



12th Annual Report 2019-20

**Heritage Nutrivet Limited
(U15400TG2008PLC062054)**

Corporate Information

Registered Office:

#6-3-541/C, 4th Floor
Panjagutta, Hyderabad-500082,
CIN : U15400TG2008PLC062054
Phone No. +91-40-23391221/2
Email ID: hfl@heritagefoods.in
Web site: www.heritagefoods.in

Board of Directors

Mrs. N. Brahmani	- Managing Director
Mr. D. Seetharamaiah	- Director
Mrs. N. Bhuvaneshwari	- Director
Dr. M. Sambasiva Rao	- Director

Statutory Auditors

M/s. Walker Chandiok & Co LLP,
7th Floor, Block III, White House,
Kundan Bagh, Begumpet,
Hyderabad – 500016

Registrar and Share Transfer Agents:

Kfin Technologies Private Limited
CIN: U72400TG2017PTC117649
Karvy Selenium Tower B,
Plot No. 31 & 32, Financial District,
Gachibowli, Hyderabad 500 032, Telangana

Bankers

HDFC Bank Limited
Lakdikapool Branch,
Hyderabad, Telangana

**NOTICE**

NOTICE is hereby given that the Twelfth (12th) Annual General Meeting (AGM) of the members of Heritage Nutrivet Limited will be held on Friday, August 21, 2020 at 11:30 a.m. (IST) through Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM") to transact the following business(es):

ORDINARY BUSINESS**1. To receive, consider and adopt:**

The Audited Financial Statements of the Company for the Financial Year ended March 31, 2020, the Reports of the Board of Directors and Auditors' thereon and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolutions as an Ordinary Resolutions:

"RESOLVED THAT the audited financial statement of the Company for the financial year ended March 31, 2020 and the reports of the Board of Directors and Auditors thereon, as circulated to the members be and are hereby considered and adopted."

2. Re-appointment of Director:

To appoint a Director in place of Dr. M. Sambasiva Rao (DIN: 01887410), who retires by rotation and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT in accordance with the provisions of Section 152 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable provisions of the Companies Act, 2013, Dr. M. Sambasiva Rao (DIN: 01887410), who retires by rotation at this meeting and being eligible, offers himself for re-appointment, be and is hereby appointed as a Director of the Company."

SPECIAL BUSINESS**3. Appointment of Smt. Aparna Surabhi (DIN: 01641633) as an Independent Director of the Company.**

To Appoint Smt. Aparna Surabhi (DIN: 01641633) as an Independent Director of the Company and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 149, 152, 160 and all other applicable provisions of the Companies Act, 2013, the Companies (Amendment) Act, 2017 and the Companies (Appointment and Qualification of Directors) Rules, 2014, (including any statutory modifications and re-enactment thereof for the time being in force), Article of Association of the Company and other applicable laws, Smt. Aparna Surabhi (DIN: 01641633), who was appointed as an Additional Director (Non-Executive & Independent Director) by the Board of Directors of the Company with effect from 21st May, 2020, pursuant to Section 161 of the Companies Act, 2013, be and is hereby appointed as a Non-Executive Independent Director of the Company to hold office for a period of five (5) years commencing from the conclusion of this Annual General Meeting(AGM) to the conclusion of 17th Annual General Meeting to be held on FY 2024-25, whose office shall not be liable to determination by retirement of directors by rotation."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to settle any queries, question, difficulty or doubt that may arise in giving effect to this resolution and to do all acts, deeds and things as may be necessary and expedient and desirable for the purpose of giving effect to the foregoing resolution and to issue the terms of appointment letter as per the Companies Act 2013."

By Order of the Board
For **HERITAGE NUTRIVET LIMITED**

N. BRAHMANI
DIRECTOR
DIN: 02338940

Place: Hyderabad
Date: 21st May, 2020

**Notes:**

1. Considering the present Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated May 5, 2020 read together with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as “MCA Circulars”) permitted to convene the Annual General Meeting (“AGM” / “Meeting”) through Video Conferencing (“VC”) or Other Audio Visual Means (“OAVM”), without the physical presence of the members at a common venue. In accordance with the MCA Circulars, provisions of the Companies Act, 2013 (‘the Act’), the AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.
2. Generally, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself/ herself and the proxy need not be a member of the Company. Since, this AGM is being held through VC / OAVM pursuant to the MCA Circulars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence, the Proxy Form and Attendance Slip are not annexed hereto.
3. Since, the AGM will be held through VC/ OAVM, the route map of the venue of the Meeting is not annexed hereto.
4. In terms of the provisions of Section 152 of the Companies Act, 2013 and rules made there under, Dr. M. Sambasiva Rao (DIN: 01887410), Non-Executive Director, liable to retire by rotation at the Meeting. Nomination and Remuneration Committee and the Board of Directors of the Company recommend his re-appointment.
5. Pursuant to Section 160 of the Companies Act, 2013 and Secretarial Standards on General Meetings (SS- 2), details in respect of Directors seeking appointment / reappointment of Directorship at 12th AGM of the Company to be held on Friday, August 21, 2020 are provided in Annexure-I of this Notice.
6. In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), SS-2 (Secretarial Standard on General Meeting) issued by the Institute of Company Secretaries of India (“ICSI”) and the provisions of the Ministry of Corporate Affairs Circulars and SEBI Circular, and any amendments thereto, the Company is providing remote e-Voting facility to its Members in respect of the business to be transacted at the AGM and facility for those Members participating in the AGM to cast their vote through Remote e-Voting. For this purpose, the Company has engaged the services of its Registrar and Share Transfer Agent (RTA) viz. KFin Technologies Private Limited (CIN: U72400TG2017PTC117649), (“KFinTech”) Selenium Tower B, Plot 31 & 32, Financial District Nanakramguda, Serilingampally Mandal, Hyderabad – 500032, Telangana, India (Unit: Heritage Nutrivet Limited) and have made necessary arrangements with RTA to facilitate E-voting. In terms of the MCA & SEBI Circulars, voting can be done only by E-voting. The Members are advised to use the E-voting procedure, as provided in the Notice.
7. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made there under, Companies can serve Annual Reports and other communications through electronic mode to those members who have registered their e-mail address either with the Company or with the Depository. In cases where any member has not registered his/ her e-mail address with the company, the service of documents etc. will be effected by other modes of service as provided in Section 20 of the Companies Act, 2013 read with the relevant Rules thereunder. Those members, who desire to receive notice / documents through e-mail, are requested to communicate their e-mail ID and changes thereto from time to time to his/her Depository Participant / the Company’s Registrar & Share Transfer Agent as the case may be.
8. M/s. Walker Chandiok & Co LLP, Chartered Accountants (FRN 001076N/500013) was appointed as Statutory Auditor of the Company at the Annual General Meeting at their Extra-ordinary General Meeting held on October 31, 2017 to hold office till the conclusion of the 14th Annual General Meeting of the Company to be held in the Year 2022.



