	(40.00)	(40.00)
Expenses on issue of shares	-	-	-	(0.05)	-	-	-	(0.05)
Balance as at March 31, 2025 (Restated - refer note 36)	0.86	0.34	-	408.91	5.76	407.24	35.00	858.11
Balance as at April 01, 2025*	0.86	0.34	-	408.91	5.76	407.24	35.00	858.11
Profit for the year	-	-	-	-	-	119.37	-	119.37
Other comprehensive income	-	-	-	-	-	0.73	-	0.73
Total comprehensive income for the year	0.86	0.34	-	408.91	5.76	527.34	35.00	978.21

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

(Amounts in Rs. cr, unless otherwise stated)

Particulars	Equity component of redeemable non cumulative non convertible preference shares	Shares pending issuance	Employee stock option plan	Securities premium	Capital reserve	Retained earnings	Money received against share warrants	Total
Securities premium on shares issued [refer note 49 (i)]	-	-	-	109.60	-	-	-	109.60
Issued during the year	-	-	5.37	-	-	-	-	5.37
Shares issued during the year [refer note 49 (i)]	-	-	-	-	-	-	(27.50)	(27.50)
Forfeiture of share warrants [refer note 49 (i)]	-	-	-	-	7.50	-	(7.50)	-
Expenses on issue of shares	-	-	-	(1.65)	-	-	-	(1.65)
Balance as at March 31, 2026	0.86	0.34	5.37	516.86	13.26	527.34	-	1,064.03

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

The accompanying notes 1 to 52 are an integral part of the standalone financial statements.

As per our report of even date attached

For M S K A & Associates LLP
(Formerly known as M S K A & Associates)
Chartered Accountants
Firm's Registration No.:105047W/W101187

VIRENDRA KANAK
Partner
Membership No: 110811

Place: Mumbai
Date : May 21, 2026

**For and on behalf of the Board of Directors of
Hindustan Foods Limited**
CIN: L15139MH1984PLC316003

SAMEER R. KOTHARI
Managing Director
DIN: 01361343

MAYANK SAMDANI
Chief Financial Officer

Place: Mumbai
Date : May 21, 2026

GANESH T. ARGEKAR
Executive Director
DIN: 06865379

BANKIM PUROHIT
Company Secretary
Membership
No:ACS21865

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(Amounts in Rs. cr, unless otherwise stated)

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 and personal care, foods and beverages, OTC and healthcare, Ice-cream and job working of shoes. The equity shares of the Company are listed in India on the Bombay Stock Exchange and National Stock Exchange.

2. MATERIAL ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

a) Statement of Compliance with Ind AS

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

The financial statements have been prepared on accrual & going concern basis. Accounting policies have been consistently applied to all the years presented except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. Comparative amounts in the financial statements have been restated pursuant to NCLT order (refer note 36).

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

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

(Amounts in Rs. cr, unless otherwise stated)

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 3A 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 crores (INR 00,00,000).

2.2 Property, plant and equipment

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

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

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

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

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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

(Amounts in Rs. cr, unless otherwise stated)

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
Trademark	4 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.

Goodwill are subject to review for impairment annually or more frequently if events or circumstances indicate

that it is necessary. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company’s net assets acquired.

If any indication of impairment exists, an estimate of the recoverable amount of the individual asset is made. Recoverable amount is higher of an asset’s value in use and its fair value less cost of disposal.

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. The impairment loss is allocated first to reduce the carrying amount of goodwill (if any) allocated to the net assets acquired and then to the other assets of the unit, pro rata based on the carrying amount of each asset in the unit.

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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

(Amounts in Rs. cr, unless otherwise stated)

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.

Revenue Recognition

The Company recognises revenue when (or as) the Company satisfies a performance obligation by transferring the promised goods or services to a customer. The promised good or service is transferred when (or as) the customer obtains control over a good or service and revenue is recognised at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is reported net of taxes and duties as applicable.

For sale of goods, the Company recognises revenue when it transfers control of goods to the customer. Control is passed on to the customer when goods are dispatched from Company’s premises or as per terms with customers.

For sale of services, the Company recognises revenue as or when the performance obligation

in relation the service is satisfied by the Company based on terms of the agreements with customers and there are no unfulfilled obligations.

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

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

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

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

2.6 Taxes

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

a) Current income tax

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

b) Deferred tax

Deferred income tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

(Amounts in Rs. cr, unless otherwise stated)

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.

2.7 Leases

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

- (i) The contract involves the use of an identified asset

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

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

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

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

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

(Amounts in Rs. cr, unless otherwise stated)

2.8 Inventories

Inventories are valued at lower of cost and net realisable value after providing cost of obsolescence, if any. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. The comparison of cost and net realisable value is made on an item-by-item basis. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Cost includes purchase price, (excluding those subsequently recoverable by the enterprise from the concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. In determining the cost, weighted average cost method is used.

Manufactured finished goods and traded goods are valued at the lower of cost and net realisable value. Cost of work in progress and manufactured finished goods is determined on the weighted average basis and comprises direct material, cost of conversion and other costs incurred in bringing these inventories to their present location and condition. Cost of traded goods is determined on a weighted average basis.

Provision of obsolescence on inventories is considered on the basis of management's estimate based on demand and market of the inventories.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

The comparison of cost and net realisable value is made on item by item basis.

2.9 Investments in subsidiaries

Investments in Subsidiaries 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 subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.

2.10 Investment in associates

Investment in associates are initially recognised at cost.

2.11 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.

2.12 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.

2.13 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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

(Amounts in Rs. cr, unless otherwise stated)

2.14 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.

2.15 Financial instruments

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

a) Financial assets

i. Initial recognition and measurement

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

ii. Subsequent measurement

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

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

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

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured

at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method (EIR).

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of 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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

(Amounts in Rs. cr, unless otherwise stated)

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

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

Impairment of financial assets

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

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

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

(Amounts in Rs. cr, unless otherwise stated)

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.

Supplier finance arrangements

The Company also classifies financial liabilities from supplier finance arrangements as trade payables if they are of the same nature and has terms comparable to regular trade payables. This applies when the arrangement is part of the normal operating cycle and has similar security levels. The related cash flows are included in operating activities in the consolidated statement of cash flows.

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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
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(Amounts in Rs. cr, unless otherwise stated)

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.

2.16 Employee benefits

a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are recognised in respect of employees' services up to the end of the year and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the 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: The Company provides for gratuity, a defined benefit plan (the 'Gratuity Plan') covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognised in the other comprehensive income in the year in which they arise.

iii. Other long-term employee benefit obligations

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

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

iv. Share-based payments

Equity-settled transactions:- The cost of equity-settled transactions is determined by the fair value at the date when the grant is

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

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

2.17 Contributed equity

Equity shares are classified as equity share capital. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.18 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of

equity shares outstanding during the year. Earnings considered in ascertaining the 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.

2.19 Segment reporting

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

2.20 Business Combination

Business Combinations are accounted for using the acquisition accounting method as at the date of the acquisition, which is the date at which control is transferred to the 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

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
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acquisition date. Subsequent changes in the fair value of contingent consideration are recognised in the Statement of profit and loss.

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

3(A) SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

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

(i) Estimates and assumptions

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

a) Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be 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.

c) Impairment of non-financial assets

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

d) Provision against obsolete and slow-moving inventories

The Company reviews the condition of its inventories and makes provision against obsolete and slow-moving inventory items

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(Amounts in Rs. cr, unless otherwise stated)

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 if any.

e) Impairment of financial assets

The Company assesses impairment based on expected credit losses (ECL) model on trade receivables. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

3(B) RECENT PRONOUNCEMENTS

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

In May 2025, MCA notified amendments to Ind AS 21 – The Effects of Changes in Foreign Exchange Rates, applicable w.e.f. April 01, 2025. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.

In August 2025, MCA notified the following amendments to:

1. Ind AS 1, Presentation of Financial Statements, applicable w.e.f. April 01, 2025 – The amendment relates to classification of liabilities as current or noncurrent and non-current liabilities with covenants. In the context of classifying a liability as current, it removes the requirement of existence of a right to defer settlement for at least 12 months after the reporting date and instead requires that the said right should exist on the reporting date and have substance. The amendment also introduces guidance on classification of liabilities with covenants. The Company has no impact of these amendments in its classification criteria of current and non-current liabilities.
2. Ind AS 7, Statement of Cash Flows and Ind AS 107, Financial Instruments: Disclosures, applicable w.e.f. April 01, 2025 – The amendment in Ind AS 7 requires to inform users of financial statements of the existence of supplier finance arrangements and explain the nature of the arrangements, the carrying amount of liabilities and the range of payment due dates. Ind AS 107 has been amended to add supplier finance arrangements as a factor that may cause concentration of liquidity risk. For details refer note 45(b).
3. Ind AS 12, International Tax Reform – Pillar Two Model Rules applicable immediately – The amendments provide a temporary mandatory relief from deferred tax accounting for top-up tax and disclose that they have applied the relief.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

(Amounts in Rs. cr, unless otherwise stated)

4 (a) PROPERTY, PLANT AND EQUIPMENT INCLUDING RIGHT OF USE ASSETS

	Gross carrying amount					Depreciation & Impairment					Net carrying amount	
	As at April 01, 2025	Additions/ Adjustments	Acquisition through business combination	Disposals	As at March 31, 2026	As at April 01, 2025	Acquisition through business combination	Depreciation for the year	Disposals	As at March 31, 2026	As at March 31, 2026	As at March 31, 2026
I Owned assets												
Freehold land	51.53	-	-	-	51.53	-	-	-	-	-	-	51.53
Buildings	304.86	49.31	-	1.42	352.75	98.14	-	10.51	0.02	108.63	244.12	
Plant and machinery#	554.53	192.92	-	9.41	738.04	297.58	-	33.60	0.31	330.87	407.17	
Furniture and fixtures	12.33	1.07	-	-	13.40	9.28	-	0.71	-	9.99	3.41	
Vehicles	2.29	0.07	-	-	2.36	1.06	-	0.22	-	1.28	1.08	
Office equipment's	10.98	8.29	-	4.12	15.15	7.73	-	1.87	0.35	9.25	5.90	
Electrical equipment	31.84	14.20	-	1.04	45.00	15.66	-	3.05	0.04	18.67	26.33	
Computers	7.68	0.33	-	-	8.01	6.38	-	0.68	-	7.06	0.95	
Leasehold improvement	0.79	-	-	-	0.79	0.35	-	0.17	-	0.52	0.27	
Total	976.83	266.19	-	15.99	1,227.03	436.18	-	50.81	0.72	486.27	740.76	
II Right of use assets												
Leasehold land ##, ^	10.17	-	-	-	10.17	0.72	-	0.08	-	0.80	9.37	
Building ^	6.24	1.18	-	-	7.42	4.72	-	0.99	-	5.71	1.71	
Plant and machinery	0.47	-	-	-	0.47	0.47	-	-	-	0.47	-	
Total	16.88	1.18	-	-	18.06	5.91	-	1.07	-	6.98	11.08	

	Gross carrying amount					Depreciation & Impairment					Net carrying amount	
	As at April 01, 2024	Additions/ Adjustments	Acquisition through business combination [refer note 36]	Disposals	As at March 31, 2025 (Restated - refer note 36)	As at April 01, 2024	Acquisition through business combination [refer note 36]	Depreciation for the year	Disposals	As at March 31, 2025 (Restated - refer note 36)	As at March 31, 2025 (Restated - refer note 36)	As at March 31, 2025
I Owned assets												
Freehold land	51.53	-	-	-	51.53							51.53
Buildings	292.94	5.55	6.71	0.34	304.86	84.37	4.46	9.37	0.06	98.14	206.72	
Plant and machinery#	562.59	30.62	10.04	48.72	554.53	273.15	8.16	29.56	13.29	297.58	256.95	
Furniture and fixtures	11.52	0.19	0.63	0.01	12.33	7.98	0.60	0.70	0.00	9.28	3.05	
Vehicles	2.12	0.23	0.14	0.20	2.29	0.79	0.12	0.22	0.07	1.06	1.23	
Office equipment's	10.20	0.63	0.17	0.02	10.98	6.51	0.16	1.06	0.00	7.73	3.25	
Electrical equipment	35.32	4.56	1.39	9.43	31.84	15.89	1.28	2.93	4.44	15.66	16.18	
Computers	7.27	0.30	0.11	-	7.68	5.62	0.11	0.65	0.00	6.38	1.30	
Leasehold improvement	0.47	0.32	-	-	0.79	0.24	-	0.11	-	0.35	0.44	
Total	973.96	42.40	19.19	58.72	976.83	394.55	14.89	44.60	17.86	436.18	540.65	

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

(Amounts in Rs. cr, unless otherwise stated)

	Gross carrying amount					Depreciation & Impairment					Net carrying amount
	As at April 01, 2024	Additions/ Adjustments	Acquisition through business combination [refer note 36]	Disposals	As at March 31, 2025 (Restated - refer note 36)	As at April 01, 2024	Acquisition through business combination [refer note 36]	Depreciation for the year	Disposals	As at March 31, 2025 (Restated - refer note 36)	As at March 31, 2025 (Restated - refer note 36)
II Right of use assets											
Leasehold land ##, ^	9.16	-	1.01	-	10.17	0.44	0.18	0.10	-	0.72	9.45
Building ^	6.24	-	-	-	6.24	3.78	-	0.94	-	4.72	1.52
Plant and machinery	0.47	-	-	-	0.47	0.47	-	-	-	0.47	-
Total	15.87	-	1.01	-	16.88	4.69	0.18	1.04	-	5.91	10.97

Includes finance cost capitalised during the year amounting to Rs. 1.83 cr (March 31, 2025: Nil) in Plant and machinery. Further, Rs. 0.20 cr (March 31, 2025: Rs. 0.39) capitalised in Capital Work-in-progress.

Leasehold land aggregating to Rs. 3.21 cr (acquired as part of the business combinations) wherein the title deed is not held in name of the Company as on March 31, 2026 (refer note 47(B)).

^ For changes in the carrying value of lease liability refer note 37

Refer note 33 for value of contracts in capital account remaining to be executed as at March 31, 2026 and March 31, 2025

4 (b) CAPITAL WORK IN PROGRESS (CWIP)

	As at April 01, 2025	Expenditure during the year	Capitalised during the year	Closing as at March 31, 2026
CWIP	99.02	18.71	(99.02)	18.71

	As at April 01, 2024	Expenditure during the year	Capitalised during the year	Closing as at March 31, 2025 (Restated - refer note 36)
CWIP	4.74	100.99	(6.71)	99.02

Ageing of capital work in progress

As at March 31, 2026

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	18.71	-	-	-	18.71
Projects temporarily suspended	-	-	-	-	-

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(Amounts in Rs. cr, unless otherwise stated)

As at March 31, 2025 (Restated - refer note 36)

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	99.02	-	-	-	99.02
Projects temporarily suspended	-	-	-	-	-

There are no projects as Capital Work in Progress as at March 31, 2026 and March 31, 2025, the cost of which has exceeded in comparison to its original plan.

5 (a) GOODWILL

	Amount
Cost	
As at April 01, 2024	1.58
Additions	-
Acquisition through business combination (refer note 36(b))	19.70
Disposals/Adjustments	-
As at March 31, 2025 (Restated - refer note 36)	21.28
Additions	-
Disposals/Adjustments	-
As at March 31, 2026	21.28
Net book value	
As at March 31, 2026	21.28
As at March 31, 2025 (Restated - refer note 36)	21.28

No impairment loss required to be recognised on goodwill in current and previous year.

5 (b) OTHER INTANGIBLE ASSETS

	Gross carrying amount					Amortisation and impairment					Net carrying amount
	As at April 01, 2025	Additions/ Adjustments	Acquisition through business combination	Disposals	As at March 31, 2026	As at April 01, 2025	Acquisition through business combination	Amortisation for the year	Disposals	As at March 31, 2026	As at March 31, 2026
Other intangible assets											
Brand	2.00	-	-	-	2.00	2.00	-	-	-	2.00	-
Trademark	0.01	-	-	-	0.01	0.01	-	-	-	0.01	-
Computer software*	8.17	0.40	-	-	8.57	6.36	-	0.42	-	6.77	1.79
Total	10.18	0.40	-	-	10.58	8.37	-	0.42	-	8.79	1.79

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

(Amounts in Rs. cr, unless otherwise stated)

	Gross carrying amount					Amortisation and impairment					Net carrying amount
	As at April 01, 2024	Additions/ Adjustments	Acquisition through business combination [refer note 36]	Disposals	As at March 31, 2025 (Restated - refer note 36)	As at April 01, 2024	Acquisition through business combination [refer note 36]	Amortisation for the year	Disposals	As at March 31, 2025 (Restated - refer note 36)	As at March 31, 2025 (Restated - refer note 36)
Other intangible assets											
Brand	2.00	-	-	-	2.00	2.00	-	-	-	2.00	-
Trademark	0.01	-	-	-	0.01	0.01	-	-	-	0.01	-
Computer software*	7.02	1.15	-	-	8.17	6.10	-	0.26	-	6.36	1.81
Total	9.03	1.15	-	-	10.18	8.11	-	0.26	-	8.37	1.81

*Addition in computer software pertains to external acquired software

5 (c) INTANGIBLE ASSETS UNDER DEVELOPMENT

	As at April 01, 2025	Expenditure during the year	Capitalised during the year	Closing as at March 31, 2026
Intangible assets under development	0.40	-	(0.40)	-
	As at April 01, 2024	Expenditure during the year	Capitalised during the year	Closing as at March 31, 2025 (Restated - refer note 36)
Intangible assets under development	0.34	0.11	(0.05)	0.40

Ageing of Intangible asset under development

As at March 31, 2026

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	-	-	-	-	-

As at March 31, 2025 [(Restated - refer note 36)]

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	0.11	0.29	-	-	0.40
Projects temporarily suspended	-	-	-	-	-

There are no projects as Intangible assets under development as at March 31, 2026 and March 31, 2025, 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, 2026 (CONTD.)

(Amounts in Rs. cr, unless otherwise stated)

6 LOANS

	As at March 31, 2026		As at March 31, 2025 (Restated - refer note 36)	
	Non- current	Current	Non- current	Current
Unsecured, considered good				
Loan to related parties, repayable on demand [refer note 37(C) and 46 (a)]	-	198.00	-	112.91
Loan to others, repayable on demand [refer note 46 (a)]	-	-	-	1.00
Total loans	-	198.00	-	113.91

Refer Note 40 for fair value measurements and Note 42 for information about the Company's exposure to financial risks.

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):

Type of Borrower	Loans/Advances granted Individually or Jointly with other (Individually/ Jointly)	Repayable on demand	Terms/ Period of repayment is specified	March 31, 2026		March 31, 2025	
				Amount outstanding	% of Total	Amount outstanding	% of Total
Wholly owned subsidiary Companies	Individually	Yes	No	198.00	100.00%	112.91	99.12%
Total				198		112.91	

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

	As at March 31, 2026		As at March 31, 2025 (Restated - refer note 36)	
	Non- current	Current	Non- current	Current
Financial instruments at amortised cost				
Security deposits*	7.59	-	8.22	0.27
In fixed deposit accounts with original maturity for more than 12 months#	11.04	25.42	11.08	62.52
Interest accrued on deposits with bank	-	0.68	-	1.88
Interest accrued on loans given to others	-	-	-	0.03
Unbilled revenue	-	125.77	-	81.03
Other receivable*	-	0.50	-	0.74
Total other financial assets	18.63	152.37	19.30	146.47

These Includes fixed deposits of Rs. 0.13 cr (March 31, 2025: Rs. 0.11 cr) held as margin money deposit against guarantees and lien.

* Includes related party balances (refer note 37)

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

(Amounts in Rs. cr, unless otherwise stated)

8 OTHER NON-CURRENT AND CURRENT ASSETS

	As at March 31, 2026		As at March 31, 2025 (Restated - refer note 36)	
	Non- current	Current	Non- current	Current
Capital advances*	25.58	-	37.65	-
Prepaid expenses	0.38	2.79	0.34	4.97
Balance with government authorities (other than income tax)	-	69.55	-	27.39
Export incentive receivable	-	1.90	-	1.89
Advances to suppliers	-	6.67	-	6.78
Advance for business combination (refer note 51)	-	19.75	-	-
Advances to employees	-	0.12	-	0.11
Other receivables	-	0.34	-	-
Total other assets	25.96	101.12	37.99	41.14

* Refer note 33 for value of contracts in capital account remaining to be executed as at March 31, 2026 and March 31, 2025

9 INVENTORIES*

	As at March 31, 2026	As at March 31, 2025 (Restated - refer note 36)
(Lower of cost or Net realisable value)		
Raw material	466.97	342.68
Work in progress	128.13	123.50
Finished goods	53.78	51.94
Packing material	40.73	47.15
Consumables, store and spares parts	5.87	5.26
Total inventories	695.48	570.53

*Hypothecated as charge against short term-borrowings. Refer note 16(b)(B).

10 INVESTMENTS

	As at March 31, 2026		As at March 31, 2025 (Restated - refer note 36)	
	Non- current	Current	Non- current	Current
Unquoted equity shares				
Investment in Subsidiaries (at cost) (refer note 37)				
10,000 (March 31, 2025 10,000) Equity Shares of Rs. 10 each fully paid up in HFL Consumer Products Private Limited	0.01	-	0.01	-

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

(Amounts in Rs. cr, unless otherwise stated)

	As at March 31, 2026		As at March 31, 2025 (Restated - refer note 36)	
	Non- current	Current	Non- current	Current
10,000 (March 31, 2025 10,000) Equity Shares of Rs. 10 each fully paid up in HFL Multiproducts Private Limited	0.01	-	0.01	-
5,00,00,000 (March 31, 2025 5,00,00,000) Equity Shares of Rs. 10 each fully paid up in HFL Healthcare and Wellness Private Limited	73.49	-	73.49	-
4,70,00,000 (March 31, 2025 4,70,00,000) Equity Shares of Rs. 10 each fully paid up in KNS Shoetech Private Limited	46.72	-	46.72	-
Investment in Associates (at cost) (refer note 37)				
24,643 Compulsory convertible Preference shares of Rs. 10 each fully paid up in Asar Green Kabadi Private Limited (refer table below)	5.00	-	-	-
Investment in Limited liability Partnership Firm (refer note 37)				
Aero Care Personal Products LLP (refer table below)	6.90	-	6.90	-
Investments in equity instruments (At fair value through other comprehensive income)#				
3,06,361 (March 31, 2025 2,441) Equity Shares of Rs. 10 each fully paid up in Transition Sustainable Energy Services One Private Limited	0.30	-	0.00*	-
Employee stock options granted to employees of subsidiaries (refer note 37)				
HFL Healthcare and Wellness Private Limited	0.04	-	-	-
KNS Shoetech Private Limited	5.06	-	-	-
	137.53	-	127.13	-
*Amount below rounding off norms				
Aggregate book value of:				
Unquoted investments	137.53	-	127.13	-

Refer Note 40 for fair value measurements and Note 42 for information about the Company's exposure to financial risks.

#The Company has irrevocably elected to measure fair value changes in the aforesaid equity instruments through other comprehensive income (FVTOCI) because this is considered to be more appropriate by management for these strategic investments.

Investment in Limited liability Partnership Firm	Partners name	March 31, 2026		March 31, 2025	
		Amount	% of Holding	Amount	% of Holding
Aero Care Personal Products LLP	Hindustan Foods Limited (the Company)	6.90	81%	6.90	81%
	HFL Healthcare and Wellness Private Limited	2.86	19%	2.86	19%
Total		9.76		9.76	

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

(Amounts in Rs. cr, unless otherwise stated)

Investment in Associates (at cost)	Country of incorporation and principal place of business	Primary business	March 31, 2026		March 31, 2025	
			Carrying amount of investments in associates	% of Total	Carrying amount of investments in associates	% of Total
Asar Green Kabadi Private Limited	India	Recycling of scrap	5.00	25.07%	-	0.00%
Total			5.00		-	

11 TRADE RECEIVABLES

	As at March 31, 2026	As at March 31, 2025 (Restated - refer note 36)
Trade receivables	187.55	136.15
Less: Allowance for bad and doubtful debts	(0.92)	(0.67)
Total trade receivables	186.63	135.48
Current portion	186.63	135.48
Non current portion	-	-

(a) Breakup of security details

	As at March 31, 2026	As at March 31, 2025 (Restated - refer note 36)
Secured, considered good		
Unsecured		
-Considered good	186.63	135.48
-Considered doubtful	-	-
Receivables which have significant increase in credit risk	-	-
Receivables credit impaired	0.92	0.67
Total	187.55	136.15
Allowance for bad and doubtful debts	(0.92)	(0.67)
Total trade receivables	186.63	135.48

(b) The movement in allowances for doubtful receivables is as follows:

Particulars	As at March 31, 2026	As at March 31, 2025 (Restated - refer note 36)
Opening balance	0.67	0.67
Additions	0.25	-
Closing Balance	0.92	0.67

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

(Amounts in Rs. cr, unless otherwise stated)

(c) Ageing of Trade Receivables

As at March 31, 2026

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	102.82	83.81	-	-	-	-	186.63
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	0.25	0.32	0.35	0.92
(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)	-	-	-	(0.25)	(0.32)	(0.35)	(0.92)
	102.82	83.81	-	-	-	-	186.63

As at March 31, 2025 (Restated - refer note 36)

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	77.22	58.04	0.22	-	-	-	135.48
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	0.32	0.22	0.13	0.67
(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)	-	-	-	(0.32)	(0.22)	(0.13)	(0.67)
	77.22	58.04	0.22	-	-	-	135.48

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

(Amounts in Rs. cr, unless otherwise stated)

- (d) No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person or firms or private companies in which any director is a partner, a director or a member

12 CASH AND CASH EQUIVALENTS

	As at March 31, 2026	As at March 31, 2025 (Restated - refer note 36)
Cash and cash equivalents		
Balances with banks		
- In current accounts	2.99	45.44
- Fixed deposits with original maturity of less than 3 months	9.93	0.07
Cash on hand	0.26	0.26
Total cash and cash equivalents	13.18	45.77

13 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

	As at March 31, 2026	As at March 31, 2025 (Restated - refer note 36)
In fixed deposit with original maturity for more than 3 months but less than 12 months *	15.84	6.63
Total bank balances other than cash and cash equivalents	15.84	6.63

* These Includes fixed deposits of Rs. 6.77 cr (March 31, 2025: Rs. 6.25 cr) held as margin money deposit against guarantees and lien.

14 EQUITY SHARE CAPITAL

The Company has only one class of equity share capital having a par value of Rs. 2/- per share (March 31, 2025 Rs. 2/- per share), referred to herein as equity shares.

	As at March 31, 2026	As at March 31, 2025 (Restated - refer note 36)
Authorised		
26,70,11,265 (March 31, 2025 26,57,61,265 Equity Shares of Rs.2/- each) Equity shares of Rs.2/- each	53.40	53.15
2,00,000 (March 31, 2025 2,00,000 9% Redeemable Preference Shares of Rs. 100/- each) 9% Redeemable Preference Shares of Rs. 100/- each	2.00	2.00
	55.40	55.15
Issued, subscribed and paid up		
11,94,81,762 (March 31, 2025 11,75,02,413 Equity Shares of Rs.2/- each) Equity shares of Rs.2/- each fully paid up	23.90	23.50
Total	23.90	23.50

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

(Amounts in Rs. cr, unless otherwise stated)

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

	As at March 31, 2026		As at March 31, 2025 (Restated - refer note 36)	
	No. of shares	Amount	No. of shares	Amount
Outstanding at the beginning of the year	11,75,02,413	23.50	11,45,73,353	22.91
Add: Changes in equity share capital during the year [refer note 49]	19,79,349	0.40	29,29,060	0.59
Outstanding at the end of the year	11,94,81,762	23.90	11,75,02,413	23.50

(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, 2026, the amount of per share dividend recognised as distributions to equity shareholders was Nil (March 31, 2025: Nil).

