Fresh and Honest Cafe Private Limited
Balance Sheet as at March 31, 2026
(All amounts are in Million of Indian Rupees, except share data and as stated)

	Note	As at March 31, 2026	As at March 31, 2025
Assets			
Non-current assets			
Property, plant and equipment	4(a)	770.48	693.16
Capital work-in-progress	4(b)	37.65	38.93
Right-of-use assets	5(a)	52.13	57.18
Intangible assets	6	3.37	2.72
Financial assets			
(i) Other financial assets	7	3.44	7.50
Deferred tax assets (net)	32(d)	224.21	259.00
Other tax assets (net)	8	26.15	37.72
Other non-current assets	9	20.97	18.78
Total non-current assets		**1,138.40**	**1,114.99**
Current assets			
Inventories	10	329.85	347.14
Financial assets			
(i) Investments	11	151.41	278.81
(ii) Trade receivables	12	355.53	317.58
(iii) Cash and cash equivalents	13(a)	67.94	27.58
(iv) Bank balances other than (iii) above	13(b)	-	3.44
(vi) Other financial assets	7	19.66	10.69
Other current assets	14	36.34	50.03
Total current assets		**960.73**	**1,035.27**
Total assets		**2,099.13**	**2,150.26**
Equity and liabilities			
Equity			
Equity share capital	15	91.30	91.30
Other equity	16	1,407.50	1,463.08
Total equity		**1,498.80**	**1,554.38**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	17	150.00	150.00
(ii) Lease liabilities	5(b)	17.94	26.82
(iii) Other financial liabilities	18	90.00	57.99
Provisions	19	22.11	14.21
Total non-current liabilities		**280.05**	**249.02**
Current liabilities			
Financial liabilities			
(i) Borrowings	17	-	1.29
(ii) Lease liabilities	5(b)	18.25	14.31
(iii) Trade payables			
A) total outstanding dues of micro enterprises and small enterprises; and	20	17.27	31.91
B) total outstanding dues of creditors other than micro enterprises and small enterprises	20	162.11	152.59
(iv) Other financial liabilities	18	61.46	88.66
Other current liabilities	21	46.30	45.42
Provisions	19	14.89	12.68
Total current liabilities		**320.28**	**346.86**
Total liabilities		**600.33**	**595.88**
Total equity and liabilities		**2,099.13**	**2,150.26**
Material accounting policies	3		
The accompanying notes form an integral part of the financial statements			

As per our report of even date attached
for **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

MAHADEVAN T H
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Date: 2026.08.12 20:12:08 +05'30'

T H Mahadevan
Partner
Membership No: 224352
Place: Chennai
Date: August 12, 2026

for and on behalf of the Board of Directors of
Fresh and Honest Cafe Private Limited
CIN: U55101TN1997FTC038099

Sandeep Kumar Singh
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Date: 2026.08.12 17:42:59 +05'30'

Sandeep Kumar Singh
Director
DIN: 07973666
Place: Mumbai
Date: August 12, 2026

NITIN RAMCHAND MOTWANI
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Nitin Motwani
Director
DIN: 03397735
Place: Mumbai
Date: August 12, 2026

Fresh and Honest Cafe Private Limited
Statement of Profit and Loss for the year ended March 31, 2026
(All amounts are in Million of Indian Rupees, except share data and as stated)

	Note	Year ended March 31, 2026	Year ended March 31, 2025
Income			
Revenue from operations	22	2,419.14	2,071.84
Other income	23	38.36	22.09
Total income		**2,457.50**	**2,093.93**
Expenses			
Cost of materials consumed	24	954.15	772.41
Purchases of stock-in-trade	25	544.79	562.76
Changes in inventories of finished goods, stock-in-trade and right to recover returned goods	26	20.00	(59.28)
Employee benefits expense	27(a)	337.18	294.30
Finance costs	28	16.27	5.11
Depreciation and amortisation expense	29	185.22	156.73
Other expenses	30	392.38	357.08
Total expenses		**2,449.99**	**2,089.11**
Profit before exceptional items and tax		**7.51**	**4.82**
Exceptional item			
Statutory impact of new labour codes	27(b)	(3.01)	-
Profit before tax		**4.50**	**4.82**
Tax expense			
Current tax	32(a)	1.17	1.23
Deferred tax	32(a)	35.01	0.21
Total tax expense		**36.18**	**1.44**
Profit / (loss) for the year		**(31.68)**	**3.38**
Other comprehensive income (OCI)			
Items that will not be reclassified to profit or loss			
(i) Remeasurements of defined benefit asset		(0.75)	(2.26)
(ii) Income tax relating to items that will not be reclassified to profit or loss	32(b)	0.22	0.66
Other comprehensive loss for the year, net of tax		**(0.53)**	**(1.60)**
Total comprehensive income / (loss) for the year		**(32.21)**	**1.78**
Earnings per equity share			
Basic earnings per share (INR)	31	(3.47)	0.37
Diluted earnings per share (INR)	31	(3.47)	0.37
Material accounting policies	3		

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
for **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

MAHADEVAN T H
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Date: 2026.08.12 20:13:37 +05'30'

T H Mahadevan
Partner
Membership No: 224352
Place: Chennai
Date: August 12, 2026

for and on behalf of the Board of Directors of
Fresh and Honest Cafe Private Limited
CIN: U55101TN1997FTC038099

Sandeep Kumar Singh
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Sandeep Kumar Singh
Director
DIN: 07973666
Place: Mumbai
Date: August 12, 2026

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Nitin Motwani
Director
DIN: 03397735
Place: Mumbai
Date: August 12, 2026

Fresh and Honest Cafe Private Limited
Statement of changes in equity for the year ended March 31, 2026
(All amounts are in Million of Indian Rupees, except share data and as stated)

(A) Equity share capital	**Note**	**Amount**
Balance as at April 1, 2025	15	91.30
Changes in equity share capital during the year		-
Balance as at March 31, 2026		**91.30**
Balance as at April 1, 2024		91.30
Changes in equity share capital during the year		-
Balance as at March 31, 2025		**91.30**

(B) Other equity

	Reserves and surplus				
Particulars	**Securities premium**	**Capital redemption reserve**	**Capital contribution from parent**	**Retained earnings**	**Total**
Balance as at April 1, 2025	2,281.45	60.00	4.15	(882.52)	**1,463.08**
Total comprehensive income for the year					
Loss for the year	-	-	-	(31.68)	**(31.68)**
Other comprehensive loss for the year	-	-	-	(0.53)	**(0.53)**
Total comprehensive income for the year	**-**	**-**	**-**	**(32.21)**	**(32.21)**
Transactions with owners of the Company					
Contributions and distributions					
Equity settled share-based payments (refer note 27(a))	-	-	9.36	-	**9.36**
Distribution to shareholders in accordance with the terms of Share purchase agreement (refer note 18)	-	-	-	(32.73)	**(32.73)**
Total transactions with owners of the Company	**-**	**-**	**9.36**	**(32.73)**	**(23.37)**
Balance as at March 31, 2026	**2,281.45**	**60.00**	**13.51**	**(947.46)**	**1,407.50**
Balance as at April 1, 2024	2,281.45	60.00	-	(878.90)	**1,462.55**
Total comprehensive income for the year					
Profit for the year	-	-	-	3.38	**3.38**
Other comprehensive loss for the year	-	-	-	(1.60)	**(1.60)**
Total comprehensive income for the year	-	-	-	**1.78**	**1.78**
Transactions with owners of the Company					
Contributions and distributions					
Equity settled share-based payments (refer note 27(a))	-	-	4.15	-	**4.15**
Distribution to shareholders in accordance with the terms of Share purchase agreement (refer note 18)	-	-	-	(5.40)	**(5.40)**
Balance as at March 31, 2025	**2,281.45**	**60.00**	**4.15**	**(882.52)**	**1,463.08**

Refer note 16 for nature and purpose of reserves

Also, refer note 3 for Material accounting policies

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
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Firm's Registration No: 101248W/W-100022

MAHADEVAN T H
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Date: 2026.08.12 20:15:53 +05'30'

T H Mahadevan
Partner
Membership No: 224352
Place: Chennai
Date: August 12, 2026

for and on behalf of the Board of Directors of
Fresh and Honest Cafe Private Limited
CIN: U55101TN1997FTC038099

Sandeep Kumar Singh
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Date: 2026.08.12 17:44:05 +05'30'

Sandeep Kumar Singh
Director
DIN: 07973666
Place: Mumbai
Date: August 12, 2026

NITIN RAMCHAND MOTWANI
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Date: 2026.08.12 17:30:20 +05'30'

Nitin Motwani
Director
DIN: 03397735
Place: Mumbai
Date: August 12, 2026

Fresh and Honest Cafe Private Limited (formerly known as Fresh and Honest Cafe Limited)
Statement of Cash Flows for the year ended March 31, 2026
(All amounts are in Million of Indian Rupees, except share data and as stated)

	Note	Year ended March 31, 2026	Year ended March 31, 2025
Cash flows from operating activities			
Profit before tax		4.50	4.82
Adjustments for:			
Depreciation and amortisation expense	29	185.22	156.73
Finance costs	28	16.27	5.11
Unrealised foreign exchange gain		(0.25)	(0.21)
Equity settled share-based payments	27(a)	9.36	4.15
Change in fair value of financial assets at FVTPL	23 and 30	(1.41)	4.01
Gain on sale of investments	23	(12.89)	(19.41)
Impairment loss on financial assets	30	3.86	4.86
Net gain on sale of property, plant and equipment	23	(0.02)	0.01
Interest income	23	(0.52)	(0.39)
Operating cash flow before working capital changes		**204.12**	**159.68**
Working capital adjustments			
Increase in trade receivables		(41.81)	(73.19)
(Increase) / Decrease in inventories		17.29	(78.62)
Increase in other financial assets		(0.50)	(0.20)
(Increase) / Decrease in other assets		11.50	(3.42)
Increase / (Decrease) in trade payables		(5.61)	22.92
Increase / (Decrease) in other financial liabilities		(27.92)	2.96
Increase in provisions		10.11	6.05
Increase in other current liabilities		0.88	18.01
Cash generated from operating activities		**168.06**	**54.19**
Income tax (paid)/ Refund received		10.40	(8.10)
Net cash from operating activities		**178.46**	**46.09**
Cash flows from investing activities			
Acquisition of property, plant and equipment and intangible assets (including capital work-in-progress, payable towards purchase of property, plant and equipment and adjusted for capital advances)		(246.73)	(246.84)
Proceeds from sale of property, plant and equipment		0.14	-
Investment in bank deposits		(0.53)	(0.03)
Acquisition of investments		(220.00)	(229.99)
Proceeds from sale of investments		361.71	290.09
Net cash used in investing activities		**(105.41)**	**(186.77)**
Cash flows from financing activities			
Proceeds from borrowings	17	150.00	150.00
Repayment of borrowings	17	(150.00)	-
Finance costs paid		(17.50)	(3.68)
Principal payment of lease liabilities		(15.19)	(14.02)
Net cash from / (used in) financing activities		**(32.69)**	**132.30**
Net increase in cash and cash equivalents		**40.36**	**(8.38)**
Cash and cash equivalents at the beginning of the year	13(a)	27.58	35.96
Cash and cash equivalents at the end of the year		**67.94**	**27.58**

Fresh and Honest Cafe Private Limited (formerly known as Fresh and Honest Cafe Limited)
Statement of Cash Flows for the year ended March 31, 2026
(All amounts are in Million of Indian Rupees, except share data and as stated)

Statement of reconciliation of cash and cash equivalents	Note	As at March 31, 2026	As at March 31, 2025
Cash and cash equivalents comprises:			
Balance with banks			
- on current accounts	13(a)	66.52	22.31
Cheques on hand	13(a)	1.33	5.25
Cash on hand	13(a)	0.09	0.02
Cash and cash equivalents at the end of the year		**67.94**	**27.58**

As per our report of even date attached
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Date: 2026.08.12 20:17:36 +05'30'

T H Mahadevan
Partner
Membership No: 224352
Place: Chennai
Date: August 12, 2026

for and on behalf of the Board of Directors of
Fresh and Honest Cafe Private Limited
CIN: U55101TN1997FTC038099

Sandeep Kumar Singh
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Date: 2026.08.12 17:44:24 +05'30'

Sandeep Kumar Singh
Director
DIN: 07973666
Place: Mumbai
Date: August 12, 2026

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Date: 2026.08.12 17:30:50 +05'30'

Nitin Motwani
Director
DIN: 03397735
Place: Mumbai
Date: August 12, 2026

1 Reporting entity

Fresh and Honest Cafe Private Limited ("the Company") was incorporated in 1997 under the provisions of the Companies Act, 1956 and is engaged in the sale of coffee beans, coffee powder, coffee machines and other related consumables and renting of coffee vending machines.

The Company is a private limited Company incorporated and domiciled in India and has its registered office at Hallmark Towers, 3rd Floor, No. 35, Thiru Vi Ka Industrial Estate, Guindy, Chennai, Tamil Nadu. The company operated as public limited company till July 04, 2023.