Pursuant to notification no: G.S.R 432(E) issued by the Ministry of Corporate Affairs on 7th May, 2018 amending Section 139 of the Companies Act, 2013 and the Rules framed there under, the mandatory requirement for ratification of appointment of Statutory Auditor by the members at the every Annual General Meeting (AGM) has been omitted and hence the Board is not proposing to the members for ratification of appointment of Statutory Auditors at this AGM. The Board of Directors are empowered to fix the remuneration of the Statutory Auditor on yearly

Explanatory Statement:

As required under Section 102 of the Companies Act, 2013 (the Act), the following Explanatory Statement sets out all material facts relating to the business mentioned under Item Nos.3 of the accompanying Notice dated May 21, 2020:

Item No. 3: Appointment of Smt. Aparna Surabhi (DIN: 01641633) as an Independent Director of the Company

The Board of Directors appointed Smt. Aparna Surabhi (DIN: 01641633) as Additional Director (Non-Executive Independent director) of the Company w.e.f. 21.05.2020 in pursuant to section 161 of the Companies Act, 2013 and Article of Association of the Company and Smt. Aparna Surabhi (DIN: 01641633) shall hold office till conclusion of this AGM. The Company proposing the appointment of Smt. Aparna Surabhi (DIN: 01641633) for the office of Independent Director, under the provisions of Section 149 of the Companies Act, 2013 and such Independent Director shall be appointed for not more than two terms of five years each and shall not liable to retire by rotation. Thus, it is proposed to appoint Smt. Aparna Surabhi (DIN: 01641633) for a period of five (5) years commencing from this Annual General Meeting (AGM) to the conclusion of 17th Annual General Meeting to be held on FY 2024-25. Smt. Aparna Surabhi (DIN: 01641633), non-executive directors of the company, have given a declaration to the board that she meets the criteria of independence as per section 149(6) of the Act. In accordance with the provisions of Section 149 read with Schedule IV to the Act, appointment of an Independent Director requires approval of members for the terms stated above. None of Directors, except the proposed appointees in resolution concerning their individual appointment.

A Brief resume of Smt. Aparna Surabhi:

Name of the Director	Smt. Aparna Surabhi
Director Identification Number	01641633
Date of Birth	20 th August 1967
Nationality	Indian
Profile / Qualifications & Experience	Smt. Aparna Surabhi, aged about 51 years is a Fellow Member of Institute of Chartered Accountant of India, Bachelor of Commerce from Bombay University and Bachelor of Law from Bombay University and has been in practicing Chartered Accountant since 1991. She has more than 25 years of experience in handling audits of all kinds and has been a consultant for many start-up businesses.
Terms and Conditions of Appointment/Re-appointment	As mentioned in the letter of appointment as an Independent Director for first term of 5 years effective from 21 st August 2020.
Remuneration Proposed to be paid	Will be entitled to only Sitting Fees for Board and Committee Meetings of the Company as approved by the Members of the Company.
List of Directorships held in other companies	Nichelon Infotech Services Private Limited CIN: U72900TG2007PTC055222



	Pharmaclan Consulting Private Limited CIN: U74900TG2015PTC099441 Hyperglo Technologies Private Limited CIN: U72900KA2018PTC117958 Heritage Foods Limited CIN: L15209TG1992PLC014332
Chairman/Member of the Committees of the Boards of other companies in which she is Director	Heritage Foods Limited: Audit Committee - Chairperson
Shareholding in the Company	Nil
Relationship with Other Directors, Manager and other Key Managerial Personnel of the Company.	Not related to any Director / Key Managerial Personnel

The Board recommends the Resolution at Item No.3 of the accompanying Notice for approval by the Members of the Company.

Other than Smt. Aparna Surabhi and her relatives, none of the Directors or KMP of the Company or their respective relatives is concerned or interested in the Resolution mentioned at Item No.3 of the accompanying Notice. She is not related to any Director or KMP of the Company.

Registered Office:

#6-3-541/C, 4th floor
Panjagutta, Hyderabad – 500 082
CIN: U15400TG2008PLC062054
Website: www.heritagefoods.in
Tel: +91-40-23391221/2
Fax: +91-40-23318090
E-mail: hfl@heritagefoods.in

By Order of the Board
For **HERITAGE NUTRIVET LIMITED**

N. BRAHMANI
DIRECTOR
DIN: 02338940

Place: Hyderabad
Date: 21st May, 2020



Annexure-I

A Brief resume of Dr. M. Sambasiva Rao:

Name of the Director	Dr. M. Sambasiva Rao
Director Identification Number	01887410
Date of Birth	05/05/1957
Nationality	Indian
Profile / Qualifications & Experience	He is a Post Graduate and Doctorate in Zoology. He has served the state and central governments for about two decades as a member of the Indian Administrative Services (IAS) and was the Joint Secretary in the Department of Commerce under the Ministry of Commerce and Industry, Government of India.
Terms and Conditions of Appointment/Re-appointment	As per the Appointment Letter
Remuneration Proposed to be paid	Will be entitled to sitting fees and reimbursement of actual conveyance, travelling and other expenses for each Board and Committee Meetings of the Company as approved by the Members of the Company.
List of Directorships held in other companies	1. XL Marketing Consulting Private Limited
Chairman/Member of the Committees of the Boards of other companies in which she is Director	N.A.
Shareholding in the Company	100 (Nominee of Heritage Foods Limited)
Relationship with Other Directors, Manager and other Key Managerial Personnel of the Company.	Not related to any Director, Manager and Key Managerial Personnel

ADDENDUM TO THE NOTICE OF THE 12TH ANNUAL GENERAL MEETING

Addendum to the Notice dated May 21, 2020 ("Original Notice") of 12th Annual General Meeting (AGM) of the members of Heritage Nutrivet Limited will be held on Friday, August 21, 2020 at 11:30 a.m. (IST) through Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM"):

Further to the above, Notice is hereby given that at the said meeting following special business will also be transacted as Item No.4:

SPECIAL BUSINESS**4. Appointment of Sri. Rajesh Thakur Ahuja (DIN: 00371406) as an Independent Director of the Company.**

To appoint Sri. Rajesh Thakur Ahuja (DIN: 00371406) as an Independent Director of the Company and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 149, 152, 160 and all other applicable provisions of the Companies Act, 2013, the Companies (Amendment) Act, 2017 and the Companies (Appointment and Qualification of Directors) Rules, 2014, (including any statutory modifications and re-enactment thereof for the time being in force), Article of Association of the Company and other applicable laws, Sri. Rajesh Thakur Ahuja (DIN: 00371406), who was appointed as an Additional Director (Non-Executive & Independent Director) by the Board of Directors of the Company with effect from 24th July, 2020, pursuant to Section 161 of the Companies Act, 2013, as recommended by the Nomination & Remuneration Committee, be and is hereby appointed as a Non-Executive Independent Director of the Company to hold office for a period of five (5) years commencing from the conclusion of this Annual General Meeting (AGM) to the conclusion of 17th Annual General Meeting to be held on FY 2024-25, whose office shall not be liable to determination by retirement of directors by rotation."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to settle any queries, question, difficulty or doubt that may arise in giving effect to this resolution and to do all acts, deeds and things as may be necessary and expedient and desirable for the purpose of giving effect to the foregoing resolution and to issue the terms of appointment letter as per the Companies Act 2013."