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

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

	As at March 31, 2026		As at March 31, 2025 (Restated - refer note 36)	
Name of the shareholder	No. of shares	% of holding in the class	No. of shares	% of holding in the class
Vanity Case India Private Limited (refer note 36(b))	4,64,58,145	38.88%	4,64,58,145	39.54%
Asha R. Kothari	1,20,75,915	10.11%	1,20,75,915	10.28%
Sameer R. Kothari	1,20,75,915	10.11%	1,20,75,915	10.28%
M/s. ICICI Prudential Life Insurance Company Limited	63,30,992	5.30%	-	0.00%

(d) Details of Shares held by Promoters at the end of the year

	As at March 31, 2026			As at March 31, 2025 (Restated - refer note 36)		
Promoter name	No. of shares	% of total shares	% Change as compared to immediate preceding year	No. of shares	% of total shares	% Change as compared to immediate preceding year
Vanity Case India Private Limited (refer note 36(b))	4,64,58,145	38.88%	(0.65%)	4,64,58,145	39.54%	(0.66%)
Asha R. Kothari	1,20,75,915	10.11%	(0.17%)	1,20,75,915	10.28%	(0.17%)
Sameer R. Kothari	1,20,75,915	10.11%	(0.17%)	1,20,75,915	10.28%	(0.17%)

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

(Amounts in Rs. cr, unless otherwise stated)

Promoter name	As at March 31, 2026			As at March 31, 2025 (Restated - refer note 36)		
	No. of shares	% of total shares	% Change as compared to immediate preceding year	No. of shares	% of total shares	% Change as compared to immediate preceding year
Shrinivas Vasudeva Dempo	20,00,000	1.67%	(0.03%)	20,00,000	1.70%	(0.03%)
Soiru Dempo Management Holding Private Limited	5,00,000	0.42%	(0.01%)	5,00,000	0.43%	(0.01%)
Total	7,31,09,975	61.20%	(1.03%)	7,31,09,975	62.23%	(1.04%)

(e) Information regarding issue of Equity Shares during last five years

- (i) No shares have been issued for consideration other than cash and 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.

15 OTHER EQUITY

	As at March 31, 2026	As at March 31, 2025 (Restated - refer note 36)
Capital reserve	13.26	5.76
Securities premium	516.86	408.91
Equity component of redeemable non cumulative non convertible preference shares	0.86	0.86
Retained earnings	527.34	407.24
Money received against share warrants	-	35.00
Employee stock option	5.37	-
Shares pending issuance	0.34	0.34
	1,064.03	858.11

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, forfeiture of equity share warrants 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).

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

(Amounts in Rs. cr, unless otherwise stated)

Nature and purpose of other reserves	
Retained earnings	Retained earnings are the profits that the Company has earned till date, dividends or other distributions paid to shareholders.
Money received against share warrants	Amount received towards issue of convertible share warrants on preferential basis.
Employee stock option plan	The employee stock option issued to recognise the grant date fair value of options issued to employees under equity settled share based payments.
Shares pending issuance	Shares pending issuance pursuant to business combination.

	As at March 31, 2026	As at March 31, 2025 (Restated - refer note 36)
(A) Capital reserve		
Opening balance	5.76	3.91
Add: Transfer on Forfeiture of Equity Share Warrants [refer note 49(i)]	7.50	-
Add: Addition due to business combination [refer note 36]	-	1.85
Closing balance	13.26	5.76
(B) Securities premium		
Opening balance	408.91	233.07
Add: Securities premium on shares issued [refer note 49]	109.60	159.41
Add: Securities premium on business combination [refer note 36]	-	16.48
Less - Share issues expenses	(1.65)	(0.05028)
Closing balance	516.86	408.91
(C) Equity component of redeemable non cumulative non convertible preference shares	0.86	0.86
(D) Retained earnings		
Opening balance	407.24	292.60
Add: Retained earnings on business combination [refer note 36]	-	5.02
Add: Net profit for the year	119.37	108.96
Add: Item of OCI for the year, net of tax	0.73	0.66
Closing balance	527.34	407.24
(E) Money received against share warrants		
Opening balance	35.00	75.00
Less: Forfeiture of share warrants [refer note 49(i)]	(7.5)	-
Less: Shares issued during the year [refer note 49]	(27.5)	(40)
Closing balance	-	35.00

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

(Amounts in Rs. cr, unless otherwise stated)

	As at March 31, 2026	As at March 31, 2025 (Restated - refer note 36)
(F) Employee stock option plan		
Opening balance	-	-
Add: Issued during the year	5.37	-
Closing balance	5.37	-
(G) Shares pending issuance		
Opening balance	0.34	-
Add: Issued during the year [refer note 36(a)]	-	0.34
Closing balance	0.34	0.34
Total other equity	1,064.03	858.11

16 (a) NON-CURRENT BORROWINGS

	As at March 31, 2026	As at March 31, 2025 (Restated - refer note 36)
Secured		
Term loan		
From banks	417.33	406.27
From others	14.47	29.55
Vehicle Loan		
From bank	0.38	0.57
Unsecured		
Liability component of compound financial instruments		
9% redeemable non cumulative non convertible preference shares*	1.00	0.91
Less: Current maturities of long term borrowings [refer note 16(b)]	(69.09)	(72.78)
Total non-current borrowings	364.09	364.52

Movement in redeemable preference shares during the year

	As at March 31, 2026	As at March 31, 2025 (Restated - refer note 36)
Opening balance	0.91	0.83
Add: Accrued interest (refer note 27)	0.09	0.08
Closing balance	1.00	0.91

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

(Amounts in Rs. cr, unless otherwise stated)

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 7.75% to 10.50%	Repayable in monthly and quarterly instalments
Term loan from others	Ranging from 8.50% to 9.50%	Repayable in quarterly instalments
Vehicle loan from Bank	8.00%	Repayable in monthly instalments
Non current, unsecured borrowings		
Redeemable non cumulative non convertible preference shares*	9.00%	Redeemable not later than 19 years from the date of issue i.e. September 27, 2012.

* The Company has authorised redeemable non cumulative non convertible preference shares of Rs. 2.00 cr, of which the Company has issued preference shares amounting to Rs. 1.60 cr (previous year Rs.1.60 cr) to V.S. Dempo Holdings Pvt Ltd. Dividend if any declared is payable in Indian Rupees. During the year ended March 31, 2026, the amount of per share dividend recognised as distributions to preference shareholders was Nil (March 31, 2025: Nil).

B) Nature of security:

For term loan from banks

- Has been secured by charge on the current and future land and building and Plant and machinery of Hyderabad factory, by exclusive charge on the movable fixed assets and intangible assets including insurance assets and land and building of the Baddi factory of the Company and Exclusive charge on entire plant and machinery located at Nasik Plant.
- Has been secured by exclusive charge over the current assets of the Baddi factory of the Company.
- Has been secured by personal guarantee of Mr Sameer Kothari on Hyderabad, Baddi and Nashik Factory

For term loan from others

- Term loan from has been secured by charge on the entire movable and immovable fixed assets of the HFL Healthcare and Wellness Private Limited and Company and current assets of the HFL Healthcare and Wellness Private Limited.

For vehicle loan

- Vehicle loan 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 31st March 2026.

- The Bank loans contain certain debt covenants relating to limitation on indebtedness, debt-equity ratio, current ratio, net Borrowings to EBITDA ratio and debt service coverage ratio. The limitation on indebtedness covenant gets suspended if the Company meets certain prescribed criteria. The Company has also satisfied all other debt covenants prescribed in the terms of bank loan.

- 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, 2026 (CONTD.)

(Amounts in Rs. cr, unless otherwise stated)

16 (b) CURRENT BORROWINGS

	As at March 31, 2026	As at March 31, 2025 (Restated - refer note 36)
Secured		
From banks		
Cash credits	134.52	68.80
Current maturities of long term borrowings [refer note 16 (a)]	69.09	72.78
Total current borrowings	203.61	141.58

A) Terms of current borrowing are as under

Particulars	Rate of interest (p.a)	Repayment terms
Current, secured borrowings	Ranging from 7.75% to 10.50%	Repayable on demand

B) Nature of security:

- 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.
- 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 plant and machinery of the Hyderabad factory and exclusive charge on land and building of Hyderabad factory.
- Cash credit from IDFC bank has been secured by exclusive charge on the movable fixed assets and intangible assets including insurance assets and land and building of the Baddi factory of the Company and exclusive charge over the current assets of the Baddi factory of the Company.

C) Period and amount of default:

The Company has made no defaults in the payment of principal or interest during the year ended March 31, 2026.

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

17 PROVISIONS

	As at March 31, 2026		As at March 31, 2025 (Restated - refer note 36)	
	Non- current	Current	Non- current	Current
Provision for employee benefits (refer note 34)				
- Provision for gratuity (unfunded)	12.36	1.04	9.00	0.60
- Leave encashment (unfunded)	4.78	0.52	2.81	0.28
Total Provisions	17.14	1.56	11.81	0.88

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

(Amounts in Rs. cr, unless otherwise stated)

18 TRADE PAYABLES

	As at March 31, 2026	As at March 31, 2025 (Restated - refer note 36)
Total outstanding dues of micro enterprises and small enterprises	0.03	0.02
Total outstanding dues of creditors other than micro enterprises and small enterprises *	498.88	412.16
Total trade payables	498.91	412.18

* Refer note 37 for trade payables to related party and note 45(b) for supplier finance arrangements.

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

Particulars	As at March 31, 2026	As at March 31, 2025 (Restated - refer note 36)
(a) Amount remaining unpaid to any supplier at the end of each accounting year:		
Principal	0.03	0.02
Interest	-	0.00*
Total	0.03	0.02
(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.	-	0.00*
(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.	-	-

* Amount below rounding off norms

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

(Amounts in Rs. cr, unless otherwise stated)

Trade Payables ageing schedule

As at March 31, 2026

Particulars	Unbilled dues	Payables Not Due	Outstanding for following periods from due date of Payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	0.03	-	-	-	-	0.03
(ii) Disputed dues – MSME	-	-	-	-	-	-	-
(iii) Others	9.12	291.74	192.31	2.64	0.65	2.42	498.88
(iv) Disputed dues - Others	-	-	-	-	-	-	-
	9.12	291.78	192.30	2.64	0.65	2.42	498.91

As at March 31, 2025 (Restated - refer note 36)

Particulars	Unbilled dues	Payables Not Due	Outstanding for following periods from due date of Payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	0.02	-	-	-	-	0.02
(ii) Disputed dues – MSME	-	-	-	-	-	-	-
(iii) Others	6.76	257.81	141.91	2.01	0.64	3.03	412.16
(iv) Disputed dues - Others	-	-	-	-	-	-	-
	6.76	257.83	141.91	2.01	0.64	3.03	412.18

19 OTHER CURRENT FINANCIAL LIABILITIES

	As at March 31, 2026	As at March 31, 2025 (Restated - refer note 36)
Other financial liabilities at amortised cost		
Security deposit received	0.16	0.19
Employee related payable	12.21	10.12
Other Payables	-	0.26
Capital creditors	48.33	18.01
Total other financial liabilities	60.70	28.58

20 OTHER NON-CURRENT AND CURRENT LIABILITIES

	As at March 31, 2026		As at March 31, 2025 (Restated - refer note 36)	
	Non- current	Current	Non- current	Current
Statutory dues payable	-	8.98	-	3.31
Advance from customers	-	4.87	-	20.52
Other payables*	-	10.08	-	1.20
Security deposit received	27.80	0.72	-	0.85
Total non-current and current liabilities	27.80	24.65	-	25.88

* Includes other payable to related party (refer note 37)

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

(Amounts in Rs. cr, unless otherwise stated)

21 CURRENT TAX LIABILITIES

	As at March 31, 2026	As at March 31, 2025 (Restated - refer note 36)
Current tax payable (net)	11.63	14.36
Total current income tax liabilities	11.63	14.36

22 REVENUE FROM OPERATIONS

	Year ended March 31, 2026	Year ended March 31, 2025 (Restated - refer note 36)
Revenue from contracts with customers:		
- Sale of products*	3,173.92	2,761.94
- Sale of services	94.51	38.99
Total (A)	3,268.43	2,800.93
Other operating revenue		
- Export incentive	3.02	2.99
- Scrap sales	3.12	3.29
- Trial charges	1.05	0.98
Total (B)	7.19	7.26
Total revenue from operations (A)+(B)	3,275.62	2,808.19

* Refer note 37 for related party transactions.

A. Disaggregation of revenue from contracts with customers

In the following table, revenue is disaggregated by major product and service lines.

	Year ended March 31, 2026	Year ended March 31, 2025 (Restated - refer note 36)
- Sale of products - contract manufacturing	3,173.92	2,761.94
- Sale of services	94.51	38.99
Total	3,268.43	2,800.93
Geographic revenue		
- India	3,177.28	2,720.51
- Rest of the world	91.15	80.42
Total	3,268.43	2,800.93

All revenue from operations is recognised at a point in time.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

(Amounts in Rs. cr, unless otherwise stated)

B. Trade receivables and contract balances

The following table provides information about receivables, contract assets and current liabilities from contracts with customers:

	Year ended March 31, 2026	Year ended March 31, 2025 (Restated - refer note 36)
Receivables, which are included in trade receivables *	186.63	135.48
Unbilled revenue	125.77	81.03
Advances from customers ^	4.87	20.52
Total	317.27	237.03

* 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, 2026.

C. Transaction price allocated to the remaining performance obligation

There are no unsatisfied long-term contracts/performance obligation that have impact on financial statements.

The Company applies the practical expedient in paragraph 121 of Ind AS 115 and does not disclose information about remaining performance obligations that have original expected durations of one year or less.

D. Reconciliation of contract price with revenue during the year

	Year ended March 31, 2026	Year ended March 31, 2025 (Restated - refer note 36)
Revenue as per contract price	3,269.46	2,801.98
Adjustment for discounts/others	(1.03)	(1.05)
Revenue from contract with customer	3,268.43	2,800.93

23 OTHER INCOME

	Year ended March 31, 2026	Year ended March 31, 2025 (Restated - refer note 36)
Interest income on fixed deposits	4.92	4.91
Interest on loan to related parties (refer note 37)	13.90	10.16
Gain on sale of property, plant and equipment	0.80	-
Interest on loan to others	0.04	0.03
Foreign exchange Gain (net)	1.43	1.61
Liabilities no longer required written back	1.58	0.62
Profit on sale of Investment	-	2.36
Miscellaneous income	0.10	1.41
Total other income	22.77	21.10

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

(Amounts in Rs. cr, unless otherwise stated)

24 COST OF MATERIALS CONSUMED

	Year ended March 31, 2026	Year ended March 31, 2025 (Restated - refer note 36)
Raw material		
Inventories at the beginning of the year	342.68	195.31
Add: Purchases*	2,378.57	2,078.16
Less: Inventories at the end of the year	466.97	342.68
Cost of raw materials consumed	2,254.28	1,930.79
Packaging material		
Inventories at the beginning of the year	47.15	31.38
Add: Purchases*	473.68	422.75
Less: Inventories at the end of the year	40.73	47.15
Cost of packaging materials consumed	480.10	406.98
Total cost of materials consumed	2,734.38	2,337.77

* Refer note 37 for related party transactions.

25 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

	Year ended March 31, 2026	Year ended March 31, 2025 (Restated - refer note 36)
Inventories at the beginning of the year		
- Finished goods	51.94	59.12
- Work-in-progress	123.50	110.15
	175.44	169.27
Less: Inventories at the end of the year		
- Finished goods	53.78	51.94
- Work-in-progress	128.13	123.50
	181.91	175.44
Net increase	(6.47)	(6.17)

26 EMPLOYEE BENEFITS EXPENSE

	Year ended March 31, 2026	Year ended March 31, 2025 (Restated - refer note 36)
Salaries, wages, bonus and other allowances	88.75	72.13
Contribution to provident and other funds (refer note 34)	4.30	3.22
Gratuity expense (refer note 34)	2.44	2.72
Staff welfare expenses	6.40	6.07
Employee share based payment expenses (refer note 38)	0.28	-
Total employee benefits expense	102.17	84.14

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

(Amounts in Rs. cr, unless otherwise stated)

27 FINANCE COSTS

	Year ended March 31, 2026	Year ended March 31, 2025 (Restated - refer note 36)
Interest on borrowing	41.51	41.82
Interest expense on lease Liabilities [refer note 35 (v)]	0.30	0.26
Interest on redeemable non cumulative non convertible preference shares classified as financial liabilities measured at amortised cost	0.09	0.08
Other finance charge	7.49	4.70
Total finance costs	49.39	46.86

28 DEPRECIATION AND AMORTISATION EXPENSE

	Year ended March 31, 2026	Year ended March 31, 2025 (Restated - refer note 36)
Depreciation of property, plant and equipment [refer note 4 (a)]	50.81	44.60
Depreciation of right of use assets [refer note 4 (a)]	1.07	1.04
Amortisation of other intangible assets [refer note 5 (b)]	0.42	0.26
Total depreciation and amortisation expense	52.30	45.90

29 MANUFACTURING AND OPERATING COSTS

	Year ended March 31, 2026	Year ended March 31, 2025 (Restated - refer note 36)
Job work expenses	19.71	21.34
Power, fuel & electricity	54.03	40.58
Repairs and maintenance - plant & machinery	7.85	7.59
Repairs and maintenance - others	5.55	4.18
Contract labour charges	55.86	48.13
Other manufacturing expenses	6.30	4.45
Total manufacturing and operating costs	149.30	126.27

30 OTHER EXPENSES

	Year ended March 31, 2026	Year ended March 31, 2025 (Restated - refer note 36)
Stores and spares consumed	11.56	8.93
Insurance	4.78	3.90
Rent [refer note 35 (v) and 37]	4.02	2.23
Rates and taxes	1.40	2.40
Carriage and freight	6.95	10.15

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

(Amounts in Rs. cr, unless otherwise stated)

	Year ended March 31, 2026	Year ended March 31, 2025 (Restated - refer note 36)
Travel and conveyance	3.28	3.32
Postage and courier	0.36	0.35
Printing & stationery	0.65	0.65
Legal and professional charges	5.85	5.87
Advertisement	0.17	0.03
Commission	0.01	-
Provision for doubtful debts	0.25	-
Provision for doubtful advances	0.30	-
Corporate social responsibility expenditure (refer note 43)	2.22	1.71
Security charges	4.64	4.19
Bank charges	0.06	0.35
Auditors remuneration [refer note (a) below]	0.53	0.45
Director's sitting fees (refer note 37)	0.16	0.23
Miscellaneous expenses	5.11	3.87
Total other expenses	52.30	48.63

Note (a) Auditors remuneration (excluding GST)	Year ended March 31, 2026	Year ended March 31, 2025 (Restated - refer note 36)
As auditor:		
Statutory audit	0.32	0.30
Limited review fees	0.17	0.14
In other capacity:		
Other matters	0.04	0.01
Total	0.53	0.45

31 INCOME TAX AND DEFERRED TAX

A) Tax expense charged to the statement of profit or loss

	Year ended March 31, 2026	Year ended March 31, 2025 (Restated - refer note 36)
Current tax	38.24	35.18
Deferred tax charge	3.04	1.75
Tax expense reported in the statement of profit or loss	41.28	36.93

B) Tax expense charged to OCI

	Year ended March 31, 2026	Year ended March 31, 2025 (Restated - refer note 36)
Net gain on remeasurements of defined benefit plans	(0.24)	(0.22)
Tax expense charged to OCI	(0.24)	(0.22)

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

(Amounts in Rs. cr, unless otherwise stated)

C) Reconciliation of tax charge

	Year ended March 31, 2026	Year ended March 31, 2025 (Restated - refer note 36)
Profit before tax	160.65	145.89
Enacted income tax rate in India applicable to the Company	25.17%	25.17%
Income tax expense at tax rates applicable	40.42	36.72
Tax effects of items that are not deductible in determining taxable income:		
CSR expenditure and donations	0.56	0.43
Interest on Income tax paid	0.27	-
Due to change in Income tax rate of merged Nashik unit of Avalon Cosmetics Private Limited	-	(0.29)
Others	0.03	0.07
Income tax expense	41.28	36.93

D) Deferred tax relates to the following:

	As at March 31, 2026	As at March 31, 2025 (Restated - refer note 36)
Deferred tax assets		
On provision for employee benefits	5.52	3.58
Provision for doubtful debts	0.21	0.10
Provision for doubtful advance	0.21	0.18
On Others	0.06	0.06
	6.00	3.92
Deferred tax liabilities		
On property, plant and equipment	41.21	36.30
On unamortised processing cost	0.46	0.50
On lease liabilities (net)	1.03	1.04
	42.70	37.84
Deferred tax liabilities net	(36.70)	(33.92)
Deferred tax assets on merger of Nashik unit of Avalon Cosmetics Private Limited [refer note 36(a)]	-	0.26
Deferred tax liability, net	(36.70)	(33.66)

E) Deferred tax liabilities to be recognised in statement of profit and loss

	Year ended March 31, 2026	Year ended March 31, 2025 (Restated - refer note 36)
Deferred tax liabilities, net	(36.70)	(33.66)
Deferred tax on amalgamation of VCIPL [refer note 36(b)]	-	(0.01)
Deferred tax assets on merger of Nashik unit of Avalon Cosmetics Private Limited [refer note 36(a)]	-	(0.26)

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

(Amounts in Rs. cr, unless otherwise stated)

	Year ended March 31, 2026	Year ended March 31, 2025 (Restated - refer note 36)
Less: Opening deferred tax liabilities	33.66	32.18
Deferred tax charge for the year	(3.04)	(1.75)
Tax liability recognised in statement of profit and loss	(2.80)	(1.53)
Tax liability recognised in OCI		
On re-measurements gain of post-employment benefit obligations	(0.24)	(0.22)
Total deferred tax charge recognised in the statement of profit and loss	(3.04)	(1.75)

32 EARNINGS PER SHARE

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

	Year ended March 31, 2026	Year ended March 31, 2025 (Restated - refer note 36)
Profit attributable to equity holders	119.37	108.96
Weighted average number of equity shares (in cr) for basic EPS [refer note 36(a)]	12.07	11.70
Weighted average number of equity shares (in cr) for diluted EPS [refer note 36(a)]	12.08	11.70
Basic per share (Rs.)	9.89	9.31
Diluted per share (Rs.)	9.89	9.31

33 CONTINGENT LIABILITIES

	As at March 31, 2026	As at March 31, 2025 (Restated - refer note 36)
Claim for expired goods	0.07	0.07
Letter of Credit issued	-	0.52
Bank Guarantees	1.60	1.63
Financial Guarantee issued on behalf of subsidiary (refer note 37(C))	457.01	341.51
	458.68	343.73
Capital commitments	30.01	52.57

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

(Amounts in Rs. cr, unless otherwise stated)

34 EMPLOYEE BENEFITS

The Company has the following employee benefit plans:

(A) Defined contribution plans

Contribution to Defined Contribution Plans, recognised as expense for the year Rs. 4.30 cr (Previous year Rs. 3.22 cr) (refer note 26)

(B) Defined benefit plans

Gratuity payable to employees

i) Actuarial assumptions

	Year ended March 31, 2026	Year ended March 31, 2025 (Restated - refer note 36)
Discount rate (per annum)	7.25%	6.75%
Rate of increase in Salary	7% -10%	7% -10%
Expected average remaining working lives of employees (years)	22.90	22.90
Attrition rate	2% - 15%	2% - 15%

Mortality in Service: Indian Assured Lives Mortality (2012-14) Ultimate table Authority of India

ii) Changes in the present value of defined benefit obligation

	As at March 31, 2026	As at March 31, 2025 (Restated - refer note 36)
Present value of obligation at the beginning of the year	9.60	10.49
Transfer in/(out) obligation	-	(0.20)
Current service cost	1.81	2.00
Past service cost	3.27	-
Interest cost	0.63	0.72
Benefits paid	(0.94)	(2.53)
Actuarial (gain)/loss on obligations	(0.97)	(0.88)
Present value of obligation at the end of the year	13.40	9.60

iii) Change in the fair value of plan assets:

	As at March 31, 2026	As at March 31, 2025 (Restated - refer note 36)
Opening fair value of plan assets	-	-
Interest income	-	-
Contributions by employer	-	-
Benefits paid	-	-
Actuarial (losses)/gains	-	-
Closing fair value of plan assets	-	-

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

(Amounts in Rs. cr, unless otherwise stated)

iv) Expense recognised in the Statement of Profit and Loss

	March 31, 2026	March 31, 2025 (Restated - refer note 36)
Current service cost	1.81	2.00
Past service cost#	3.27	-
Interest cost	0.63	0.72
Total expenses recognised in the Statement Profit and Loss *	5.71	2.72

*Included in employee benefits expense (refer note 26)

#Past service cost amounting Rs. 3.27 cr is classified in exceptional item (refer note 48)

v) Remeasurement gain recognised in other comprehensive income

	March 31, 2026	March 31, 2025 (Restated - refer note 36)
Actuarial (gain)/loss on obligations due to change in financial assumptions	(0.68)	0.44
Actuarial gain on obligations due to change in experience adjustments	(0.29)	(1.32)
Total remeasurement gain recognised in other comprehensive income	(0.97)	(0.88)

vi) Assets and liabilities recognised in the Balance Sheet:

	As at March 31, 2026	As at March 31, 2025 (Restated - refer note 36)
Present value of obligation	13.40	9.60
Less: fair value of plan assets	-	-
Net liability recognised in Balance Sheet*	13.40	9.60
*Included in provision for employee benefits (refer note 17)		
Non-current	12.36	9.00
Current	1.04	0.60

vii) Expected contribution in the next year

	March 31, 2026	March 31, 2025 (Restated - refer note 36)
Gratuity	1.04	0.60

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

	As at March 31, 2026	As at March 31, 2025 (Restated - refer note 36)
Impact on defined benefit obligation		
Discount rate		
0.5% increase	12.78	9.14
0.5% decrease	14.09	10.13

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

(Amounts in Rs. cr, unless otherwise stated)

	As at March 31, 2026	As at March 31, 2025 (Restated - refer note 36)
Rate of increase in salary		
0.5% increase	14.02	10.08
0.5% decrease	12.83	9.18
Withdrawal rate		
110% change	13.34	9.55
90% change	13.48	9.68

ix) Maturity profile of defined benefit obligation

Year	As at March 31, 2026	As at March 31, 2025 (Restated - refer note 36)
Apr 2025- Mar 2026	-	0.60
Apr 2026- Mar 2027	1.04	0.51
Apr 2027- Mar 2028	0.75	0.60
Apr 2028- Mar 2029	0.85	0.59
Apr 2029- Mar 2030	1.04	0.85
Apr 2030- Mar 2031	0.92	-
Apr 2030 onwards	-	3.61
Apr 2031 onwards	5.94	-

(C) Other long term employee benefit obligation

Leave entitlement

Employee Benefit expenses for the year include Rs. 2.57 cr (includes past service cost of Rs. 1.10 cr (refer note 48)) (Previous year Rs. 1.05 cr) towards leave entitlement.