Pursuant to a special resolution passed in the extraordinary general meeting of the shareholders of EverBrands India Limited (formerly known as EverBrands India Private Limited and Culinary Brands Private Limited) ("the Holding Company"), the Holding Company changed its name and converted itself from a private company to a public company effective April 7, 2026. Consequently, Fresh and Honest Cafe Private Limited, being its subsidiary company, is deemed to be a public company in terms of the proviso to Section 2(71) read with Section 2(87) of the Companies Act, 2013.

2 Basis of preparation

(a) Statement of compliance

These financial statements of have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act as amended from time to time.

The financial statements were approved for issue by the Company's Board of Directors on August 12, 2026.

Details of the Company's accounting policies are included in note 3. The Company has consistently applied the accounting policies to all the periods present in these financial statements.

(b) Basis of measurement

These financial information have been prepared on a historical cost basis and on an accrual basis, except for the following items:

Items	Measurement basis
Liability arising out of Share purchase agreement	Present value of estimated future cash outflows
Investments mandatorily measured at FVTPL (refer note 3(b)(ii))	Fair value
Share based payment arrangements	Fair value of the option
Net defined benefit liability (refer note 3(g)(iii))	Present value of the defined benefit obligation less the fair value of plan assets

(c) Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All the financial information have been rounded-off to the nearest millions, or decimals thereof, unless otherwise indicated. Transactions and balances with values below the rounding off norm adopted by the Company have been reflected as "-" in the relevant notes in these financial statements.

(d) Use of estimates and judgements

In preparing these financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgement

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial information is included in the following notes:

Note 3(b) and 33: Financial instruments: Classification and measurement

Note 3(k) and 5(a) and 5(b) : Lease term: whether the Company is reasonably certain to exercise extension options

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a significant adjustment to the carrying amounts of assets and liabilities within the next financial year is included in the following notes. Actual results may be different from these estimates.

Note 37: Measurement of defined benefit obligations: key actuarial assumptions;

Note 32: Recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised;

Notes 36: Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;

Note 33: Measurement of ECL allowance for trade receivables: key assumptions in determining the weighted-average loss rate;

Note 3(i) and Note 22: Revenue recognition: estimate of expected returns.

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2 Basis of preparation *(continued)*

(e) Measurement of fair values

A number of Company's accounting policies and disclosures require the measurement of fair values, for both financial and non financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values. The Company regularly reviews significant unobservable inputs and valuation adjustments, including level 3 fair values. If third party information is used to measure fair values, then the Company assesses the evidence obtained from the third parties to support the conclusion that these valuation meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.
- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in 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 asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. The inputs used to measure the fair value of assets or a liability fall into different levels of the fair value hierarchy. Accordingly, the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the low level input that is significant to the entire measurement.

Management uses various valuation techniques to determine fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management based on its assumptions on observable data as far as possible but where it not available, the management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date. The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

(f) Current and Non-current classification

Based on the nature of products and time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has determined its operating cycle as twelve months for the purpose of current or non-current classification of assets and liabilities in the balance sheet.

3 Material accounting policies

(a) Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the Company, at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction. Foreign exchange gain and losses from settlement of these transactions are recognised in the statement of profit or loss.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate as at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of transaction. Exchange differences arising on translation are recognised in the statement of profit or loss.

(b) Financial instruments

(i) Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at:
- amortised cost;
- Fair value through other comprehensive income (FVOCI) – debt investment;
- Fair value through other comprehensive income (FVOCI) – equity investment; or
- Fair value through profit and loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition unless the company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

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3 Material accounting policies *(continued)*

(b) Financial instruments *(continued)*

(ii) Classification and subsequent measurement *(continued)*

Financial assets *(continued)*

a) Non-derivative financial assets

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:
- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments at FVTOCI

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:
- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Equity instruments at FVTOCI

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

If the Company decides to classify an equity instrument as FVTOCI, then all fair value changes on the instrument, excluding dividend are recognised in OCI which is not subsequently recycled to Statement of profit or loss.

Financial assets at FVTPL

All financial assets not classified as measured at amortised cost or FVTOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non- recourse features).

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3 Material accounting policies *(continued)*

(b) Financial instruments *(continued)*

(ii) Classification and subsequent measurement *(continued)*

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest *(continued)*

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets – Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(iii) De-recognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different, in which case, a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

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3 Material accounting policies *(continued)*

(c) Property, plant and equipment

(i) Recognition and measurement

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if 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.

Items of property, plant and equipment (including capital-work-in progress) are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses.

Cost of an item of property, plant and equipment comprises:

a. purchase price, including import duties and non-refundable taxes on purchase (goods and service tax), after deducting trade discounts and rebates.

b. any directly attributable cost of bringing the item to its working condition for its intended use, estimated costs of dismantling and removing the item and restoring the site on which it is located.

Cost of a self-constructed item of property, plant and equipment comprises:

a. the cost of materials and direct labour;

b. any directly attributable cost of bringing the item to its working condition for its intended use, estimated costs of dismantling and removing the item and restoring the site on which it is located.

Any gain/ loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

(ii) Transition to Ind AS

The cost of property, plant and equipment as at April 01, 2021, the Company's date of transition to Ind AS, was determined with reference to its carrying value recognised as per the previous GAAP (deemed cost) as at date of transition to Ind AS.

(iii) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably.

(iv) Depreciation

Depreciation is calculated on the cost of items of property, plant and equipment less their estimated residual values over the estimated useful lives using the straight-line method and is generally recognised in the Statement of profit or loss.

Depreciation on property, plant and equipment is charged over the estimated useful life of the asset as evaluated on technical assessment on straight-line method, in accordance with Part A and C of Schedule II to the Companies Act, 2013.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows::

Asset	Management estimate of useful life	Useful life as per Schedule II
Buildings	30	30
Plant and equipment	15	15
Coffee machines (included in plant and equipment - refer note 4)	6-10 years based on technical specification	No life specified
Electrical equipment	10	10
Office equipment	5	5
Furniture and fittings	10	10
Computers	3	3
Vehicles	8	8 - 10 years

Depreciation method, useful lives and residual values are reviewed at each financial period-end and adjusted if necessary, for each reporting period. Based on technical assessment and consequent advice, the management believes that its estimate of useful life as given above best represent the period over which management expects to use the asset.

Leasehold improvements are amortized on a straight line basis over the useful life of the asset or the remaining lease term whichever is lower.

On property, plant and equipment added/ disposed off during the period, depreciation is charged on pro-rata basis for the period from/up to which the asset is ready for use/disposed off.

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3 Material accounting policies *(continued)*

(d) Intangible assets

(i) Recognition and measurement

Research and development:

Expenditure on research activities is recognised in profit or loss as incurred.

Development expenditure is capitalised as part of the cost if the resulting intangibles asset only if the expenditure can be measured reliably, the product or process is the technically and commercially feasible, future economic benefits are probable and the company intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

Other intangible assets:

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities). Amortisation is calculated on a straight-line basis over their estimated useful lives and it is included in the Statement of profit or loss. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates and cost of assets can be measured reliably. All other expenditure, is recognised in profit or loss as incurred.

(iii) Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method, and is included in Depreciation and amortisation expense in the Statement of profit or loss.

The estimated useful life of intangible asset consisting computer software are as follows:

Category of asset	Management estimate of useful life
Software	3 - 5 years

(iv) Transition to Ind AS

The cost of intangible assets at April 01, 2021, the Company's date of transition to Ind AS, was determined with reference to its carrying value recognised as per the previous GAAP (deemed cost) as at date of transition to Ind AS.

(e) Inventories

Inventories are measured at the lower of cost and net realisable value.

The cost of raw materials, stock-in-trade, stores and spares are determined using first-in first-out method (FIFO), and includes freight, taxes and duties, net of duty credits where applicable and any other expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. The cost of traded goods includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Stores and spares which do not meet the definition of property, plant and equipment are accounted as inventories.

In the case of finished goods, cost includes direct materials, labour and an appropriate share of production overheads based on normal operating capacity. Cost is determined using FIFO method.

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. Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases when a decline in the price of materials indicates that the cost of the finished products shall exceed the net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

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3 Material accounting policies *(continued)*

(f) Impairment

(i) Impairment of financial instruments

The Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost and contract assets.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:
• debt securities that are determined to have low credit risk at the reporting date; and
• other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are credit losses that result from all possible default events over expected life of financial instrument. 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company considers a financial asset to be in default when:
- the recipient is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 180 days past due.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether such financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:
- significant financial difficulty;
- a breach of contract such as a default or being more than 180 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit - impaired. A financial asset is 'credit - impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:
– significant financial difficulty of the borrower or issuer;
– a breach of contract such as a default or being more than 180 days past due;
– the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
– it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
– the disappearance of an active market for a security because of financial difficulties.

(ii) Impairment of non-financial assets

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

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3 Material accounting policies *(continued)*

(f) Impairment *(continued)*

(ii) Impairment of non-financial assets *(continued)*

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the Statement of profit or loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro-rata basis.

In respect of assets (other than goodwill) for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in estimates used to determine recoverable amount. Such a reversal is made only to an extent that asset's carrying amount does not exceed carrying amount that would have been determined, net of depreciation/ amortisation, if no impairment loss was recognised.

(g) Employee benefits

(i) Short-term employee benefits

Short-term employee benefits are measured on an undiscounted basis and expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term benefits, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) Defined contribution plans

A defined contribution plan is a post-employment benefit plan where the Company's legal or constructive obligation is limited to the amount that it contributes to a separate legal entity.

The Company makes specified monthly contributions towards Government administered provident fund scheme.

Obligations for contributions to defined contribution plan are expensed as an employee benefits expense in the Statement of profit or loss in period in which the related service is provided by the employee. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(iii) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Post employment benefit comprise of Gratuity which are accounted for as follows:

Gratuity:

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in the future contributions to the plan ('the asset ceiling'). To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate determined by reference to market yields at the end of the reporting period on government bonds. The rate is applied on the net defined benefit liability (asset), both as determined at the start of the annual reporting period, taking into account any changes in the net defined liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of the plan are changed or when the plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

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3 Material accounting policies *(continued)*

(g) Employee benefits *(continued)*

(iv) Long-term employee benefits - Compensated absences:

Accumulated absences expected to be carried forward beyond twelve months is treated as long-term employee benefit for measurement purposes. The Company's net obligation in respect of other long-term employee benefit of accumulating compensated absences is the amount of future benefit that employees have accumulated at the end of the period. That benefit is discounted to determine its present value. The obligation is measured annually by a qualified actuary using the projected unit credit method. Remeasurements are recognised in profit or loss in the period in which they arise.

The obligations are presented as current liabilities in the balance sheet, if the Company does not have an right to defer the settlement for at least twelve months after the reporting date.

(v) Termination

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognises costs for a restructuring. If the benefits are not expected to be settled wholly within 12 months of the reporting date, they are discounted.

(vi) Share-based payment arrangements

The grant date fair value of equity-settled share-based payment arrangements granted to employees is generally recognised as an employee benefits expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. When the terms of an equity-settled award are modified, the minimum expense recognised by the Company is the grant date fair value of the unmodified award, provided the vesting conditions (other than a market condition) specified on grant date of the award are met. Further, additional expense, if any, is measured and recognised as at the date of modification, in case such modification increases the total fair value of the share-based payment plan, or is otherwise beneficial to the employee. Share-based payment arrangements granted directly to the employees of the Company by the holding company and settled in the holding company's equity instruments are measured in accordance with the requirements applicable to equity-settled share-based payment transactions, with a corresponding increase in capital contribution from the parent.

(h) Provisions (other than for employee benefits), Contingent liabilities and Contingent assets

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) 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 a reliable estimate can be made of the amount of the obligation. Expected future operating losses are not provided for.

Where the Company expects some or all of the expenditure required to settle a provision will be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement is treated as a separate asset.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Warranties

A provision for warranty is recognised when the underlying products are sold, based on historical warranty data and a weighting of possible outcomes against their associated probabilities.

Onerous contracts

A contract is considered to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. A provision for onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on the incremental costs of fulfilling the obligation under the contract and an allocation of other costs directly related to fulfilling the contract. Before such a provision is made, the Company recognises any impairment loss on the assets associated with that contract.

Contingent liabilities

Contingent liability is a possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. The Company does not recognize a contingent liability but discloses its existence in the financial information.

Contingent assets

Contingent asset is not recognised in the financial information 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 recognized. Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

3 Material accounting policies *(continued)*

(i) Revenue recognition

Revenue from customer contracts are considered for recognition and measurement when the contract has been approved by the parties to the contract, the parties to contract are committed to perform their respective obligations under the contract, and the contract is legally enforceable. Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive (the "transaction price"). Revenue is measured based on the transaction price (net of variable consideration) specified in a contract with a customer, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government such as goods and services tax, etc. The variable consideration represents the portion of discounts and rebates that are not directly deducted on the invoice and involves estimation by the Company in recognition and measurement of such discounts and rebates. This includes establishing an accrual at period end, particularly in arrangements with customers involving varying terms which are based on annual contracts or shorter-term arrangements. In addition, the value and timing of promotions for products varies from period to period, and the activity can span beyond the period end. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.