5. Re-appointment of Smt. N. Brahmani (DIN: 02338940) as the Managing Director of the Company

To Appoint Smt. N. Brahmani (DIN: 02338940) as the Managing Director of the Company and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 and all other applicable provisions if any, read with Schedule V of the Companies Act, 2013 ('Act') and read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended and other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), and any subsequent amendment / modification in the Rules, Act and/or applicable laws in this regard and on the recommendation of the Nomination and Remuneration Committee and approval of the Board, the approval of the Members of the Company be and is hereby accorded for the re-appointment of Smt. N. Brahmani (DIN: 02338940) as the Managing Director of the Company for a period of 5 years commencing from July 24, 2020 till July 23, 2025, without any remuneration and eligible for sitting fees for attending the each Board Meeting as approved by the Board (to include any committee thereof for the time being and from time to time, to which all or any of the powers hereby conferred on the Board by this



resolution may have been delegated) to alter, amend, vary and modify the terms and conditions of the said re-appointment and remuneration payable from time to time as they deem fit in such manner and within the limits prescribed under Schedule V to the said Act or any statutory amendment(s) and/or modification(s) thereof.

Name	Smt. N. Brahmani
DIN	02338940
Term of Appointment	July 24, 2020 to July 23, 2025
Remuneration	Nil
Sitting Fees	As applicable to all Directors for attending each Board/Committee Meetings)
Other Terms and Conditions	<p>1.Smt. N. Brahmani shall be vested with substantial powers of the management subject to the supervision, control and direction of the Board.</p> <p>2.Smt. N. Brahmani shall be liable to retire by rotation whilst he continues to hold office of Managing Director; however her retirement will not break his length of service.</p> <p>3.shall be entitled to the reimbursement of expenses actually and properly incurred by her, in the course of legitimate business of the Company and traveling, hotel and other expenses incurred by her in India and abroad, exclusively on the business of the Company</p> <p>4.The terms and conditions of the said re-appointment and/or agreement may be altered, amended, varied and modified from time to time by the Board or Committee thereof as it may be permissible and if deem fit, within the limits prescribed in Schedule V to the Companies Act, 2013 or any subsequent amendments or modifications made thereto</p>

“RESOLVED FURTHER THAT the office of Managing Director shall be liable to retire by rotation pursuant to Section 152(6) of Companies Act, 2013 and Rules made there under and any subsequent amendment(s) and/or modification(s) in the Act, Rules and/or applicable laws in this regard and Article 141 of the Articles of Association of the Company.”

“RESOLVED FURTHER THAT the Board of Directors (which term shall, unless repugnant to the context or meaning thereof, be deemed to include a duly authorised ‘Committee’ thereof) be and is hereby authorised to enter into an Agreement (including any revision in terms and conditions of aforesaid re-appointment and/or agreement, if required) on behalf of the Company with Smt. N. Brahmani, in terms of the aforesaid agreement.”

“RESOLVED FURTHER THAT the Board of Directors (which term shall, unless repugnant to the context or meaning thereof, be deemed to include a duly authorised ‘Committee’ thereof) be and is hereby authorised to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to above resolution and to issue the terms of appointment letter as per the Companies Act 2013.”

By Order of the Board
For **HERITAGE NUTRIVET LIMITED**

N. BRAHMANI
DIRECTOR
DIN: 02338940

Place: Hyderabad
Date: 24th July, 2020

**Explanatory Statement:**

As required under Section 102 of the Companies Act, 2013 (the Act), the following Explanatory Statement sets out all material facts relating to the business mentioned under Item Nos.3 of the accompanying Notice dated May 21, 2020:

Item No. 4: Appointment of Sri. Rajesh Thakur Ahuja (DIN: 00371406) as an Independent Director of the Company

The Board of Directors appointed Rajesh Thakur Ahuja (DIN: 00371406) as Additional Director (Cat: Non-Executive Independent director) of the Company w.e.f. 24.07.2020 on recommendation of the Nomination and Remuneration Committee and in pursuant to section 161 of the Companies Act, 2013 read with Rules made there under and Article of Association of the Company, who shall hold the office till the conclusion of this ensuing AGM. Such Independent Director shall be appointed for not more than two terms of five years each and shall not liable to retire by rotation. Thus it is proposed to appoint Rajesh Thakur Ahuja (DIN: 00371406) for a period of five (5) years commencing from this Annual General Meeting (AGM) to the conclusion of 17th Annual General Meeting to be held on FY 2024-25. Rajesh Thakur Ahuja (DIN: 00371406), Non-executive independent director of the company, have given a declaration to the board that he meet the criteria of independence as per section 149(6) of the Act. In accordance with the provisions of Section 149 read with Schedule IV to the Act, appointment of an Independent Director requires approval of members for the terms stated above. None of Directors, except the proposed appointees in resolution concerning their individual appointment.

A Brief resume of Rajesh Thakur Ahuja :

Name of the Director	Rajesh Thakur Ahuja
Director Identification Number	00371406
Date of Birth	May 02, 1971
Nationality	Indian
Profile / Qualifications & Experience	Graduate in Production Engineering from Pune University Engineering College. Started Silver line Wire Products in 1993 as a manufacturer of plastic coated wire products for household applications. In 1998, started marketing under the brand name of Slek. Currently pursuing the Owner President Management Programme at Harvard University, USA. Is also on the board of several other companies.
Terms and Conditions of Appointment/Re-appointment	As mentioned in the letter of appointment as an Independent Director for first term of 5 years effective from 21 st August 2020.
Remuneration Proposed to be paid	Will be entitled to only Sitting Fees for Board and Committee Meetings of the Company as approved by the Members of the Company.
List of Directorships held in other companies	Heritage Foods Limited (CIN:L15209TG1992PLC014332) Kitchen Creations Pvt. Ltd. (CIN: U26105MH2006PTC166549) Palmleaf Furnitech Pvt. Ltd. (CIN:U36109RJ2007PTC025302) MRJ Home Improvement Pvt. Ltd. (CIN: U74999MH20L7PTC295281)
Chairman/Member of the Committees of the Boards of other companies in which he is Director	Heritage Foods Limited: Audit Committee – Member
Shareholding in the Company	Nil
Relationship with Other Directors, Manager and other Key Managerial Personnel of the Company.	Not related to any Director / Key Managerial Personnel



The Board recommends the Resolution at Item No.4 of the accompanying Notice for approval by the Members of the Company.

Other than Sri Rajesh Thakur Ahuja and his relatives, none of the Directors or KMP of the Company or their respective relatives is concerned or interested in the Resolution mentioned at Item No.4 of the accompanying Notice. She is not related to any Director or KMP of the Company.