The liability for leave entitlement is recognised in the same manner as gratuity aggregating Rs. 5.30 cr as at March 31, 2026 (March 31, 2025: Rs. 3.09 cr).

35 LEASES

- (i) For changes in the carrying value of Right-of-use Assets refer note 4 (a)
- (ii) Changes in the Lease liabilities

Particulars	Category of ROU Asset		Total
	Leasehold land	Building	
Balance as at April 01, 2024	1.54	2.77	4.31
Interest	0.06	0.20	0.26
Lease Payments	0.04	1.11	1.15
Balance as at March 31, 2025 (Restated - refer note 36)	1.56	1.86	3.42
Interest	0.18	0.12	0.30
Lease Payments	0.04	0.04	0.08
Balance as at March 31, 2026	1.70	1.94	3.64

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

(Amounts in Rs. cr, unless otherwise stated)

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

Particulars	As at March 31, 2026	As at March 31, 2025 (Restated - refer note 36)
Current Lease Liabilities	1.03	1.07
Non-current Lease Liabilities	2.61	2.35

(iv) Maturity analysis of lease liabilities

Particulars	As at March 31, 2026	As at March 31, 2025 (Restated - refer note 36)
Less than one year	1.31	1.21
One to five years	1.05	1.06
More than five years	25.77	13.12
Total	28.13	15.39

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

Particulars	Year ended March 31, 2026	Year ended March 31, 2025 (Restated - refer note 36)
Interest on Lease Liabilities	0.30	0.26
Depreciation of right of use assets	1.07	1.04
Short-term and low value leases expensed	4.02	2.23
Total	5.39	3.53

(vi) Amounts recognised in statement of Cash Flows

Particulars	Year ended March 31, 2026	Year ended March 31, 2025 (Restated - refer note 36)
Total Cash outflow for leases	(0.08)	(1.15)

36 BUSINESS COMBINATIONS DURING CURRENT YEAR

36 (a) Merger Information - Nashik 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 Nashik Manufacturing Unit of Avalon Cosmetics Private Limited ('Avalon Cosmetics') with the Company was approved by the Hon'ble National Company Law Tribunal (Mumbai Bench) vide its order dated February 25, 2026 ("the NCLT Order"). The Certified copy of the NCLT Order was filed with Registrar of Companies on March 31, 2026. Consequently, the Scheme become operative from closing of business hours on March 31, 2026 and effective from April 01, 2024 i.e. appointed date.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

(Amounts in Rs. cr, unless otherwise stated)

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 financial statements of the Company for the year ended March 31, 2025 included in this statement have been restated to give effect to the Scheme. All the assets and liabilities of Nashik Manufacturing unit of Avalon Cosmetics have been transferred to and vested in the Company at its carrying value w.e.f. April 01, 2024 and amount Rs. 0.34 cr is recorded as debit to the capital reserve on account of the Scheme. In consideration of business combination, the Company will allot 16,80,939 equity shares Rs. 2 each credited as fully paid-up shares of the 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 01, 2024.

Pursuant to the business combination between Nashik Manufacturing Unit of Avalon Cosmetics and the Company with effect from April 01, 2024, the profit attributable to the equity shareholders for the comparative year has been restated to include the figures of Nashik Manufacturing unit of Avalon Cosmetics. Accordingly, as per the requirement of the IND AS 33 'Earnings Share', the Basic and Diluted earnings per share of the comparative year has 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 has been restated owing to the said business combination"

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

(All amounts in Rs. cr, unless otherwise stated)	
Particulars	Amount
A) Assets acquired on April 01, 2024	
Property, plant and equipment	5.13
Trade receivables	1.26
Cash and cash equivalents	0.26
Other current financial assets	1.17
Deferred tax assets (net)	0.26
Other current assets	0.33
Total Assets acquired (A)	8.41
B) Liabilities assumed on April 01, 2024	
Other equity*	3.70
Provisions- Non Current	0.66
Trade payables	3.80
Other current financial liabilities	0.13
Other current liabilities	0.12
Total Liabilities Assumed (B)	8.41
Net Assets acquired (A-B)	-
Less: Shares pending issuance	(0.34)
Net assets acquired transferred to capital reserve	(0.34)

*Other equity includes Retained earnings of Rs. 3.70 cr.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

(Amounts in Rs. cr, unless otherwise stated)

(b) Amalgamation Information - Vanity Case India Private Limited ('VCIPL')

- (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 amalgamation of Vanity Case India Private Limited ('VCIPL') with the Company was approved by the Hon'ble National Company Law Tribunal (Mumbai Bench) vide its order dated February 25, 2026 ("the NCLT Order"). The Certified copy of the NCLT Order was filed with Registrar of Companies on March 31, 2026. Consequently, the Scheme become operative from Closing of business hours on March 31, 2026 and effective from the appointed date.

The said business combination has been accounted in accordance with the above scheme and previously issued financial statements of the Company for the year ended March 31, 2025 included in this statement have been restated to give effect to the Scheme. W.e.f. April 01, 2024 all the assets and liabilities of Vanity Case India Private Limited ('VCIPL') have been transferred to and vested in the Company at its carrying value which is approximately the fair value and amount Rs. 1.21 cr is recorded as retained earnings on account of the Scheme. In consideration of amalgamation, the Company will allot 46,458,145 equity shares Rs. 2 each credited as fully paid up shares of the Company to the shareholders of VCIPL for each equity share in proportion to their holding in VCIPL.

Pursuant to the amalgamation between VCIPL and the Company with effect from April 01, 2024, the profit attributable to the equity shareholders for the comparative year has been restated to include the figures of VCIPL. Accordingly, the current tax and deferred tax amounts in the comparative year has been restated owing to the said amalgamation.

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

(All amounts in Rs. cr, unless otherwise stated)	
Particulars	Amount
A) Assets acquired on April 01, 2024	
Investment	19.07
Trade receivables	0.84
Cash and cash equivalents	0.03
Other financial assets	0.01
Deferred tax assets	0.01
Total Assets acquired (A)	19.96
B) Liabilities assumed on April 1, 2024	
Other equity*	18.78
Borrowings	0.48
Trade payables	0.45
Other current liabilities	0.01
Total Liabilities Assumed (B)	19.72
Net Assets acquired (A-B)	0.24
Goodwill acquired from consolidation of HFL and VCIPL#	19.70
Net Assets acquired after Goodwill	19.94
Less: Sale of investment	(18.73)
Net assets acquired transferred to retained earnings	1.21

*Other equity includes securities premium of Rs. 16.48 cr, Retained earnings of Rs. 0.11 cr and Capital reserve of Rs. 2.19 cr.

This pertains to the goodwill that is reflected in the Consolidated financial statements of VCIPL in relation to the goodwill on investment in the Company

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

(Amounts in Rs. cr, unless otherwise stated)

(iv) Acquisition related cost

The Company has incurred an aggregate of Rs. 0.58 cr during the year ended March 31, 2026 towards merger of Nashik Manufacturing Unit of Avalon Cosmetics Private Limited and amalgamation of Vanity Case India 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.

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 (upto March 31, 2026)

Entity under common control

V.S.Dempo Holdings Private Limited

Avalon Cosmetics Private Limited

Adonia Cosmetics Private Limited

Mahak Cosmetics and Credit Private Limited

Christine Valmy Institute Private Limited

Allies Logistics Private Limited

Firm in which Directors of Company or their relatives are Partner

M/s Shivom Industries

M/s Athene Laboratories

M/s Sundaram Cosmetics (upto February 24, 2025)

M/s Galaxy Healthcare Products (upto March 12, 2026)

M/s Spans Healthcare

Subsidiary

HFL Consumer Products Private Limited

Aero Care Personal Products LLP

HFL Multiproducts Private Limited

KNS Shoetech Private Limited

HFL Healthcare and Wellness Private Limited

Associate

Asar Green Kabadi Private Limited (with effect from August 21, 2025)

Employee Benefit Trust

Hindustan Foods Management Staff Superannuation Fund Trust

Key Management Personnel (KMP)

Sameer Kothari Managing Director

Ganesh Argekar Executive Director, Whole-Time Director

Mayank Samdani Chief Financial Officer and Group CFO

Bankim Purohit Company Secretary and Legal Head

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

(Amounts in Rs. cr, unless otherwise stated)

Non-executive Directors

Shashi Kalathil Independent Non-Executive Director

Shrinivas Dempo Non-Independent Non-Executive Director

Nikhil Vora Non-Independent Non-Executive Director

Honey Vazirani Independent Non-Executive Director

Neeraj Chandra Independent Non-Executive Director

Sarvjit Singh Bedi Non-Independent Non-Executive Director (upto September 18, 2024)

Sandeep Mehta Independent Non-Executive Director (upto August 08, 2024)

Amruta Adukia Non-Independent Non-Executive Director (upto February 12, 2025)

Relatives of Directors

Asha R Kothari Relative of Managing Director

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

	Year ended March 31, 2026	Year ended March 31, 2025 (Restated - refer note 36)
(i) Corporate guarantee given		
Aero Care Personal Products LLP	-	30.00
HFL Consumer Products Private Limited	141.83	36.17
HFL Multiproducts Private Limited	-	26.56
KNS Shoetech Private Limited	0.14	95.85
(ii) Interest on loans given		
HFL Consumer Products Private Limited	5.82	4.30
HFL Healthcare and Wellness Private Limited	0.51	0.26
HFL Multiproducts Private Limited	2.71	2.00
KNS Shoetech Private Limited	4.86	3.60
(iii) Investment in shares		
Asar Green Kabadi Private Limited	5.00	-
KNS Shoetech Private Limited	-	43.00
(iv) Loan given		
HFL Consumer Products Private Limited	351.37	111.66
HFL Healthcare and Wellness Private Limited	7.12	9.05
HFL Multiproducts Private Limited	20.47	55.10
KNS Shoetech Private Limited	172.20	80.75
(v) Loans Repaid		
HFL Consumer Products Private Limited	294.25	120.80
HFL Healthcare and Wellness Private Limited	5.13	3.79
HFL Multiproducts Private Limited	16.71	31.28
KNS Shoetech Private Limited	149.98	90.54

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

(Amounts in Rs. cr, unless otherwise stated)

	Year ended March 31, 2026	Year ended March 31, 2025 (Restated - refer note 36)
(vi) Employee stock options granted to employees of subsidiaries		
HFL Healthcare and Wellness Private Limited	0.04	-
KNS Shoetech Private Limited	5.06	-
(vii) Purchase of Export Incentive Licence		
HFL Healthcare and Wellness Private Limited	0.28	0.11
(viii) Purchase of materials		
Aero Care Personal Products LLP	-	0.00*
HFL Consumer Products Private Limited	0.66	-
HFL Healthcare and Wellness Private Limited	0.18	0.56
KNS Shoetech Private Limited	4.73	4.08
HFL Multiproducts Private Limited	0.01	-
Shivom Industries	-	0.00*
Spans Healthcare	11.51	12.20
(ix) Purchase of property, plant and equipment		
Avalon Cosmetics Private Limited	-	0.01
HFL Healthcare and Wellness Private Limited	0.05	-
KNS Shoetech Private Limited	-	0.02
(x) Purchase of spares		
Avalon Cosmetics Private Limited	-	0.00*
(xi) Recharge of salaries to Company		
HFL Consumer Products Private Limited	1.10	-
HFL Multiproducts Private Limited	-	0.54
(xii) Reimbursement of expenses		
Aero Care Personal Products LLP	0.54	1.76
Avalon Cosmetics Private Limited	10.08	0.01
Christine Valmy Institute Private Limited	-	0.02
HFL Consumer Products Private Limited	0.71	2.03
HFL Healthcare and Wellness Private Limited	0.07	0.01
HFL Multiproducts Private Limited	0.56	1.31
KNS Shoetech Private Limited	4.38	28.69
Shivom Industries	0.02	-
(xiii) Rent paid		
Athene Laboratories	0.75	0.65
(xiv) Sale of property, plant and equipment		
Adonia Cosmetics Private Limited	-	0.00*
Avalon Cosmetics Private Limited	-	0.03
HFL Healthcare and Wellness Private Limited	-	0.07
KNS Shoetech Private Limited	0.03	-
HFL Multiproducts Private Limited	-	0.06

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

(Amounts in Rs. cr, unless otherwise stated)

	Year ended March 31, 2026	Year ended March 31, 2025 (Restated - refer note 36)
(xv) Sale of goods		
Adonia Cosmetics Private Limited	0.00*	0.00*
Athene Laboratories	0.00*	0.00*
Christine Valmy Institute Private Limited	-	0.00*
HFL Healthcare and Wellness Private Limited	0.42	0.39
KNS Shoetech Private Limited	3.98	3.54
Shivom Industries	0.19	0.00*
(xvi) Sitting fees		
Shrinivas Dempo	0.02	0.03
Sandeep Mehta	-	0.01
Shashi K. Kalathil	0.05	0.06
Honey Vazirani	0.04	0.06
Nikhil K Vora	0.02	0.03
Neeraj Chandra	0.03	0.04
(xvii) Compensation of key management personnel		
Sameer Kothari	4.49	4.25
Ganesh Argekar	1.40	1.25
Mayank Samdani	1.11	1.00
Bankim Purohit	0.34	0.30

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

	As at March 31, 2026	As at March 31, 2025 (Restated - refer note 36)
(i) Financial guarantee given		
Aero Care Personal Products LLP	35.09	38.02
HFL Consumer Products Private Limited	294.01	167.71
HFL Multiproducts Private Limited	37.11	39.93
KNS Shoetech Private Limited	90.80	95.85
(ii) Investment in shares		
HFL Consumer Products Private Limited	0.01	0.01
HFL Healthcare and Wellness Private Limited	73.49	73.49
HFL Multiproducts Private Limited	0.01	0.01
KNS Shoetech Private Limited	46.72	46.72
Asar Green Kabadi Private Limited	5.00	-
(iii) Investment in Capital		
Aero Care Personal Products LLP	6.90	6.90

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

(Amounts in Rs. cr, unless otherwise stated)

	As at March 31, 2026	As at March 31, 2025 (Restated - refer note 36)
(iv) Loans given		
HFL Consumer Products Private Limited	99.57	42.45
HFL Healthcare and Wellness Private Limited	7.56	5.57
HFL Multiproducts Private Limited	33.89	30.13
KNS Shoetech Private Limited	56.98	34.76
(v) Other Payables		
Aero Care Personal Products LLP	-	0.26
Avalon Cosmetics Private Limited	10.08	-
(vi) Other receivables		
Christine Valmy Institute Private Limited	-	0.01
HFL Multiproducts Private Limited	-	0.01
(vii) Remuneration payable		
Sameer Kothari	1.65	1.74
(viii) Security deposit given		
Athene Laboratories	0.42	0.42
(ix) Employee stock options granted to employees of subsidiaries		
HFL Healthcare and Wellness Private Limited	0.04	-
KNS Shoetech Private Limited	5.06	-
(x) Trade payables		
Spans Healthcare	2.17	2.82

* Amount below rounding off norms

^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.

(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, 2026, has provided corporate guarantee to the bank of subsidiaries amounting upto Rs. 141.97 cr (March 31, 2025: 188.59 cr). The Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2025: 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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

(Amounts in Rs. cr, unless otherwise stated)

38 SHARE - BASED PAYMENTS

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

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

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

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

	Year ended March 31, 2026		Year ended March 31, 2025 (Restated - refer note 36)	
	Weighted average exercise price (in Rs.)	Number of options	Weighted average exercise price (in Rs.)	Number of options
Opening as at beginning of the year	-	-	-	-
Granted during the year	2.00	1,47,100	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Lapsed during the year	-	-	-	-
Outstanding as at the closing of the year	2.00	1,47,100	-	-

Of the total number of options outstanding at March 31, 2026, no options had vested and were exercisable during the year ended March 31, 2026.

The weighted average fair value of each option granted during the year was Rs.539.77 per option.

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

Particulars	Year ended March 31, 2026	Year ended March 31, 2025 (Restated - refer note 36)
Equity settled		
Option pricing model used	Black Scholes Model	-
Weighted average share price at grant date (in Rs.)	541.65	-
Exercise price (in Rs.)	2	-
Weighted average contractual life (in days)	365	-
Equity and cash settled		
Expected volatility	32.15%	-
Risk-free interest rate	6.36%	-

(C) Expense recognised in the profit and loss (Note 26)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025 (Restated - refer note 36)
Equity settled scheme	0.27	-
	0.27	-

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

(Amounts in Rs. cr, unless otherwise stated)

39 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.

40 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 and other financial assets.

The carrying value and fair value of financial instruments by categories as at March 31, 2026 were as follows

Particulars	Note	Amortised Cost	Fair value through profit or loss	Fair value through OCI	Total fair value	Total carrying value
Financial assets						
Investment in equity shares	10	-	-	0.30	0.30	0.30
Other Non Current Financial Assets	7	18.63	-	-	-	18.63
Other Current Financial Assets	7	152.37	-	-	-	152.37
Trade receivable	11	186.63	-	-	-	186.63
Cash and cash equivalents	12	13.18	-	-	-	13.18
Bank balances other than cash and cash equivalents	13	15.84	-	-	-	15.84
Loan	6	198.00	-	-	-	198.00
		584.65	-	0.30	0.30	584.95
Financial liabilities						
Non current Borrowings	16(a)	364.09	-	-	-	364.09
Current Borrowings	16(b)	203.61	-	-	-	203.61
Non-current and Current lease liabilities	35	3.64	-	-	-	3.64
Other current financial liabilities	19	60.70	-	-	-	60.70
Trade payables	18	498.91	-	-	-	498.91
		1,130.95	-	-	-	1,130.95

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

(Amounts in Rs. cr, unless otherwise stated)

The carrying value and fair value of financial instruments by categories as at March 31, 2025 (Restated - refer note 36) were as follows

Particulars	Note	Amortised Cost	Fair value through profit or loss	Fair value through OCI	Total fair value	Total carrying value
Financial assets						
Other Non Current Financial Assets	7	19.30	-	-	-	19.30
Other Current Financial Assets	7	146.47	-	-	-	146.47
Trade receivable	11	135.48	-	-	-	135.48
Cash and cash equivalents	12	45.77	-	-	-	45.77
Bank balances other than cash and cash equivalents	13	6.63	-	-	-	6.63
Loan	6	113.91	-	-	-	113.91
		467.56	-	-	-	467.56
Financial liabilities						
Non current Borrowings	16(a)	364.52	-	-	-	364.52
Current Borrowings	16(b)	141.58	-	-	-	141.58
Non-current and Current lease liabilities	35	3.42	-	-	-	3.42
Other current financial liabilities	19	28.58	-	-	-	28.58
Trade payables	18	412.18	-	-	-	412.18
		950.28	-	-	-	950.28

41 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.

	As at March 31, 2026	As at March 31, 2025 (Restated - refer note 36)
Fair value measurement hierarchy of assets		
Level 3		
Financial assets measured at FVTOCI		
Investments in 3,06,361 (March 31, 2025 2,441) Equity Shares of Rs. 10 each fully paid up in Transition Sustainable Energy Services One Private Limited	0.30	-

Management has assessed that Cash and cash equivalents, Other balances with banks, Loans, Trade receivables, Other financial assets, Short term Borrowings, Trade payables and Other financial liabilities carried at amortised cost approximate their carrying amounts largely due to the short-term maturities of these instruments.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

(Amounts in Rs. cr, unless otherwise stated)

42 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
2026		
Rs.	+50	(2.83)
Rs.	(50)	2.83
	Increase/decrease in basis points	Effect on profit before tax
2025 (Restated - refer note 36)		
Rs.	+50	(2.53)
Rs.	(50)	2.53

(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).

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

(Amounts in Rs. cr, unless otherwise stated)

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

Particulars		As at March 31, 2026		As at March 31, 2025 (Restated - refer note 36)	
		Foreign currency in cr	Rs. in cr	Foreign currency in cr	Rs. in cr
Trade receivables	EURO	0.01	1.29	0.02	1.97
	USD	0.07	6.30	0.03	2.15
Cash & cash equivalents	EURO	0.00	0.01	0.01	1.01
	USD	0.00	0.02		
Trade Payables	EURO	-	-	0.00	0.18
	GBP	0.00	0.29	-	-
Capital creditors	EURO	0.18	19.48	-	-

Foreign currency sensitivity

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

Particulars	Effect on profit- total gain/(loss)			
	5% increase in exchange rate		5% decrease in exchange rate	
	As at March 31, 2026	As at March 31, 2025 (Restated - refer note 36)	As at March 31, 2026	As at March 31, 2025 (Restated - refer note 36)
Trade receivable	0.38	0.21	(0.38)	(0.21)
Cash & cash equivalents	0.00	0.05	(0.00)	(0.05)
Trade payables	(0.01)	(0.01)	0.01	0.01
Capital creditors	(0.97)	0.00	0.97	0.00
	(0.61)	0.25	0.61	(0.25)

(B) Credit risk

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

The Company measures the expected credit loss of trade receivables from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, loss on collection of receivable is not material hence no additional provision considered.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

(Amounts in Rs. cr, unless otherwise stated)

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

	As at March 31, 2026	As at March 31, 2025 (Restated - refer note 36)
Not due	102.82	77.22
Less than 6 months	83.81	58.04
6 months to 12 months	-	0.22
	186.63	135.48

* Amount below rounding off norms

(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:

	Less than 1 year	More than 1 year	Total
As at March 31, 2026			
Long-term borrowings	-	364.09	364.09
Short term borrowings	203.61	-	203.61
Trade payables	498.91	-	498.91
Lease Liability	1.03	2.61	3.64
Other financial liability	60.70	-	60.70
	764.25	366.70	1,130.95
	Less than 1 year	More than 1 year	Total
As at March 31, 2025 (Restated - refer note 36)			
Long-term borrowings	-	364.52	364.52
Short term borrowings	141.58	-	141.58
Trade payables	412.18	-	412.18
Lease Liability	1.07	2.35	3.42
Other financial liability	28.58	-	28.58
	583.41	366.87	950.28

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

(Amounts in Rs. cr, unless otherwise stated)

43 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.

	Year ended March 31, 2026	Year ended March 31, 2025 (Restated - refer note 36)
Gross amount required to be spent:	2.22	1.80
Add: Amount Unspent from previous years*	-	-
Total Gross amount required to be spent during the year	2.22	1.80
Amount approved by the Board to be spent during the year	2.22	1.80
Amount spent during the year	2.22	1.71
	Year ended March 31, 2026	Year ended March 31, 2025 (Restated - refer note 36)
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	2.22	1.71
	2.22	1.71
Less: Amount capitalised as corporate social responsibility assets	-	-
Excess amount spent in previous years set off in current year	-	0.09
Provision for unspent CSR amount	-	-
	2.22	1.80

During the year ended March 31, 2026, the Company has spent Rs. 2.22 cr on activities for promoting preventive health care, poverty and malnutrition, promoting education, supporting homeless young women.

During the year ended March 31, 2026, the Company has not incurred any CSR Expenditure with related Party/ contribution made to related party.

44 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 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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

(Amounts in Rs. cr, unless otherwise stated)

		As at March 31, 2026	As at March 31, 2025 (Restated - refer note 36)
Total equity	(i)	1,087.93	881.61
Total borrowings (including liability portion of redeemable non cumulative non convertible preference shares and lease liabilities)		571.34	509.52
Less: cash and cash equivalents		(13.18)	(45.77)
Total debt	(ii)	558.16	463.75
Overall financing	(iii) = (i) + (ii)	1,646.09	1,345.36
Gearing ratio	(ii)/(iii)	0.34	0.34

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2026 and March 31, 2025

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

Particulars	As at March 31, 2025(Restated - refer note 36)	Cash flow changes		Non- cash flow changes	Reclassification*	As at March 31, 2026
		Receipts	Payments			
Non-current borrowings (refer note 16(a))	364.52	84.76	(89.02)	0.09	3.74	364.09
Current borrowings (refer note 16(b))	141.58	65.72	-	0.04	(3.74)	203.61
Total	506.10	150.48	(89.02)	0.13	-	567.70

*Current maturity of long term loan classified in non-current borrowings for cash flow purpose

Refer note 35 for movement in lease liability.

(b) The Company has entered into certain Supplier Finance Arrangements (SFA) with finance providers during the year. The primary objective of these arrangements is to benefit the suppliers with early payments. The Company doesn't provide any collateral or guarantees to the finance provider.