The Company generates revenue primarily from sale of coffee beans, coffee powder, coffee machines and other related consumables. The Company also earns revenue from renting of coffee vending machines. The Company recognises revenue when it transfers control over a good or service to a customer. To recognise revenue, the Company applies the following five step approach: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognise revenue when a performance obligation is satisfied. When there is uncertainty as to collectability, revenue recognition is postponed until such uncertainty is resolved.

The Company's contracts with customers include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations and the portion of transaction price which needs to be allocated to the identified performance obligations. In allocating the transaction price, the Company considers the effect of variable consideration (including constraints in estimation), the existence of significant financing components, non-cash consideration, and consideration payable to the customer, if any.

Revenue from sales of finished and traded goods

Revenue from sale of products is recognised in accordance with the inco terms based on the agreement / understanding with the customers. For contracts that permit the customer to return an item, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore, the amount of revenue recognised is adjusted for expected returns, which are estimated based on the historical data for specific types of products.

The right to recover returned goods asset is measured at the carrying amount of the inventory less any expected costs to recover goods. The refund liability is included in other financial liabilities (refer note 18) and the right to recover returned goods is included in inventories (refer note 10). The Company reviews its estimate of expected returns at each reporting date and updates the amounts of the asset and liability accordingly.

Revenue from sales of services

Revenues from renting of vending machines are recognized over the contract period as the services are performed. Revenue from the installation fee is recognized when the coffee machines are installed at the customers' place as per the terms and conditions agreed with the customers.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

(j) Interest income or expense

Interest income or expense is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of financial instrument to: the gross carrying amount of the financial asset; or the amortised cost of the financial liability.

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3 Material accounting policies *(continued)*

(k) Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. 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.

Company as a Lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources that reflects the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:
- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revision in-substance fixed lease payment.

When the lease liability is remeasured due to modification in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or recorded in the Statement of profit or loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of the re-measurement in Statement of profit or loss. The Company presents right-of-use assets in 'Non-current assets' and lease liabilities in 'Financial liabilities' in the balance sheet.

Short term leases and low value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Company as a Lessor

At the inception or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

If an arrangement contains lease and non-lease components, then the Company applies Ind AS 115 to allocate the consideration in the contract.

The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.

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3 Material accounting policies *(continued)*

(l) Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

(i) Current tax

Current tax comprises of the expected tax payable or receivable on the taxable income or loss for the period and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted at the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that:

(i) is not a business combination; and

(ii) at the time of the transaction;

a.) that affects neither accounting nor taxable profit or loss and

b.) does not give rise to equal taxable and deductible temporary differences.

- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for the Company. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Deferred tax assets include Minimum Alternate Tax ('MAT') paid in accordance with the tax laws in India, to the extent it would be available for set off against future current income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably, and it is probable that the future economic benefit associated with the asset will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

(m) Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

(n) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares). Diluted earnings per share is computed by dividing the profit (considered in determination of basic earnings per share) after considering the effect of interest and other financing costs or income (net of attributable taxes) associated with dilutive potential equity shares by the weighted average number of equity shares considered for deriving basic earnings per share adjusted for the weighted average number of equity shares that would have been issued upon conversion of all dilutive potential equity shares.

3 Material accounting policies *(continued)*

(o) Cash flows Statement

Cash flows are reported using the indirect method, whereby profit / (loss) is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information. In cash flow statement, cash and cash equivalents include cash in hand, balances with banks in current accounts and other short-term highly liquid investments with original maturities of three months or less.

(p) Cash and cash equivalents (for the purpose of cash flow statement)

Cash comprises of cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

4A Changes in material accounting policies

Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants

The Company has adopted Classification of Liabilities as Current or Non-current (Amendments to Ind AS 1) and non-current Liabilities with Covenants (Amendments to Ind AS 1) from April 1, 2025. These amendments apply retrospectively and clarify the criteria for determining whether a liability should be classified as current or non-current. They also introduce new disclosure requirements for non-current loan liabilities that are subject to covenants within 12 months after the reporting period. The Company has evaluated the amendments relating to non-current liabilities with covenants. The adoption of these amendments has not resulted in any change in the classification of the Company's borrowings as at March 31, 2026. Accordingly, the amendments do not have a material impact on the Company's financial statements.

4B Standards issued but not yet effective

The Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under the Companies (Indian Accounting Standards) Rules, as issued from time to time. For the year ended March 31, 2026, MCA has notified the following

Ind AS 1 - Presentation of Financial Statements

For accounting periods beginning on or after April 1, 2026, when an entity breaches any covenant of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand, it classifies the liability as current, even if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach. An entity classifies the liability as current because, at the end of the reporting period, it does not have the right to defer its settlement for at least 12 months after that date. However, an entity classifies the liability as non-current if the lender agreed by the end of the reporting period to provide a period of grace ending at least 12 months after the reporting period, within which the entity can rectify the breach and during which the lender cannot demand immediate repayment. This amendment is to be applied retrospectively for annual reporting periods beginning on or after April 1, 2026, in accordance with Ind AS 8, Accounting Policies, Accounting Estimates and Errors. The Company does not expect this amendment to have a material impact on its financial statements.

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4(a) Property, plant and equipment

(See accounting policy in note 3(c))

Particulars	Buildings	Plant and equipment*	Electrical equipment	Office equipment	Fixtures and fittings	Leasehold improvements	Computers	Vehicles	Total
Cost									
Balance as at April 1, 2024	383.69	878.17	20.16	3.89	11.77	14.14	6.34	0.05	1,318.21
Additions	-	233.10	-	0.21	0.37	0.71	3.98	0.11	238.48
Disposals/ Write-off	-	(43.05)	-	(2.47)	-	(0.16)	(0.57)	(0.05)	(46.30)
Balance as at March 31, 2025	**383.69**	**1,068.22**	**20.16**	**1.63**	**12.14**	**14.69**	**9.75**	**0.11**	**1,510.39**
Balance as at April 1, 2025	383.69	1,068.22	20.16	1.63	12.14	14.69	9.75	0.11	1,510.39
Additions	6.63	219.39	1.46	4.15	5.76	2.18	6.19	-	245.76
Disposals/ Write-off	-	(72.79)	-	(0.54)	-	-	(3.37)	-	(76.70)
Balance as at March 31, 2026	**390.32**	**1,214.82**	**21.62**	**5.24**	**17.90**	**16.87**	**12.57**	**0.11**	**1,679.45**
Accumulated depreciation and impairment losses									
Balance as at April 1, 2024	169.86	508.30	19.88	2.64	8.06	12.94	2.32	0.03	724.03
Depreciation	11.35	122.44	0.12	0.47	1.39	1.48	2.23	0.01	139.49
Disposals/ Write-off	-	(43.05)	-	(2.47)	-	(0.16)	(0.57)	(0.04)	(46.29)
Balance as at March 31, 2025	**181.21**	**587.69**	**20.00**	**0.64**	**9.45**	**14.26**	**3.98**	**-**	**817.23**
Balance as at April 1, 2025	181.21	587.69	20.00	0.64	9.45	14.26	3.98	-	817.23
Depreciation	11.53	147.83	0.19	0.90	1.66	2.37	3.83	0.01	168.32
Disposals/ Write-off	-	(72.70)	-	(0.54)	-	-	(3.34)	-	(76.58)
Balance as at March 31, 2026	**192.74**	**662.82**	**20.19**	**1.00**	**11.11**	**16.63**	**4.47**	**0.01**	**908.97**
Carrying amounts									
As at March 31, 2025	**202.48**	**480.53**	**0.16**	**0.99**	**2.69**	**0.43**	**5.77**	**0.11**	**693.16**
As at March 31, 2026	**197.58**	**552.00**	**1.43**	**4.24**	**6.79**	**0.24**	**8.10**	**0.10**	**770.48**

* includes coffee machines lying with third parties with a carrying value of INR 373.08 million (March 31, 2025 - INR 288.59 million)

4(b) Capital work-in-progress

Capital work-in-progress (CWIP) as at March 31, 2026 includes capital goods in transit of INR 6.18 million (March 31, 2025 : INR 38.93 million); CWIP includes INR 31.47 million of costs incurred in relation to the production of coffee machines

Particulars	Amount
Balance as at April 1, 2024	**19.16**
Additions during the year	38.93
Capitalised during the year	(19.16)
Balance as at March 31, 2025	**38.93**
Additions during the year	37.65
Capitalised during the year	(38.93)
Balance as at March 31, 2026	**37.65**

Ageing of Capital work-in-progress

Ageing for capital work-in-progress as at March 31, 2026 is as follows:

Capital work-in-progress	Amount in CWIP for a period of				Total
	< 1 year	1 - 2 years	2 - 3 years	> 3 years	
Projects in progress	37.65	-	-	-	**37.65**
Projects temporarily suspended	-	-	-	-	-
Total	**37.65**	**-**	**-**	**-**	**37.65**

Ageing for capital work-in-progress as at March 31, 2025 is as follows:

Capital work-in-progress	Amount in CWIP for a period of				Total
	< 1 year	1 - 2 years	2 - 3 years	> 3 years	
Projects in progress	38.93	-	-	-	**38.93**
Projects temporarily suspended	-	-	-	-	**-**
Total	**38.93**	**-**	**-**	**-**	**38.93**

Note: There are no assets / projects forming part of capital work-in-progress where the completion is overdue or where the cost has exceeded compared to their original plans.

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5 Leases

(See accounting policy in note 3(k))

The Company leases land and office premises. These leases are entered into across locations. Information about leases for which the Company is a lessee is presented below:

(a) Right-of-use assets

Leased properties that do not meet the definition of investment property are presented separately as right-of-use assets.

Particulars	Leasehold land	Office premises	Total
Balance as at April 1, 2024	**20.58**	**22.67**	**43.25**
Additions to right-of-use assets	-	30.03	30.03
Derecognition of right-of-use assets	-	-	-
Depreciation charge for the year	(0.24)	(15.86)	(16.10)
Balance as at March 31, 2025	**20.34**	**36.84**	**57.18**
Balance as at April 1, 2025	20.34	36.84	57.18
Additions to right-of-use assets	-	10.64	10.64
Derecognition of right-of-use assets	-	-	-
Depreciation charge for the year	(0.24)	(15.45)	(15.69)
Balance as at March 31, 2026	**20.10**	**32.03**	**52.13**

(b) Lease liabilities

	As at March 31, 2026	As at March 31, 2025
Non-current		
Lease liabilities	17.94	26.82
	17.94	**26.82**
Current		
Lease liabilities	18.25	14.31
	18.25	**14.31**

(i) Maturity analysis - Contractual cashflows

The details regarding contractual maturities of lease liabilities for Leases on an undiscounted basis are as follows

Less than one year	20.78	17.63
One to five years	18.98	29.40
More than five years	-	-

(ii) Terms and repayment schedule

The lease terms for office premises are in the range of 3 years to 5 years with an option to renew the lease after initial lease term. The Company has used the incremental borrowing rate of 10.15% p.a / 8.75% p.a. for determining the lease liability.

(iii) Reconciliation of lease liabilities

	As at March 31, 2026	As at March 31, 2025
Opening balance	**41.13**	**25.59**
Non-cash changes		
Additions	10.25	29.56
Interest on lease liabilities (refer note 28)	3.70	3.68
Cash flows		
Payment of lease liabilities	(18.89)	(17.70)
Closing balance	**36.19**	**41.13**
Non-current	**17.94**	**26.82**
Current	**18.25**	**14.31**

(iv) Amounts recognised in the Statement of profit or loss

	Year ended March 31, 2026	Year ended March 31, 2025
Depreciation of right-of-use assets (refer note 29)	15.69	16.10
Interest expense on lease liabilities (refer note 28)	3.70	3.68
Expenses relating to short-term leases (refer note 30)	11.35	10.03
	30.74	**29.81**

(v) Amounts recognised in the Statement of cash flows

Operating activities		
Short term leases	11.35	10.03
Financing activities		
Finance costs paid	3.70	3.68
Principal payment of lease liabilities	15.19	14.02
	18.89	**17.70**

(vi) Extension options

Certain lease agreements include extension options to provide operational flexibility. The Company assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Company reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control. The facilities where the extension option is practical to be exercised, the Company has considered the potential extended lease term in determining the lease liability for the Company.

6 Intangible assets

(See accounting policy in note 3(d))

Particulars	Software
Cost	
Balance as at April 1, 2024	9.57
Additions	0.66
Disposals	-
Balance as at March 31, 2025	**10.23**
Balance as at April 1, 2025	10.23
Additions	1.86
Disposals	-
Balance as at March 31, 2026	**12.09**
Accumulated amortisation	
Balance as at April 1, 2024	6.37
Amortisation	1.14
Disposals	-
Balance as at March 31, 2025	**7.51**
Balance as at April 1, 2025	7.51
Amortisation	1.21
Disposals	-
Balance as at March 31, 2026	**8.72**
Carrying amounts	
As at March 31, 2025	**2.72**
As at March 31, 2026	**3.37**

7 Other financial assets

(See accounting policy in note 3(b))

	As at March 31, 2026	As at March 31, 2025
Non- current		
Unsecured, considered good		
Security deposits	3.32	7.50
Balances with banks to the extent held as margin money #	0.12	-
	3.44	**7.50**
Current		
Unsecured, considered good		
Security deposits	13.90	9.88
Loans to employees	1.13	0.81
Receivable from related party (refer note 35)	0.23	
Rent receivable	0.50	-
Balances with banks to the extent held as margin money #	3.90	-
Considered doubtful		
Security deposits	0.23	0.23
Less: Loss allowance	(0.23)	(0.23)
	19.66	**10.69**

Margin money deposits are subject to first charge to the Value added tax (VAT) authorities and milk vendors.