Item No. 5: Re-appointment of Smt. N. Brahmani (DIN: 02338940) as the Managing Director of the Company

The Board of Directors re-appointed Smt. N. Brahmani (DIN: 02338940) as the Managing Director of the Company w.e.f. 24.07.2020 in pursuant to the provisions of Sections 196, 197, 198, 203 and all other applicable provisions if any, read with Schedule V of the Companies Act, 2013 ('Act') and read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended and other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), and any subsequent amendment / modification in the Rules, Act and/or applicable laws in this regard and on recommendation of the Nomination and Remuneration Committee, who was appointed as the Managing Director of the Company at the Board Meeting of the Company held on 12th January, 2015 for a period of 5 years.

Thus, it is proposed to re-appoint Smt. N. Brahmani (DIN: 02338940) for a period of five (5) years commencing from this Board Meeting, i.e. 12th January, 2020 till 11th January, 2020, subject to the approval of the members of the Company at the ensuing Annual General Meeting scheduled to be held on 21st August, 2020. Smt. N. Brahmani (DIN: 02338940) have given a declaration to the board that she is eligible to appoint as the Managing Director of the Company.

A Brief resume of Smt. N. Brahmani (DIN: 02338940) :

Name of the Director	N. Brahmani
Director Identification Number	02338940
Date of Birth	December 12, 1987
Husband's Name	N Lokesh
Address	Plot No. 1310, Road No. 65, Jubilee Hills, Hyderabad - 500033
Qualification	BE, MBA
Income Tax PAN	AERPN8112P
Nationality	Indian
Terms and Conditions of Appointment/Re-appointment	As mentioned in the letter of appointment as the Managing Director of the Company for a period of 5 years effective from July 24, 2020.
Remuneration Proposed to be paid	Will be entitled to only Sitting Fees for Board Meetings of the Company as approved by the Members of the Company.
List of Directorships held in other companies	Heritage Foods Limited (CIN:L15209TG1992PLC014332) Heritage Finlease Limited (CIN: U65910TG1996PLC023310) Nirvana Holdings Private Limited (CIN: U67120TG2008PTC060105) Megabid Finance & Investment Private Limited (CIN: U65993TG1995PTC019355) Heritage Novandie Foods Pvt. Ltd. (CIN: U74999TG2017PTC120860)
Chairman/Member of the	Nil



Committees of the Boards of other companies in which he is Director	
Shareholding in the Company	100(0.03%) (Nominee of Heritage Foods Limited)
Relationship with Other Directors, Manager and other Key Managerial Personnel of the Company.	She is the Daughter-in-law of director Smt. N. Bhuvaneswari (DIN: 00003741)

The Board recommends the Resolution at Item No. 5 of the accompanying Notice for approval by the Members of the Company.

Other than Smt. N. Brahmani, Smt. N. Bhuvaneswari and her relatives, none of the Directors or KMP of the Company or their respective relatives is concerned or interested in the Resolution mentioned at Item No. 5 of the accompanying Notice. She is not related to any Director or KMP of the Company.

By Order of the Board
For **HERITAGE NUTRIVET LIMITED**

N. BRAHMANI
DIRECTOR
DIN: 02338940

Place: Hyderabad
Date: 24th July, 2020

**DIRECTORS REPORT**

Dear Members,

Your Directors have pleasure in presenting the Twelfth (12th) Annual Report of the Company together with the Audited Financial Statements of the Company for the financial year ended March 31, 2020.

Financial Results

During the year under review, performance of your company as under:

Particulars	(₹ In Lakhs)	
	Year ended 31 st March 2020	Year ended 31 st March 2019
Turnover	10385.41	7376.06
Profit/ (Loss) before tax	70.37	36.79
Tax expense		
Reversal of taxes of earlier years	-	-
Current tax expense	8.88	31.26
Deferred tax benefit	(5.87)	(89.58)
Profit/ (loss) for the year	67.36	95.11

State of Company's affairs and future outlook

Your Company is involved in the process of manufacturing, processing, trading and exporting of animal feed supplements and nutrition's, i.e. Cattle feed and fish feed and offers a wide range of nutritional solutions milch animals. Your Company have a deep understanding of nutrient values that help the farmers to make optimal use of the raw materials and forages that are available in their region. In a little span of time, the Company shows it's stand in the market and deliver the animal nutrition's and supplements regularly to its valuable customers.

Your Company is the new-age producer of fish feed, progressing the Indian fisheries scenario with high quality feeds and available in floating and sinking fish feed variants. The Company is proposing to set-up plants for manufacturing of Fish Feeds and supplements.

During the year under review, the Company earned total income of Rs. 10,458.63 Lakhs and expenses of Rs. 10,388.26 Lakhs. The Net Profit/(Loss) after tax was Rs. 67.36 Lakhs.

Share Capital

The authorised share capital of the Company as on March 31, 2020 was Rs. 15,00,00,000/- (Rupees Fifteen crores only) divided into 1,50,00,000 equity shares @ 10/- each and the paid up Equity Share Capital as on March 31, 2020 was Rs. 3, 71, 00,640/- (Rupees Three crores Seventy one Lakhs Six Hundred Forty only) divided into 37,10,064 Equity Shares of @10/- each.

During the year under review, at the 58th Board Meeting of the Company, held on June 18, 2019, the Company allotted 7,57,576 equity shares of Rs 10/- each at a premium of Rs 89/- only to Heritage Foods Limited on Right Issue basis pursuant to the provisions of Section 62(1) (a) of the Companies Act 2013.

Particulars of Contract or Arrangements made with Related Parties

The particulars of contracts or arrangements with related parties as per the Section 188 of the Companies Act, 2013 entered by the Company during the financial year ended March 31, 2020 in prescribed Form AOC-2, as required to be provided under section 134(3)(h) of the Companies Act, 2013, annexed to this Board's Report (**Annexure-I**). Further there were no materially significant related party transactions held during the period under review with Promoters, Directors, Key Managerial Personnel and their relatives,



which may have potential conflict with interest of the company at large. The details of the related party transactions during the year are part of the notes on Accounts forming part of the Annual Report.

Extract of Annual Return

Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, as amended from time to time, an extract of annual return in **MGT-9** for the financial year 2019-20 has enclosed in **Annexure- II**

Dividend

During the year under review, the Company has not declared any Interim/final Dividend.

Amount transferred to Reserve

Your Directors do not propose to transfer any amount to reserves from the balance in profit and loss account for the financial year ended on March 31, 2020.

Board Meetings and Annual General Meeting

A calendar of Meetings is prepared and circulated in advance to the Directors.

During the Financial Year 2019-20, Six (6) Meetings of the Board of Directors of the Company were held on 14th May, 2019, 18th June, 2019, 24th July, 2019, 17th October, 2019, 24th January, 2020 and 23rd March, 2020. The 11th Annual General Meeting (AGM) of the Company was held on 23rd August, 2019.