Carrying Amount of Financial Liabilities:

Particulars	As at March 31, 2026	As at March 31, 2025 (Restated - refer note 36)
(i) Financial liabilities classified under 'Trade Payables'	72.82	69.68
(ii) Out of (i), amount received by suppliers from finance providers	72.82	NA

Payment terms with finance providers:

Particulars	As at March 31, 2026
(i) Financial liabilities classified under 'Trade Payables'	30-90 days
(ii) Out of (i), amount received by suppliers from finance providers	30-90 days

The Company has applied transitional relief and accordingly comparative information, wherever applicable, for the above disclosures is not presented in the first year of adoption of the amendment.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

(Amounts in Rs. cr, unless otherwise stated)

46 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

	Year ended March 31, 2026	Year ended March 31, 2025 (Restated - refer note 36)
(i) Loans to subsidiary		
HFL Consumer Products Private Limited		
Balance as at the beginning of the year	42.45	51.60
Loans given during the year	351.37	111.66
Loans repaid during the year	294.25	120.80
Balance as at the end of the year	99.57	42.45
Maximum balance outstanding during the year	116.32	68.36
Rate of interest	8.70%	9.50%
HFL Healthcare and Wellness Private Limited		
Balance as at the beginning of the year	5.57	0.31
Loans given during the year	7.12	9.05
Loans repaid during the year	5.13	3.79
Balance as at the end of the year	7.56	5.57
Maximum balance outstanding during the year	7.56	5.57
Rate of interest	8.70%	9.50%
HFL Multiproducts Private Limited		
Balance as at the beginning of the year	30.13	6.31
Loans given during the year	20.47	55.10
Loans repaid during the year	16.71	31.28
Balance as at the end of the year	33.89	30.13
Maximum balance outstanding during the year	34.00	43.06
Rate of interest	8.70%	9.50%
KNS Shoetech Private Limited		
Balance as at the beginning of the year	34.76	44.54
Loans given during the year	172.20	80.75
Loans repaid during the year	149.98	90.54
Balance as at the end of the year	56.98	34.76
Maximum balance outstanding during the year	78.77	68.41
Rate of interest	8.70%	9.50%
(ii) Loans to Asar Green Kabadi Private Limited*		
Balance as at the beginning of the year	1.00	-
Loans given during the year	0.45	1.00
Loans repaid during the year	0.45	-
Transfer to Investment on becoming associates	1.00	-
Balance as at the end of the year	-	1.00

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

(Amounts in Rs. cr, unless otherwise stated)

	Year ended March 31, 2026	Year ended March 31, 2025 (Restated - refer note 36)
Maximum balance outstanding during the year	1.45	1.00
Rate of interest	8.70%	9.50%
* Associate w.e.f. August 21, 2025		
(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	294.01	167.71
HFL Multiproducts Private Limited	37.11	39.93
KNS Shoetech Private Limited	90.80	95.85
Aero Care Personal Products LLP	35.09	38.02
(d) Details of investments made by the Company (refer note 10)		
Unquoted equity instruments		
10,000 (March 31, 2025 10,000) Equity Shares of Rs. 10 each fully paid up in HFL Consumer Products Private Limited	0.01	0.01
10,000 (March 31, 2025 10,000) Equity Shares of Rs. 10 each fully paid up in HFL Multiproducts Private Limited	0.01	0.01
5,00,00,000 (March 31, 2025 5,00,00,000) Equity Shares of Rs. 10 each fully paid up in HFL Healthcare and Wellness Private Limited	73.49	73.49
4,70,00,000 (March 31, 2025 4,70,00,000) Equity Shares of Rs. 10 each fully paid up in KNS Shoetech Private Limited	46.72	46.72
Investment in Limited liability Partnership Firm (refer note 37)		
Aero Care Personal Products LLP (refer table below)	6.90	6.90
Investment in Associates (at cost) (refer note 37)		
24,643 Compulsory convertible Preference shares of Rs. 10 each fully paid up in ASAR Green Kabadi Private Limited	5.00	-
Investments in equity instruments (At fair value through other comprehensive income)		
3,06,361 (March 31, 2025 2,441) Equity Shares of Rs. 10 each fully paid up in Transition Sustainable Energy Services One Private Limited	0.30	0.00*
Employee stock options granted to employees of subsidiaries (refer note 37)		
HFL Healthcare and Wellness Private Limited	0.04	-
KNS Shoetech Private Limited	5.06	-

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

(Amounts in Rs. cr, unless otherwise stated)

47 ADDITIONAL REGULATORY INFORMATION

(A) Accounting ratios

Sr No.	Ratio	Formula	March 31, 2026		March 31, 2025 (Restated - refer note 36)		Ratio as on March 31, 2026	Ratio as on March 31, 2025 (Restated - refer note 36)	Variation	Reason (If variation is more than 25%)
			Numerator	Denominator	(Restated - refer note 36)	Denominator				
(a)	Current Ratio	Current Assets/ Current Liabilities	1,362.62	802.09	1,059.93	624.53	1.70	1.70	0.10%	NA
(b)	Debt-Equity Ratio	Debt/Equity	567.70	1,087.93	506.10	881.61	0.52	0.57	(9.10%)	NA
(c)	Debt Service Coverage Ratio	Net Operating Income/Debt Service	220.03	138.06	201.11	114.52	1.59	1.76	(9.25%)	NA
(d)	Return on Equity Ratio	Profit after tax less pref. Dividend x 100/ Shareholder's Equity	119.37	984.77	108.96	754.98	12.12%	14.43%	(16.01%)	NA
(e)	Inventory Turnover Ratio	Cost of Goods Sold/ Average Inventory	2,727.91	633.01	2,331.60	485.83	4.31	4.80	(10.21%)	NA
(f)	Trade Receivables Turnover Ratio	Net Credit Sales/ Average Trade Receivables	3,275.62	161.06	2,808.19	118.13	20.34	23.77	(14.45%)	NA
(g)	Trade Payables Turnover Ratio	Net Credit Purchases/Average Trade Payables	2,852.25	455.55	2,500.91	360.72	6.26	6.93	(9.69%)	NA
(h)	Net Capital Turnover Ratio	Revenue/Average Working Capital	3,275.62	497.96	2,808.19	324.65	6.58	8.65	(23.95%)	NA
(i)	Net Profit Ratio	Net Profit/Net Sales	119.37	3,275.62	108.96	2,808.19	3.64%	3.88%	(6.08%)	NA
(j)	Return on Capital Employed	EBIT/Capital Employed	210.77	1,536.27	193.41	1,293.95	13.72%	14.95%	(8.21%)	NA
(k)	Return on Investment	Net Profit/Net Investment	119.37	1,087.93	108.96	881.61	10.97%	12.36%	(11.23%)	NA

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

(Amounts in Rs. cr, unless otherwise stated)

(B) Title deeds of Immovable Properties not held in name of the Company as on March 31, 2026

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value (Rs. in cr)	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	2.14	Reckitt Benckiser Healthcare India Private Limited	No	December, 2023	The leasehold land was acquired by the Company as a part of business transfer agreement entered with Reckitt Benckiser Healthcare India Private Limited for acquisition of Baddi factory. The Company is in the process of transferring the title in the name of Hindustan Foods Limited.
Right of Use	Leasehold land	1.07	Karnataka Industrial Areas Development Board (KIADB)	No	February, 2022	The leasehold rights of the land were transferred to Company as per the NCLT approved scheme w.e.f February 18, 2022. As per the lease agreement with KIADB, the Company has an option of purchasing the land. The Company is in the process of applying to KIADB for purchase of the land.

- (C) No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- (D) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (E) The Company does not have any transactions or balance outstanding with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- (F) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (G) The Company is in compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017 (as amended).
- (H) The Company does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year (previous year) in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)
- (I) The Company has not traded or invested in Crypto currency or Virtual Currency during the year ended March 31, 2026.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

(Amounts in Rs. cr, unless otherwise stated)

(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) During the year the Company has not entered into scheme of arrangement and amalgamation having an accounting impact except as mentioned in note 36.
- (L) The Company has not revalued its property, plant and equipment during the year ended March 31, 2026 and March 31, 2025.
- (M) The Company has not given loans and advances to promoters and directors.
- 48** Pursuant to the notification issued by Ministry of Labour and Employment, multiple existing labour legislations have been consolidated into a unified framework comprising four labour codes collectively referred to as the "New Labour Codes" which became effective from November 21, 2025. The Company has reassessed its employee benefit obligations in accordance with the new definition of wages. Accordingly, an incremental liability of Rs. 4.37 (Gratuity of Rs. 3.27 cr and Leave encashment of Rs. 1.10 cr) has been recognised as an "Exceptional item" for the year ended March 31, 2026.
- 49** (i) During the current year, the Company has received balance 75% amount towards 19,79,349 warrants from two of the allottee towards the conversion of Warrants into Equity Shares as approved by the shareholders in the Extra Ordinary General Meeting held on October 20, 2023. The Share Allotment Committee of Board of Directors of the Company at their Meeting held on June 18, 2025, has allotted 9,15,331 Equity Shares having face value of Rs. 2/- each at a premium of Rs. 544.25 per share and 10,64,018 Equity Shares having face value of Rs. 2/- each at a premium of Rs. 561.90 per share. Further, one of the warrant holder, has not exercised the option to convert 5,32,009 warrants into Equity share, hence these warrants has been lapsed/cancelled and initial amount paid i.e., 25% upfront application money amounting to Rs. 7.50 cr at the time of allotment of warrants, have been forfeited in accordance with the terms of the issue/allotment and accordingly the upfront application money transferred to capital reserves in financial statements.
- (ii) During the previous year, the Company has received balance 75% amount towards 29,29,060 warrants from two of the allottee towards the conversion of Warrants into Equity Shares as approved by the shareholders in the Extra Ordinary General Meeting held on October 20, 2023. The Share Allotment Committee of Board of Directors of the Company at their Meeting held on December 28, 2024, has allotted 29,29,060 Equity Shares having face value of Rs. 2/- each at a premium of Rs. 544.25 per share.
- 50** No significant subsequent events have been observed which may require an adjustments to the financial statements.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

(Amounts in Rs. cr, unless otherwise stated)

- 51 The Company has executed a Business Transfer agreement with Ultra Beauty Care Private Limited for acquisition of it's manufacturing facilities situated at Aurangabad, Maharashtra for a purchase consideration of Rs. 19.90 cr on slump sale and going concern basis effective from April 01, 2026. During the year ended March 31, 2026, Rs. 19.75 cr has been paid as advance for the said acquisition.
- 52 These financial statements were authorised for issue by the Board of Directors on May 21, 2026.

As per our report of even date attached
For M S K A & Associates LLP
(Formerly known as M S K A & Associates)
Chartered Accountants
Firm's Registration No.:105047W/W101187

VIRENDRA KANAK

Partner
Membership No: 110811

Place: Mumbai
Date : May 21, 2026

For and on behalf of the Board of Directors of
Hindustan Foods Limited
CIN: L15139MH1984PLC316003

SAMEER R. KOTHARI

Managing Director
DIN: 01361343

MAYANK SAMDANI

Chief Financial Officer

Place: Mumbai
Date : May 21, 2026

GANESH T. ARGEKAR

Executive Director
DIN: 06865379

BANKIM PUROHIT

Company Secretary
Membership
No:ACS21865

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"), its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and its associate, which comprise the Consolidated Balance Sheet as at March 31, 2026, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of reports of other auditors on separate financial statements and on the other financial information of subsidiaries and associate, 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 and its associate as at March 31, 2026, of consolidated profit (including

other comprehensive income),consolidated changes in equity and its consolidated cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, its associate 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, 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 the audit evidence obtained by other auditors in terms of their reports referred to in the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:

Sr. No.	Key Audit Matters	How the Key Audit Matters were addressed in our audit
1.	Revenue is a key driver of the Group's profitability and is therefore susceptible to misstatement. Revenue is recognised when control of the products being sold is transferred to the customer and when the performance obligation related to service has been fulfilled by the Group based on the terms of the agreements. Accordingly, the timing of revenue recognition and completion of performance obligation has a direct impact on the Group's reported performance.	Our audit procedures include the following: 1. Obtained an understanding of the management's process and controls around revenue recognition. 2. Evaluated and tested the design and operating effectiveness of controls addressing this risk. 3. Verified, on a test-check basis, revenue transactions recorded during the year and around the reporting date and assessed whether revenue has been recognised in accordance with Ind AS 115 by performing the following procedures:

INDEPENDENT AUDITOR'S REPORT (CONTD.)

Sr. No.	Key Audit Matters	How the Key Audit Matters were addressed in our audit
	We have identified revenue recognition as a key audit matter due to the presumed risk of fraud, particularly in relation to the overstatement of revenue at the reporting date. This may arise from the recognition of revenue for transactions where control of the goods has not been transferred to customers as at year-end, including instances where the timing of transfer of control may have been inappropriately altered or performance obligations have not been satisfied.	- Reviewed underlying customer contracts, purchase orders and sales arrangements to identify performance obligations and assess the basis of revenue recognition; - Examined supporting documents such as invoices, dispatch documents and lorry receipts, to determine whether control of goods/performance obligation related to service had passed to the customers at the time revenue was recognised; - Performed substantive cut-off testing for revenue transactions recognised immediately before and after the year-end, including review of supporting dispatch and delivery documentation to evaluate whether revenue had been recorded in the appropriate accounting period. - Obtained evidence on the existence and accuracy of unbilled revenue recognized, on sample basis, from underlying supporting documents, including customer approvals and acceptance. - Performed Analytical procedures on revenue recognized during the year to identify and inquire on unusual variances, if any and getting the reasons for variances confirmed from the management. - Assessed the valuation and accuracy of trade receivables and sales returns/discount provisions, where applicable, by examining underlying supporting documentation and subsequent adjustments. - Assessed the adequacy and appropriateness of the disclosures made in the financial statements in respect of revenue recognition in accordance with Ind AS 115 and the applicable financial reporting framework. - In respect of components audited by component auditors, we communicated group audit instructions highlighting the identified risk relating to revenue recognition and the specific audit procedures to be performed in this regard. We evaluated the professional competence and independence of the component auditors and assessed the adequacy of the audit work performed by them through review of their audit findings, conclusions and reporting submitted to us for the purpose of the group audit in accordance with the requirements of SA 600, Using the Work of Another Auditor.

INDEPENDENT AUDITOR'S REPORT (CONTD.)

Sr. No.	Key Audit Matters	How the Key Audit Matters were addressed in our audit
2.	The Scheme of Arrangement ('the Scheme') under section 230-232 and other applicable provisions of the Companies Act, 2013 read with the rules prescribed thereunder for merger of the Contract Manufacturing (Nashik) Business unit of Avalon Cosmetics Private Limited ('transferor') into Hindustan Foods Limited ('transferee') and Amalgamation of Vanity Case India Private Limited ('transferor') with Hindustan Foods Limited was approved by the Hon'ble National Law Tribunal vide its order dated March 06, 2026 ('the NCLT Order'). The business combination with Contract Manufacturing (Nashik) Business unit of Avalon Cosmetics Private Limited and amalgamation with the Vanity Case India Private Limited is accounted in accordance with the Appendix C of Ind AS 103 'Business Combinations' and the approved scheme of amalgamation. Considering the magnitude and complex accounting involved, the aforesaid business combination treatment in consolidated financial statements has been considered to be a key audit matter. The carrying value of the assets and liabilities of the as at April 1, 2024 (being the beginning of the previous period presented), as appearing in the consolidated financial statements of the Transferor Companies before the merger have been incorporated in the books of Transferee with merger adjustments, as applicable.	Our audit procedures include the following: - Obtained understanding of the process followed by the Company in respect of the assessment of accounting for the business combination during the year. - We understood from the management, assessed and tested the design and operating effectiveness of the Company's key controls over the accounting of business combination including those over assessment of business, common control, acquisition date, identification of assets, liabilities and reserves, and disclosures related to the same. - We have read the order passed by the National Company Law Tribunal and other related documents to obtain an understanding of the transactions and the key terms and conditions. - We tested management's assessment of accounting for the business combination and determined that it was appropriately accounted for in accordance with Ind AS 103 Business Combination and the approved scheme of amalgamation. - We have verified supporting workings and evidence relating to the accounting as per the terms of the Scheme of Arrangement. - We have traced the assets, liabilities and reserves of Avalon Cosmetics Private Limited ('transferor') from unaudited financial statements and from audited financial statements of Vanity Case India Private Limited ('transferor'). - We also assessed the adequacy and appropriateness of the disclosures made in the standalone financial statements are in accordance with the Ind AS.
3.	HFL Consumer Products Private Limited ('HCPPL'), on November 10, 2025, has entered into a business transfer agreement (the 'Agreement') with M/s. Ashish Industries and M/s. Vijay ('Sellers') and its partners and sole traders for acquisition of manufacturing facility of sellers, that is engaged in the business of the Ice-Cream cone manufacturing and sleeve printing and packaging of cones plants on a slump sale and going concern basis as per conditions set out in BTA for the total cash consideration of Rs. 27.16 crores. Management of HCPPL has made the assessment of the said transaction and has, accordingly, accounted it as the business acquisition as per Ind AS 103 'Business Combination'.	Our audit procedures include the following: - Obtained an understanding of the process followed by the HCPPL for assessment and determination of the effective date and the accounting treatment, including the identification of assets and liabilities and determination of their fair values and ensured compliance with Ind AS 103 'Business Combination' - Evaluated the design and implementation and tested the operating effectiveness of key internal controls related to HCPPL's valuation process. - Reviewed the business transfer agreement entered into between HCPPL and Sellers to trace the purchase consideration amount and list of assets and liabilities identified as a part of the business combination arrangement. - Reviewed the Purchase Price Allocation Report provided by the management of the company through involvement of registered valuer to determine the fair value of assets and liabilities subsumed.

INDEPENDENT AUDITOR’S REPORT (CONTD.)

Sr. No.	Key Audit Matters	How the Key Audit Matters were addressed in our audit
	Since, accounting for the business combination involves management judgement and estimate in order to: - Assessment of the transaction as the asset acquisition or business acquisition as per Ind AS 103. - Identify and measure the fair value of the identifiable assets acquired and liabilities assumed. - Allocate the consideration transferred towards identifiable assets and liability. Since, the amount of the acquisition is material to the Consolidated financial statements of the Holding Company and it involves significant management judgement and estimate in identification of fair values along with allocation of the consideration into identifiable tangible assets, we have identified this as a Key Audit Matter.	5. Involved our internal experts to assess the appropriateness of methods and inputs used in the valuation of assets and liabilities acquired. 6. Verified the completeness of the identified assets acquired and liabilities assumed at fair value giving rise to Goodwill in M/s. Vijay and Capital Reserve in M/s. Ashish Industries in accordance with requirements of Ind AS 103 "Business Combination". 7. Assessed the adequacy and appropriateness of the disclosures made in the Standalone Financial Statements of HCPPL and in the Consolidated Financial Statements in compliance with the requirements of applicable Indian Accounting Standards and applicable financial reporting framework.

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 Annual Report, but does not include the consolidated financial statements and our auditor’s report thereon, which is expected to be made available to us after the date of this auditor’s report.

Our opinion on the consolidated financial statements does not cover the other information and we 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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Holding Company’s annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

RESPONSIBILITIES OF MANAGEMENT AND BOARD OF DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company’s Management and Board of Directors are 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 and its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and 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

INDEPENDENT AUDITOR’S REPORT (CONTD.)

records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of the Group and of its associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associate are responsible for overseeing the financial reporting process of each company.

AUDITOR’S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

We give in “Annexure A” a detailed description of Auditor’s responsibilities for Audit of the Consolidated Financial Statements.

OTHER MATTERS:

We did not audit the financial statements of four subsidiaries, whose financial statements reflect total assets of Rs. 638.92 Crores as at March 31, 2026, total

revenues of Rs. 692.64 Crores, net profit (including other comprehensive income) of Rs. 8.81 Crores and net cash outflows amounting to Rs. 11.35 Crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor 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 auditor.

We did not audit the financial statement of one associate, whose financial statement reflect Group’s share of net loss (including other comprehensive income) of Rs. 0.43 Crores for the year ended March 31, 2026, as considered in the consolidated financial statements. This financial statement have been audited by other auditor whose report 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 this associate and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid associate is based solely on the report of the other auditor.

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 matters 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, based on our audit and on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries and associate referred to in the Other Matters section above, we report, to the extent applicable, that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT (CONTD.)

- (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 Flows 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 Ind AS 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, 2026 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and associate company incorporated in India, none of the directors of the Group and its associate company incorporated in India are disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 1(b) above on reporting under Section 143(3)(b) and paragraph 1(h)(vi) below on reporting under Rule 11(g).
- (g) With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group and its associate company incorporated in India and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information

and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries and associate referred to in the Other Matters section above:

- i. There were no pending litigations which would impact the consolidated financial position of the Group and its associate.
- ii. The Group and its associate did not have any material foreseeable losses on long-term contracts including derivative contracts.
- iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiary companies and associate company incorporated in India during the year ended March 31, 2026.
- iv. a. The respective Managements of the Holding Company, its subsidiaries and associate 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 and associate 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 and associate 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 Holding Company or any of such subsidiaries and associate ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

INDEPENDENT AUDITOR'S REPORT (CONTD.)

- b. The respective Managements of the Holding Company, its subsidiaries and associate 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 and associate respectively that, to the best of their knowledge and belief, no funds have been received by the Holding Company or any of such subsidiaries and associate from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries and associate 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.
- c. 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 and associate which are companies incorporated in India whose financial statements have been audited under the Act, 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) contain any material mis-statement.
- v. The holding company and its subsidiary companies and associate company have neither declared nor paid any dividend during the year.
- vi. Based on our examination which included test checks, and based on the other

auditor's reports of its subsidiary companies and associate company incorporated in India whose financial statements have been audited under the Act, except for the instances mentioned below, the Holding Company, Subsidiary Companies and Associate Company incorporated in India have used accounting software for maintaining its respective books of account during the year ended March 31, 2026 which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all the relevant transactions recorded in the software(s), and further, we did not come across any instance of audit trail feature being tampered with and the audit trail has been preserved by the Company as per Statutory requirements for record retention.:

- a) In respect of Holding Company and Subsidiary companies, the Company has used Focus 7 Accounting Software for Nashik unit of Avalon Cosmetics Private Limited and Focus 9 Accounting Software for other locations for maintaining its books of account during the year ended March 31, 2026, which has a feature of recording audit trail (edit log) facility except that the audit trail feature for Focus 9 Accounting Software at the application level was enabled from Jan 01, 2026 and was enabled at the database level from Jan 09, 2026, except that no audit trail feature is available in the system at the database level in respect of Focus 7 Accounting Software to log any direct data changes for the entire year. Further, where enabled for Focus 7 Accounting Software and Focus 9 Accounting Software, audit trail feature has operated for all relevant transactions recorded in the accounting software. Also, during the course of our audit, we did not come

INDEPENDENT AUDITOR’S REPORT (CONTD.)

across any instance of audit trail feature being tampered with in respect of such accounting software. Additionally, the audit trail of prior years for Focus 7 Accounting Software and Focus 9 Accounting Software has been preserved by the Company as per the statutory requirements for record retention to the extent it was enabled and recorded in respective years.

- b) In respect of the Associate Company, the company has used an accounting software for maintaining its books of account for the year ended March 31, 2026 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transaction recorded in the software except that the audit trail was not enabled at the database level to log any direct data changes for such accounting software used for maintaining the books of accounts. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with, in respect of accounting software for which the audit trail feature was enabled and operating.
2. In our opinion, according to information, explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters section above, the remuneration paid or provided by the Holding Company, its subsidiary companies and associate company incorporated in India to its respective Directors is in accordance with the provisions of this section 197 of the Act.
3. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor’s Report) Order, 2020 (“CARO”) issued by the Central Government in terms of sub-section (11) of section 143 of the Act, to be included in the Auditor’s report, according to the information and explanations given to us, based on the CARO reports issued by us and the auditors of respective companies included in the consolidated financial statements, as provided to us by the Management of the Holding company, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said companies included in the consolidated financial statements except for the following:

Sr. No	Name of the Company	CIN	Type of Company	Clause number of the CARO Report which is qualified or Adverse
1.	HFL Multiproducts Private Limited	U10304MH2023PTC405319	Wholly Owned Subsidiary	Clause (i)(c) – Title Deeds of Immoveable Properties
2.	KNS Shoetech Private Limited	U19119DL2022PTC39930	Wholly Owned Subsidiary	Clause (i)(c) – Title Deeds of Immoveable Properties Clause (ix)(d) – Utilization of short term funds for long term purpose
3.	Asar Green Kabadi Private Limited	U74900MP2014PTC033472	Associate	Clause (xvii) – Cash Losses in the current financial year and Immediately preceding financial year

For M S K A & Associates LLP (Formerly known as M S K A & Associates)

Chartered Accountants
ICAI Firm Registration No. 105047W/W101187

Virendra Kanak
Partner
Membership No.: 110811
UDIN: 26110811FJGFUK4349

Place: Mumbai
Date: May 21, 2026

ANNEXURE A TO THE INDEPENDENT AUDITOR’S REPORT
OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF HINDUSTAN FOODS LIMITED

AUDITOR’S RESPONSIBILITIES FOR THE AUDIT OF THE
CONSOLIDATED FINANCIAL STATEMENTS

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate 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 and its associate 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 and its associate 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 or business activities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For M S K A & Associates LLP
(Formerly known as M S K A & Associates)
Chartered Accountants
ICAI Firm Registration No. 105047W/W101187

Virendra Kanak
Partner
Membership No.: 110811
UDIN: 26110811FJGFUK4349

Place: Mumbai
Date : May 21, 2026

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF HINDUSTAN FOODS LIMITED

[Referred to in paragraph 1(g) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the Members of Hindustan Foods Limited on the Consolidated Financial Statements for the year ended March 31, 2026]

Report on the Internal Financial Controls with reference to consolidated financial statements 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 Hindustan Foods Limited (hereinafter referred to as "the Holding Company") as of and for the year ended March 31, 2026, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and its associate company, 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 and based on the consideration of the reports of the other auditors on internal financial controls with reference to financial statements referred to in the Other Matter section below, the Group and, its associate company, 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, 2026, based on the internal financial controls with reference to 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI").

MANAGEMENT'S AND BOARD OF DIRECTOR'S RESPONSIBILITIES FOR INTERNAL FINANCIAL CONTROLS

The respective Management and the Board of Directors of the Group and, its associate company, which are companies incorporated in India, are responsible for

establishing and maintaining internal financial controls 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 issued by the ICAI. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Group and its associate company, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to 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.

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT (CONTD.)

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 Group and, its associate company, 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 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 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 financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OTHER MATTER

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to four subsidiary companies, one associate company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

**For M S K A & Associates LLP
(Formerly known as M S K A & Associates)**

Chartered Accountants

ICAI Firm Registration No. 105047W/W101187

Virendra Kanak

Partner

Membership No.: 110811

UDIN: 26110811FJGFUK4349

Place: Mumbai

Date : May 21, 2026

CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2026

(Amounts in Rs. cr, unless otherwise stated)

	Notes	As at March 31, 2026	As at March 31, 2025 (Restated - refer note 38(B))
ASSETS			
Non-current assets			
Property, plant and equipment	4 (a)	1,200.96	937.36
Capital work-in-progress	4 (b)	150.32	119.11
Right of use assets	4 (a)	67.45	69.82
Goodwill	5 (a)	26.91	26.22
Other intangible assets	5 (b)	6.73	8.03
Intangible assets under development	5 (c)	-	0.40
Financial assets			
Investments	11	5.28	-
Other financial assets	7	36.29	37.41
Deferred tax assets (net)	34	7.41	7.88
Non-current tax assets (net)	8	1.35	0.80
Other non-current assets	9	66.01	47.90
Total non-current assets		1,568.71	1,254.93
Current assets			
Inventories	10	969.47	772.79
Financial assets			
Investments	11	-	-
Trade receivables	12	254.76	211.60
Cash and cash equivalents	13	35.87	79.78
Bank balances other than cash and cash equivalent	14	15.84	6.63
Loans	6	-	1.00
Other financial assets	7	191.38	162.07
Other current assets	9	137.68	62.71
Total current assets		1,605.00	1,296.58
Total assets		3,173.71	2,551.51
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	23.90	23.50
Instrument entirely equity in nature	16	1.64	0.71
Other equity	17	1,139.54	896.10
Total equity		1,165.08	920.31
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	18(a)	725.53	618.62
Lease liabilities	39	33.89	36.93
Provisions	19	32.60	26.54
Deferred tax liabilities (net)	34	52.85	45.43
Other non current liabilities	20	27.80	-
Total non-current liabilities		872.67	727.52
Current liabilities			
Financial liabilities			
Borrowings	18(b)	324.52	236.78
Lease liabilities	39	4.32	3.62
Trade payables	21		
i) total outstanding dues of micro enterprises and small enterprises		1.05	2.85
ii) total outstanding dues of creditors other than micro enterprises and small enterprises		631.81	549.46
Other financial liabilities	22	104.72	57.55
Other current liabilities	23	50.50	35.80
Provisions	19	4.53	1.79
Current tax liabilities (net)	24	14.51	15.83
Total current liabilities		1,135.96	903.68
Total liabilities		2,008.63	1,631.20
Total equity and liabilities		3,173.71	2,551.51

Summary of material accounting policies

2-3

The accompanying notes 1 to 55 are an integral part of the consolidated financial statements.

As per our report of even date attached
For M S K A & Associates LLP
(Formerly known as M S K A & Associates)
Chartered Accountants
Firm's Registration No.:105047W/W101187

For and on behalf of the Board of Directors of
Hindustan Foods Limited
CIN: L15139MH1984PLC316003

VIRENDRA KANAK
Partner
Membership No: 110811

SAMEER R. KOTHARI
Managing Director
DIN: 01361343

MAYANK SAMDANI
Chief Financial Officer

GANESH T. ARGEKAR
Executive Director
DIN: 06865379

BANKIM PUROHIT
Company Secretary
Membership No:ACS21865

Place: Mumbai
Date : May 21, 2026

Place: Mumbai
Date : May 21, 2026

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2026

(Amounts in Rs. cr, unless otherwise stated)

	Notes	Year ended March 31, 2026	Year ended March 31, 2025 (Restated - refer note 38(B))
Income			
Revenue from operations	25	4,251.04	3,638.71
Other income	26	13.65	17.06
Total income		4,264.69	3,655.77
Expenses			
Cost of materials consumed	27	3,348.99	2,887.26
Purchases of stock-in-trade		0.63	0.61
Changes in inventories of finished goods and work-in-progress	28	(21.85)	(39.04)
Employee benefits expense	29	252.51	226.19
Finance costs	30	82.30	80.06
Depreciation and amortisation expenses	31	90.08	80.22
Manufacturing and operating costs	32	226.52	190.87
Other expenses	33	80.87	74.55
Total expenses		4,060.05	3,500.72
Profit before share of net loss of associates, exceptional item and tax		204.64	155.05
Share of loss from associate accounted for using equity method (net)		(0.43)	-
Profit before exceptional item and tax		204.21	155.05
Exceptional item	53	4.57	-
Profit before tax		199.64	155.05
Tax expense	34		
Current tax		43.00	39.00
Deferred tax		7.61	0.79
Total tax expense		50.61	39.79
Profit for the year		149.03	115.26
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
- Re-measurement gains on defined benefit plans		2.68	0.61
- Income tax effect on these items		(0.66)	(0.15)
Total other comprehensive income for the year		2.02	0.46
Total comprehensive income for the year		151.05	115.72
Earnings per share (face value Rs. 2 each)			
Basic earnings per share (Rs.)	35	12.34	9.85
Diluted earnings per share (Rs.)	35	12.34	9.85

Summary of material accounting policies

2-3

The accompanying notes 1 to 55 are an integral part of the consolidated financial statements.