8 Other tax assets (net)

Advance tax (net of provision for tax)	26.15	37.72
	26.15	**37.72**

9 Other non-current assets

Unsecured, considered good		
Capital advances	16.76	14.57
Taxes paid under protest	4.21	4.21
Considered doubtful		
Taxes paid under protest	1.80	1.80
Less: Provision for doubtful taxes paid under protest	(1.80)	(1.80)
	20.97	**18.78**

10 Inventories *(See accounting policy in note 3(e))*	**As at March 31, 2026**	**As at March 31, 2025**
Raw materials	87.00	84.23
Finished goods*	70.61	68.16
Stock-in-trade (including goods-in-transit amounting to INR 20.43 million (March 31, 2025: INR 19.06 million))	107.55	130.00
Stores and spares (including goods-in-transit amounting to INR 9.25 million) (March 31, 2025: INR 1.18 million))	64.69	64.75
	329.85	**347.14**
* includes right to recover returned goods	2.27	1.93

Charge created against inventories in relation to security provided for borrowings availed by Culinary Brands India Private Limited (formerly known as Eversub India Private Limited) (a fellow subsidiary of the Company). Maximum amount secured by charge is INR 1,500 million. Also, refer note 35D.

11 Investments *(See accounting policy in note 3(b))*	**As at March 31, 2026**	**As at March 31, 2025**
Investments measured at fair value through profit and loss		
Investment in mutual funds		
Quoted		
16,358 (March 31, 2025: 13,697) units of Tata Money Market Fund	80.77	63.45
Nil (March 31, 2025: 287,562) units of Aditya Birla Sun Life Money Manager Fund	-	104.40
Nil (March 31, 2025: 22,889) units of Kotak Money Market Fund	-	100.85
Nil (March 31, 2025: 1,947) units of Kotak Liquid Fund	-	10.11
16,283 (March 31, 2025 : Nil) units of Nippon India Money Market Fund	70.64	-
	151.41	**278.81**
Aggregate book value of quoted investments	151.41	278.81
Aggregate market value of quoted investments	151.41	278.81
Aggregate value of unquoted investments	-	-
Aggregate amount of impairment in the value of investments	-	-

Information about the Company's exposure to credit and market risks, and fair value measurement is included in note 33

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12 Trade receivables
(See accounting policy in note 3(b) and 3(f)(i))

	As at March 31, 2026	As at March 31, 2025
A. Trade receivables		
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	358.07	319.97
Trade receivables - credit impaired	9.65	5.94
Total trade receivables	**367.72**	**325.91**
Less: Loss allowance	(12.19)	(8.33)
Net trade receivables	**355.53**	**317.58**
Movement in loss allowance of trade receivables		
Opening balance	8.33	3.47
Impairment loss on financial assets (refer note 30)	3.86	4.86
Amounts written-off	-	-
Closing balance	**12.19**	**8.33**
Of the above, trade receivables from related parties are as below:		
Trade receivables due from related parties	1.71	1.16
Less: Loss allowance	-	-
Net trade receivables	**1.71**	**1.16**

For terms and conditions of trade receivables owing from related parties, see note 35

B. Ageing schedule of trade receivables

As at March 31, 2026

Particulars	Unbilled	Not due	Outstanding from the due date of payment					Total
			< 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	> 3 years	
Undisputed trade receivables								
(i) Considered good	-	230.74	127.33	-	-	-	-	358.07
(ii) Significant risk increase in credit risk	-	-	-	-	-	-	-	-
(iii) Credit impaired	-	-	-	4.78	3.79	0.31	0.77	9.65
Total	-	**230.74**	**127.33**	**4.78**	**3.79**	**0.31**	**0.77**	**367.72**
Less: Loss allowance	-	(0.87)	(1.67)	(4.78)	(3.79)	(0.31)	(0.77)	(12.19)
Net trade receivables		**229.87**	**125.66**	**-**	**-**	**-**	**-**	**355.53**

As at March 31, 2025

Particulars	Unbilled	Not due	Outstanding from the due date of payment					Total
			< 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	> 3 years	
Undisputed trade receivables								
(i) Considered good	-	187.69	132.28	-	-	-	-	319.97
(ii) Significant risk increase in credit risk	-	-	-	-	-	-	-	-
(iii) Credit impaired	-	-	-	3.84	1.30	0.42	0.38	5.94
Total	**-**	**187.69**	**132.28**	**3.84**	**1.30**	**0.42**	**0.38**	**325.91**
Less: Loss allowance		(0.58)	(1.81)	(3.84)	(1.30)	(0.42)	(0.38)	(8.33)
Net trade receivables		**187.11**	**130.47**	**-**	**-**	**-**	**-**	**317.58**

There were no disputed trade receivables as at March 31, 2026 and March 31, 2025.

Information about the Company's exposure to credit and market risks, and impairment losses for trade receivables is included in note 33.

No trade or other receivables are due from Directors or other officers of the Company either severally or jointly with any other persons. Trade receivables are non-interest bearing and are generally on terms of 0-60 days based on the type of customer.

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13(a) Cash and cash equivalents *(See accounting policy in Note 3(b) and 3(p))*	**As at March 31, 2026**	**As at March 31, 2025**
Balance with banks		
- on current accounts	66.52	22.31
Cheques on hand	1.33	5.25
Cash on hand	0.09	0.02
	67.94	**27.58**

13(b) Bank balances other than cash and cash equivalents *(See accounting policy in note 3(b))*		
Balances with banks to the extent held as margin money #	-	3.44
	-	**3.44**

Margin money deposits are subject to first charge to the Value added tax (VAT) authorities and milk vendors.

14 Other current assets		
(Unsecured, considered good)		
Balances with government authorities	6.78	26.81
Prepayments	16.06	10.54
Advance to vendors	13.49	12.57
Advance to employees	0.01	0.11
(Considered doubtful)		
Advance to vendors	0.73	0.73
Less: Loss allowance	(0.73)	(0.73)
	36.34	**50.03**

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15 Equity share capital

	As at March 31, 2026	As at March 31, 2025
Authorised		
10,000,000 (March 31, 2025: 10,000,000) equity shares of INR 10/- each	100.00	100.00
Issued, subscribed and fully paid-up		
9,130,492 (March 31, 2025: 9,130,492) equity shares of INR 10/- each	91.30	91.30
	91.30	**91.30**

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

	As at March 31, 2026		As at March 31, 2025	
	No. of shares	Amount	No. of shares	Amount
Equity shares of INR 10/- each	**9,130,492**	**91.30**	**9,130,492**	**91.30**

There has been no issue or buyback of equity shares during the year ended March 31, 2026 and March 31, 2025

b) Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets on winding up. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity share capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable has not been paid. Failure to pay any amount called upon shares may lead to their forfeiture. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts, in proportion to the number of equity shares.

c) Shares held by holding / ultimate holding company and/or their subsidiaries / associates

	As at March 31, 2026		As at March 31, 2025	
	No. of shares	% of holding	No. of shares	% of holding
Equity shares of INR 10/- each				
EverBrands India Limited (formerly known as EverBrands India Private Limited and Culinary Brands Private Limited)	6,939,174	76.00%	6,939,174	76.00%

d) Particulars of shareholders holding more than 5% shares of a class of shares

	As at March 31, 2026		As at March 31, 2025	
	No. of shares	% of holding	No. of shares	% of holding
Equity shares of INR 10/- each				
EverBrands India Limited (formerly known as EverBrands India Private Limited and Culinary Brands Private Limited)	6,939,174	76.00%	6,939,174	76.00%
Lavazza Netherlands B.V.	2,191,318	24.00%	2,191,318	24.00%

e) Aggregate number of shares issued for consideration other than cash during the period of 5 years immediately preceding the reporting date

There were no bonus shares or buy-back of shares or shares issued for consideration other than cash during a period of five years immediately preceding the financial year ended March 31, 2026.

f) Shareholding of promoters

	As at March 31, 2026		As at March 31, 2025	
	No. of shares	% of holding	No. of shares	% of holding
Equity shares of INR 10/- each				
EverBrands India Limited (formerly known as EverBrands India Private Limited and Culinary Brands Private Limited)	6,939,174	76.00%	6,939,174	76.00%
Lavazza Netherlands B.V.	2,191,318	24.00%	2,191,318	24.00%

There is no change in the % of promoters shareholding during the year ended March 31, 2026 and March 31, 2025.

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16 Other equity

		As at March 31, 2026	As at March 31, 2025
A. Movement in reserves and surplus			
Securities premium	(i)	2,281.45	2,281.45
Capital redemption reserve	(ii)	60.00	60.00
Capital contribution from parent	(iii)	13.51	4.15
Retained earnings	(iv)	(947.46)	(882.52)
Total reserves and surplus		**1,407.50**	**1,463.08**
(i) Securities premium			
Balance as at the beginning and end of the year		2,281.45	2,281.45
(ii) Capital redemption reserve			
Balance as at the beginning and end of the year		60.00	60.00
(iii) Capital contribution from parent			
Opening balance		4.15	-
Addition during the year		9.36	4.15
Closing balance		**13.51**	**4.15**
(iv) Retained earnings			
Opening balance		(882.52)	(878.90)
Profit / (loss) for the year		(31.68)	3.38
Remeasurements of defined benefit asset		(0.53)	(1.60)
Distribution to shareholders in accordance with the terms of Share purchase agreement (refer note 18)		(32.73)	(5.40)
Closing balance		**(947.46)**	**(882.52)**

B. Nature of purpose of reserves

Securities premium:

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

Capital redemption reserve:

In the earlier years, pursuant to redemption of preference shares, the Company had created capital redemption reserve out of available profits as per the relevant provisions of the Companies Act, 2013.

Capital contribution from parent:

The Company has recognised share based payment expenses as capital contribution from parent as the Company does not reimburse the cost to EverBrands India Limited (formerly known as EverBrands India Private Limited and Culinary Brands Private Limited) ('Parent') issuing such shares under the Parent's Employee Stock Option Scheme (ESOS 2022 scheme).

C. The Company has neither declared nor paid any dividend during the year ended March 31, 2026 and March 31, 2025.

D. Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The Company manages its capital so as to safeguard their ability to continue as a going concern and to optimize returns to shareholders. The Capital structure of the Company is based on the management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor and creditor confidence.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The company monitors the capital using a gearing ratio, which is net debt divided by total equity. Net debt is calculated as total liabilities (as shown in the balance sheet) less cash and cash equivalents and other bank balances. The Company's adjusted net debt to equity ratio i.e., capital gearing ratio at March 31 2026 is as follows:

	As at March 31, 2026	As at March 31, 2025
Total liabilities	600.33	595.88
Less: Cash and cash equivalents and other bank balances	(67.94)	(31.02)
Net debt	**532.39**	**564.86**
Total equity	1,498.80	1,554.38
Net debt to equity ratio	**0.36**	**0.36**

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17 Borrowings
(See accounting policy in note 3(b))

	As at March 31, 2026	As at March 31, 2025
Non-current Borrowings		
Loan from related party (unsecured)	150.00	150.00
	150.00	**150.00**
Current Borrowings		
Current maturities of long-term borrowings*	-	1.29
	-	**1.29**

* Represents interest accrued on borrowings from related party (net of TDS)

The Company had availed a five year term loan amounting to INR 150.00 million from Culinary Brands India Private Limited (formerly known as Eversub India Private Limited), a fellow subsidiary of the Company, vide a loan agreement ('term sheet') dated February 05, 2025 for the purpose of capital expenditure in connection with setting up of new manufacturing units/ lines, capacity expansion and such other capital expenditure as may be approved by Culinary Brands India Private Limited (formerly known as Eversub India Private Limited). The loan was repayable in equal quarterly installments after the twelve months moratorium period from the date of draw down, in line with the repayment schedule specified in the term sheet. The loan carries a floating interest of three month treasury bill rate plus 4% per annum with quarterly resets.The rate of interest as at March 31, 2025 was 10.41%. The loan wass measured at amortised cost. During the year ended March 31, 2026, the company has repaid the loan.

During the year ended March 31, 2026, the Company has availed a five year term loan amounting to INR 150.00 million from EverBrands India Limited (formerly known as EverBrands India Private Limited and Culinary Brands Private Limited),the Holding company of the Company, vide a loan agreement ('term sheet') dated January 23, 2026 for the purpose of capital expenditure in connection with setting up of new manufacturing units/ lines, capacity expansion and such other capital expenditure as may be approved by EverBrands India Private Limited (formerly known as EverBrands India Private Limited and Culinary Brands Private Limited). The loan is repayable in equal quarterly installments after the twelve months moratorium period from the date of draw down, in line with the repayment schedule specified in the term sheet. The loan carries a floating interest of three month treasury bill rate plus 4% per annum with quarterly resets. The rate of interest as at March 31, 2026 was 9.29%. The loan is measured at amortised cost.