Directors

In accordance with Articles of Association of the Company and provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013, Dr. M. Sambasiva Rao, Director of the Company who retire by rotation and being eligible, offers himself for re-appointment.

Pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) Smt. Aparna Surabhi (DIN: 01641633) has been appointed as an Additional (Non-Executive & Independent Director) with respect to regularise her as an Independent Director of the Company with the approval of the members in the 12th Annual General Meeting of the Company.

Independent Directors

Your Company has received declaration from all the Independent Directors confirming that they meet the criteria of the independence as prescribed under the provisions of the Companies Act, 2013.

Board Committees:

2 new Board Committees, i.e. Audit Committee and Nomination and Remuneration Committee, has been constituted with the approval of the Board at the Board Meeting held on May 21, 2020 and following members were declared as the members of those committees.

Audit Committee:

Chairperson : Sri D. Seetharamaiah

Members : Smt. Aparna Surabhi

Smt. N. Bhuvaneswari

**Nomination and Remuneration Committee:**

Chairperson : Smt. Aparna Surabhi
Members : Sri D. Seetharamaiah
Dr M Sambasiva Rao

Smt. Aparna Surabhi (DIN: 01641633) was appointed as an Additional Director (Non-Executive & Independent Director) of the Company as on May 21, 2020.

Subsidiary/Associate/Joint Venture Companies:

There are no companies which has become or ceased to be subsidiaries or joint ventures or associate companies during the year. However, the Company is the wholly-owned subsidiary of Heritage Foods Limited (CIN: L15209TG1992PLC014332)

Details of Significant and Material Orders passed by the Regulators or Courts or Tribunals:

During the year under review, there were no material and significant orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future.

Statutory Auditors:

As per Section 139 of the Companies Act, 2013 ('the Act'), read with the Companies (Audit and Auditors) Rules, 2014, the Members of the Company at the Extra Ordinary General Meeting held on 31st October, 2017, approved the appointment of M/s. Walker Chandiok & Co. LLP, Chartered Accountants (FRN 001076N/500013), as the Statutory Auditors of the Company for a term of 5 years till the conclusion of 14th Annual General Meeting of the Company to be held in the year 2022.

The Auditors' Report (UDIN: 20207660AAAABD1957) dated 21 May 2020, obtained from Sri Sanjay Kumar Jain, (Membership No.: 207660) Partner, M/s. Walker Chandiok & Co. LLP, Chartered Accountants (FRN 001076N/500013), is unmodified and it does not contain any qualification, reservation or adverse remark or disclaimer.

Secretarial Auditor:

Smt. Khusboo Laxmi Bhagat (M No: 9376, CP No:14703), Practicing Company Secretary, was appointed to conduct the Secretarial Audit of the Company for the financial year 2019-20 under Section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and any amendment made thereafter. The secretarial audit report (UDIN: F009376B000233952) for financial year 2019-20 issued by Smt. Khusboo Laxmi Bhagat (M No: 9376, CP No:14703), Practicing Company Secretary in form MR-3 is provided in the **Annexure-III** of the Board's report.

The Secretarial Auditor's Report is self-explanatory and do not call for any further comments.

The Share capital Audit Report (UDIN: F009376B000155192) obtained from Smt. Khusboo Laxmi Bhagat (M No: 9376, CP No: 14703) Practicing Company Secretary, Hyderabad, pursuant to Rule 9A of Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended from time to time, was submitted to the Registrar of Companies, Hyderabad during the period under review.

Cost Auditors

The MCA had notified the Companies (Cost records and Audit) Rules, 2014 and Companies (Cost records and Audit) Amendment Rules, 2014 specifying the Industry/Sector/ Product/Service for maintaining and auditing of Cost Records. As the above Rules were not applicable to your Company, the audit of the Cost Records was not carried out for the Financial Year 2019-20 and the Board of Directors have decided not to appoint Cost Auditors for Financial Year 2020-21.

Particulars of Loans Given, Investments Made, Guarantees Given or Security Provided by the Company:

The Company has duly complied with the provision of Section 186 of the Companies Act, 2013 and it has taken

Secured Loans: Rs. 2048.64 Lakhs
Unsecured Loans: Rs. NIL
Current/Non- Current Investments: NIL
Guarantees: NIL
Securities Extended: NIL

The Holding Company namely Heritage Foods Limited given corporate Guarantee of Rs. 26,75,00,000/- for credit facilities from Banks. The outstanding credit facilities from the Bank as on 31st March, 2020 is Rs. 20,48,64,000/-

Material changes & commitments affecting the financial position of the company between the end of financial year and the date of the report:

Due to the pandemic situation of COVID-19, the demand for basic food or essentials has been on the rise. Despite the strong demand for dairy and aquaculture products amidst the coronavirus pandemic, the supply chain has witnessed a host of disruptions, which was stopping us from providing our products to our consumers. your Company supply chain focused on keeping employees and consumers safe while still provided services, Nutrition's and animal/Aqua feed products. Despite various challenges and hindrances faced by the company, HNL delivered essential services to its consumers by providing feed and food ingredients. Despite of Covid-19 pandemic, your Company produced animal nutrition and supplements for cattle's and Aquaculture as these are considered as essential products under Essential Commodities Act, 1955 and as per the Government of India directives Essential production produced Company was in operation during the Covid period.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo:

The information required pursuant to Section 134(3)(m) of the Companies Act, 2013, Particulars of Conservation of Energy/Technology absorption, Foreign Earnings: NIL

Details in respect of adequacy of Internal Financial Controls with reference to the Financial Statements:

Your Company has adequate internal financial controls commensurate with the size of the business and nature of its operations, designed to provide reasonable assurance with regard to the accuracy and completeness of the accounting records and timely preparation and provision of reliable financial statements. Your Company had appointed CA JSS Sivarama Prasad, Chartered Accountant, Hyderabad for the Financial Year 2019-2020 to conduct the IFC testing. The testing report was received by the company with following suggestion, i.e. development comprehensive system of Budgeting, to start implementing system-based control for effective monitoring, speedy recovery of amounts/debts. regular analysis of receivables and follow-up action for timely collections, perform physical verification of Fixed Assets at all locations and strengthening the PR / PO system in IT department etc.

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Policy is gender neutral. During the year under review, no complaints with allegations of sexual harassment were filed. The details are as follows:

Sl no	Particulars	Status of the No. of complaints received and disposed of
1	Number of complaints on sexual harassment received	Nil
2	Number of complaints disposed off during the year	Nil
3	Number of cases pending for more than ninety days	Not Applicable
4	Nature of action taken by the employer or district officer	Not Applicable

Training and Development

As a part of its long-term vision, the Company has consistently invested in employee trainings to enhance learning. This helps the employees undergo skill-based, function-based learning interventions to suit business requirements.