As per our report of even date attached
For M S K A & Associates LLP
(Formerly known as M S K A & Associates)
Chartered Accountants
Firm's Registration No.:105047W/W101187

For and on behalf of the Board of Directors of
Hindustan Foods Limited
CIN: L15139MH1984PLC316003

VIRENDRA KANAK
Partner
Membership No: 110811

SAMEER R. KOTHARI
Managing Director
DIN: 01361343

MAYANK SAMDANI
Chief Financial Officer

GANESH T. ARGEKAR
Executive Director
DIN: 06865379

BANKIM PUROHIT
Company Secretary
Membership
No:ACS21865

Place: Mumbai
Date : May 21, 2026

Place: Mumbai
Date : May 21, 2026

CONSOLIDATED STATEMENT OF CASH FLOW

FOR THE YEAR ENDED MARCH 31, 2026

(Amounts in Rs. cr, unless otherwise stated)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025 (Restated - refer note 38(B))
Cash flows from operating activities		
Profit before tax	199.64	155.05
Adjustments for:		
Depreciation and amortisation expenses	90.08	80.22
Employee share based payment expenses	5.37	-
Finance cost	82.30	80.06
Interest income	(6.40)	(6.19)
Liabilities no longer required written back	(2.77)	(0.62)
(Gain)/Loss on sale of property plant and equipment	(0.84)	0.25
Share of loss from associate (net)	0.43	-
Profit on sale of investment	-	(2.36)
Other receivable written-off	1.12	-
Provision for doubtful debts	0.43	-
Provision for doubtful advances	0.30	-
Gain on discontinuation of leased assets & liabilities	-	(3.05)
Unrealised foreign exchange translation loss/(gain)	0.57	(0.16)
Operating profit before working capital changes	370.23	303.20
Changes in working capital		
Increase in inventories	(195.38)	(233.19)
(Increase)/decrease in trade receivables	(42.91)	2.85
(Increase)/decrease in other assets	(55.23)	10.92
Increase in financial assets	(66.38)	(30.54)
Increase in trade payables	83.18	69.05
Increase in other liabilities	42.56	4.01
(Decrease)/Increase in financial liabilities	(1.92)	14.38
Increase in provisions	11.05	3.34
Cash generated from operations	145.20	144.02
Income tax paid (net)	(45.18)	(25.55)
Net cash generated from operating activities (A)	100.02	118.47
Cash flows from investing activities		
Payment for acquisition of property plant and equipment, capital work-in-progress, other intangible assets and intangible assets under development (net of capital creditors and including capital advances)	(340.97)	(277.87)
Proceeds from disposal of property plant and equipment	16.21	40.91
Proceeds from bank balances other than cash and cash equivalents	27.96	37.97
Proceeds from sale of investment	-	2.70
Payment of loan to other (net)	-	(1.00)
Payment for acquisition of business (refer note 38(A), 38(C) and 54)	(44.32)	(99.20)
Payment for investment in associate	(4.00)	-
Payment for investment in equity shares	(0.72)	0.00*
Interest received	6.38	4.87
Net cash used in investing activities (B)	(339.46)	(291.62)

CONSOLIDATED STATEMENT OF CASH FLOW

FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

(Amounts in Rs. cr, unless otherwise stated)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025 (Restated - refer note 38(B))
Cash flows from financing activities		
Proceeds from issue of equity shares (net off share issue expenses)	80.86	119.95
Proceeds from issues of partly paid up compulsory convertible preference shares	1.60	1.17
Proceeds from issues of partly paid up compulsory convertible Debenture	3.04	2.39
Proceeds from long-term borrowings	226.59	222.99
Repayment of long term borrowings	(117.05)	(82.32)
Proceeds from short-term borrowings (net)	84.82	28.33
Lease rentals paid against lease liability	(6.21)	(8.23)
Interest paid	(78.13)	(74.85)
Net cash generated from financing activities (C)	195.52	209.43
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(43.92)	36.28
Cash and cash equivalents at the beginning of the year	79.78	43.18
Cash acquired pursuant to business combination (refer note 38(B))	-	0.29
Exchange difference on translation of foreign currency cash and cash equivalents	0.01	0.03
Cash and cash equivalents at the end of the year	35.87	79.78
Cash and cash equivalents comprise of		
Balance with bank		
On current accounts	23.80	79.40
Fixed deposits with maturity of less than 3 months	11.77	0.09
Cash on hand	0.30	0.29
Total cash and cash equivalents at end of the year (refer note 13)	35.87	79.78

Foot note:

- Figures in brackets represent cash outflow.
- 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.
- Refer note 46(a) for reconciliation of movement of liabilities to cash flows arising from financing activities.

The accompanying notes 1 to 55 are an integral part of the consolidated financial statements.

As per our report of even date attached
For M S K A & Associates LLP
 (Formerly known as M S K A & Associates)
 Chartered Accountants
 Firm's Registration No.:105047W/W101187

VIRENDRA KANAK
 Partner
 Membership No: 110811

For and on behalf of the Board of Directors of
Hindustan Foods Limited
 CIN: L15139MH1984PLC316003

SAMEER R. KOTHARI
 Managing Director
 DIN: 01361343

MAYANK SAMDANI
 Chief Financial Officer

GANESH T. ARGEKAR
 Executive Director
 DIN: 06865379

BANKIM PUROHIT
 Company Secretary
 Membership
 No:ACS21865

Place: Mumbai
 Date : May 21, 2026

Place: Mumbai
 Date : May 21, 2026

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2026

(Amounts in Rs. cr, unless otherwise stated)

(A) EQUITY SHARE CAPITAL (REFER NOTE 15)

	As at March 31, 2026		As at March 31, 2025 (Restated - refer note 38(B))	
	No. of shares	Amount	No. of shares	Amount
Equity shares of Rs. 2/- each issued, subscribed and fully paid				
Balance at the beginning of the year	11,75,02,413	23.50	11,45,73,353	22.91
Add: Changes in equity share capital during the year [refer note 52]	19,79,349	0.40	29,29,060	0.59
Balance at the end of the year	11,94,81,762	23.90	11,75,02,413	23.50

(B) INSTRUMENT ENTIRELY IN NATURE OF EQUITY

Particulars	As at March 31, 2026	As at March 31, 2025 (Restated - refer note 38(B))
(a) Compulsorily Convertible Preference Share		
Balance at the beginning of the year	0.23	-
Changes in Compulsorily Convertible Preference Share during the year	0.32	0.23
Balance at the end of the year	0.55	0.23
(b) Compulsorily Convertible Debenture		
Balance at the beginning of the year	0.48	-
Changes in Compulsorily Convertible Debenture during the year	0.61	0.48
Balance at the end of the year	1.09	0.48

(C) OTHER EQUITY (REFER NOTE 17)

	Equity component of redeemable non cumulative non convertible preference shares	Share pending issuance	Employee stock option plan	Securities premium	Capital reserve	Retained earnings	Money received against share warrants	Total
Balance as at April 01, 2024 *	0.86	-	-	233.07	8.29	306.00	75.00	623.22
Profit for the year	-	-	-	-	-	115.26	-	115.26
Other comprehensive income	-	-	-	-	-	0.46	-	0.46
Total comprehensive income for the year	0.86	-	-	233.07	8.29	421.72	75.00	738.94
Gain on account of business acquisition (refer note 38(C))	-	-	-	-	11.28	-	-	11.28
Shares pending issuance (refer note 38(B)(i))	-	0.34	-	-	-	-	-	0.34
Acquired on business combination (refer note 38(B))	-	-	-	16.48	1.85	5.02	-	23.35
Securities premium (refer note 52(ii) and 16)	-	-	-	162.24	-	-	-	162.24

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

(Amounts in Rs. cr, unless otherwise stated)

	Equity component of redeemable non cumulative non convertible preference shares	Share pending issuance	Employee stock option plan	Securities premium	Capital reserve	Retained earnings	Money received against share warrants	Total
Share issued during the year (refer note 52(iii))	-	-	-	-	-	-	(40.00)	(40.00)
Expenses on issue of share warrants	-	-	-	(0.05)	-	-	-	(0.05)
Balance as at March 31, 2025	0.86	0.34	-	411.74	21.42	426.74	35.00	896.10
Balance as at April 01, 2025 *	0.86	0.34	-	411.74	21.42	426.74	35.00	896.10
Profit for the year	-	-	-	-	-	149.03	-	149.03
Other comprehensive income	-	-	-	-	-	2.02	-	2.02
Total comprehensive income for the year	0.86	0.34	-	411.74	21.42	577.79	35.00	1,047.15
Gain on account of business acquisition (refer note 38 (A)(a))	-	-	-	-	2.88	-	-	2.88
Forfeiture of share warrants (refer note 52(i))	-	-	-	-	7.50	-	(7.50)	-
Securities premium (refer note 52(i) and 16)	-	-	-	113.29	-	-	-	113.29
Shares issued during the year (refer note 52(i))	-	-	-	-	-	-	(27.50)	(27.50)
Issued during the year (refer note 29)	-	-	5.37	-	-	-	-	5.37
Expenses on issue of share warrants	-	-	-	(1.65)	-	-	-	(1.65)
Balance as at March 31, 2026	0.86	0.34	5.37	523.38	31.80	577.79	-	1,139.54

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

The accompanying notes 1 to 55 are an integral part of the consolidated financial statements.

As per our report of even date attached
For M S K A & Associates LLP
 (Formerly known as M S K A & Associates)
 Chartered Accountants
 Firm's Registration No.:105047W/W101187

VIRENDRA KANAK
 Partner
 Membership No: 110811

Place: Mumbai
 Date : May 21, 2026

**For and on behalf of the Board of Directors of
 Hindustan Foods Limited**
 CIN: L15139MH1984PLC316003

SAMEER R. KOTHARI
 Managing Director
 DIN: 01361343

MAYANK SAMDANI
 Chief Financial Officer

Place: Mumbai
 Date : May 21, 2026

GANESH T. ARGEKAR
 Executive Director
 DIN: 06865379

BANKIM PUROHIT
 Company Secretary
 Membership
 No:ACS21865

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(Amounts in Rs. cr, unless otherwise stated)

1. GENERAL INFORMATION

Hindustan Foods Limited (the 'Company' or the 'Holding Company') is a public company domiciled in India and was incorporated in the year 1984 under the provisions of the Companies Act, 1956 applicable in India. The registered and principal office of business for the Company is located at office No. 03, Level 2, Centrium, Phoenix Market City, Kurla, Mumbai-400070. The equity shares of the Company are listed in India on the Bombay Stock Exchange and National Stock Exchange. The Holding Company, its subsidiaries (the Holding Company, its subsidiaries together referred to as 'Group') mainly engaged in the business of contract manufacturing of FMCG products comprising primarily of home and personal care, foods and beverages, OTC and healthcare, Ice-cream and job working of shoes. The associate is engaged in the business of recycling of scrap.

2. MATERIAL ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

a) Statement of Compliance with Ind AS

These financial statements have been prepared in accordance with Indian Accounting Standards "(Ind AS)" notified under Section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and 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. Comparative amounts in the financial statements have been restated pursuant to NCLT order (refer note 38(B)).

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

(Amounts in Rs. cr, unless otherwise stated)

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 3A for detailed discussion on estimates and judgments.

e) Rounding off of amounts

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

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 ownership 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 (if any) 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.

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.

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
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(Amounts in Rs. cr, unless otherwise stated)

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.

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 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.

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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
Customer relationship	6 years
Non-compete fee	3 years
Trademark	4 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.

Goodwill are subject to review for impairment annually or more frequently if events or circumstances indicate that it is necessary. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's net assets acquired.

If any indication of impairment exists, an estimate of the recoverable amount of the individual asset is made. Recoverable amount is higher of an asset's value in use and its fair value less cost of disposal.

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. The impairment loss is allocated first to reduce the carrying amount of goodwill (if any) allocated to the net assets acquired and then to the other assets of the unit, pro rata based on the carrying amount of each asset in the unit.

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

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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, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. The Group's management determines the policies and procedures for fair value measurement such as derivative instrument.

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

2.8 Revenue Recognition

The Group recognises revenue when (or as) the Group satisfies a performance obligation by transferring a promised goods or services to a customer. The promised good or service is transferred when (or as) the customer obtains control over a good or service. Revenue is reported net of taxes and duties as applicable.

For sale of goods, the Group recognises revenue when it transfers control of goods to the customer. Control is passed on to the customer when goods are dispatched from Group's premises or as per the terms with customers.

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

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

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

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

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

2.9 Taxes

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

a) Current income tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years, items that are never taxable or deductible and tax incentives. Current tax assets and liabilities are measured at the amount expected to be recovered or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the year end date. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

b) Deferred tax

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

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

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:

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- (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.

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2.12 Investment in associates

Investment in associates is initially recognised in the consolidated statement of balance sheet at cost. Subsequently associates are accounted for using the equity method, where the Group's share of post-acquisition profits and losses and other comprehensive income is recognised in the consolidated statement of profit and loss and other comprehensive income (except for losses in excess of the Group's investment in the associate unless there is an obligation to make good those losses).

2.13 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.

2.14 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

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.

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

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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:

- at amortised cost; or
- at fair value through other comprehensive income; or
- 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

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

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

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. 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

- the rights to receive cash flows from the financial asset is transferred or
- 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.

Supplier finance arrangements

The Group also classifies financial liabilities from supplier finance arrangements as trade payables if they are of the same nature and has terms comparable to regular trade payables. This applies when the arrangement is part of the normal operating cycle and has similar security levels. The related cash flows are included in operating activities in the consolidated statement of cash flows.

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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. 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.

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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.

iv. Share-based payments

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

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the best estimate of the number of equity instruments that will ultimately

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vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

2.18 Contributed equity

Equity shares are classified as equity share capital. Compulsory convertible instruments such as preference shares and/or debentures that will be or are expected to be settled in the Company's own equity instruments are classified as equity if they are expected to be settled into a fixed number of equity shares. Any value realised over and above par value upon issuance of equity shares are accounted for as 'Securities Premium' under other equity. 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 Business Combination

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

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

2.22 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

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convertible preference shares is determined using a market interest rate for an equivalent non-convertible bonds. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or redemption of the bonds. The remainder of the proceeds is attributable to the equity portion of the compound instrument since it meets Ind AS 32, Financial Instruments: Presentation, criteria for fixed to fixed classification. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not subsequently re-measured.

Transaction costs are apportioned between the liability and equity components of the convertible preference shares based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

3(A) SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

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

(i) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the year-end date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The 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.

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.

f) 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.

3(B) RECENT PRONOUNCEMENTS

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards

under Companies (Indian Accounting Standards) Rules as issued from time to time.

In May 2025, MCA notified amendments to Ind AS 21 – The Effects of Changes in Foreign Exchange Rates, applicable w.e.f. April 01, 2025. The Group has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.

In August 2025, MCA notified the following amendments to:

- Ind AS 1, Presentation of Financial Statements, applicable w.e.f. April 01, 2025 – The amendment relates to classification of liabilities as current or noncurrent and non-current liabilities with covenants. In the context of classifying a liability as current, it removes the requirement of existence of a right to defer settlement for at least 12 months after the reporting date and instead requires that the said right should exist on the reporting date and have substance. The amendment also introduces guidance on classification of liabilities with covenants. The Group has no impact of these amendments in its classification criteria of current and non-current liabilities.
- Ind AS 7, Statement of Cash Flows and Ind AS 107, Financial Instruments: Disclosures, applicable w.e.f. April 01, 2025 – The amendment in Ind AS 7 requires to inform users of financial statements of the existence of supplier finance arrangements and explain the nature of the arrangements, the carrying amount of liabilities and the range of payment due dates. Ind AS 107 has been amended to add supplier finance arrangements as a factor that may cause concentration of liquidity risk. For details refer note 46(b).
- Ind AS 12, International Tax Reform – Pillar Two Model Rules applicable immediately – The amendments provide a temporary mandatory relief from deferred tax accounting for top-up tax and disclose that they have applied the relief.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

(Amounts in Rs. cr, unless otherwise stated)

4 (a) PROPERTY, PLANT AND EQUIPMENT INCLUDING RIGHT OF USE ASSETS

	Gross carrying amount					Depreciation & Impairment					Net carrying amount	
	As at April 01, 2025	Additions/ Adjustments	Acquisition through business Combination [refer note 38(A)]	Disposals	As at March 31, 2026	As at April 01, 2025	Acquisition through business Combination [refer note 38(A)]	Depreciation for the year	Disposals	As at March 31, 2026	As at March 31, 2026	
I Owned Assets												
Freehold land	85.63	20.91	-	-	106.54	-	-	-	-	-	-	106.54
Buildings#*	419.55	56.13	5.74	0.87	480.55	110.17	-	18.24	0.79	127.62	352.93	
Plant and machinery#	824.98	231.54	18.59	10.96	1,064.15	348.63	-	51.73	1.76	398.60	665.55	
Furniture and fixtures	25.28	1.22	0.03	0.08	26.45	14.39	-	1.28	0.08	15.59	10.86	
Vehicles	3.31	0.28	-	0.03	3.56	1.44	-	0.31	0.03	1.72	1.84	
Office equipment's	29.99	8.87	0.02	4.32	34.56	12.23	-	2.99	0.55	14.67	19.89	
Electrical equipment	53.42	14.38	0.02	1.04	66.78	20.75	-	5.02	0.04	25.73	41.05	
Computers	11.09	0.53	0.01	0.01	11.62	8.94	-	1.04	0.01	9.97	1.65	
Leasehold improvement*	1.21	0.22	-	-	1.43	0.55	-	0.23	-	0.78	0.65	
	1,454.46	334.08	24.41	17.31	1,795.64	517.10	-	80.84	3.26	594.68	1,200.96	
II Right of Use Assets												
Leasehold land ##, ^	32.26	-	3.96	-	36.22	1.34	-	0.26	-	1.60	34.62	
Building ^	49.85	1.17	-	-	51.02	10.95	-	7.24	-	18.19	32.83	
Plant and machinery	0.47	-	-	-	0.47	0.47	-	-	-	0.47	-	
Total	82.58	1.17	3.96	-	87.71	12.76	-	7.50	-	20.26	67.45	

	Gross carrying amount					Depreciation & Impairment					Net carrying amount	
	As at April 01, 2024	Additions/ Adjustments	Acquisition through business Combination [refer note 38(C)]	Disposals	As at March 31, 2025 (Restated - refer note 38(B))	As at April 01, 2024	Acquisition through business Combination [refer note 38(C)]	Depreciation for the year	Disposals	As at March 31, 2025 (Restated - refer note 38(B))	As at March 31, 2025 (Restated - refer note 38(B))	
I Owned Assets												
Freehold land	71.19	9.59	4.85	-	85.63	-	-	-	-	-	85.63	
Buildings#	351.70	37.61	27.95	(2.29)	419.55	89.82	7.57	12.10	(0.68)	110.17	309.38	
Plant and machinery#	741.59	58.77	73.73	49.11	824.98	292.54	21.68	47.72	13.31	348.63	476.35	
Furniture and fixtures	16.66	2.28	6.43	0.09	25.28	9.07	3.49	1.89	0.06	14.39	10.89	

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(Amounts in Rs. cr, unless otherwise stated)

	Gross carrying amount					Depreciation & Impairment					Net carrying amount
	As at April 01, 2024	Additions/ Adjustments	Acquisition through business Combination [refer note 38(C)]	Disposals	As at March 31, 2025 (Restated - refer note 38(B))	As at April 01, 2024	Acquisition through business Combination [refer note 38(C)]	Depreciation for the year	Disposals	As at March 31, 2025 (Restated - refer note 38(B))	As at March 31, 2025 (Restated - refer note 38(B))
Vehicles	2.32	0.37	0.82	0.20	3.31	0.85	0.40	0.26	0.07	1.44	1.87
Office equipment's	24.62	3.34	2.05	0.02	29.99	8.34	1.64	2.25	-	12.23	17.76
Electrical equipment	53.02	5.55	4.31	9.46	53.42	18.31	2.12	4.76	4.44	20.75	32.67
Computers	8.52	0.70	1.87	-	11.09	6.31	1.58	1.05	0.00	8.94	2.15
Leasehold improvement	3.50	0.34	-	2.63	1.21	1.01	-	0.28	0.74	0.55	0.66
	1,273.12	118.54	122.02	59.22	1,454.46	426.25	38.48	70.31	17.94	517.10	937.36
II Right of Use Assets											
Leasehold land ##, ^	27.25	-	5.01	-	32.26	0.93	0.18	0.23	-	1.34	30.92
Building ^	36.02	32.53	-	18.70	49.85	8.47	-	8.08	5.60	10.95	38.90
Plant and machinery	0.47	-	-	-	0.47	0.47	-	-	-	0.47	-
Total	63.74	32.53	5.01	18.70	82.58	9.87	0.18	8.31	5.60	12.76	69.82

Includes finance cost capitalised during the year amounting to Rs. 3.19 cr (March 31, 2025: Nil) in Building and Plant and Machinery. Further, Rs. 0.20 cr (March 31, 2025: Rs. 0.72 cr) capitalised in Capital Work-in-progress.

Leasehold land aggregating to Rs. 3.21 cr (acquired as part of the business combinations) wherein the title deed is not held in name of the Holding Company as on March 31, 2026.

Leasehold land aggregating to Rs. 4 cr (acquired as part of the business transfer agreement) wherein the title deed is not held in name of the Subsidiary Company as on March 31, 2026.

*During the previous year, one of the subsidiary have purchased Land & Building worth Rs.39.90 cr from DNH Land Developer on October 30, 2024. Such assets were earlier taken on lease rental basis and this purchase of assets has lead to discontinuation of the lease agreement. Closing balance of asset Improvement to leased premises as on October 30, 2024 is transferred to Factory Building. Classification of this asset into Land and Building is adequately done by registered government valuer. Life of Factory Building is determined to 30 Years and depreciated accordingly.

^ For changes in the carrying value of Lease Liability refer note 39

Refer note 36 for value of contracts in capital account remaining to be executed as at March 31, 2026 and March 31, 2025

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4 (b) CAPITAL WORK IN PROGRESS (CWIP)

	As at April 01, 2025	Expenditure during the year	Capitalised during the year	Impairment	Written off	Closing as at March 31, 2026
CWIP	119.11	147.46	116.25	-	-	150.32
	As at April 01, 2024	Expenditure during the year	Capitalised during the year	Impairment	Written off	Closing as at March 31, 2025 (Restated - refer note38(B))
CWIP	8.40	122.06	11.35	-	-	119.11

Ageing of capital work in progress ("CWIP")

As at March 31, 2026

CWIP	Amount in CWIP				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	147.46	2.77	0.08	-	150.32
Projects temporarily suspended	-	-	-	-	-

As at March 31, 2025 (Restated -refer note 38(B))

CWIP	Amount in CWIP				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	119.03	0.08	-	-	119.11
Projects temporarily suspended	-	-	-	-	-

There are no projects as Capital Work in Progress as at March 31, 2026 and March 31, 2025, the cost of which has exceeded in comparison to its original plan.

5 (A) GOODWILL

	Amount
Cost	
As at April 01, 2024	6.52
Additions [refer note 38(A)(d)]	19.70
Disposals/Adjustments	-
As at March 31, 2025 (Restated - refer note 38(B))	26.22
Additions [refer note 38 (A)(b)]	0.69
Disposals/Adjustments	-
As at March 31, 2026	26.91
Net book value	
As at March 31, 2026	26.91
As at March 31, 2025 (Restated - refer note 38(B))	26.22

No impairment loss required to be recognised on goodwill in current and previous year.

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5 (B) OTHER INTANGIBLE ASSETS

	Gross carrying amount					Amortisation and impairment					Net carrying amount
	As at April 01, 2025	Additions/ Adjustments	Acquisition through business Combination [refer note 38(A)]	Disposals	As at March 31, 2026	As at April 01, 2025	Additions/ Adjustments	Acquisition through business Combination [refer note 38(A)]	Disposals	As at March 31, 2026	As at March 31, 2026
Other intangible assets											
Brand	2.00	-	-	-	2.00	2.00	-	-	-	2.00	-
Trademark	0.01	-	-	-	0.01	0.01	-	-	-	0.01	-
Computer software*	8.81	0.44	-	-	9.25	6.81	-	0.46	-	7.27	1.98
Customer Relationship	6.56	-	-	-	6.56	1.04	-	1.04	-	2.08	4.48
Non-Compete	0.75	-	-	-	0.75	0.24	-	0.24	-	0.48	0.27
Total	18.13	0.44	-	-	18.56	10.10	-	1.74	-	11.83	6.73

	Gross carrying amount					Amortisation and impairment					Net carrying amount
	As at April 01, 2024	Additions/ Adjustments	Acquisition through business Combination [refer note 38(C)]	Disposals	As at March 31, 2025 (Restated - refer note 38(B))	As at April 01, 2024	Acquisition through business Combination [refer note 38(C)]	Amortisation the year	Disposals	As at March 31, 2025 (Restated - refer note 38(B))	As at March 31, 2025 (Restated - refer note 38(B))
Other intangible assets											
Brand	2.00	-	-	-	2.00	2.00	-	-	-	2.00	-
Trademark	0.01	-	-	-	0.01	0.01	-	-	-	0.01	-
Computer software*	7.23	1.13	0.45	-	8.81	6.11	0.38	0.32	-	6.81	2.00
Customer Relationship	-	-	6.56	-	6.56	-	-	1.04	-	1.04	5.52
Non-Compete	-	-	0.75	-	0.75	-	-	0.24	-	0.24	0.51
Total	9.24	1.13	7.76	-	18.13	8.12	0.38	1.60	0.02	10.10	8.03

*Addiiton in computer software pertains to external acquired software

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5 (C) INTANGIBLE ASSETS UNDER DEVELOPMENT

	As at April 01, 2025	Expenditure during the year	Capitalised during the year	Impairment	Written off	Closing as at March 31, 2026
Intangible assets under development	0.40	-	(0.40)	-	-	-
	As at April 01, 2024	Expenditure during the year	Capitalised during the year	Impairment	Written off	Closing as at March 31, 2025 (Restated - refer note38(B))
Intangible assets under development	0.34	0.11	(0.05)	-	-	0.40

Ageing of Intangible asset under development

As at March 31, 2026

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	-	-	-	-	-

As at March 31, 2025 (Restated - refer note 38(B))

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	0.11	0.29	-	-	0.40
Projects temporarily suspended	-	-	-	-	-

There are no projects as Intangible assets under development as at March 31, 2026 and March 31, 2025, whose completion is overdue or cost of which has exceeds in comparison to its original plan.