The loan agreement contains financial covenants requiring the Company to maintain (i) a minimum Debt Service Coverage Ratio (DSCR) of 1.5 times, and (ii) a maximum External Debt to EBITDA ratio of 4.0 times. Compliance with these covenants is assessed on an annual basis. In the event of a breach of these covenants, the lender has the right to demand immediate repayment of the outstanding loan balance. As at March 31, 2026, the Company's Debt Service Coverage Ratio (DSCR) stood at 14.57 times and the External Debt to EBITDA ratio at 0.80 times. Accordingly, the Company has complied with the prescribed covenant requirements.

Information about the Company's exposure to interest rate and liquidity risks is included in note 33.

Reconciliation of movement of liabilities to cash flows arising from financing activities

Particulars	**Year ended March 31, 2026**	**Year ended March 31, 2025**
Balance as at April 1	151.29	-
Changes from financing cash flows		
Proceeds from borrowings	150.00	150.00
Repayment of borrowings	(150.00)	-
Total changes from financing cash flows	**-**	**150.00**
Other liability-related changes		
Interest expense (refer note 28)	12.51	1.43
TDS on interest accrued on borrowings	(1.25)	(0.14)
Interest paid	(12.55)	-
Total liability-related other changes	**(1.29)**	**1.29**
Closing balance	**150.00**	**151.29**

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18 Other financial liabilities
(See accounting policy in Note 3(b))

	As at March 31, 2026	As at March 31, 2025
Non- current		
Security deposits from customers	3.92	4.64
Liability arising out of Share purchase agreement* (refer note 33 and 35)	86.08	53.35
	90.00	**57.99**
Current		
Capital creditors		
- total outstanding dues of micro enterprises and small enterprises (refer note 20A)	3.09	0.01
- total outstanding dues of creditors other than micro enterprises and small enterprises	24.35	57.62
Royalty payable (refer note 35)	9.00	8.01
Security deposits from customers	25.02	23.02
	61.46	**88.66**

* In accordance with the terms of Share purchase agreement (SPA) dated December 16, 2022 entered amongst the Company, EverBrands India Limited (formerly known as EverBrands India Private Limited and Culinary Brands Private Limited), Lavazza Netherlands B.V. and Luigi Lavazza SPA, the Company has provided for an estimated payable to Lavazza Netherlands B.V., the agreed share of the estimated cash savings to the Company by way of lower income tax liability / outflow as a result of set off of the unabsorbed depreciation as per the income tax returns filed by the Company for the year ended March 31, 2022. Based on legal advice obtained by the Company, Management has concluded that the arrangement is in compliance with the requirements of the Companies Act and is not prejudicial to the interest of the Company. Also, refer note 33(B) for disclosure relating to significant unobservable inputs used in fair value measurement.

19 Provisions
(See accounting policy in Note 3(g) and (h))

	Non-current		Current	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Provision for employee benefits				
Net defined benefit liability (refer note 37)	13.15	7.24	11.43	9.92
Liability for compensated absences	8.96	6.97	3.16	2.46
Other provisions				
Provision for warranties*	-	-	0.30	0.30
	22.11	**14.21**	**14.89**	**12.68**

Movement in provision for warranties	As at March 31, 2026	As at March 31, 2025
Opening balance	0.30	0.30
Provisions made during the year	-	-
Provisions used during the year	-	-
Closing balance	**0.30**	**0.30**
Non-current	**-**	**-**
Current	**0.30**	**0.30**

*The provision for warranties relates mainly to coffee machines sold. The provision has been estimated based on historical warranty data associated with similar products.

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20 Trade payables

(See accounting policy in note 3(b))

	As at March 31, 2026	As at March 31, 2025
Trade payables		
Total outstanding dues of micro enterprises and small enterprises (refer note A below)	17.27	31.91
Total outstanding dues of creditors other than micro and small enterprises	162.11	152.59
	179.38	**184.50**
Of the above trade payables amounts due to related parties are as below:		
Trade payables due to related parties (Refer note 35)	13.82	1.46

A. Dues to micro and small enterprises - As per Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED' Act)

This information has been determined to the extent such parties have been identified on the basis of information available with the Company

Particulars	As at March 31, 2026	As at March 31, 2025
a) Principal amount remaining unpaid to any supplier as at end of the year *	19.82	31.38
Interest due thereon remaining unpaid to any supplier as at the end of the year	-	-
b) Amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the year	-	-
c) Amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006)	0.54	0.54
d) The amount of interest accrued and remaining unpaid at the end of the year	0.54	0.54
e) The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act 2006	0.54	0.54

**includes capital creditors*

B. Ageing schedule of trade payables

As at March 31, 2026

Particulars	Unbilled dues	Not due	Outstanding for following periods from due dates of payments				Total
			< 1 year	1 to 2 years	2 to 3 years	> 3 years	
Undisputed trade payables							
(i) MSME	-	4.67	12.60	-	-	-	17.27
(ii) Others	40.02	62.66	58.80	0.57	0.06	-	162.11
Disputed trade payables							
(i) MSME	-	-	-	-	-	-	-
(ii) Others	-	-	-	-	-	-	-
Total	**40.02**	**67.33**	**71.40**	**0.57**	**0.06**	**-**	**179.38**

As at March 31, 2025

Particulars	Unbilled dues	Not due	Outstanding for following periods from due dates of payments				Total
			< 1 year	1 to 2 years	2 to 3 years	> 3 years	
Undisputed trade payables							
(i) MSME	-	27.00	4.91	-	-	-	31.91
(ii) Others	38.08	70.68	43.20	0.06	-	0.57	152.59
Disputed trade payables							
(i) MSME	-	-	-	-	-	-	-
(ii) Others	-	-	-	-	-	-	-
Total	**38.08**	**97.68**	**48.11**	**0.06**	**-**	**0.57**	**184.50**

Information about the Company's exposure to currency and liquity risk for trade payables is included in note 33.

21 Other current liabilities

	As at March 31, 2026	As at March 31, 2025
Employee benefits payable	34.28	32.19
Statutory dues payable	6.00	6.11
Contract liabilities (refer note 22)	3.00	4.55
Refund liability #	3.02	2.57
	46.30	**45.42**

The Company's right to repurchase policy offers only an exchange for another good - i.e., the Company does not offer a cash refund and accordingly presented under other current liabilities.

22 Revenue from operations *(See accounting policy in note 3(i))*	**Year ended March 31, 2026**	**Year ended March 31, 2025**
A. Revenue from contracts with customers		
Sale of finished goods	1,381.79	1,118.29
Sale of traded goods	797.96	746.87
Sale of services	233.40	203.12
	2,413.15	**2,068.28**
Other operating revenues		
Machine maintenance charges	5.99	3.56
Total revenue from operations	**2,419.14**	**2,071.84**
B. Disaggregation of revenue from contracts with customers		
Revenue recognised at a point of time	2,185.74	1,868.74
Revenue recognised over a period of time	233.40	203.10
Total revenue from contracts with customers	**2,419.14**	**2,071.84**
C. Reconciliation of revenue recognised with contract price		
Revenue as per contracted price	2,464.07	2,088.45
Less: Refund liabilities	(0.45)	2.58
Less: Trade discount	(44.48)	(19.19)
Total revenue from contracts with customers	**2,419.14**	**2,071.84**

D. Revenue disaggregation as per geographical location has been included in segment information (refer note 34)

E. Contract balances The following table provides information about receivables and contract liabilities from contracts with customers:	**As at March 31, 2026**	**As at March 31, 2025**
Trade receivables	355.53	317.58
Contract liabilities (refer note 21)	3.00	4.55

Invoices are payable within contractually agreed credit period.

The contract liabilities primarily relate to the advance consideration received from customers for sale of coffee machines.

No information is provided about remaining performance obligations at March 31, 2026 and March 31, 2025 that have an original expected duration of one year or less, as allowed by Ind AS 115.

F. Changes in contract liabilities (advance from customers) are as follows:	**Year ended March 31, 2026**	**Year ended March 31, 2025**
Balance at the beginning of the year	4.55	2.28
Revenue recognised during the year that was included in the advance from customers balance at the beginning of the year	(4.55)	(2.28)
Advance received from customers during the year excluding amounts recognised as revenue during the year	3.00	4.55
Balance as at the end of the year	**3.00**	**4.55**

G. Performance obligations

Revenue is measured based on consideration specified in the contract with customer. The Company recognises revenue when it transfers control over a good or service to a customer. Information about the nature and timing of satisfaction of performance obligations in contracts with customers is provided below:

(a) Sale of finished goods (representing coffee powder and processed coffee beans) and traded goods (representing coffee machines and consumables)

Customers obtain control of coffee powder and processed coffee beans based on the agreement / understanding with the customers. For certain customers, billing is based on consumption information obtained on a periodical basis. In such cases, revenue is recognised based on the consumption information examined and confirmed by both the customer and the representative of the Company. Invoices are generated at that point in time. Invoices are payable within contractually agreed credit period. Some contracts permit the customer to return an item. Returned goods are exchanged only for new goods i.e, no cash refunds are offered.

(b) Sale of services

Invoices for sale of services are issued on a monthly basis and usually payable within contractually agreed credit period.

23 Other income *(See accounting policy in note 3(b) and 3(k))*	**Year ended March 31, 2026**	**Year ended March 31, 2025**
Interest income under the effective interest method on:		
- bank deposits	0.13	0.04
- security deposits measured at amortized cost	0.39	0.35
Interest income on income tax refund	12.33	-
Gain on sale of investments (net)	12.89	19.41
Financial assets mandatorily measured at FVTPL - net change in fair value	1.41	-
Net gain on sale of property, plant and equipment	0.02	0.01
Rental income from property lease	4.54	-
Miscellaneous income	6.65	2.28
	38.36	**22.09**

24 Cost of materials consumed *(See accounting policy in note 3(e))*	**Year ended March 31, 2026**	**Year ended March 31, 2025**
Inventory of materials at the beginning of the year	84.23	72.42
Add: Purchases	956.92	784.22
Less: Inventory of materials at the end of the year	(87.00)	(84.23)
Cost of materials consumed	**954.15**	**772.41**

25 Purchases of stock-in-trade		
Coffee machines	63.18	135.63
Coffee and consumables	481.61	427.13
	544.79	**562.76**

26 Changes in inventories of finished goods, stock-in-trade and right to recover returned goods		
Inventory at the beginning of the year	**198.16**	**138.88**
-Finished goods	68.16	46.71
-Stock-in-trade	130.00	92.17
Inventory at the end of the year	**178.16**	**198.16**
-Finished goods	70.61	68.16
-Stock-in-trade	107.55	130.00
Changes in inventories of finished goods	**(2.45)**	**(21.45)**
Changes in inventories of stock-in-trade	**22.45**	**(37.83)**
	20.00	**(59.28)**

27 Employee benefits expense
(See accounting policy in note 3(g))

(a)			
	Salaries, wages and bonus	292.04	256.48
	Contributions to provident and other funds (refer note 37)	17.30	15.23
	Expenses related to compensated absence	5.35	5.56
	Equity settled share-based payments*	9.36	4.15
	Staff welfare expenses	13.13	12.88
		337.18	**294.30**

*Certain employees of the Company are covered by Employee Stock Option Scheme (ESOS 2022 scheme) offered by EverBrands India Limited (formerly known as EverBrands India Private Limited and Culinary Brands Private Limited), the Holding Company. Under the scheme, eligible employees are granted an option to purchase shares of the Holding Company, in accordance with the terms and conditions of the scheme. The Company recognises this scheme as an equity settled share based payments arrangement in accordance with Ind AS 102 - Share-based payment. Options granted under Holding Company's ESOS 2022 scheme vests in 5 years from the date of grant. ESOP compensation cost has been computed based on fair value of options, calculated using Black Scholes option model and recognised as share based payment transaction expense under employee benefit expenses with the credit being recorded as 'Capital contribution from Parent' (Refer note 16).

(b) **Exceptional item**	**Year ended March 31, 2026**	**Year ended March 31, 2025**
Statutory impact of new labour codes (refer note below)		
- Gratuity	2.26	-
- Compensated absence	0.75	-
	3.01	**-**

Note: On November 21, 2025, the Government of India notified provisions of the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020 and the Occupational Safety, Health and Working Conditions Code, 2020, ('Labour Codes') which consolidate twenty-nine existing labour laws into a unified framework governing employee benefits during employment and post-employment. The Labour Codes, amongst other things introduce changes, including a uniform definition of wages and enhanced benefits relating to leave. The Company has assessed the financial implications of these changes which has resulted in increase in gratuity liability arising out of past service cost and increase in compensated absences by INR 3.01 million. Considering the impact arising out of an enactment of the new legislation is an event of non-recurring nature, the Company has presented this incremental amount as "Statutory impact of new labour codes" under "Exceptional Item" in the Statement of Profit and Loss for the year ended March 31, 2026. The Company continues to monitor the developments pertaining to Labour Codes and will evaluate impact if any on the measurement of liability pertaining to employee benefits.