Particulars of Employees

None of the employees have received the remuneration of Rs.1.02 Crore in whole year or Rs.8.50 Lakhs per month employed part of the year as per the provisions of Section 197 of the Companies Act, 2013, read with Rule 5(2) (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The details of top ten employees of the company in terms of remuneration drawn during the FY 2019-20 are as follows:

S. No	Employee Name	Designation	Annual Gross Remuneration Received for FY 19-20**	Qualification	Year of Total Experience	Date of Joining	Age (Yrs)	Last Employment before Joining the Company	No of Equity Shares held
1	Mr. C.V.S Kaleshwar Rao	VP	47,02,786	MSW, B.L	31.5	01.07.2016	56.5	Heritage Foods Limited	NIL
2	Mr. Mikkilineni Satish	AGM	16,51,842	BSC	15	26.04.2018	36.8	Coromandel International	NIL
3	Mr. Potluri Venkata Ravi Krishna	AGM	11,189	MSC.	14	27.03.2020	37.7	SKS Biotech Pvt Ltd	NIL
4	Mr. Srinivasarao Yalamancali	Manager	9,20,400	CA	8	19.07.2018	32.7	Ravi Foods Ltd	NIL
5	Mr. Kolla Ankamma Choudary	Sr. Manager	6,10,308	BSC, PGDHR	23	01.07.2019	45.6	Heritage Foods Limited	NIL
6	Mr. Basavaraja P	Manager	92,363	MBA	8	17.02.2020	31.5	Coromandel International	NIL
7	Mr. Kiran Kumar Kilari	Dy. Manager	1,44,525	MBA	10	20.01.2020	35.8	Coromandel International	NIL
8	Mr. Manivannan K S	Dy. Manager	4,01,104	B.E.	11	26.08.2019	32.7	Synthite Industries Ltd	NIL
9	Mr. Satish Avala	Asst. Manager	90,067	BSC	7	12.02.2020	28.8	Godrej Agrovet Ltd	NIL
10	Mr. P.A. Rajesh	Dy. Manager	4,91,800	BSC	20	28.06.2019	41.7	CPF (India) Pvt Ltd	NIL

All the above appointment are contractual and they are not relatives of any Director of the company. None of the employees are working outside of India.

Public Deposits:

During the year under review the Company has not accepted any deposits from the public.

**Cash Flow Statement**

In conformity with the Companies Act, 2013 and Accounting Standard – 3 under Section 129 of the Companies Act, 2013, the Cash Flow Statement for the year ended on March 31, 2020 is attached as a part of the Financial Statement of the Company.

Directors Responsibility Statement:

In conformity with the provisions of Section 134 (5) of the Companies Act, 2013, based on the representations received from the Operating Management, and after due enquiry, your directors to the best of their knowledge and ability, confirm that:-

- a) In the preparation of the annual accounts for the year ended March 31, 2020, the applicable accounting standards have been followed and there are no material departures from the same;
- b) The Directors had in consultation with Statutory Auditors, selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and of the profit & loss of the Company for the year ended on that date;
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and irregularities;
- d) The Directors have prepared the annual accounts on a 'going concern' basis; and
- e) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively throughout the Financial Year ended 31st March, 2020.

Acknowledgment

The Board take this opportunity to thank all customers, consumers, investors, bankers and Statutory Authorities for their continued support during the year. The Board also wishes to place on record its sincere appreciation of the effort/contribution made by its employees at all levels. The Company's consistent growth was made possible by their hard work, solidarity, cooperation and support and look forward to their continued support in the future.

By Order of the Board
For **HERITAGE NUTRIVET LIMITED**

Place: Hyderabad
Date: 21st May, 2020

N. BRAHMANI
DIRECTOR
DIN: 02338940

DR. M. SAMBASIVA RAO
DIRECTOR
DIN: 01887410

**ADDENDUM TO THE DIRECTORS REPORT OF THE 12TH ANNUAL REPORT OF THE COMPANY**

Addendum to the Annual Report approved by the Board of Directors of the Company dated May 21, 2020 ("Original Annual Report") for the 12th Annual General Meeting (AGM) of the members of Heritage Nutrivel Limited will be held on Friday, August 21, 2020 at 11:30 a.m. (IST) through Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM"):

Further to the Report, read with Addendum to the 12th Annual General Meeting Notice, this is hereby informed that at the said meeting, following details be further included and made part of the Directors Report:

Directors

During the year under review and subject to Addendum to the Notice of 12th Annual General Meeting, Sri. Rajesh Thakur Ahuja (DIN: 00371406) was appointed by the Board of Directors as an Additional Director (Non-Executive & Independent Director) of the Company with effect from 24th July, 2020, whose term of office would expire at the ensuing 12th Annual General meeting, subject to approval of the shareholders to hold office for a period of five (5) years commencing from the conclusion of the 12th Annual General Meeting (AGM) till the conclusion of 17th Annual General Meeting to be held on FY 2024-25.

Further, Smt. N. Brahmani (DIN: 02338940) was re-appointed as the Managing Director of the Company by the Board of Directors at the Meeting held on 24th July, 2020, subject to approval of the shareholders at the 12th Annual General Meeting, for a period of five (5) years commencing from July 24, 2020 till July 23, 2025.

Thus the composition of Board is as follows:

Sl No	Name of Director	DIN	Details
1.	Smt. N. Brahmani	(DIN: 02338940)	Managing Director
2.	Smt N. Bhuvaneswari	(DIN: 00003741)	Director
3.	Sri. Rajesh Thakur Ahuja	(DIN: 00371406)	Independent Non-Executive Director
4.	Smt. Aparna Surabhi	(DIN: 01641633)	Independent Non-Executive Woman Director
5.	Dr. M. Sambasiva Rao	(DIN: 01887410)	Director

There was no change in the Directors Report except the above, as approved by the Board on May 21, 2020.

By Order of the Board
For **HERITAGE NUTRIVET LIMITED**

N. BRAHMANI
DIRECTOR
DIN: 02338940

Place: Hyderabad
Date: 24th July, 2020

**FORM NO. AOC.2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length: Nil
2. Details of contracts or arrangement or transactions at arm's length

Sl No	Name of the Related Party	Nature of Relationship	Details of Transactions	Cumulative Amount for the Year ended 31.03.2020
1	Heritage Foods Limited	Holding company	Sale of Feed, Feed supplements and veterinary Medicines	5453.37
			Purchase of Assets	3.65
			Purchase of Products	23.54
			Equity Share Capital	750.00
			Other Equity - Corporate guarantee for working capital	10.00
			Financial Guarantee Charges	23.39
			GMA Insurance	7.69
			Lease rental expense	18.27
2	Heritage Farmers Welfare Trust	Enterprise on which KMPs exercise significant influence	Sale of Feed, Feed supplements and veterinary Medicines	431.51
			Rental received	0.64
3	Heritage Finlease Limited	Enterprise on which KMPs exercise significant influence	Rental received	0.64
4	Nirvana Holdings Pvt.Ltd	Enterprise on which KMPs exercise significant influence	Rental income	0.64
5	N.Bhuvaneswari			0.50
6	N.Brahmani			0.50
7	M.Sambasiva Rao			0.60
8	D Seetharamaiah			0.60