6 FINANCIAL ASSETS - LOANS

	As at March 31, 2026		As at March 31, 2025 (Restated - refer note 38(B))	
	Non- current	Current	Non- current	Current
Unsecured, considered good				
Loan to others, repayable on demand	-	-	-	1.00
Total financial assets	-	-	-	1.00

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
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(Amounts in Rs. cr, unless otherwise stated)

7 OTHER FINANCIAL ASSETS

	As at March 31, 2026		As at March 31, 2025 (Restated - refer note 38(B))	
	Non- current	Current	Non- current	Current
Financial instruments at amortised cost				
Security deposits*	23.78	-	24.07	0.27
In fixed deposit accounts with original maturity for more than 12 months#	12.35	26.26	13.26	62.52
Interest accrued on deposits with bank	0.16	0.71	0.08	1.88
Interest accrued on loans given to other	-	-	-	0.03
Unbilled revenue	-	163.23	-	95.30
Other receivable	-	1.18	-	2.07
Total other financial assets	36.29	191.38	37.41	162.07

These Includes fixed deposits of Rs. 1.13 cr (previous year ended March 31, 2025: Rs. 1.21 cr) held as margin money deposit against guarantees and lien.

* Includes related party balances (refer note 40)

8 NON-CURRENT TAX ASSETS

Particulars	As at March 31, 2026	As at March 31, 2025 (Restated - refer note 38(B))
Advance income tax (net)	1.35	0.80
Total non-current tax assets	1.35	0.80

9 OTHER NON-CURRENT AND CURRENT ASSETS

	As at March 31, 2026		As at March 31, 2025 (Restated - refer note 38(B))	
	Non- current	Current	Non- current	Current
Capital advances*	65.55	-	47.54	-
Prepaid expenses	0.41	4.86	0.36	6.08
Balance with government authorities (other than income tax)	-	97.05	-	41.50
Export incentive receivable	-	1.93	-	1.99
Advances to suppliers	-	13.18	-	12.88
Advance for business combination (refer note 54)	-	19.75	-	-
Advances to employees	-	0.57	-	0.17
Advances to others	0.05	-	-	-
Other receivables	-	0.34	-	0.09
Total other assets	66.01	137.68	47.90	62.71

* Refer note 36 for value of contracts in capital account remaining to be executed as at March 31, 2026 and March 31, 2025.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
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10 INVENTORIES*

Particulars	As at March 31, 2026	As at March 31, 2025 (Restated - refer note 38(B))
(Lower of cost or Net realisable value)		
Raw material and intermediate	629.47	452.96
Work in progress	191.86	171.79
Finished goods	78.11	75.94
Packing material	60.45	63.96
Consumables, store and spares parts	9.58	8.14
Total inventories	969.47	772.79

*Hypothecated as charge against non current and current borrowings (Refer note 18(a) and (b)).

11 INVESTMENTS

	As at March 31, 2026		As at March 31, 2025 (Restated - refer note 38(B))	
	Non- current	Current	Non- current	Current
Unquoted				
Investment in Associate (at cost) (refer note 40)				
24,643 Compulsory convertible Preference shares of Rs. 10 each fully paid up in Asar Green Kabadi Private Limited	4.57	-	-	-
Investments in equity instruments (At fair value through other comprehensive income)#				
7,24,608 (March 31, 2025 4,545) Equity Shares of Rs. 10 each fully paid up in Transition Sustainable Energy Services One Private Limited	0.71	-	0.00*	-
	5.28	-	-	-
*Amount below rounding off norms.				
Aggregate book value of:				
Unquoted investments	5.28	-	0.00*	-

Refer Note 42 for fair value measurements and Note 43 for information about the Group's exposure to financial risks.

#The Group has irrevocably elected to measure fair value changes in the aforesaid equity instruments through other comprehensive income (FVTOCI) because this is considered to be more appropriate by management for these strategic investments.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
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12 TRADE RECEIVABLES

	As at March 31, 2026	As at March 31, 2025 (Restated - refer note 38(B))
Trade receivables*	255.87	212.28
Less: Allowance for bad and doubtful debts	(1.11)	(0.68)
Total trade receivables	254.76	211.60
Current portion	254.76	211.60
Non current	-	-

*Refer note 40 for trade receivables from related party

(a) Breakup of security details

Particulars	As at March 31, 2026	As at March 31, 2025 (Restated - refer note 38(B))
Secured, considered good		
Unsecured	-	-
- Considered good	254.76	211.60
- Considered doubtful	-	-
Receivables which have significant increase in credit risk	-	-
Receivables credit impaired	1.11	0.68
Total	255.87	212.28
Allowance for bad and doubtful debts	(1.11)	(0.68)
Total trade receivables	254.76	211.60

(b) The movement in allowances for doubtful receivables is as follows:

Particulars	As at March 31, 2026	As at March 31, 2025 (Restated - refer note 38(B))
Opening balance	0.68	0.68
Additions	0.43	-
Write off (net of recovery)	-	-
Closing Balance	1.11	0.68

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
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(c) Ageing of Trade Receivables

As at March 31, 2026

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	132.95	111.70	10.05	0.06	-	-	254.76
(ii) Undisputed Trade Receivables –which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	0.11	0.33	0.32	0.35	1.11
(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)	-	-	(0.11)	(0.33)	(0.32)	(0.35)	(1.11)
	132.95	111.70	10.05	0.06	-	-	254.76

As at March 31, 2025 (Restated - refer note 38(B))

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	126.93	84.38	0.28	0.01	-	-	211.60
(ii) Undisputed Trade Receivables –which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	0.33	0.22	0.13	0.68
(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)	-	-	-	(0.33)	(0.22)	(0.13)	(0.68)
	126.93	84.38	0.28	0.01	-	-	211.60

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
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- (d) No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person or firms or private companies in which any director is a partner, a director or a member.

13 CASH AND CASH EQUIVALENTS

	As at March 31, 2026	As at March 31, 2025 (Restated - refer note 38(B))
Cash and cash equivalents		
Balances with banks		
- In current accounts	23.80	79.40
- Fixed deposits with original maturity of less than 3 months	11.77	0.09
Cash on hand	0.30	0.29
Total cash and cash equivalents	35.87	79.78

14 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENT

	As at March 31, 2026	As at March 31, 2025 (Restated - refer note 38(B))
In fixed deposit with original maturity for more than 3 months but less than 12 months *	15.84	6.63
Total bank balances other than cash and cash equivalents	15.84	6.63

* These Includes fixed deposits of Rs. 6.77 cr (previous year ended March 31, 2025: Rs. 6.25 cr) held as margin money deposit against guarantees and lien.

15 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, 2025 Rs. 2/- per share), referred to herein as equity shares.

	As at March 31, 2026	As at March 31, 2025 (Restated - refer note 38(B))
Authorised		
26,70,11,265 (March 31, 2025 26,57,61,265 Equity Shares of Rs.2/- each) Equity shares of Rs.2/- each	53.40	53.15
2,00,000 (March 31, 2025 2,00,000 9% Redeemable Preference Shares of Rs. 100/- each) 9% Redeemable Preference Shares of Rs. 100/- each	2.00	2.00
	55.40	55.15
Issued, subscribed and paid up		
11,94,81,762 (March 31, 2025 11,75,02,413 Equity Shares of Rs.2/- each) Equity shares of Rs.2/- each fully paid up	23.90	23.90
Total	23.90	23.90

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
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(Amounts in Rs. cr, unless otherwise stated)

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

	As at March 31, 2026		As at March 31, 2025 (Restated - refer note 38(B))	
	No. of shares	Amount	No. of shares	Amount
Outstanding at the beginning of the year	11,75,02,413	23.50	11,45,73,353	22.91
Add: Changes in equity share capital during the year [refer note 52]	19,79,349	0.40	29,29,060	0.59
Outstanding at the end of the year	11,94,81,762	23.90	11,75,02,413	23.50

(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, 2026, the amount of per share dividend recognised as distributions to equity shareholders was Nil (March 31, 2025: 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

	As at March 31, 2026		As at March 31, 2025 (Restated - refer note 38(B))	
Name of the shareholder	No. of shares	% of holding	No. of shares	% of holding
Vanity Case India Private Limited (refer note 38(B)(b))	4,64,58,145	38.88%	4,64,58,145	39.54%
Asha R. Kothari	1,20,75,915	10.11%	1,20,75,915	10.28%
Sameer R. Kothari	1,20,75,915	10.11%	1,20,75,915	10.28%
M/s. ICICI Prudential Life Insurance Company Limited	63,30,992	5.30%	-	0.00%

(d) Details of Shares held by Promoters at the end of the year

	As at March 31, 2026			As at March 31, 2025 (Restated - refer note 38(B))		
Promoter name	No. of shares	% of total shares	% Change as compared to immediate preceding year	No. of shares	% of total shares	% Change as compared to immediate preceding year
Vanity Case India Private Limited (refer note 38(B)(b))	4,64,58,145	38.88%	(0.65%)	4,64,58,145	39.54%	(0.66%)
Asha R. Kothari	1,20,75,915	10.11%	(0.17%)	1,20,75,915	10.28%	(0.17%)
Sameer R. Kothari	1,20,75,915	10.11%	(0.17%)	1,20,75,915	10.28%	(0.17%)
Shrinivas Vasudeva Dempo	20,00,000	1.67%	(0.03%)	20,00,000	1.70%	(0.03%)

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Promoter name	As at March 31, 2026			As at March 31, 2025 (Restated - refer note 38(B))		
	No. of shares	% of total shares	% Change as compared to immediate preceding year	No. of shares	% of total shares	% Change as compared to immediate preceding year
Soiru Dempo Management Holding Private Limited	5,00,000	0.42%	(0.01%)	5,00,000	0.43%	(0.01%)
Total	7,31,09,975	61.19%	(1.03%)	7,31,09,975	62.23%	(1.04%)

(e) Information regarding issue of Equity Shares during last five years

- (i) No shares have been issued for consideration other than cash and 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.

16 INSTRUMENT ENTIRELY IN NATURE OF EQUITY

	As at March 31, 2026	As at March 31, 2025 (Restated - refer note 38(B))
(a) Compulsorily Convertible Preference Share		
Balance at the beginning of the year	0.23	-
Changes in Compulsorily Convertible Preference Share during the year	0.32	0.23
Balance at the end of the year	0.55	0.23
(b) Compulsorily Convertible Debenture		
Balance at the beginning of the year	0.48	-
Changes in Compulsorily Convertible Debenture during the year	0.61	0.48
Balance at the end of the year	1.09	0.48
Total Instrument entirely in nature of equity	1.64	0.71

- (i) In the previous year, KNS Shoetech Private Limited ('KNS'), has allotment of 9,33,100 (Nine lakhs Thirty Three Thousand One Hundred) Compulsorily Convertible Preference Shares ("CCPS") of face value of Rs. 10/- each at an issue price of Rs. 50/- each. In accordance with the terms of the issue as mentioned in the Letter of Offer, the Company had received Rs. 12.50/- each (comprising Rs. 2.50/- towards face value and Rs. 10/- towards securities premium). During the current year, further amount was received of Rs. 18.75/- each (comprising Rs. 3.75/- towards face value and Rs. 15/- towards securities premium) on 8,52,100 CCPS from the allottees and balance amount will be received in the subsequent year in tranches as agreed with allottees by the KNS.

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- (ii) In the previous year, KNS Shoetech Private Limited ('KNS'), has allotment of 19,15,640 (Nineteen lakhs Fifteen Thousand Six Hundred Forty) Compulsorily Convertible Debentures ('CCDs') of face value of Rs. 10/- each at an issue price of Rs. 50/- each. In accordance with the terms of the issue as mentioned in the Letter of Offer, the Company had received Rs. 12.50/- each (comprising Rs. 2.50/- towards face value and Rs. 10/- towards securities premium). During the current year, further amount was received of Rs. 18.75/- each (comprising Rs. 3.75/- towards face value and Rs. 15/- towards securities premium) on 16,23,940 CCDs from the allottees and balance amount will be received in the subsequent year in tranches as agreed with allottees by the KNS.

17 OTHER EQUITY

	As at March 31, 2026	As at March 31, 2025 (Restated - refer note 38(B))
Capital reserve	31.80	21.42
Securities premium	523.38	411.74
Equity component of redeemable non cumulative non convertible preference shares	0.86	0.86
Retained earnings	577.79	426.74
Money received against share warrant	-	35.00
Employee stock option plan	5.37	-
Shares pending issuance	0.34	0.34
	1,139.54	896.10

Nature and purpose of other reserves

Capital reserve (including reserve created on account of business combination)	The Group recognises profit or loss on purchase, sale, issue or cancellation of the Holding Company's own equity instruments to capital reserve.
Securities premium	Securities premium is used to record the premium on issue of shares. This is utilised in accordance with the provisions of the Companies Act 2013.
Equity component of redeemable non cumulative non convertible preference shares	Equity component represents difference between consideration received and present value of liability component on initial recognition (net of deferred tax).
Retained earnings	Retained earnings are the profits that the Group has earned till date, dividends or other distributions paid to shareholders.
Employee stock option plan	The employee stock option issued to recognise the grant date fair value of options issued to employees under equity settled share based payments.
Money received against share warrant	Amount received towards issue of convertible share warrants on preferential basis.
Shares pending issuance	Shares pending issuance pursuant to business combination.

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	As at March 31, 2026	As at March 31, 2025 (Restated - refer note 38(B))
(A) Capital reserve		
Opening balance	21.42	8.29
Add: Transfer on forfeiture of equity share warrants (refer note 52(ii))	7.50	-
Add: Gain on account of business acquisition (refer note 38 (A)(a) & 38 (C))	2.88	11.28
Add: Capital reserve on business combination (refer note 38(B))	-	1.85
Closing balance	31.80	21.42
(B) Securities premium		
Opening balance	411.74	233.07
Add: Securities premium on share issued (refer note 52)	113.29	162.24
Add: Securities premium on business combination (refer note 38(B))	-	16.48
Less: Expenses on issue of share warrants	(1.65)	(0.05)
Closing balance	523.38	411.74
(C) Equity component of redeemable non cumulative non convertible preference shares	0.86	0.86
(D) Retained earnings		
Opening balance	426.74	306.00
Add: Retained earnings on business combination (refer note 38(B))		5.02
Add: Net profit for the year	149.03	115.26
Add: Item of OCI for the year, net of tax	2.02	0.46
Closing balance	577.79	426.74
(E) Money received against share warrants		
Opening balance	35.00	75.00
Less: Forfeiture of share warrants (refer note 52(ii))	(7.50)	-
Less: Shares issued during the year (refer note 52)	(27.50)	(40.00)
Closing balance	-	35.00
(F) Employee stock option plan		
Opening balance	-	-
Add: Issued during the year	5.37	-
Closing balance	5.37	-
(G) Shares pending issuance		
Opening balance	0.34	-
Add: Issued during the year (refer note 38(B)(a))	-	0.34
Closing balance	0.34	0.34
Total other equity	1,139.54	896.10

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18 (A) NON-CURRENT BORROWINGS

	As at March 31, 2026	As at March 31, 2025 (Restated - refer note 38(B))
Secured		
Term loan		
From banks	814.65	689.63
From others	14.47	29.55
Vehicle Loan		
From bank	0.38	0.57
Unsecured		
Liability component of compound financial instruments		
9% redeemable non cumulative non convertible preference shares*	1.00	0.91
Less: Current maturities of long term borrowings [refer note 18(b)]	(104.97)	(102.04)
Movement in redeemable preference shares during the year	725.53	618.62
Movement in redeemable preference shares during the year		
	As at March 31, 2026	As at March 31, 2025 (Restated - refer note 38(B))
Opening balance	0.91	0.83
Add: Accrued interest (refer note 30)	0.09	0.08
Closing balance	1.00	0.91

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 7.55% to 10.50%	Repayable in monthly and quarterly instalments
Term loan from Others	Ranging from 8.50% to 9.50%	Repayable in quarterly 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. 2.00 cr, of which the Company has issued preference shares amounting to Rs. 1.60 cr (previous year Rs.1.60 cr) to V.S. Dempo Holdings Pvt Ltd. Dividend if any declared is payable in Indian Rupees. During the year ended March 31, 2026, the amount of per share dividend recognised as distributions to preference shareholders was Nil (March 31, 2025: Nil).

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B) Nature of security:

For term loan from banks

- Has been secured by charge on the current and future land and building and Plant and machinery of Hyderabad factory, by exclusive charge on the movable fixed assets and intangible assets including insurance assets and land and building of the Baddi factory of the Company, Exclusive charge on entire plant and machinery located at Nasik Plant, plant and machinery (All movable Fixed Assets) and exclusive charge by way of Equitable motgage on Industrial Land and building of lucknow factory, current and future plant and machinery (movable Fixed Assets) and Industrial Land and building of Guwahati factory, plant and machinery (Plant and Machinery) located at Odisha plant and by way of Equitable Mortgage on Khorda-odisha plot, land & building situated at Piparia (Silvassa), Factory building situated at Masat (Silvassa), Mortgage on the land and building situated at Poanta factories and Hypothecation of Plant and Machinery situated at Poanta and Kundli factories, plant and machinery (All movable Fixed Assets), exclusive charge by way of Equitable motgage on Industrial (Land and building) situated at Dadra & Nagar Haveli, movable fixed assets, exclusive charge on entire Land and building of the Panipat factory, movable fixed assets and exclusive charge by way of mortgage on land and building situated at Sinnar, Nashik and Pari passu by way of Hypothecation on all movable fixed assets and first charges Pari Passu by way of Equitable Mortgage of specific building (Factory land building) situated at Piparia (Silvassa) along with factory shed and building constructed there on.
- Has been secured by exclusive charge over the current assets of the Baddi factory of the Holding Company, current assets (inventory and debtors) of lucknow factory, current & future current assets of Guwahati factory, current assets of Odisha factory, current assets (inventory and debtors) of Dadra & Nagar Haveli Factory, current assets of Panipat factory, current assets of Sinnar, Nashik factory and first pari passu charge on stock and book debt along with SVC bank.
- Has been secured by personal guarantee of Mr Sameer Kothari on Hyderabad, Baddi and Nashik Factory and loan taken by Subsidiary Companies.
- Has been secured by corporate guarantee of the Holding Company on loan taken by Subsidiary Companies.

For term loan from others

- Term loan from has been secured by charge on the entire movable and immovable fixed assets of the HFL Healthcare and Wellness Private Limited and Company and current assets of the HFL Healthcare and Wellness Private Limited.

For vehicle loan

- 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, 2026.

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

- 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, 2026 (CONTD.)

(Amounts in Rs. cr, unless otherwise stated)

18 (B) CURRENT BORROWINGS

	As at March 31, 2026	As at March 31, 2025 (Restated - refer note 38(B))
Secured		
From banks		
Cash credits	219.55	134.74
Current maturities of long term borrowings [refer note 18 (a)]	104.97	102.04
Total current borrowings	324.52	236.78

A) Terms of current borrowing are as under

Particulars	Rate of interest (p.a)	Repayment terms
Current, secured borrowings	Ranging from 7.75% to 10.50%	Repayable on demand

B) Nature of security:

- 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.
- 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.
- Cash credit from IDFC bank has been secured by exclusive charge on the movable fixed assets and intangible assets including insurance assets and land and building of the Baddi factory of the Holding Company and exclusive charge over the current assets of the Baddi factory of the Holding Company.
- Cash Credit from Yes Bank has been secured by charge on the current assets (inventory and debtors), current and future plant and machinery (movable Fixed Assets), Industrial Land and building of factory, personal guarantee of Director Mr Sameer Kothari and Corporate guarantee of Holding Company Hindustan Foods Limited.
- Cash credit from SVC bank has been secured by exclusive charge on land & building situated at Piparia (Silvassa), Factory building situated at Masat (Silvassa), Mortgage on the land and building situated at Poanta factories and Hypothecation of Plant and Machinery situated at Poanta and Kundli factories, personal guarantee of Mr Sameer Kothari - upto the time repayment commence and Corporate Guarantee of Holding Company Hindustan Food Limited.
- Cash credit from Yes bank has been secured by first charge Pari passu by way of Hypothecation on all movable fixed assets and first charges Pari Passu by way of Equitable Mortgage of specific building (Factory land building) situated at Piparia (Silvassa) along with factory shed and building constructed there on valuing of Rs. 4 cr. Personal Guarantee of Mr Sameer Kothari and Corporate Guarantee of Holding Company Hindustan Food Limited to the extent of 50 cr.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

(Amounts in Rs. cr, unless otherwise stated)

- vii. 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 (All movable Fixed Assets) 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.

19 PROVISIONS

	As at March 31, 2026		As at March 31, 2025 (Restated - refer note 38(B))	
	Non- current	Current	Non- current	Current
Provision for employee benefits (refer note 37)				
- Provision for gratuity	23.10	3.17	18.94	1.23
- Leave encashment	9.50	1.36	7.60	0.56
Total employee benefits obligation	32.60	4.53	26.54	1.79

20 OTHER NON-CURRENT LIABILITIES

	As at March 31, 2026	As at March 31, 2025 (Restated - refer note 38(B))
Security deposit received	27.80	-
Total other non-current liabilities	27.80	-

21 TRADE PAYABLES

	As at March 31, 2026	As at March 31, 2025 (Restated - refer note 38(B))
Total outstanding dues of micro enterprises and small enterprises	1.05	2.85
Total outstanding dues of creditors other than micro enterprises and small enterprises *	631.81	549.46
Total trade payables	632.86	552.31

* Refer note 40 for trade payables to related party and note 46(b) for supplier finance arrangements.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

(Amounts in Rs. cr, unless otherwise stated)

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

Particulars	As at March 31, 2026	As at March 31, 2025 (Restated - refer note 38(B))
(a) Amount remaining unpaid to any supplier at the end of each accounting year:		
Principal	1.05	2.84
Interest	-	0.01
Total	1.05	2.85
(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.	0.01	0.01
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues 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.	-	-

*Amount below rounding off norms.

Trade payables ageing schedule

As at March 31, 2026

Particulars	Unbilled dues	Payables not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	0.98	0.07	-	-	-	1.05
(ii) Disputed dues – MSME	-	-	-	-	-	-	-
(iii) Others	11.00	354.22	259.64	3.65	0.76	2.54	631.81
(iv) Disputed dues - Others	-	-	-	-	-	-	-
	11.00	355.20	259.71	3.65	0.76	2.54	632.86

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
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(Amounts in Rs. cr, unless otherwise stated)

As at March 31, 2025 (Restated - refer note 38(B))

Particulars	Unbilled dues	Payables Not Due	Outstanding for following periods from due date of Payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	2.10	0.75	-	-	-	2.85
(ii) Disputed dues – MSME	-	-	-	-	-	-	-
(iii) Others	8.32	325.46	209.53	2.22	0.88	3.05	549.46
(iv) Disputed dues - Others	-	-	-	-	-	-	-
	8.32	327.56	210.28	2.22	0.88	3.05	552.31

22 OTHER CURRENT FINANCIAL LIABILITIES

	As at March 31, 2026	As at March 31, 2025 (Restated - refer note 38(B))
Other financial liabilities at amortised cost		
Security deposit received	0.20	0.26
Employee related payable	28.87	30.72
Other Payables	4.82	2.23
Capital creditors	70.83	24.34
Total other financial liabilities	104.72	57.55

23 OTHER CURRENT LIABILITIES

	As at March 31, 2026	As at March 31, 2025 (Restated - refer note 38(B))
Statutory dues payable	12.10	7.84
Advance from customers	27.59	25.91
Other payables*	10.09	1.20
Security deposit received	0.72	0.85
Total other current liabilities	50.50	35.80

*It includes other payable to related party (refer note 40)

24 CURRENT TAX LIABILITIES

	As at March 31, 2026	As at March 31, 2025 (Restated - refer note 38(B))
Current tax payable (net)	14.51	15.83
Total current tax liabilities	14.51	15.83

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)
(Amounts in Rs. cr, unless otherwise stated)

25 REVENUE FROM OPERATIONS

	Year ended March 31, 2026	Year ended March 31, 2025 (Restated - refer note 38(B))
Revenue from contracts with customers:		
- Sale of products*	4,121.68	3,576.60
- Sale of services	116.73	52.42
Total (A)	4,238.41	3,629.02
Other operating revenue		
- Export incentive	3.31	3.22
- Scrap sales*	6.59	5.49
- Trial charges	2.73	0.98
Total (B)	12.63	9.69
Total revenue from operations (A)+(B)	4,251.04	3,638.71

* Refer note 40 for related party transactions.

A. Disaggregation of revenue from contracts with customers

In the following table, revenue is disaggregated by major product and service lines.

	Year ended March 31, 2026	Year ended March 31, 2025 (Restated - refer note 38(B))
- Sale of products - contract manufacturing	4,121.68	3,576.60
- Sale of services	116.73	52.42
Total	4,238.41	3,629.02
Geographic revenue		
- India	4,100.46	3,498.97
- Rest of the world	137.95	130.05
Total	4,238.41	3,629.02

All revenue from operations is recognised at a point in time.

B. Trade receivables and contract balances

The following table provides information about receivables, contract assets and current liabilities from contracts with customers:

	Year ended March 31, 2026	Year ended March 31, 2025 (Restated - refer note 38(B))
Receivables, which are included in trade receivables *	254.76	211.60
Unbilled revenue	163.23	95.30
Advances from customers ^	27.59	25.91

* 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, 2026.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

(Amounts in Rs. cr, unless otherwise stated)

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.

D. Reconciliation of contract price with revenue during the year

	Year ended March 31, 2026	Year ended March 31, 2025 (Restated - refer note 38(B))
Revenue as per contract price	4,244.11	3,630.61
Adjustment for trade discounts/others	(5.70)	(1.59)
Revenue from contract with customer	4,238.41	3,629.02

26 OTHER INCOME

	Year ended March 31, 2026	Year ended March 31, 2025 (Restated - refer note 38(B))
Interest income on fixed deposits	5.18	5.05
Interest on loan to other	0.04	0.03
Income from insurance claim	-	0.75
Other non operating income:		
Other interest income	1.18	1.11
Liabilities no longer required written back	2.77	0.62
Miscellaneous income	0.87	1.78
Profit on sale of Investment	-	2.36
Gain on sale of property, plant and equipment	0.84	-
Gain on discontinuation of leased assets & liabilities	-	3.05
Foreign exchange gain (net)	2.77	2.31
Total other income	13.65	17.06

27 COST OF MATERIALS CONSUMED

	Year ended March 31, 2026	Year ended March 31, 2025 (Restated - refer note 38(B))
Raw material		
Inventories at the beginning of the year	452.96	237.18
Inventories acquired on business combination [refer note 38(A) and 38(C)]	0.92	27.32
Add: Purchases*	2,888.89	2,532.42
Less: Inventories at the end of the year	629.47	452.96
Cost of raw materials consumed	2,713.30	2,343.96

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

(Amounts in Rs. cr, unless otherwise stated)

	Year ended March 31, 2026	Year ended March 31, 2025 (Restated - refer note 38(B))
Packaging material		
Inventories at the beginning of the year	63.96	59.87
Add: Purchases	632.18	547.39
Less: Inventories at the end of the year	60.45	63.96
Cost of packaging materials consumed	635.69	543.30
Total cost of materials consumed	3,348.99	2,887.26

* Refer note 40 for related party transactions.