28 Finance costs *(See accounting policy in Note 3(j) and 3(k))*	**Year ended March 31, 2026**	**Year ended March 31, 2025**
Interest expense on financial liabilities measured at amortised cost:		
- Security deposits	0.06	-
- Borrowings	12.51	1.43
Interest expense on lease liabilities	3.70	3.68
	16.27	**5.11**

29 Depreciation and amortisation expense *(See accounting policy in Note 3(c), 3(d) and 3(k))*		
Depreciation of property, plant and equipment (refer note 4)	168.32	139.49
Amortisation of intangible assets (refer note 6)	1.21	1.14
Depreciation of right-of-use assets (refer note 5)	15.69	16.10
	185.22	**156.73**

30 Other expenses		
Power and fuel	9.60	9.88
Rent	11.35	10.03
Repairs and maintenance	19.04	11.81
Rates and taxes	10.28	7.85
Travelling and conveyance	36.81	33.43
Legal and professional fees	44.43	42.39
Payments to auditors (refer note (i) below)	2.54	2.31
Advertising and sales promotion	15.16	17.99
Sub-contracting charges	26.81	17.10
Consumption of stores and spares	57.62	70.01
Royalty	32.94	25.64
Freight and forwarding charges	69.87	64.21
Insurance	14.33	13.29
Impairment loss on financial assets	3.86	4.86
Subscription charges	3.13	2.63
Net loss on foreign currency transactions	14.59	3.34
Financial assets mandatorily measured at FVTPL - net change in fair value	-	4.01
Miscellaneous expenses	20.02	16.30
	392.38	**357.08**

(i) Payments to auditors (excluding goods and services tax)		
As auditor		
- for statutory audit	1.40	1.27
- for other audit services	1.02	0.93
Reimbursement of expenses	0.12	0.11
	2.54	**2.31**

31 Earnings per share *(See accounting policy in Note 3(n))*	**Year ended March 31, 2026**	**Year ended March 31, 2025**
Profit for the year attributable to equity shareholders (A)	(31.68)	3.38
Weighted-average number of equity shares considered for calculation of basic and diluted earnings per share (B)	9,130,492	9,130,492
Basic and diluted earnings per equity share (INR) (A/B)	**(3.47)**	**0.37**

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32 Income taxes

	Year ended March 31, 2026	Year ended March 31, 2025
(a) Amounts recognised in Statement of Profit and Loss		
(i) Current tax	1.17	1.23
(ii) Deferred tax	35.01	0.21
Tax expense (i + ii)	**36.18**	**1.44**

(b) Amounts recognised in other comprehensive income

Items that will not reclassified to profit or loss	Year ended March 31, 2026			Year ended March 31, 2025		
	Before Tax	Tax benefit	Net of Tax	Before Tax	Tax benefit	Net of Tax
Remeasurement of defined benefit asset	(0.75)	0.22	(0.53)	(2.26)	0.66	(1.60)
Total	**(0.75)**	**0.22**	**(0.53)**	**(2.26)**	**0.66**	**(1.60)**

(c) Reconciliation of effective tax rate

Particulars	Year ended March 31, 2026		Year ended March 31, 2025	
	%	Amount	%	Amount
Profit before tax		4.50		4.82
Tax using the Company's domestic tax rate	29.12%	1.31	29.12%	1.40
Adjustments for tax effect of:				
Effect of change in tax rates *	720.89%	32.44	0.00%	-
Effect of differential tax rates	-1.56%	(0.07)	-15.56%	(0.75)
Effect of permanent difference	1.33%	0.06	-0.41%	(0.02)
Effect of true up adjustment	45.78%	2.06	17.84%	0.86
Others	8.44%	0.38	-1.04%	(0.05)
Effective tax rate / tax expense	**804.00%**	**36.18**	**29.88%**	**1.44**

*The Company transition to the concessional tax regime of the Income-tax Act, 1961, with effect from April 1, 2026. Accordingly, deferred tax assets and deferred tax liabilities have been remeasured using the tax rates and tax laws expected to apply in the periods when the temporary differences reverse. The impact of such remeasurement of deferred tax balances has been recognised in the Statement of Profit and Loss for the year ended March 31, 2026. Consequently, the future current tax expense will be determined based on the provisions applicable under the new tax regime.

(d) Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

Particulars	As at March 31, 2026	As at March 31, 2025
Deferred tax liabilities		
Inventories	(2.26)	(0.56)
Right of use assets (including leasehold land)	(7.10)	(9.70)
Financial assets mandatorily measured at FVTPL - net change in fair value	(0.35)	(1.75)
Total deferred tax liabilities (A)	**(9.71)**	**(12.01)**
Deferred tax assets		
Unabsorbed depreciation carried forward	159.82	193.37
MAT Credit	20.35	19.18
Property, plant and equipment and intangible assets	21.33	29.26
Provisions for employee benefits	9.98	8.88
Loss allowance on trade receivables and advances	3.76	3.24
Refund liability	2.45	0.75
Security deposits	0.11	0.25
Lease liabilities	9.11	11.98
Other items of disallowances	7.01	4.10
Total deferred tax assets (B)	**233.92**	**271.01**
Net deferred tax asset (A - B)	**224.21**	**259.00**

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32 Income taxes *(continued)*

(e) Movement in deferred tax balances for the year ended March 31, 2026

Particulars	Balance as at April 1, 2025	Recognised in profit or loss	Recognised in OCI	Balance as at March 31, 2026
Deferred tax liabilities				
Inventories	(0.56)	(1.70)	-	(2.26)
Right of use assets (including leasehold land)	(9.70)	2.60	-	(7.10)
Financial assets mandatorily measured at FVTPL - net change in fair value	(1.75)	1.40	-	(0.35)
Deferred tax assets				
Unabsorbed depreciation carried forward	193.37	(33.55)	-	159.82
MAT Credit	19.18	1.17	-	20.35
Property, plant and equipment and intangible assets	29.26	(7.93)	-	21.33
Provisions for employee benefits	8.88	0.88	0.22	9.98
Loss allowance on trade receivables and advances	3.24	0.52	-	3.76
Refund liability	0.75	1.70	-	2.45
Security deposits	0.25	(0.14)	-	0.11
Lease liabilities	11.98	(2.87)	-	9.11
Other items of disallowances	4.10	2.91	-	7.01
Total	**259.00**	**(35.01)**	**0.22**	**224.21**

Movement in deferred tax balances for the year ended March 31, 2025

Particulars	Balance as at April 1, 2024	Recognised in profit or loss	Recognised in OCI	Balance as at March 31, 2025
Deferred tax liabilities				
Inventories	(1.12)	0.56	-	(0.56)
Right of use assets (including leasehold land)	(5.64)	(4.06)	-	(9.70)
Financial assets mandatorily measured at FVTPL - net change in fair value	(3.72)	1.97	-	(1.75)
Deferred tax assets				
Unabsorbed depreciation carried forward	193.80	(0.43)	-	193.37
MAT Credit	18.06	1.12	-	19.18
Property, plant and equipment and intangible assets	39.43	(10.17)	-	29.26
Provisions for employee benefits	5.92	2.30	0.66	8.88
Loss allowance on trade receivables and advances	1.80	1.44	-	3.24
Refund liability	1.50	(0.75)	-	0.75
Security deposits	0.20	0.05	-	0.25
Lease liabilities	7.45	4.53	-	11.98
Other items of disallowances	0.87	3.23	-	4.10
Total	**258.55**	**(0.21)**	**0.66**	**259.00**

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for the Company. Basis Company's business plans and availability of future taxable income, it is expected that the deferred tax assets (net) would be recovered in full.

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33 Financial instruments - Fair values and risk management

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy:

As at March 31, 2026					Fair value hierarchy			
Particulars	**Note**	**Carrying amount**	**Mandatorily measured at FVTPL**	**Measured at amortised cost**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value								
Investments	11	151.41	151.41	-	151.41	-	-	151.41
Financial assets not measured at fair value								
Trade receivables	12	355.53	-	355.53	-	-	-	-
Cash and cash equivalents	13(a)	67.94	-	67.94	-	-	-	-
Bank balances other than cash and cash equivalents	13(b)	-	-	-	-	-	-	-
Other financial assets (non-current)	7	3.44	-	3.44	-	-	-	-
Other financial assets (current)	7	19.66	-	19.66	-	-	-	-
		597.98	**151.41**	**446.57**	**151.41**	**-**	**-**	**151.41**
Financial liabilities measured at fair value								
Liability arising out of Share purchase agreement	18	86.08	86.08	-	-	-	86.08	86.08
Financial liabilities not measured at fair value								
Trade payables	20	179.38	-	179.38	-	-	-	-
Borrowings	17	150.00	-	150.00	-	-	-	-
Security deposits from customers	18	3.92	-	3.92	-	-	-	-
Other financial liabilities (current)	18	61.46	-	61.46	-	-	-	-
		480.84	**86.08**	**394.76**	**-**	**-**	**86.08**	**86.08**

As at March 31, 2025					Fair value hierarchy			
Particulars	**Note**	**Carrying amount**	**Mandatorily measured at FVTPL**	**Measured at amortised cost**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value								
Investments	11	278.81	278.81	-	278.81	-	-	278.81
Financial assets not measured at fair value								
Trade receivables	12	317.58	-	317.58	-	-	-	-
Cash and cash equivalents	13(a)	27.58	-	27.58	-	-	-	-
Bank balances other than cash and cash equivalents	13(b)	3.44	-	3.44	-	-	-	-
Other financial assets (non-current)	7	7.50	-	7.50	-	-	-	-
Other financial assets (current)	7	10.69	-	10.69	-	-	-	-
		645.60	**278.81**	**366.79**	**278.81**	**-**	**-**	**278.81**
Financial liabilities measured at fair value								
Liability arising out of Share purchase agreement	18	53.35	53.35	-	-	-	53.35	53.35
Financial liabilities not measured at fair value								
Trade payables	20	184.50	-	184.50	-	-	-	-
Borrowings	17	151.29	-	151.29	-	-	-	-
Security deposits from customers	18	4.64	-	4.64	-	-	-	-
Other financial liabilities (current)	18	88.66	-	88.66	-	-	-	-
		482.44	**53.35**	**429.09**	**-**	**-**	**53.35**	**53.35**

The Company has not disclosed the fair values of financial instruments such as trade receivables, cash and cash equivalents, bank balances other than cash and cash equivalents, trade payables, borrowings and certain other financial assets and liabilities, because their carrying amounts are a reasonable approximation of fair value. Fair value measurement of lease liabilities is not required.

As the borrowings carry variable interest rates linked to prevailing T-bill rates plus an applicable spread, their carrying amounts measured at amortised cost are considered to be a reasonable approximation of fair value at each reporting date.

33 Financial instruments - Fair values and risk management *(continued)*

B. Measurement of fair values

i Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring fair values for financial instruments measured at fair value in the balance sheet, as well as the significant unobservable inputs used in measuring level 3 fair values for financial instruments.

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Interrelationship between significant unobservable inputs and fair value measurement
Liability arising out of Share purchase agreement	**Discounted cash flows:** The valuation model considers the present value of the expected future payments, discounted using a risk-adjusted discount rate.	• Expected cash flows (March 31, 2026 - INR 134.33 million on an undiscounted basis, March 31, 2025 - INR 78.38 million) • Risk-adjusted discount rate (March 31, 2026 - 8.75%, March 31, 2025 - 8.75%)	The estimated fair value would increase (decrease) if: • the expected cash flows were higher (lower); or • the risk-adjusted discount rate were lower (higher).
Investments	**Market comparison technique:** The fair values are based on broker / banker quotes from the fund manager. The quotes are in the form of Net asset values (NAV's). The NAV's are determined by fair valuing the underlying investments of the funds using appropriate valuation techniques.	Not applicable	Not applicable

ii Transfers between Level 1, Level 2 and Level 3

There were no transfers between Level 1, Level 2 or Level 3 during the year ended March 31, 2026 and year ended March 31, 2025.

iii Level 3 recurring fair values

Reconciliation of level 3 fair values:	**Year ended March 31, 2026**	**Year ended March 31, 2025**
Liability arising out of share purchase agreement		
Opening balance	53.35	47.95
Net change in fair value (unrealised)	32.73	5.40
Balance as at the year end	**86.08**	**53.35**

Sensitivity analysis

For the fair value of liability arising out of share purchase agreement, reasonably possible changes at the reporting date to one of the significant unobservable inputs, holding other inputs constant, would have the following effects:

Particulars	**Profit or loss**	
	Increase	**Decrease**
As at March 31, 2026		
Expected cash flows (5% movement)	4.30	(4.30)
Risk-adjusted discount rate (1% movement (100 bps))	(3.82)	3.82
As at March 31, 2025		
Expected cash flows (5% movement)	3.15	(3.15)
Risk-adjusted discount rate (1% movement (100 bps))	(3.89)	3.89

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33 Financial instruments - Fair values and risk management *(continued)*

C. Financial risk management

The Company has exposure to the following risks arising from financial instruments:
- Credit risk (see (c)(ii))
- Liquidity risk and (see (c)(iii))
- Market risk (see (c)(iv))

i Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

ii 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, leading to a financial loss. Credit risk primarily arises from the Company's trade receivables, investments, cash and cash equivalents, bank balances other than cash and cash equivalents, other financial assets.

The carrying amounts of financial assets represent the maximum credit risk exposure.

The maximum exposure to credit risk for financial assets are as follows:

		Carrying amount	
	Note	**March 31, 2026**	**March 31, 2025**
Trade receivables	12	355.53	317.58
Investments in mutual funds (quoted)	11	151.41	278.81
Cash and cash equivalents	13(a)	67.94	27.58
Bank balance other than cash and cash equivalents	13(b)	-	3.44
Other financial assets (non-current)	7	3.44	7.50
Other financial assets (current)	7	19.66	10.69
Total		**597.98**	**645.60**

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33 Financial instruments - Fair values and risk management *(continued)*

C. Financial risk management *(continued)*

ii Credit risk *(continued)*

(a) Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Majority of trade receivables are from domestic customers, which are fragmented and not concentrated to individual customers. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets adjusted for forward -looking information.

The Company uses an allowance matrix to measure the ECLs of trade receivables from customers, which comprise a very large number of small balances. Based on the industry practices and the business environment in which the entity operates, management considers that the trade receivables are in default if the payments are more than 180 days past due.

The following table provides information about the exposure to credit risk and ECLs for trade and finance lease receivables, loans and contract assets from the individual customers as at March 31, 2026:

Particulars	Weighted-Average loss rate	Gross carrying amount	Loss	Credit Impaired
Current (not past due)	0.38%	230.74	0.87	No
0 - 90 days past due	0.69%	119.40	0.82	No
91-180 days past due	10.74%	7.93	0.85	No
> 180 days past due	100.00%	9.65	9.65	Yes
		367.72	**12.19**	

The following table provides information about the exposure to credit risk and ECLs for trade and finance lease receivables, loans and contract assets from the individual customers as at March 31, 2025:

Particulars	Weighted-Average loss rate	Gross carrying amount	Loss Allowance	Credit Impaired
Current (not past due)	0.31%	187.69	0.58	No
0 - 90 days past due	0.47%	119.47	0.56	No
91-180 days past due	9.75%	12.81	1.25	No
> 180 days past due	100.00%	5.94	5.94	Yes
		325.91	**8.33**	

The movement in the allowance for impairment in respect of trade receivables is as follows:

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
At the beginning of the year	8.33	3.47
Impairment loss on financial assets	3.86	4.86
Amounts written-off	-	-
At the end of the year	**12.19**	**8.33**

(b) Investments

The Company limits its exposure to credit risk by investment being made in debt mutual funds. The credit worthiness of the counterparties of the investments made are evaluated by the management on an ongoing basis and is considered to be good with low credit risk.

(c) Cash and cash equivalents and other financial assets

The Company held cash equivalents and other bank balances with credit worthy banks and financial institutions as at the reporting date. The credit worthiness of the banks and financial institutions are evaluated by the management on an ongoing basis and is considered to be good with low credit risk. The Company considers that its cash and cash equivalents and other bank balances have low credit risk based on the external credit ratings of the counterparties. Accordingly the amount of impairment allowance as at 31st March, 2026 is Nil (March 31, 2025: Nil).

Other financial assets primarily consists of security deposits, bank deposits, loans to employees and rent receivable. The Company's security deposits and loans to employees are measured at amortised cost and are considered to have low risk. The management also considers a low risk on loans to employees and rent receivable since the management is confident about the capacity of the borrowing parties to meet obligations of contractual cash flows.

33 Financial instruments - Fair values and risk management *(continued)*

C. Financial risk management *(continued)*

iii Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's principal sources of liquidity are cash and cash equivalents, investments and the cash flow that is generated from operations. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company has a loan from it's holding company that contains covenants. A future breach of the covenant may require the Company to repay the loan earlier than indicated below.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

As at March 31, 2026		**Contractual cash flows**					
Contractual maturities of financial liabilities	**Carrying amount**	**Total**	**6 months or less**	**6-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
Lease liabilities	36.19	39.75	10.40	10.37	10.07	8.91	-
Borrowings	150.00	191.28	6.99	6.95	49.58	127.76	-
Trade payables	179.38	179.38	179.38	-	-	-	-
Security deposits from customers	28.94	28.94	20.93	4.07	0.93	3.01	-
Liability arising out of Share purchase agreement	86.08	134.33	-	-	27.31	16.19	90.83
Capital creditors	27.44	27.44	27.44	-	-	-	-
Royalty payable	9.00	9.00	9.00	-	-	-	-
	517.03	**610.12**	**254.14**	**21.39**	**87.89**	**155.87**	**90.83**

As at March 31, 2025		**Contractual cash flows**					
Contractual maturities of financial liabilities	**Carrying amount**	**Total**	**6 months or less**	**6-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
Lease liabilities	41.13	47.03	8.82	8.81	18.24	11.16	-
Borrowings	151.29	151.29	1.29	-	37.50	112.50	-
Trade payables	184.50	184.50	184.50	-	-	-	-
Security deposits from customers	27.66	27.66	18.63	4.40	3.97	0.66	-
Liability arising out of Share purchase agreement	53.35	78.37	-	-	-	37.91	40.46
Capital creditors	57.63	57.63	57.63	-	-	-	-
Royalty payable	8.01	8.01	8.01	-	-	-	-
	523.57	**554.49**	**278.88**	**13.21**	**59.71**	**162.23**	**40.46**

iv Market Risk

Market risk is the risk of loss of future earnings or fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign exchange rates and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables. The Company is exposed to market risk primarily related to foreign exchange rate risk (currency risk). The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising returns.

(a) Currency Risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales and purchases are denominated and the functional currency of Company (INR). The currencies in which these transactions are primarily denominated are USD and EUR.

Exposure to unhedged currency risk

	March 31, 2026		**March 31, 2025**	
Financial assets/ (liabilities)	**USD**	**EUR**	**USD**	**EUR**
Trade receivables	5.27	-	4.15	-
Trade payables	(0.72)	(31.96)	(0.11)	(46.97)
Capital creditors	-	(18.39)	-	(56.26)
Net assets / (liabilities)	**4.55**	**(50.35)**	**4.04**	**(103.23)**

33 Financial instruments - Fair values and risk management *(continued)*

C. Financial risk management *(continued)*

iv Market Risk *(continued)*

(a) Currency Risk *(continued)*

Sensitivity analysis

A reasonably possible strengthening (weakening) of the INR against USD and EUR as at the respective reporting period would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecasted sales and purchases.

	Amount in INR million			
	Profit or Loss		Equity, net of tax	
Particulars	**Strengthening**	**Weakening**	**Strengthening**	**Weakening**
As at March 31, 2026				
USD (1% movement)	0.05	(0.05)	0.03	(0.03)
EUR (1% movement)	(0.50)	0.50	(0.36)	0.36
As at March 31, 2025				
USD (1% movement)	0.04	(0.04)	0.03	(0.03)
EUR (1% movement)	(1.03)	1.03	(0.73)	0.73

(b) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Exposure to interest rate risk

The Company adopts a policy of ensuring that majority of its interest rate risk exposure is at fixed rate. The interest rate profile of the Company's interest-bearing financial instruments is as follows:

	As at March 31, 2026	As at March 31, 2025
Fixed-rate instruments		
Financial assets		
Deposits with bank	4.02	3.44
Variable rate instruments		
Financial liabilities		
Borrowings	150.00	151.29

Fair value sensitivity

A reasonably possible increase of 100 basis points in interest rate at the reporting date would have increased profit and equity by the amounts shown below. This analysis assumes that all other variables in particular foreign currency exchange rates remain constant.

	March 31, 2026		March 31, 2025	
Profit/ Loss	**100 bp increase**	**100 bp decrease**	**100 bp increase**	**100 bp decrease**
Fixed-rate instruments				
Financial assets				
Deposits with bank	0.02	(0.02)	0.01	(0.01)
Variable rate instruments				
Financial liabilities				
Borrowings	(1.29)	1.29	(0.14)	0.14

(c) Other Market Price Risk

The Company is exposed to price risk from its investments in mutual funds classified in the balance sheet at fair value through profit or loss (FVTPL). The financial instruments carrying price risk is INR 151.41 million (March 31, 2025: INR 278.81 million). To manage its price risk arising from the investment, the Company has invested in mutual funds after considering the risk and return profile of the said investments i.e. debt profile of the investments indicates that the amount has been invested in creditworthy instruments and is made after considering the past performance record of the mutual fund.

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34 Operating segments

A Basis for segmentation

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Company's Managing Director to make decisions about resources to be allocated to the segments and assess their performance. The Managing Director is considered to be the Chief Operating Decision Maker ('CODM') within the purview of Ind AS 108 "Operating Segments".

The CODM considers the entire business of the Company on a holistic basis to make operating decisions and thus there are no segregated operating segments. The Company is mainly engaged in only one business i.e., coffee and related products / services which includes sale of coffee beans, coffee powder, coffee machines, other related consumables and renting of coffee machines. The CODM considers the Company as a whole to make decisions about resources to be allocated to the segment and assess its performance. Accordingly, the Company does not have multiple segments and these financial statements are reflective of the information required by Ind AS 108 "Operating Segments" for coffee and related products / services ('Beverages').

B Geographical information

The geographical information analyses the Company's revenues by the Company's country of domicile (i.e., India) and other countries. In presenting the geographical information, segment revenue has been determined based on the geographical location of customers. The Company has only one geographical location based on location of assets and hence the additional information relating to carrying amount of segment assets and cost to acquire property, plant and equipment and intangible assets based on location of assets has not been disclosed.

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Revenue from sale of products and services		
India	2,379.78	2,044.34
Rest of the world	39.36	27.50
Total	**2,419.14**	**2,071.84**

Major customer

There are no customers which account for more than 10% of the total revenue.

	As at March 31, 2026	As at March 31, 2025
Trade receivables		
India	350.26	313.43
Rest of the world	5.27	4.15
Total	**355.53**	**317.58**

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35 Related party

A. Name of the related party and nature of relationships

Ultimate controlling party	Evergroup Limited, exercising control through its intermediary entities, Everstone Stratvest Pte. Ltd. and EverBrands Ventures Pte. Ltd. (formerly known as Culinary Brands Pte. Ltd.)
Parent company	EverBrands India Limited (formerly known as EverBrands India Private Limited and Culinary Brands Private Limited)
Entities having significant influence	Lavazza Netherlands B.V Luigi Lavazza SpA
Entities with common directors	Culinary Culture India Private Limited
Fellow subsidiaries	Culinary Brands India Private Limited (formerly known as Eversub India Private Limited)
Key managerial personnel	
Non-executive Director	Sandeep Kumar Singh
Non-executive Director	Roshini Bakshi
Non-executive Director	Andrea Dallatomasina
Non-executive Director	Dev Amritesh (till April 03, 2024)
Non-executive Director	Nitin Motwani (with effect from April 03, 2024)

B. Transactions during the year

		For the year ended March 31, 2026	For the year ended March 31, 2025
(i)	**Sale of goods and services**		
	Culinary Brands India Private Limited (formerly known as Eversub India Private Limited)	13.48	8.26
(ii)	**Purchases of stock-in-trade**		
	Luigi Lavazza SpA	60.49	60.99
(iii)	**Advertising and sales promotion**		
	Culinary Culture Private Limited	-	5.00
(iii)	**Royalty**		
	Luigi Lavazza SpA	32.94	24.65
(iv)	**Legal and professional fees**		
	EverBrands India Limited (formerly known as EverBrands India Private Limited and Culinary Brands Private Limited)	2.29	-
(v)	**Reimbursement of expense**		
	EverBrands India Limited (formerly known as EverBrands India Private Limited and Culinary Brands Private Limited)	0.07	3.12
(vi)	**Borrowings**		
	EverBrands India Limited (formerly known as EverBrands India Private Limited and Culinary Brands Private Limited)	150.00	-
	Culinary Brands India Private Limited (formerly known as Eversub India Private Limited)	-	150.00
(vii)	**Repayment of borrowings**		
	Culinary Brands India Private Limited (formerly known as Eversub India Private Limited)	150.00	-
(viii)	**Interest on borrowings**		
	Culinary Brands India Private Limited (formerly known as Eversub India Private Limited)	10.18	1.43
	EverBrands India Limited (formerly known as EverBrands India Private Limited and Culinary Brands Private Limited)	2.33	-
(ix)	**Capital contribution from parent (refer note 27)**		
	EverBrands India Limited (formerly known as EverBrands India Private Limited and Culinary Brands Private Limited)	9.36	4.15

(x) In accordance with the terms of Share purchase agreement (SPA) dated December 16, 2022 entered amongst the Company, EverBrands India Limited (formerly known as EverBrands India Private Limited and Culinary Brands Private Limited), Lavazza Netherlands B.V. and Luigi Lavazza SPA, the Company is required to pay Lavazza Netherlands B.V., the agreed share of the estimated cash savings to the Company by way of lower income tax liability / outflow as a result of set off of the unabsorbed depreciation as per the income tax returns filed by the Company for the year ended March 31, 2022. Management has estimated the probability of such outflows and have recorded a liability of INR 86.08 million as at year ended March 31, 2026. (March 31, 2025 - INR 53.35 million).