28 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

	Year ended March 31, 2026	Year ended March 31, 2025 (Restated - refer note 38(B))
Inventories at the beginning of the year		
- Finished goods	75.94	74.93
- Work-in-progress	171.79	114.88
	247.73	189.81
Add: Inventories acquired on business combination [refer note 38(A) and 38(C)]	0.39	18.88
Less: Inventories at the end of the year		
- Finished goods	78.11	75.94
- Work-in-progress	191.86	171.79
	269.97	247.73
Net decrease/(increase)	(21.85)	(39.04)

29 EMPLOYEE BENEFITS EXPENSE

	Year ended March 31, 2026	Year ended March 31, 2025 (Restated - refer note 38(B))
Salaries, wages, bonus and other allowances	213.50	194.99
Contribution to provident and other funds (refer note 37)	17.27	15.47
Gratuity expense (refer note 37)	7.46	6.02
Staff welfare expenses	8.91	9.71
Employee share based payment expenses (refer note 50)	5.37	-
Total employee benefits expense	252.51	226.19

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
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(Amounts in Rs. cr, unless otherwise stated)

30 FINANCE COSTS

	Year ended March 31, 2026	Year ended March 31, 2025 (Restated - refer note 38(B))
Interest on borrowing	69.09	69.82
Interest expense on lease Liabilities (refer note 39)	3.87	4.74
Interest on redeemable non cumulative non convertible preference shares classified as financial liabilities measured at amortised cost	0.09	0.08
Other finance charge	9.25	5.42
Total finance costs	82.30	80.06

31 DEPRECIATION AND AMORTISATION EXPENSE

	Year ended March 31, 2026	Year ended March 31, 2025 (Restated - refer note 38(B))
Depreciation of property, plant and equipment [refer note 4 (a)]	80.84	70.31
Depreciation of right of use assets [refer note 4 (a)]	7.50	8.31
Amortisation of other intangible assets [refer note 5 (b)]	1.74	1.60
Total depreciation and amortisation expense	90.08	80.22

32 MANUFACTURING AND OPERATING COSTS

	Year ended March 31, 2026	Year ended March 31, 2025 (Restated - refer note 38(B))
Job work expenses	21.85	24.33
Power, fuel & electricity	82.76	64.75
Repairs and maintenance - plant & machinery	15.89	14.55
Repairs and maintenance - building	0.27	0.09
Repairs and maintenance - others	7.85	6.64
Contract labour charges	79.64	69.90
Other manufacturing expenses	18.26	10.61
Total manufacturing and operating costs	226.52	190.87

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
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33 OTHER EXPENSES

	Year ended March 31, 2026	Year ended March 31, 2025 (Restated - refer note 38(B))
Stores and spares consumed	13.75	11.37
Insurance	5.80	4.80
Rent [refer note 39(v) and 40]	6.98	4.12
Rates and taxes	3.14	3.64
Carriage and freight	13.81	18.89
Travel and conveyance	4.73	4.97
Postage and courier	0.55	0.45
Printing & stationery	0.97	0.92
Legal and professional charges	8.72	8.30
Advertisement	0.17	0.03
Business promotion	0.01	0.02
Provision for doubtful debts	0.43	-
Provision for doubtful advances	0.30	-
Provision for doubtful other receivable	1.12	-
Foreign exchange loss (net)	0.04	0.10
Corporate social responsibility expenditure	2.39	1.88
Security charges	7.49	6.16
Bank charges	0.51	1.29
Donation	-	0.00
Auditors remuneration [refer note (a) below]	0.53	0.69
Director's sitting fees (refer note 40)	0.16	0.23
Miscellaneous expenses	9.27	6.69
Total other expenses	80.87	74.55

Note (a) Auditors remuneration (excluding GST)	Year ended March 31, 2026	Year ended March 31, 2025 (Restated - refer note 38(B))
As auditor:		
Statutory audit	0.32	0.47
Limited review fees	0.17	0.21
In other capacity:		
Other matters	0.04	0.01
Total	0.53	0.69

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)
(Amounts in Rs. cr, unless otherwise stated)

34 INCOME TAX AND DEFERRED TAX

A) Tax expense charged to the statement of profit or loss

	Year ended March 31, 2026	Year ended March 31, 2025 (Restated - refer note 38(B))
Current tax	43.00	39.00
Deferred tax charge	7.61	0.79
Tax expense reported in the statement of profit or loss	50.61	39.79

B) Tax expense charged to OCI

	Year ended March 31, 2026	Year ended March 31, 2025 (Restated - refer note 38(B))
Net gain on remeasurements of defined benefit plans	(0.66)	(0.15)
Tax charged to OCI	(0.66)	(0.15)

C) Reconciliation of tax charge

	Year ended March 31, 2026	Year ended March 31, 2025 (Restated - refer note 38(B))
Profit before tax	199.64	155.05
Enacted income tax rate in India applicable to the Holding Company	25.17%	25.17%
Income tax expense at tax rates applicable	50.24	39.02
Tax effects of items that are not deductible in determining taxable income:		
CSR expenditure and donations	0.60	0.47
Different tax rates in the components#	(0.92)	0.39
Due to change in Income tax rate of merged Nashik unit of Avalon Cosmetics Private Limited	-	(0.29)
Interest on income tax paid	0.63	0.00
Others	0.05	0.20
Income tax expense	50.61	39.79

Different tax rates in HFL Consumer Products Private Limited, HFL Multi Products Private Limited and Aero Care Personal Products LLP.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
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D) Deferred tax liability to be recognised in Balance Sheet relates to the following:

	As at March 31, 2026	As at March 31, 2025 (Restated - refer note 38(B))
Deferred tax assets		
On provision for employee benefits	11.65	5.38
On provision for doubtful debts	0.21	0.10
On provision for doubtful other receivable	0.16	-
On provision for doubtful advances	0.21	0.18
On lease liabilities	1.28	0.60
On ununused tax losses	5.55	8.76
On others	0.23	0.48
	19.29	15.50
Deferred tax liabilities		
On property, plant and equipment	63.07	55.01
On unamortised processing cost	0.70	0.75
On lease liabilities (net)	1.03	1.04
	64.80	56.80
Deferred tax liabilities net	(45.51)	(41.30)
Deferred tax assets on acquisition manufacturing facilities of SSIPL Retail Limited [refer note 38(C)(a)]	-	3.49
Deferred tax assets on merger of Avalon Cosmetics Private Limited - Nashik unit (refer note 38(B))	-	0.26
Deferred tax assets on acquisition of Sinnar, Nashik factory (refer note 38(A))	0.08	-
Deferred tax liability, net	(45.43)	(37.55)

E) Deferred tax expense to be recognised in Statement of Profit and Loss

	Year ended March 31, 2026	Year ended March 31, 2025 (Restated - refer note 38(B))
Deferred tax liabilities, net	(45.43)	(37.55)
Deferred tax on prior period tax adjustments	-	(0.01)
Deferred tax assets on merger of Avalon Cosmetics Private Limited - Nashik unit (refer note 38(B))	-	(0.26)
Deferred tax assets on acquisition of Sinnar, Nashik factory (refer note 38(A))	0.08	
Deferred tax assets on acquisition manufacturing facilities of SSIPL Retail Limited [refer note 38(C)(a)]	-	(3.49)
Others	0.20	(0.05)
Less: Opening deferred tax liabilities	37.55	40.57
Deferred tax charge for the year	(7.61)	(0.79)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

(Amounts in Rs. cr, unless otherwise stated)

	Year ended March 31, 2026	Year ended March 31, 2025 (Restated - refer note 38(B))
Tax liability recognised in Statement of Profit and Loss	(6.95)	(0.64)
Tax liability recognised in OCI		
On re-measurements gain of post-employment benefit obligations	(0.66)	(0.15)
Total deferred tax charge recognised in the statement of profit and loss	(7.61)	(0.79)

35 EARNINGS PER SHARE

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

	Year ended March 31, 2026	Year ended March 31, 2025 (Restated - refer note 38(B))
Profit attributable to equity holders	149.03	115.26
Weighted average number of equity shares (in cr) for basic EPS [refer note 38(B)(a)]	12.07	11.70
Weighted average number of equity shares (in cr) for diluted EPS [refer note 38(B)(a)]	12.08	11.70
Basic per share (Rs.)	12.34	9.85
Diluted per share (Rs.)	12.34	9.85

36 CONTINGENT LIABILITIES

	As at March 31, 2026	As at March 31, 2025 (Restated - refer note 38(B))
Claim for expired goods	0.07	0.07
Letter of credit issued	0.87	0.52
Bank guarantees	1.91	2.73
Demand relating to income tax	2.78	2.77
Financial guarantee issued on behalf of subsidiary	457.01	341.52
	462.63	347.61
Capital commitments	57.85	54.91

37 EMPLOYEE BENEFITS

The Group has the following employee benefit plans:

(A) Defined contribution plans

Contribution to Defined Contribution Plans, recognised as expense for the year Rs. 17.27 cr (Previous year Rs. 15.47 cr) (refer note 29)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

(Amounts in Rs. cr, unless otherwise stated)

(B) Defined benefit plans

Gratuity payable to employees

i) Actuarial assumptions

	Year ended March 31, 2026	Year ended March 31, 2025 (Restated - refer note 38(B))
Discount rate (per annum)	7.05%- 7.85%	6.70%- 6.99%
Rate of increase in Salary	5.25%- 10%	5.25%- 10%
Expected average remaining working lives of employees (years)	18.09 -27.55	18.80 -27.44
Attrition rate	1% - 15%	1% - 15%

Mortality in Service: Indian Assured Lives Mortality (2012-14) Ultimate table Authority of India

ii) Changes in the present value of defined benefit obligation

	Employee's gratuity fund	
	As at March 31, 2026	As at March 31, 2025 (Restated - refer note 38(B))
Present value of obligation at the beginning of the year	21.35	12.77
Acquired through business combination (refer note 38)	0.43	7.49
Transfer in/(out) obligation	-	(0.01)
Current service cost	4.42	4.69
Past service cost	5.15	-
Interest cost	1.44	1.41
Benefits paid	(2.58)	(4.39)
Actuarial gain on obligations	(2.68)	(0.61)
Present value of obligation at the end of the year	27.53	21.35

iii) Change in the fair value of plan assets:

	Employee's gratuity fund	
	As at March 31, 2026	As at March 31, 2025 (Restated - refer note 38(B))
Opening fair value of plan assets	(1.18)	(1.10)
Acquired through business combination	-	-
Expenses of the fund	-	-
Interest income	(0.08)	(0.08)
Contributions by employer	-	-
Benefits paid	-	-
Actuarial (losses)/gains	0.00*	0.00*
Closing fair value of plan assets	(1.26)	(1.18)

* Amount below rounding off norms

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
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(Amounts in Rs. cr, unless otherwise stated)

iv) Expense recognised in the Statement of Profit and Loss

	Employee's gratuity fund	
	March 31, 2026	March 31, 2025 (Restated - refer note 38(B))
Current service cost	4.42	4.69
Past service cost #	5.15	-
Interest cost	1.36	1.33
Total expenses recognised in the Statement Profit and Loss *	10.93	6.02

*Included in employee benefits expense (refer note 29)

#Past service cost amounting Rs. 3.47 cr is classified in exceptional item (refer note 53)

v) Remeasurement gain recognised in other comprehensive income

	Employee's gratuity fund	
	March 31, 2026	March 31, 2025 (Restated - refer note 38(B))
Actuarial (gain)/loss on obligations due to change in financial assumptions	(1.81)	0.83
Actuarial gain on obligations due to experience adjustments	(0.87)	(1.44)
Actuarial (gain)/loss for the year on asset	0.00*	0.00*
Total remeasurement gain recognised in other comprehensive income	(2.68)	(0.61)

* Amount below rounding off norms

vi) Assets and liabilities recognised in the Balance Sheet:

	Employee's gratuity fund	
	As at March 31, 2026	As at March 31, 2025 (Restated - refer note 38(B))
Present value of funded obligation	27.53	21.35
Less: fair value of plan assets	(1.26)	(1.18)
Net liability recognised in Balance Sheet*	26.27	20.17
*Included in provision for employee benefits (refer note 19)		
Non-current	23.10	18.94
Current	3.17	1.23

vii) Expected contribution to the fund in the next year

	As at March 31, 2026	As at March 31, 2025 (Restated - refer note 38(B))
Gratuity	3.17	1.23

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
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(Amounts in Rs. cr, unless otherwise stated)

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

	Employee's gratuity fund	
	As at March 31, 2026	As at March 31, 2025 (Restated - refer note 38(B))
Impact on defined benefit obligation		
Discount rate		
0.5% increase	16.80	20.21
0.5% decrease	19.69	22.61
Rate of increase in salary		
0.5% increase	19.57	22.56
0.5% decrease	16.87	20.24
Withdrawal rate		
110% change	18.88	21.35
90% change	17.44	21.34

ix) Maturity profile of defined benefit obligation

Year	Employee's gratuity fund	
	As at March 31, 2026	As at March 31, 2025 (Restated - refer note 38(B))
Apr 2025- Mar 2026	-	1.14
Apr 2026- Mar 2027	1.69	0.92
Apr 2027 -Mar 2028	1.44	1.10
Apr 2028 -Mar 2029	1.61	1.13
Apr 2029 -Mar 2030	1.74	1.34
Apr 2030 -Mar 2031	1.57	-
Apr 2030 onwards	-	12.40
Apr 2031 onwards	15.75	-

(C) Other long term employee benefit obligation

Leave entitlement

Employee benefit expenses for the year include Rs. 5.36 cr (includes past service cost of Rs. 1.10 cr (refer note 53)) (Previous year Rs. 3.85 cr) towards leave entitlement.

The liability for leave entitlement is recognised in the same manner as gratuity aggregating Rs. 10.86 cr as at March 31, 2026 (March 31, 2025: Rs. 8.16 cr).

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

(Amounts in Rs. cr, unless otherwise stated)

38 (A) BUSINESS COMBINATIONS DURING THE CURRENT YEAR

(a) Acquisition of manufacturing facilities of M/s Ashish Industries

- (i) During the year, HFL Consumer Products Private Limited ("Subsidiary Company") entered into Business Transfer Agreement Dated November 10, 2025 with M/s Ashish Industries for purchase consideration of Rs. 20.21 cr as per the terms and condition of the Business Transfer Agreement including amendments thereof (if any) entered between the Subsidiary Company and M/s Ashish Industries.

The Company has acquired control as on December 01, 2025 and recognised the fair value of net Assets acquired of Rs. 23.04 cr resulting in Capital Reserve of Rs. 2.88 cr (after adjustment of related tax).

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

(All amounts in Rs. cr, unless otherwise stated)

Particulars	Amount
A) Assets acquired on December 01, 2025	
Property, plant and equipment	20.31
Right of use assets	2.53
Financial assets	
Non-current financial assets	0.01
Inventories	0.45
Total Assets acquired (A)	23.30
B) Liabilities assumed on December 01, 2025	
Employee related provision	0.26
Total Liabilities Assumed (B)	0.26
Net Assets acquired ('C) = (A-B)	23.04
Purchase Consideration* (D)	20.21
Capital Reserve on Acquisition ('E) = (C-D)	2.83
Deferred Tax Asset (F)	0.05
Adjusted capital reserve on acquisition (E-F)	2.88

- (iv) *Purchase consideration payable as on March 31, 2026 is Rs. 2.21 cr.

(v) Acquisition costs

Acquisition costs of Rs. 0.02 cr arose as a result of the transaction. These have been recognised as part of other expenses in the profit and loss.

(vi) Analysis of cash flows on acquisition

(All amounts in Rs. cr, unless otherwise stated)

Particulars	Amount
Acquisition costs as a result of the transaction (included in cash flows from operating activities)	0.02
Net cash paid for acquisition of the subsidiary (included in cash flows from investing activities)	18.00
Total cash outflow on acquisition	18.02

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

(Amounts in Rs. cr, unless otherwise stated)

(vii) Measurement of fair values of material assets and liabilities

The valuation methods used for measuring the fair values of material assets and liabilities acquired were as follows:-

Property, plant and equipment:- The assets identified or recorded in the balance sheet (excluding the Lease hold Land) of the Target Business has been valued based on the report of an Independent Valuer as per Cost Approach.

Right of use assets:- Leasehold Land of the Target Business has been valued based on the report of an Independent Land Valuer as per Direct Comparison Method under Market Approach.

(b) Acquisition of manufacturing facilities of M/s Vijay

- (i) During the year, HFL Consumer Products Private Limited ("Subsidiary Company") entered into Business Transfer Agreement Dated November 10, 2025 with M/s Vijay for purchase consideration of Rs. 6.95 cr as per the terms and condition of the Business Transfer Agreement including amendments thereof (if any) entered between the Subsidiary Company and M/s Vijay.

The Company has acquired control as on December 01, 2025 and recognised the fair value of net Assets acquired of Rs. 6.23 cr resulting in Goodwill of Rs. 0.69 cr (after adjustment of related tax).

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

(All amounts in Rs. cr, unless otherwise stated)

Particulars	Amount
A) Assets acquired on December 01, 2025	
Property, plant and equipment	4.10
Right of use assets	1.43
Financial assets	
Non-current financial assets	0.01
Inventories	0.86
Total Assets acquired (A)	6.40
B) Liabilities assumed on December 01, 2025	
Employee related provision	0.17
Total Liabilities Assumed (B)	0.17
Net Assets acquired ('C) = (A-B)	6.23
Purchase Consideration* (D)	6.95
Goodwill on Acquisition ('E) = (D-C)	0.72
Less: Deferred Tax Asset (F)	0.03
Goodwill on Acquisition (E-F)	0.69

- (iv) *Purchase consideration payable as on March 31, 2026 is Rs. 0.70 cr.

(v) Acquisition costs

Acquisition costs of Rs. 0.02 cr arose as a result of the transaction. These have been recognised as part of other expenses in the profit and loss.

(vi) Analysis of cash flows on acquisition

(All amounts in Rs. cr, unless otherwise stated)

Particulars	Amount
Acquisition costs as a result of the transaction (included in cash flows from operating activities)	0.02
Net cash paid for acquisition of the subsidiary (included in cash flows from investing activities)	6.25
Total cash outflow on acquisition	6.27

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

(Amounts in Rs. cr, unless otherwise stated)

(vii) Measurement of fair values of material assets and liabilities

The valuation methods used for measuring the fair values of material assets and liabilities acquired were as follows:-

Property, plant and equipment:- The assets identified or recorded in the balance sheet (excluding the Lease hold Land) of the Target Business has been valued based on the report of an Independent Valuer as per Cost Approach.

Right of use assets:- Leasehold Land of the Target Business has been valued based on the report of an Independent Land Valuer as per Direct Comparison Method under Market Approach.

38 (B) BUSINESS COMBINATIONS DURING THE CURRENT YEAR

(a) Merger Information - Nashik 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 Nashik Manufacturing Unit of Avalon Cosmetics Private Limited ('Avalon Cosmetics') with the Holding Company was approved by the Hon'ble National Company Law Tribunal (Mumbai Bench) vide its order dated February 25, 2026 ("the NCLT Order"). The Certified copy of the NCLT Order was filed with Registrar of Companies on March 31, 2026. Consequently, the Scheme become operative from closing of business hours on March 31, 2026 and effective from April 01, 2024 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 financial statements of the Holding Company for the year ended March 31, 2025 included in this statement have been restated to give effect to the Scheme. All the assets and liabilities of Nashik 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, 2024 and amount Rs. 0.34 cr is recorded as debit to the capital reserve on account of the Scheme. In consideration of business combination, the Holding Company will allot 1,680,939 equity shares Rs. 2 each credited as fully paid-up shares of the Holding 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 01, 2024.

Pursuant to the business combination between Nashik Manufacturing Unit of Avalon Cosmetics and the Holding Company with effect from April 01, 2024, the profit attributable to the equity shareholders for the comparative year have been restated to include the figures of Nashik Manufacturing unit of Avalon Cosmetics. Accordingly, as per the requirement of the IND AS 33 'Earnings 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:

(All amounts in Rs. cr, unless otherwise stated)

Particulars	Amount
A) Assets acquired on April 01, 2024	
Property, plant and equipment	5.13
Trade receivables	1.26
Cash and cash equivalents	0.26
Other current financial assets	1.17

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

(Amounts in Rs. cr, unless otherwise stated)

(All amounts in Rs. cr, unless otherwise stated)

Particulars	Amount
Deferred tax assets (net)	0.26
Other current assets	0.33
Total Assets acquired (A)	8.41
B) Liabilities assumed on April 01, 2024	
Other equity*	3.70
Provisions- Non Current	0.66
Trade payables	3.80
Other current financial liabilities	0.13
Other current liabilities	0.12
Total Liabilities Assumed (B)	8.41
Net Assets acquired (A-B)	-
Less: Shares pending issuance	(0.34)
Net assets acquired transferred to capital reserve	(0.34)

*Other equity includes Retained earnings of Rs. 3.70 cr.

(b) Amalgamation Information - Vanity Case India Private Limited ('VCIPL')

- (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 amalgamation of Vanity Case India Private Limited ('VCIPL') with the Holding Company was approved by the Hon'ble National Company Law Tribunal (Mumbai Bench) vide its order dated February 25, 2026 ("the NCLT Order"). The Certified copy of the NCLT Order was filed with Registrar of Companies on March 31, 2026. Consequently, the Scheme become operative from Closing of business hours on March 31, 2026 and effective from the appointed date.

The said business combination has been accounted in accordance with the above scheme and previously issued financial statements of the Holding Company for the year ended March 31, 2025 included in this statement have been restated to give effect to the Scheme. W.e.f. April 01, 2024 all the assets and liabilities of Vanity Case India Private Limited ('VCIPL') have been transferred to and vested in the Holding Company at it's carrying value which is approximately the fair value and amount Rs. 1.21 cr is recorded as retained earnings on account of the Scheme. In consideration of amalgamation, the Holding Company will allot 46,458,145 equity shares Rs. 2 each credited as fully paid up shares of the Holding Company to the shareholders of VCIPL for each equity share in proportion to their holding in VCIPL.

Pursuant to the amalgamation between VCIPL and the Holding Company with effect from April 01, 2024, the profit attributable to the equity shareholders for the comparative year have been restated to include the figures of VCIPL. Accordingly, the current tax and deferred tax amounts in the comparative year have been restated owing to the said amalgamation.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

(Amounts in Rs. cr, unless otherwise stated)

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

(All amounts in Rs. cr, unless otherwise stated)	
Particulars	Amount
A) Assets acquired on April 01, 2024	
Investment	19.07
Trade receivables	0.84
Cash and cash equivalents	0.03
Other financial assets	0.01
Deferred tax assets	0.01
Total Assets acquired (A)	19.96
B) Liabilities assumed on April 01, 2024	
Other equity*	18.78
Borrowings	0.48
Other current liabilities	0.01
Net Assets acquired (A-B)	0.24
Goodwill acquired from consolidation of HFL and VCIPL#	19.70
Net Assets acquired after Goodwill	19.94
Less: Sale of investment	(18.73)
Net assets acquired transferred to retained earnings	1.21

*Other equity includes securities premium of Rs. 16.48 cr, Retained earnings of Rs. 0.11 cr and Capital reserve of Rs. 2.19 cr.

This pertains to the goodwill that is reflected in the Consolidated financial statements of VCIPL in relation to the goodwill on investment in the Company

(iv) Acquisition related cost

The Company has incurred an aggregate of Rs. 0.58 cr during the year ended March 31, 2026 towards merger of Nashik Manufacturing Unit of Avalon Cosmetics Private Limited and amalgamation of Vanity Case India Private Limited with the Holding Company, which are included in other expenses in profit or loss and in operating cash flows in statement of cash flows.

38 (C) BUSINESS COMBINATIONS DURING PREVIOUS YEAR

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

- (i) KNS Shoetech Private Limited on April 01, 2024, has completed the acquisition of two manufacturing facility of SSIPL Retail Limited ("SSIPL") situated at Sirmour, Himachal Pradesh and one manufacturing facility situated at Sonipat, Haryana for a purchase consideration of Rs. 70.98 cr as per the terms and conditions of the Business Transfer Agreement dated April 01, 2024 (including amendments thereof (if any)).

On acquisition, the Company has recognised the fair value of net assets acquired of Rs. 76.05 cr resulting in capital reserve of Rs. 8.56 cr (after adjustment of related tax).

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

(All amounts in Rs. cr, unless otherwise stated)	
Particulars	Amount
A) Fair value of assets acquired on April 01, 2024	
Property, plant and equipment	51.02
Other intangible assets	7.38
Inventories	46.20

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

(Amounts in Rs. cr, unless otherwise stated)

(All amounts in Rs. cr, unless otherwise stated)	
Particulars	Amount
Trade receivables	37.39
Other non current financial assets	1.50
Other current assets	0.55
Total Assets acquired (A)	144.04
B) Fair value of liabilities assumed on April 01, 2024	
Trade payables	53.52
Employee benefit obligations	10.53
Other current financial liabilities	3.94
Total Liabilities Assumed (B)	67.99
Net Assets acquired (C) = (A-B)	76.05
Purchase Consideration* (D)	70.98
Capital reserve on acquisition (C-D)	5.07
Add: Deferred tax assets on employee benefit obligations (refer note iii below)	3.49
Adjusted capital reserve on acquisition	8.56

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

- (iv) *Purchase consideration payable as on March 31, 2025 is Rs. 1.23 cr.

(v) Acquisition costs

Acquisition costs of Rs.0.17 cr arose as a result of the transaction. These have been recognised as part of other expenses in the profit and loss.

(vi) Analysis of cash flows on acquisition

(All amounts in Rs. cr, unless otherwise stated)	
Particulars	Amount
Acquisition costs as a result of the transaction (included in cash flows from operating activities)	0.17
Net cash paid for acquisition of the subsidiary (included in cash flows from investing activities)	69.75
Total cash flow on acquisition	69.92

(vii) Measurement of fair values of material assets and liabilities

The valuation methods used for measuring the fair values of material assets and liabilities acquired were as follows:-

Property, plant and equipment:- The valuation method used for land is sale comparison method under market approach and for building and plant & machinery is carried out on the basis of Replacement cost new method under cost approach.

Intangible assets:- The valuation method used is fair market value of intangible assets.

Inventories:- The valuation method used is comparable market price method, which uses estimated selling price of similar inventories less estimated costs of completion and sale

Others:- The valuation method used is the book value which is a representative of its fair value

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

(Amounts in Rs. cr, unless otherwise stated)

(b) Acquisition of manufacturing facilities of MMG Enterprises Private Limited

- (i) During the previous year, the Company entered into Business Transfer Agreement Dated January 01, 2025 with MMG Enterprises Pvt Ltd for Purchase consideration of Rs. 30.44 cr as per the terms and condition of the Business Transfer Agreement including amendments thereof (if any) entered between the Company and MMG enterprises Pvt Ltd.
- (ii) The Company has acquired control as on January 01, 2025 and recognised the fair value of net Assets acquired of Rs. 33.16 cr resulting in Capital Reserve of Rs. 2.72 cr (after adjustemnt of related tax).
- (iii) Details of purchase consideration, assets and liabilities acquired are as follows:

(All amounts in Rs. cr, unless otherwise stated)

Particulars	Amount
A) Fair value of assets acquired on January 01, 2025	
Property, plant and equipment	28.21
Right of use assets	4.00
Other financial assets	0.73
Other current assets	1.63
Total Assets acquired (A)	34.57
B) Fair value of liabilities assumed on January 01, 2025	
Trade payables	0.28
Employee benefit obligations	0.05
Other current financial liabilities	1.08
Total Liabilities Assumed (B)	1.41
Net Assets acquired (C) = (A-B)	33.16
Purchase Consideration* (D)	30.44
Capital reserve on acquisition (C-D)	2.72

- (iv) *Purchase consideration payable as on March 31, 2025 is Rs. 0.99 cr (During the current year ending on March 31, 2026, Rs. 0.32 cr has been paid).