35 Related party *(continued)*

C. Balances as at year-end	**As at March 31, 2026**	**As at March 31, 2025**
(i) **Trade receivables**		
Culinary Brands India Private Limited (formerly known as Eversub India Private Limited)	1.71	1.16
(ii) **Borrowings**		
EverBrands India Limited (formerly known as EverBrands India Private Limited and Culinary Brands Private Limited)	150.00	-
Culinary Brands India Private Limited (formerly known as Eversub India Private Limited)	-	150.00
(iii) **Current maturities of long-term borrowings**		
Culinary Brands India Private Limited (formerly known as Eversub India Private Limited)	-	1.29
(iv) **Trade payables**		
Luigi Lavazza SpA	13.82	0.56
Culinary Culture India Private Limited	-	0.90
(v) **Other financial assets**		
EverBrands India Limited (formerly known as EverBrands India Private Limited and Culinary Brands Private Limited)	0.23	-
(v) **Royalty payable**		
Luigi Lavazza SpA	9.00	8.01
(vi) **Other payable**		
Lavazza Netherlands B.V. (pursuant to shareholder agreement, refer note 18)	86.08	53.35
(vii) **Capital contribution from parent (refer note 16(iii))**		
EverBrands India Limited (formerly known as EverBrands India Private Limited and Culinary Brands Private Limited)	13.51	4.15

D. The Company had entered into an arrangement whereby, the Company agreed to provide a guarantee in favour of The Hongkong Shanghai Banking Corporation Limited ('the lender') in relation to the credit facilities availed by Culinary Brands India Private Limited (formerly known as Eversub India Private Limited) for INR 1,000.00 million. During the year ended March 31, 2026, the Company has provided a further guarantee to the lender for an amount of INR 500.00 million (amount drawn down as at March 31, 2026 by Culinary Brands India Private Limited - INR 1,500.00 million; March 31, 2025 - INR 500.00 million). The guarantee is jointly and severally provided by the Company, EverBrands India Limited (formerly known as EverBrands India Private Limited and Culinary Brands Private Limited) and EverBrands Ventures Pte. Limited (formerly known as Culinary Brands Pte Limited), Singapore ('the guarantors'). The guarantee is secured by a first ranking exclusive charge over the hypothecated assets as defined in the Deed of Hypothecation.

E. All transactions with related parties are priced on an arm's length basis.

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36 Contingent liabilities and commitments	**As at March 31, 2026**	**As at March 31, 2025**
Contingent liabilities		
Claims against the Company not acknowledged as debt:		
- Income tax matters (refer note (a))	51.09	51.09
- Service tax matters (refer note (b) below)	434.04	434.04
- Value added and sales tax matters (refer note (c) below)	7.99	8.54
- Goods and service tax matters (refer note (d) below)	0.95	4.13
	494.07	**497.80**
Bank guarantees (refer note (e) below)	-	1.97
Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advance)	29.44	70.72

During the current year, the Company has entered into contracts to purchase property, plant and equipment for INR 49.14 million (March 31, 2025: INR 8.78 million).

Notes:

(a) Represents disputed income tax demands pertaining to assessment years ranging from AY 2017-18, AY 2018-19 and AY 2023-24, in respect of which appeals are pending with the tax authorities.

(b) Represents disputed service tax demands pertaining to financial years ranging from FY 2011-12 to FY 2016-17 in respect of which the Company has filed appeals with the Customs Excise and Service Tax Appellate Tribunal.

(c) Pertains to financial years ranging from FY 1997-98 to FY 2014-15 in respect of which the Company has filed appeal with the appropriate authorities.

(d) The Company has filed appeals before the state tax officer Gujarat and Delhi in 2017-18 and 2019-20 respectively. The company filed GST APL-01 in March 2026 with the Superintendent with respect to the issue of Duplicate E-way bill generation. Based on legal advice and past precedents, management believes that the likelihood of outflow is possible but not probable nd hence disclosed as contingemt liability and accordingly no provision has been made in the financial statements.

(e) In the previous year, bank guarantees were given to VAT and DGFT authorities for pending disputes. There is no outstanding guarantee as at year end.

(f) Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgments/decisions pending with various forums/authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in these financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial position.

(g) The Company has a process whereby, periodically, all long-term contracts (including derivative contracts) are assessed for material foreseeable losses. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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37 Employee benefits

(See accounting policy in Note 3(g))

A Defined contribution plan

An amount of INR 12.56 million (March 31, 2025: 11.64 million) has been recognised as an expense in respect of Company's contribution to the Employees' Provident Fund and other funds deposited with the relevant authorities and has been charged to the Statement of profit and loss.

B Defined benefit plan

The Company has a defined benefit gratuity plan in India (the Plan), governed by the Code of Social Security, 2020. The Plan entitles an employee, who has rendered at least five years of continuous service, to gratuity at the rate of fifteen days wages for every completed year of service or part thereof in excess of six months, based on the rate of wages last drawn by the employee at the time of retirement, death or termination of employment. Liabilities for the same are determined through an actuarial valuation as at the reporting dates using the "projected unit credit method". The entire plan assets are managed by the Insurer.

These defined benefit plans expose the Company to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

A. Funding

The gratuity scheme is funded and the actuarial liability (net of plan assets) is shown in the balance sheet. Retirement benefit in the form of gratuity liability is a defined benefit obligation and is provided on the basis of an actuarial valuation made at the end of each financial year.

The plan is exposed to asset-liability matching risk. However, as the plan assets are invested through an insurer-managed fund and are invested in accordance with the investment pattern prescribed under Rule 101 of the Income-tax Rules, 1962, the risk is mitigated to a significant extent.

B. Reconciliation of the net defined benefit (asset)/ liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit (asset) liability and its components:

Reconciliation of present value of defined benefit obligation	**As at March 31, 2026**	**As at March 31, 2025**
Change in benefit obligations		
Balance as at the beginning of the year	32.57	27.59
Benefits paid	(4.18)	(2.24)
Current service cost	3.08	2.77
Past service cost	2.26	-
Interest cost	2.25	1.98
Actuarial (gain) / loss recognised in other comprehensive income		
- changes in demographic assumptions	-	-
- changes in financial assumptions	(1.85)	0.73
- experience adjustments	2.95	1.74
Balance as at the end of the year	**37.08**	**32.57**
Change in plan assets		
Fair value of plan assets at the beginning of the year	15.41	16.15
Interest income	0.92	1.16
Contributions	-	-
Benefits paid	(4.18)	(2.11)
Actuarial gain recognised in other comprehensive income	0.35	0.21
Fair value of plan assets at the end of the year	**12.50**	**15.41**
Net defined benefit liability	**24.58**	**17.16**
Non-current	13.15	7.24
Current	11.43	9.92

C. Expense recognised in profit or loss	**Year ended March 31, 2025**	**Year ended March 31, 2025**
Current service cost	3.08	2.66
Past service cost (exceptional item - refer note 27(b))	2.26	-
Interest cost (net)	1.33	0.82
Amount recognised in statement of profit or loss	**6.67**	**3.48**
Remeasurements recognised in other comprehensive income		
Actuarial gain on defined benefit obligations	0.75	2.26
Amount recognised in other comprehensive income	**0.75**	**2.26**

37 Employee benefits *(continued)*

D. Defined benefit obligations

	As at March 31, 2026	As at March 31, 2025
i. Actuarial assumptions		
Discount rate	6.89%	6.59%
Future salary growth rate	5.00%	6.00%
Attrition rate	15.00%	15.00%
Expected rate of return on plan assets	6.89%	6.59%
Retirement age	60 years	60 years
Expected contribution	11.43	9.92

Assumptions regarding future mortality experience are set in accordance with published statistics and mortality tables.

ii. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	As at March 31, 2026	As at March 31, 2025
Discount rate - 1% increase	(1.36)	(1.24)
Discount rate - 1% decrease	1.48	1.36
Salary increase rate - 1% increase	1.36	1.24
Salary increase rate - 1% decrease	(1.28)	(1.17)
Attrition rate - 1% increase	0.01	(0.02)
Attrition rate - 1% decrease	(0.02)	0.02

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown. There are no changes in the methods and assumptions used in preparing the sensitivity analysis from the previous year.

E. The weighted average duration of the defined benefit obligation is 5 years (March 31, 2025: 5 years).

F. Maturity analysis of the benefit payments

	As at March 31, 2026	As at March 31, 2025
Projected benefits payable in future years from the date of reporting		
1st following year	5.22	5.37
2nd following year	6.22	4.28
3rd following year	6.68	4.86
4th following year	3.95	4.97
5th following year	6.43	3.03
Sum of years 6 to 10	12.25	13.28
Sum of years 11 and above	9.95	8.64

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38 Financial Ratios

Particulars	Numerator	Denominator	Year ended March 31, 2026	Year ended March 31, 2025	% variance	Reasons for variance
(a) Current ratio	Current assets	Current liabilities	3.00	2.98	0.50%	Not applicable
(b) Debt-equity ratio	Debt consists of borrowings and lease liabilities	Total equity	0.12	0.12	0.35%	Not applicable
(c) Debt service coverage ratio	Earnings available for Debt Service = Net Profit after taxes + Non cash operating expenses like depreciation and other amortization + Interest + other non-cash adjustments	Debt Service = Interest and Lease payments + Principal repayments	6.89	9.04	-23.76%	Not applicable
(d) Return on equity ratio	Net profit after tax (without considering other comprehensive income)	Average total equity	-2.08%	0.22%	-1054.18%	Refer note 1 below
(e) Inventory turnover ratio	Cost of goods sold	Average Inventory	4.49	4.14	8.26%	Not applicable
(f) Trade receivables turnover ratio	Revenue from operations	Average trade receivables	7.19	7.31	-1.67%	Not applicable
(g) Trade payables turnover ratio	Purchases of raw materials and stock-in-trade + other expenses (excluding impairment loss on financial assets and net change in fair value of financial assets measured at FVTPL)	Average trade payables	10.39	9.79	6.13%	Not applicable
(h) Net capital turnover ratio	Revenue from operations	Working capital = Current assets - Current liabilities	3.62	2.78	30.43%	Refer note 2 below
(i) Net profit ratio	Net profit after tax (without considering other comprehensive income)	Revenue from operations	-1.31%	0.16%	-902.72%	Refer note 3 below
(j) Return on capital employed	Earning before Interest and taxes	Capital employed = Networth + Total Debt + Deferred tax liability	1.44%	0.55%	161.93%	Refer note 4 below
(k) Return on investments	Income generated from invested funds	Average investments	6.59%	5.52%	19.38%	Not applicable

Notes for reasons for variance more than 25% in financial ratios :

1. The Return on equity raised significantly due to increase in Net profit after tax for the year ended March 31, 2026
2. The Net capital turnover ratio is primarily driven by increase in net sales for the year ended March 31, 2026
3. The Net profit ratio increased due to increase in Net profit after tax (without considering other comprehensive income) for the year ended March 31, 2026
4. The return on capital employed primarily driven by increase in earnings before interest and taxes for the year ended March 31, 2026

39 Based on Management's assessment, the Company has not entered into any international or specified domestic transactions as per the provisions of the Income-tax Act, 1961.

40 Additional regulatory information pursuant to the requirement in Division II of Schedule III to the Companies Act 2013

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company does not have any transactions with companies struck off.

(iii) The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

(iv) The Company has not traded or invested in Crypto currency or Virtual currency during the financial year.

(v) The Company has not advanced or loaned or invested funds to any other persons or entities, 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

(vi) The Company has not received any fund from any persons or entities, 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

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

(viii) The Company does not have borrowings from banks and financial institutions on the basis of security of current assets.

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

(x) The Company has complied with the number of layers prescribed under the Companies Act, 2013.

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

(xii) The Company does not have any immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) whose title deeds are not held in the name of the Company.

(xiii) The Company does not have any loans or advances in the nature of loans granted to promoters, directors, key managerial personnel and the related parties either severally or jointly with any other person, that are (a) repayable on demand or (b) without specifying any terms or period of repayment.

(xiv) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of companies beyond the statutory period.

41 Subsequent events

There are no significant subsequent events, that have occurred after the reporting period till the date of the signing of these financial statements.

As per our report of even date attached
for **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

MAHADEVAN T H
Digitally signed by MAHADEVAN T H
Date: 2026.08.12 20:19:38 +05'30'

T H Mahadevan
Partner
Membership No: 224352
Place: Chennai
Date: August 12, 2026

for and on behalf of the Board of Directors of
Fresh and Honest Cafe Private Limited
CIN: U55101TN1997FTC038099

Sandeep Kumar Singh
Digitally signed by Sandeep Kumar Singh
Date: 2026.08.12 17:45:09 +05'30'

Sandeep Kumar Singh
Director
DIN: 07973666
Place: Mumbai
Date: August 12, 2026

NITIN RAMCHAND MOTWANI
Digitally signed by NITIN RAMCHAND MOTWANI
Date: 2026.08.12 17:32:15 +05'30'

Nitin Motwani
Director
DIN: 03397735
Place: Mumbai
Date: August 12, 2026