(v) Acquisition costs

Acquisition costs of Rs.. 0.03 cr arose as a result of the transaction. These have been recognised as part of other expenses in the profit and loss

(vi) Analysis of cash flows on acquisition

(All amounts in Rs. cr, unless otherwise stated)

Particulars	Amount
Acquisition costs as a result of the transaction (included in cash flows from operating activities)	0.03
Net cash paid for acquisition of the subsidiary (included in cash flows from investing activities)	29.45
Total cash flow on acquisition	29.48

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

(Amounts in Rs. cr, unless otherwise stated)

(vii) Measurement of fair values of material assets and liabilities

The valuation methods used for measuring the fair values of material assets and liabilities acquired were as follows:-

Property, plant and equipment:- The assets identified or recorded in the balance sheet (excluding the Lease hold Land) have been considered at their book value with the assumption that the book value is a representative of its fair value.

Right of use assets:- Leasehold Land of the Target Business has been valued based on the report of an Independent Land Valuer as per Direct Comparison Method under Market Approach.

39 LEASES

- (i) For changes in the carrying value of Right-of-use Assets refer note 4 (a)
- (ii) Changes in the Lease liabilities

Particulars	Category of ROU Asset		Total
	Leasehold land	Building	
Balance as at April 01, 2024	13.09	30.80	43.89
Interest	1.25	3.49	4.74
Additions	-	16.30	16.30
Discontinuation of lease liability	-	(16.15)	(16.15)
Lease Payments	(1.55)	(6.68)	(8.23)
Balance as at March 31, 2025	12.79	27.76	40.55
Interest	1.33	2.54	3.87
Lease Payments	(1.71)	(4.50)	(6.21)
Balance as at March 31, 2026	12.41	25.80	38.21

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

Particulars	As at March 31, 2026	As at March 31, 2025 (Restated - refer note 38(B))
Current Lease Liabilities	4.32	3.62
Non-current Lease Liabilities	33.89	36.93

- (iv) Maturity analysis of lease

Particulars	As at March 31, 2026	As at March 31, 2025 (Restated - refer note 38(B))
Less than one year	6.80	6.05
One to five years	28.88	26.61
More than five years	36.77	31.22
Total	72.44	63.88

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, 2026 (CONTD.)

(Amounts in Rs. cr, unless otherwise stated)

(v) Amounts recognised in statement of Profit and Loss account

Particulars	Year ended March 31, 2026	Year ended March 31, 2025 (Restated - refer note 38(B))
Interest on Lease Liabilities	3.87	4.74
Depreciation of right of use assets	7.50	8.31
Short-term and low value leases expensed	6.98	4.12
Total	18.35	17.17

(vi) Amounts recognised in statement of Cash Flows

Particulars	Year ended March 31, 2026	Year ended March 31, 2025 (Restated - refer note 38(B))
Total Cash outflow for leases	(6.21)	(8.23)

40 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 (upto March 31, 2026) [refer note 38(B)]

Entity under common control

V.S Dempo Private Limited

Avalon Cosmetics Private Limited

Adonia Cosmetics Private Limited

Mahak Cosmetics and Credit Private Limited

Christine Valmy Institute Private Limited

Allies Logistics Private Limited

Firm in which Directors of Company or their relatives are Partner

M/s Shivom Industries

M/s Athene Laboratories

M/s Sundaram Cosmetics (upto February 24, 2025)

M/s Galaxy Healthcare Products (upto March 12, 2026)

M/s Spans Heathcare

Associate

Asar Green Kabadi Private Limited (with effect from August 21, 2025)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

(Amounts in Rs. cr, unless otherwise stated)

Employee Benefit Trust

Hindustan Foods Management staff Superannuation Fund Trust

Key Management Personnel (KMP)

Sameer Kothari Managing Director

Ganesh Argekar Executive Director, Whole-Time Director

Mayank Samdani Chief Financial Officer and Group CFO

Bankim Purohit Company Secretary and Legal Head

Non-executive Directors

Shashi Kalathil Independent Non-Executive Director

Shrinivas Dempo Non-Independent Non-Executive Director

Nikhil Vora Non-Independent Non-Executive Director

Honey Vazirani Independent Non-Executive Director

Neeraj Chandra Independent Non-Executive Director

Sarvjit Singh Bedi Non-Independent Non-Executive Director (upto September 18, 2024)

Sandeep Mehta Independent Non-Executive Director (upto August 08, 2024)

Amruta Adukia Non-Independent Non-Executive Director (upto February 12, 2025)

Relatives of Directors

Asha R Kothari Relative of Managing Director

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

	Year ended March 31, 2026	Year ended March 31, 2025 (Restated - refer note 38(B))
(i) Purchase of spares		
Avalon Cosmetics Private Limited	-	0.00*
Athene Laboratories	0.01	-
(ii) Purchase of materials		
Athene Laboratories	-	0.00*
Avalon Cosmetics Private Limited	-	0.09
Shivom Industries	-	0.00*
Spans Healthcare	11.51	12.20
(iii) Sale of goods		
Adonia Cosmetics Private Limited	0.00*	0.00*
Athene Laboratories	0.00*	0.00*
Christine Valmy Institute Private Limited	-	0.00*
Shivom Industries	0.19	0.00*

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)
(Amounts in Rs. cr, unless otherwise stated)

	Year ended March 31, 2026	Year ended March 31, 2025 (Restated - refer note 38(B))
(iv) Sale of scrap		
Asar Green Kabadi Private Limited	0.25	-
(v) Purchase of property, plant and equipment		
Avalon Cosmetics Private Limited	-	0.01
(vi) Sale of property, plant and equipment		
Adonia Cosmetics Private Limited	-	0.00*
Avalon Cosmetics Private Limited	-	0.03
(vii) Rent paid		
Athene Laboratories	0.75	0.66
Spans Healthcare	0.12	0.06
(viii) Reimbursement of expenses		
Avalon Cosmetics Private Limited	10.08	0.01
Christine Valmy Institute Private Limited	-	0.02
Shivom Industries	0.02	-
(ix) Other Recovery		
Asar Green Kabadi Private Limited	0.24	-
(x) Investment in shares		
Asar Green Kabadi Private Limited	4.57	-
(xi) Sitting fees		
Shrinivas Dempo	0.02	0.03
Sandeep Mehta	-	0.01
Shashi K. Kalathil	0.05	0.06
Honey Vazirani	0.04	0.06
Nikhil K Vora	0.02	0.03
Neeraj Chandra	0.03	0.04
(xii) Compensation of key management personnel		
Sameer Kothari	4.49	4.25
Ganesh Argekar	1.40	1.25
Mayank Samdani	1.11	1.00
Bankim Purohit	0.34	0.30
(xiii) Compulsory Convertible Debenture		
Ganesh Argekar	0.43	0.29
Mayank Samdani	0.19	0.13
Avalon Cosmetics Private Limited	0.12	0.31

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)
(Amounts in Rs. cr, unless otherwise stated)

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

	Year ended March 31, 2026	Year ended March 31, 2025 (Restated - refer note 38(B))
(i) Trade payables		
Spans Healthcare	2.17	2.82
(ii) Trade Receivables		
Asar Green Kabadi Private Limited	0.07	-
(iii) Security deposit		
Athene Industries	0.42	0.42
(iv) Other receivables		
Christine Valmy Institute Private Limited	-	0.01
(v) Other payables		
Avalon Cosmetics Private Limited	10.08	-
(vi) Investment in shares		
Asar Green Kabadi Private Limited	4.57	-
(vii) Remuneration payable		
Sameer Kothari	1.65	1.74
(vii) Compulsory Convertible Debenture		
Ganesh Argekar	0.72	0.29
Mayank Samdani	0.32	0.13
Avalon Cosmetics Private Limited	0.43	0.31

(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, 2025: 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.

* Amount below rounding off norms

41 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 two geography and two external customers amounting to Rs. 3,452.80 cr (Previous year (Restated - refer note 38B): Rs. 2,963.94 cr from two geography and two external customers).

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)
(Amounts in Rs. cr, unless otherwise stated)

42 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, 2026 were as follows

Particulars	Note	Amortised Cost	Fair value through profit or loss	Fair value through OCI	Total fair value	Total carrying value
Financial assets						
Investments	11	-	-	0.71	-	0.71
Other Non Current Financial Assets	7	36.29	-	-	-	36.29
Other Current Financial Assets	7	191.38	-	-	-	191.38
Trade receivable	12	254.76	-	-	-	254.76
Cash and cash equivalents	13	35.87	-	-	-	35.87
Bank balances other than cash and cash equivalents	14	15.84	-	-	-	15.84
		534.14	-	0.71	-	534.85
Financial liabilities						
Non current Borrowings	18(a)	725.53	-	-	-	725.53
Current Borrowings	18(b)	324.52	-	-	-	324.52
Non-current and Current lease liabilities	39	38.20	-	-	-	38.20
Other current financial liabilities	22	104.72	-	-	-	104.72
Trade payables	21	632.86	-	-	-	632.86
		1,825.83	-	-	-	1,825.83

The carrying value and fair value of financial instruments by categories as at March 31, 2025 were as follows

Particulars	Note	Amortised Cost	Fair value through profit or loss	Fair value through OCI	Total fair value	Total carrying value
Financial assets						
Other Non Current Financial Assets	7	37.41	-	-	-	37.41
Other Current Financial Assets	7	162.07	-	-	-	162.07
Trade receivable	12	211.60	-	-	-	211.60
Cash and cash equivalents	13	79.78	-	-	-	79.78
Bank balances other than cash and cash equivalents	14	6.63	-	-	-	6.63
Loan	6	1.00	-	-	-	1.00
		498.49	-	-	-	498.49

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)
(Amounts in Rs. cr, unless otherwise stated)

Particulars	Note	Amortised Cost	Fair value through profit or loss	Fair value through OCI	Total fair value	Total carrying value
Financial liabilities						
Non current Borrowings	18(a)	618.62	-	-	-	618.62
Current Borrowings	18(b)	236.78	-	-	-	236.78
Non-current and Current lease liabilities	39	40.55	-	-	-	40.55
Other current financial liabilities	22	57.55	-	-	-	57.55
Trade payables	21	552.31	-	-	-	552.31
		1,505.81	-	-	-	1,505.81

43 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.

	As at March 31, 2026	As at March 31, 2025 (Restated - refer note 38(B))
Fair value measurement hierarchy of assets		
Level 3		
Financial assets measured at FVTOCI		
Investments in 7,24,608 (March 31, 2025: 4,545) Equity Shares of Rs. 10 each fully paid up in Transition Sustainable Energy Services One Private Limited	0.71	-

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.

44 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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

(Amounts in Rs. cr, unless otherwise stated)

(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
2026		
Rs.	+50	(5.25)
Rs.	-50	5.25
Exposure to interest risk	Increase/decrease in basis points	Effect on profit before tax
2025		
Rs.	+50	(4.27)
Rs.	-50	4.27

(ii) Foreign currency risk

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

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

Particulars		As at March 31, 2026		As at March 31, 2025 (Restated - refer note 38(B))	
		Foreign currency in cr	Rs. in cr	Foreign currency in cr	Rs. in cr
Trade receivable	EURO	0.01	1.29	0.02	1.97
	USD	0.16	15.07	0.18	14.84
	GBP	-	-	-	-
Cash & cash equivalents	EURO	0.00*	0.01	0.01	1.01
	USD	0.02	1.84	0.02	1.36
Trade Payables	EURO	0.00*	0.03	0.00*	0.27
	GBP	0.00*	0.29	0.00*	0.43
	AUD	-	-	0.00*	0.03
	USD	0.07	6.51	0.07	6.03
Capital Creditors	EURO	0.18	19.48	0.01	0.72

* Amount below rounding off norms.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

(Amounts in Rs. cr, unless otherwise stated)

Foreign currency sensitivity

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

	Effect on profit- total gain/(loss)			
	5% increase in exchange rate		5% decrease in exchange rate	
	As at March 31, 2026	As at March 31, 2025 (Restated - refer note 38(B))	As at March 31, 2026	As at March 31, 2025 (Restated - refer note 38(B))
Trade receivable	0.82	0.84	(0.82)	(0.84)
Cash & cash equivalents	0.09	0.12	(0.09)	(0.12)
Trade Payables	(0.34)	(0.34)	0.34	0.34
Capital Creditors	(0.97)	(0.04)	0.97	0.04
	(0.40)	0.58	0.40	(0.58)

(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.

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

Fair value measurement hierarchy for liability

	As at March 31, 2026	As at March 31, 2025 (Restated - refer note 38(B))
Not due	132.95	126.93
Less than 6 months	111.70	84.38
6 months to 12 months	10.05	0.28
beyond 12 months	0.06	0.01
	254.76	211.60

(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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

(Amounts in Rs. cr, unless otherwise stated)

The table below summarises the maturity profile of the Group's financial liabilities:

	Less than 1 year	More than 1 Years	Total
As at March 31, 2026			
Long-term borrowings	-	725.53	725.53
Short term borrowings	324.52	-	324.52
Trade payables	632.86	-	632.86
Lease Liability	4.32	33.89	38.21
Other financial liability	104.72	-	104.72
	1,066.42	759.42	1,825.84
	Less than 1 year	More than 1 Years	Total
As at March 31, 2025 (Restated - refer note 38(B))			
Long-term borrowings	-	618.62	618.62
Short term borrowings	236.78	-	236.78
Trade payables	552.31	-	552.31
Lease Liability	3.62	36.93	40.55
Other financial liability	57.55	-	57.55
	850.26	655.55	1,505.81

45 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.

	As at March 31, 2026	As at March 31, 2025 (Restated - refer note 38(B))
Total equity (i)	1,165.08	920.31
Total borrowings (including liability portion of redeemable non cumulative non convertible preference shares and lease liabilities)	1,088.25	895.94
Less: cash and cash equivalents	(35.87)	(79.78)
Total debt (ii)	1,052.38	816.16
Overall financing (iii) = (i) + (ii)	2,217.46	1,736.47
Gearing ratio (ii)/(iii)	0.47	0.47

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2026 and March 31, 2025.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

(Amounts in Rs. cr, unless otherwise stated)

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

Particulars	As at March 31, 2025 (Restated - refer note 38(B))	Cash flow changes		Non- cash flow changes	Reclassification*	As at March 31, 2026
		Receipts	Payments			
Non-current borrowings (refer note 18(a))	618.62	226.59	(117.05)	0.09	(2.72)	725.53
Current borrowings (refer note 18(b))	236.78	84.82	-	0.20	2.72	324.52
Total	855.40	311.41	(117.05)	0.29	-	1,050.05

*Current maturity of long term loan classified in non-current borrowings for cash flow purpose.

- (b) The Holding Company has entered into certain Supplier Finance Arrangements (SFA) with finance providers during the year. The primary objective of these arrangements is to benefit the suppliers with early payments. The Holding Company doesn't provide any collateral or guarantees to the finance provider.

Carrying Amount of Financial Liabilities:

Particulars	As at March 31, 2026	As at March 31, 2025 (Restated - refer note 38(B))
(i) Financial liabilities classified under 'Trade Payables'	72.82	69.68
(ii) Out of (i), amount received by suppliers from finance providers	72.82	NA

Payment terms with finance providers:

Particulars	As at March 31, 2026
(i) Financial liabilities classified under 'Trade Payables'	30-90 days
(ii) Out of (i), amount received by suppliers from finance providers	30-90 days

The Holding Company has applied transitional relief and accordingly comparative information, wherever applicable, for the above disclosures is not presented in the first year of adoption of the amendment.

47 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) Details of Loans given by the Group

	As at March 31, 2026	As at March 31, 2025 (Restated - refer note 38(B))
Unsecured, considered good		
Loan to others, repayable on demand	-	1.00

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

(Amounts in Rs. cr, unless otherwise stated)

(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.

(c) Details of investments made by the Group

	As at March 31, 2026	As at March 31, 2025 (Restated - refer note 38(B))
Unquoted Equity Shares of Transition Sustainable Energy Services One Private Limited (7,24,608 (March 31, 2025 4,545) Equity Shares of Rs. 10 each fully paid up)	0.71	0.00*

*Amount below rounding off norms.

48 DISCLOSURES MANDATED BY SCHEDULE III OF COMPANIES ACT 2013, BY WAY OF ADDITIONAL INFORMATION:

Particulars	FY 2025-2026							
	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	93.38%	1,087.97	80.13%	119.42	36.06%	0.73	79.54%	120.15
Subsidiary:								
HFL Consumer Products Private Limited	2.59%	30.21	15.46%	23.03	1.59%	0.03	15.27%	23.06
Aerocare personal care products LLP	1.80%	20.99	4.14%	6.17	1.48%	0.03	4.10%	6.20
HFL Healthcare and Wellness Private Limited	2.19%	25.36	2.54%	3.79	8.40%	0.17	2.64%	3.96
HFL Multiproducts Private Limited	(0.35%)	(4.08)	(2.61%)	(3.89)	2.01%	0.04	(2.55%)	(3.85)
KNS Shoetech Private Limited	1.44%	16.82	1.02%	1.52	50.46%	1.02	1.68%	2.54
Elimination	(1.01%)	(11.76)	(0.39%)	(0.58)	0.00%	-	-0.39%	(0.58)
Associate:								
Asar Green Kabadi Private Limited	(0.04%)	(0.43)	(0.29%)	(0.43)	0.00%	-	(0.29%)	(0.43)
Grand Total	100.00%	1,165.08	100.00%	149.03	100.00%	2.02	100.00%	151.05
Particulars	FY 2024-2025 (Restated - refer note 38(B))							
	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	95.79%	881.61	94.53%	108.96	73.64%	0.66	94.73%	109.62

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

(Amounts in Rs. cr, unless otherwise stated)

Particulars	FY 2024-2025 (Restated - refer note 38(B))							
	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
Subsidiary:								
HFL Consumer Products Private Limited	0.46%	4.27	3.43%	3.95	2.19%	(0.01)	3.40%	3.94
Aerocare personal care products LLP	1.61%	14.79	4.51%	5.20	(1.61%)	(0.04)	4.46%	5.16
HFL Healthcare and Wellness Private Limited	2.32%	21.39	8.14%	9.38	11.66%	0.02	8.12%	9.40
HFL Multiproducts Private Limited	(0.03%)	(0.25)	(2.72%)	(3.13)	0.00%	(0.01)	(2.71%)	(3.14)
KNS Shoetech Private Limited	0.50%	4.60	(7.09%)	(8.17)	14.12%	(0.16)	(7.20%)	(8.33)
Elimination	(0.65%)	(6.10)	(0.80%)	(0.93)	0.00%	-	(0.80%)	(0.93)
Grand Total	100.00%	920.31	100.00%	115.26	100.00%	0.46	100.00%	115.72

49 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	Percentage of ownership interest
			As at March 31, 2026	As at March 31, 2025 (Restated - refer note 38(B))
HFL Consumer Products Private Limited	India	Contract Manufacturing	100%	100%
Aero Care Personal Products LLP	India	Contract Manufacturing	100%	100%
HFL Healthcare and Wellness Private limited	India	Contract Manufacturing	100%	100%
KNS Shoetech Private Limited	India	Contract Manufacturing	100%	100%
HFL Multiproducts Private limited	India	Contract Manufacturing	100%	100%

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

(Amounts in Rs. cr, unless otherwise stated)

B. Associate

Name	Country of incorporation	Activities	Percentage of ownership interest As at March 31, 2026	Percentage of ownership interest As at March 31, 2025 (Restated - refer note 38(B))
Asar Green Kabadi Private Limited	India	Recycling of scrap	25.07%	-

50 SHARE - BASED PAYMENTS

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

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

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

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

	Year ended March 31, 2026		Year ended March 31, 2025 (Restated - refer note 38(B))	
	Weighted average exercise price (in Rs.)	Number of options	Weighted average exercise price (in Rs.)	Number of options
Opening as at beginning of the year	-	-	-	-
Granted during the year	2.00	1,47,100	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Lapsed during the year	-	-	-	-
Outstanding as at the closing of the year	2.00	1,47,100	-	-

Of the total number of options outstanding at March 31, 2026, no options had vested and were exercisable during the year ended March 31, 2026.

The weighted average fair value of each option granted during the year was Rs.539.77 per option.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)

(Amounts in Rs. cr, unless otherwise stated)

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

	Year ended March 31, 2026	Year ended March 31, 2025 (Restated - refer note 38(B))
Equity settled		
Option pricing model used	Black Scholes Model	-
Weighted average share price at grant date (in Rs.)	541.65	-
Exercise price (in Rs.)	2	-
Weighted average contractual life (in days)	365	-
Equity and cash settled		
Expected volatility	32.15%	-
Risk-free interest rate	6.36%	-

(C) Expense recognised in the profit and loss (Note 29)

	Year ended March 31, 2026	Year ended March 31, 2025 (Restated - refer note 38(B))
Equity settled scheme	5.37	-
	5.37	-

51 ADDITIONAL REGULATORY INFORMATION

- 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.
- The Group has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- 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.
- 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).
- 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).
- The Group has not traded or invested in Crypto currency or Virtual currency during the year ended March 31, 2026.
- Utilisation of borrowed funds and share premium
 - 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:
 - 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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)
(Amounts in Rs. cr, unless otherwise stated)

- (b)

provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries
- (ii)

The Group has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(a)

directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or

(b)

provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- (H)

During the year the Group has not entered into scheme of arrangement and amalgamation having an accounting impact except as mentioned in Note 38(B).
- (I)

The Group has not revalued its property, plant and equipment during the current year or during the previous year.
- (J)

The Group has not given loans and advances to promoters and directors.
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(i)

During the current year, the Holding Company has received balance 75% amount towards 19,79,349 warrants from two of the allottee towards the conversion of Warrants into Equity Shares as approved by the shareholders in the Extra Ordinary General Meeting held on October 20, 2023. The Share Allotment Committee of Board of Directors of the Holding Company at their Meeting held on June 18, 2025, has allotted 9,15,331 Equity Shares having face value of Rs. 2/- each at a premium of Rs. 544.25 per share and 10,64,018 Equity Shares having face value of Rs. 2/- each at a premium of Rs. 561.90 per share. Further, one of the warrant holder, has not exercised the option to convert 5,32,009 warrants into Equity share, hence these warrants has been lapsed/cancelled and initial amount paid i.e., 25% upfront application money amounting to Rs. 7.50 cr at the time of allotment of warrants, have been forfeited in accordance with the terms of the issue/allotment and accordingly the upfront application money transferred to capital reserves in financial statements.

(ii)

During the previous year, the Holding Company has received balance 75% amount towards 29,29,060 warrants from two of the allottee towards the conversion of Warrants into Equity Shares as approved by the shareholders in the Extra Ordinary General Meeting held on October 20, 2023. The Share Allotment Committee of Board of Directors of the Holding Company at their Meeting held on December 28, 2024, has allotted 29,29,060 Equity Shares having face value of Rs. 2/- each at a premium of Rs. 544.25 per share.
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Pursuant to the notification issued by Ministry of Labour and Employment, multiple existing labour legislations have been consolidated into a unified framework comprising four labour codes collectively referred to as the "New Labour Codes" which became effective from November 21, 2025. The Holding Company and its subsidiaries has reassessed its employee benefit obligations in accordance with the new definition of wages. Accordingly, an incremental liability of Rs. 4.57 (Gratuity of Rs. 3.47 cr and Leave encashment of Rs. 1.10 cr) has been recognised as an "Exceptional item" for the year ended March 31, 2026.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2026 (CONTD.)
(Amounts in Rs. cr, unless otherwise stated)

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The Holding Company has executed a Business transfer agreement with Ultra Beauty Care Private Limited for acquisition of it's manufacturing facilities situated at Aurangabad, Maharashtra for a purchase consideration of Rs. 19.90 cr on slump sale and going concern basis effective from April 01, 2026. During the year ended March 31, 2026, Rs. 19.75 cr has been paid as advance for the said acquisition.
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No significant subsequent events have been observed which may require an adjustments to the financial statements. These consolidated financial statements were authorised for issue by the Board of Directors on May 21, 2026.

As per our report of even date attached
For M S K A & Associates LLP
(Formerly known as M S K A & Associates)
Chartered Accountants
Firm's Registration No.:105047W/W101187

VIRENDRA KANAK
Partner
Membership No: 110811

Place: Mumbai
Date : May 21, 2026

**For and on behalf of the Board of Directors of
Hindustan Foods Limited**
CIN: L15139MH1984PLC316003

SAMEER R. KOTHARI
Managing Director
DIN: 01361343

MAYANK SAMDANI
Chief Financial Officer

Place: Mumbai
Date : May 21, 2026

GANESH T. ARGEKAR
Executive Director
DIN: 06865379

BANKIM PUROHIT
Company Secretary
Membership
No:ACS21865

ANNEXURE

FORM NO. AOC.1

Statement containing salient features of the Financial Statement of
Subsidiaries/ Associate Companies/ Joint Ventures
(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of
Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries

Amount (Rs. In cr)					
Sr. No.	Particulars	Name of Wholly Owned Subsidiaries			
		HFL Consumer Products Private Limited ('HCPPL')	HFL Healthcare and Wellness Private Limited ('HHWPL')	HFL Multiproducts Private Limited ('HMPL')	KNS Shoetech Private Limited ('KNS Shoetech')
1	Date since when Subsidiary was acquired	August 06, 2020	July 01, 2022	June 23, 2023	October 01, 2023
2	Reporting period	FY 2025-2026	FY 2025-2026	FY 2025-2026	FY 2025-2026
3	Reporting Currency	Rs.	Rs.	Rs.	Rs.
4	Share Capital	0.01	50.00	0.01	47.00
	Instrument entirely equity in nature	Nil	Nil	Nil	1.64
5	Reserves & Surplus	30.21	29.52	(4.09)	13.00
6	Total Assets	525.78	97.13	80.56	330.88
7	Total Liabilities	495.56	17.61	84.64	269.24
8	Investments	0.42	2.87	Nil	Nil
9	Turnover	326.47	129.48	21.52	411.07
10	Profit/(Loss) before taxation	27.84	4.77	(4.20)	1.95
11	Provision for taxation	(4.81)	(0.98)	0.31	(0.43)
12	Profit/(Loss) after taxation	23.03	3.79	(3.89)	1.52
13	Proposed Dividend	Nil	Nil	Nil	Nil
14	% of Shareholding	100%	100%	100%	100%

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(Rs. In cr)

Name of Associates	Asar Green Kabadi Private Limited
Latest audited Balance Sheet Date	March 31, 2025
Shares of Associates held by the Company on the year end - Number	24,643
- Amount of Investment in Associate / Joint Venture	5.00
- Extent of Holding %	25.07%
Description of how there is significant influence	Based on shareholding
Reason why the associate / joint venture is not consolidated	Not Applicable
Net worth attributable to Shareholding as per latest audited Balance Sheet	2.55
Profit / Loss for the year	
i. Considered in Consolidation	(0.43)
ii. Not considered in Consolidation	-

Notes:

- Names of Subsidiaries which are yet to commence operations – Not Applicable
- The Financial Statements are as on March 31, 2026
- Names of Subsidiaries which have been liquidated or sold during the year - Not Applicable.



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