For and on behalf of
HERITAGE NUTRIVET LIMITED

N BRAHMANI

Director
(DIN: 02338940)

Place: Hyderabad
Date: May 21, 2022

Annexure - II



Form No. MGT-9
EXTRACT OF ANNUAL RETURN
As on the financial year ended on 31st March, 2020
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1)
Of the Companies (Management and Administration) Rules 2014]

I. REGISTRATION AND OTHER DETAILS:

(i) CIN	: U15400TG2008PLC062054
(ii) Registration Date	: 01.12.2008
(iii) Name of the Company	: HERITAGE NUTRIVET LIMITED
(iv) Category /sub-Category of the Company	: Company Limited by Shares/Indian Non-Government Company
(v) Address of the Registered office and Contact details	: #6-3-541/C, 4 th Floor, Punjagutta, Hyderabad – 500082
(vi) Whether Listed Company	: NO
(vii) Name, Address and contact details of Registrar and Transfer Agent, if any	: M/s. KFintech Pvt. Ltd., Karvy Selenium, Tower- B, Plot No. 31 & 32, Financial district, Nanakramguda, Serilingampally Mandal, Hyderabad, Telangana, 500032

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

Sl. No	Name and Description of Main Product/Services	NIC Code of the Service	% to total turnover of the Company
1.	Cattle Feeds & supplements	10801	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

S. No	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/Associate	% of Shares held	Applicable Section
1.	Heritage Foods Limited	L15209TG1992PLC014332	Holding Company	100%	Sec.2 (46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the Year 01.04.2019				No. of Shares held at the end of the year 31.03.2020				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
(a) Individual / HUF*	0.00	600	0.00	0.025	0.00	600	0.00	0.02	(0.005)
(b) Central Govt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(c) State Govt(s)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(d) Bodies Corporate	29,52,488	0.00	29,52,488	100	37,10,064	0.00	37,10,064	100	0.00
(e) Banks/FI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(f) Any other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sub total	29,52,488	0.00	29,52,488	100	37,10,064	0.00	37,10,064	100	0.00
(A) (1):-									
(2) Foreign									
(a) NRIs Individuals	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(b) Other Individuals	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00



Heritage Nutrivet Limited

12th Annual Report 2019-20

Category of Shareholders	No. of Shares held at the beginning of the Year 01.04.2019				No. of Shares held at the end of the year 31.03.2020				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(c) Bodies Corporate	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(d) Banks/FI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sub-total (A) (2)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	29,52,488	0.00	29,52,488	100	37,10,064	0.00	37,10,064	100	0.00
B. Public Shareholding									
1. Institutions									
(a) Mutual Funds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(b) Banks/FI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(c) Central Govt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(d) State Govt(s)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(e) Venture Capital Funds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(f) Insurance Companies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(g) FII	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(h) Foreign Venture Capital Funds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(i) Others (specify)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sub-total (B)(1)									
(a) Bodies Corporate	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(i) Indian	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(b) Individuals	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(i) Individual shareholders holding nominal share capital upto Rs. 1 Lakh	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(ii) Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(c) Others (Specify)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sub-total (B)(2)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Public Shareholding (B)=(B)(1)+(B2)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
C. Shares held by Custodian for GDRs & ADRs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Grand Total (A+B+C)	29,52,488	0.00	29,52,488	100	37,10,064	0.00	37,10,064	100	0.00

*The Six individual Shareholders are having 600 shares as a nominee share holder on behalf of Heritage Foods Lt

(ii) Shareholding of Promoters

S. No	Shareholder's Name	Shareholding at the beginning of the Year 01.04.2019			Shareholding at the end of the year 31.03.2020			% Change in shareholding during the year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged /encumbered to total shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged /encumbered to total shares	
1.	Heritage Foods Limited	29,52,488	100.00	-	37,10,064	100.00	-	-
2.	N. Brahmani	100	0.00	-	100	0.00	-	-
3.	N. Bhuvaneswari	100	0.00	-	100	0.00	-	-
4.	N. Lokesh	100	0.00	-	100	0.00	-	-
5.	D. Seetharamaiah	100	0.00	-	100	0.00	-	-
6.	Dr. M. Sambasiva Rao	100	0.00	-	100	0.00	-	-
7.	K. Rajesh	100	0.00	-	100	0.00	-	-

*The Six individual Shareholders (Sl no 2 to 7) are having 600 shares as a nominee share holder on behalf of Heritage Foods Ltd



(iii) **Change in Promoter's Shareholding (Please specify, if there is no change)**

Sl. No	HERITAGE FOODS LIMITED	Shareholding at the beginning of the year 01.04.2019		Cumulative Shareholding during the year 31.03.2020	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	At the beginning of the year 01.04.2019	29,52,488	100.00		
	Date wise Increase/Decrease in promoters Shareholding during the year specifying the reasons for increase/decrease(e.g.allotment/transfer/bonus/sweat equity etc)	18.06.2019 757,576 Shares Allotted against funding		757,576	0.00
	At the end of the Year 31.03.2020	-	-	37,10,064	100.00

iv) **Shareholding pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)**

Sl. No	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding During the Year (01.04.2019 to 31.03.2020)	
		No. of Shares at the Beginning (01.04.2019)	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
1	Heritage Foods Limited	29,52,488	100.00	-	-	-		
				18.06.2019	+7,57,576	Allotment through Right Issue	37,10,064	100.00

(V) **Shareholding of Directors and Key managerial Personnel:**

Sl. No	Name	Shareholding at the beginning of the year		Cumulative Shareholding During the Year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	N. Bhuvaneswari	100	0.00	100	0.00
2	D. Seetharamaiah	100	0.00	100	0.00
3	Dr. M. Sambasiva Rao	100	0.00	100	0.00
4	N. Brahmani	100	0.00	100	0.00

*The Directors mentioned above are having 100 shares each and are nominee share holders on behalf of Heritage Foods Ltd

(V) **INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Amount Rs. in Lakhs)

	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
(i) Principal Amount	1606.55	0.00	0.00	1606.55
(ii) Interest due but not paid	0.00	0.00	0.00	0.00
(iii) Interest accrued but not due	8.42	0.00	0.00	8.42
Total (i+ii+iii)	1614.98	0.00	0.00	1614.98
Change in Indebtedness during the financial year				
• Addition	598.80	0.00	0.00	598.80
• Reduction	153.13	0.00	0.00	153.13
Net Change	445.67	0.00	0.00	445.67
Indebtedness at the end of the financial year				
(i) Principal Amount	2048.64	0.00	0.00	2048.64
(ii) Interest due but not paid	0.00	0.00	0.00	0.00
(iii) Interest accrued but not due	12.01	0.00	0.00	12.01
Total (i+ii+iii)	2060.65	0.00	0.00	2060.65

* The Holding Company namely Heritage Foods Limited has given corporate Guarantee of Rs. 2645 Lakhs, as at 31.03.2020 for availing Long term loan from Bank.

(VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration of Managing Director, Whole-time Director and/or Manager:

Sl. No	Particulars of Remuneration	Managing Director	Total Amount
1.	Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961. (b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	NIL	NIL
2.	Stock Option	NIL	NIL
3.	Sweat Equity	NIL	NIL
4.	Commission - As % of profit - Others, specify	NIL	NIL
5.	Others, (Sitting Fees)	30,000	30,000
	Total (A)	30,000	30,000
	Ceiling as per the Act	NA	NA

B. Remuneration to other Directors:

Sl. No	Particulars of Remuneration	Amount
1	Independent Directors Fee for attending Board/Committee Meetings	NA
	Commission	NA
	Others, please specify	NA
	Total (1)	NA
2	Other Non-Executive Directors	
	Non-Executive Directors Fee for attending Board/Committee Meetings	1,90,000
	Independent Directors Fee for attending Board/Committee Meetings	NA
	Commission	NA
	Others (please specify)	NA
	Total (2)	1,90,000
	Total (B)= (1+2)	1,90,000
	Total Managerial Remuneration (A+B)	2,20,000
	Overall Ceiling as per the Act	NA

C. Remuneration to Key Managerial Personnel other than MD/WTM/Manager: NA

Sl. No	Particulars of Remuneration	Key Managerial Personnel
		Total (Rs.)
1.	Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961. (b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	NIL
2.	Stock Option	
3.	Sweat Equity	
4.	Commission - As % of profit - Others, specify	
5.	Others, please specify	
	Total	



VII. PENALTIES/PUNISHMENTS/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give details)
A. COMPANY		Penalty	NIL		
Punishment					
Compounding					
B. DIRECTORS		Penalty			
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT		Penalty			
Punishment					
Compounding					

By Order of the Board
For **HERITAGE NUTRIVET LIMITED**

N. BRAHMANI
DIRECTOR
DIN: 02338940

Place: Hyderabad
Date: 21st May, 2020

FORM No. MR-3
SECRETARIAL AUDIT REPORT

For the Financial year ended 31st March, 2020

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

To,
The Members,
Heritage Nutrivet Limited
CIN: U15400TG2008PLC062054
6-3-541/C, 4th Floor,
Panjagutta, Hyderabad-500082

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Heritage Nutrivet Limited (herein after called the "Company"). Secretarial audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon. Based on my verification of the Company's, books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has during the audit period covering the financial year ended on 31st March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other record maintained by the Company for the financial year ended on 31st March, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under as amended from time to time;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;



1 of 6

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

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; Not Applicable
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; Not Applicable
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time; Not Applicable
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; Not Applicable
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; -- Not Applicable
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; Not Applicable
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; -- Not Applicable.
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; -- Not Applicable
- (i) The Securities and Exchange Board of India (Listing Obligation & Disclosure Requirements) Regulations, 2015. Not Applicable

We have also examined compliance with the applicable clauses of the following as amended from time to time:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India, New Delhi.



Office Address: Vamsy Span Collective Homes, Mayuri Marg, Begumpet, Hyderabad-16

Contact: 8790418875, email: kibcs.hyd@gmail.com, www.kibcs.in

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

I further report that, the Company has, in my opinion generally complied with the provisions of the Companies Act, 2013 and the Rules made there under that Act as notified by the Ministry of Corporate Affairs and the Memorandum and Articles of Association of the Company, with regard to

- a) Maintenance of various statutory registers and documents and making necessary entries therein.
- b) Forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government are provided in Annexure B to this report.
- c) The Annual General Meeting held on 23rd August, 2019.
- d) Minutes of the proceedings of General meetings and of the Board Meetings.
- e) Constitution of the Board of Directors, appointment, retirement and reappointment of Directors including the Managing Director and Whole time Directors.
- f) During the year under review the Board of Directors met 6 times, i.e 14th May, 2019, 18th June, 2019, 24th July, 2019, 17th October, 2019, 24th January, 2020 and 23rd March, 2019. The time gap between the two Board meetings is within 120 days.
- g) No Payment of remuneration was made to Directors except sitting fees.

I further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has generally complied with the applicable laws applicable specifically to the Company.

I further report that, based on the information received and records maintained there are adequate systems and process in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For K L B & ASSOCIATES

CS Khushboo Laxmi Bhagat

M No: 9376, CP No:14703

UDIN# F009376B000233952

Place: Hyderabad

Date: 13th May, 2020

Office Address: Vamsy Span Collective Homes, Mayuri Marg, Begumpet, Hyderabad-16

Contact: 8790418875, email: klbcs.hyd@gmail.com, www.klbcs.in

ANNEXURE-A TO SECRETARIAL AUDIT REPORT

To,
The Members,
Heritage Nutrivet Limited
CIN: U15400TG2008PLC062054
6-3-541/C, 4th Floor,
Panjagutta, Hyderabad-500082

My report of even date is to be ready along with this supplementary testimony.

- a) Maintenance of Secretarial record is the responsibility of management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- b) I have followed the audit practices and processes that were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on a test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices I followed provide a reasonable basis for my opinion.
- c) I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- d) Whenever required, I have obtained Management representation about the compliance of laws, rules and regulations and happenings of events etc.
- e) The Compliance of the provisions of Corporate and other applicable laws, rules and regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
- f) The Secretarial Audit is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management conducted the affairs of the Company.

Place: Hyderabad

Date: 13th May, 2020



For K L B & ASSOCIATES

Chusbo
CS Khusboo Laxmi Bhagat

M No: 9376, CP No: 14703

UDIN# F009376B000233952

Office Address: Vamsy Span Collective Homes, Mayuri Marg, Begumpet, Hyderabad-16

Contact: 8790418875, email: klbcs.hyd@gmail.com, www.klbcs.in

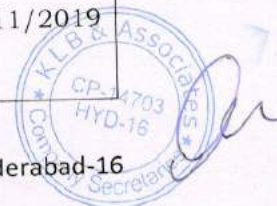
ANNEXURE-B TO SECRETARIAL AUDIT REPORT

(E-forms filed with the Registrar of Companies during FY 2019-20)

Sl No.	Particulars/ E-Forms No	Due Date	Filing Date
1	Appointment of Internal Auditor and Secretarial Auditor of the Company/MGT 14	25/04/2019	01/04/2019
2	Offer of Equity Shares on Right Issue Basis/MGT 14	25/04/2019	08/04/2019
3	Allotment of Equity Shares/PAS 3	25/04/2019	08/04/2019
4	Active Company Tagging Identities and Verification / INC-22A	25/04/2019	12/04/2019
5	Submission of the Reconciliation of Share Capital Audit Report for the half year ended 31 st March, 2019 /GNL-2	30/05/2019	26/04/2019
6	Outstanding payments to Micro or Small Enterprises year ending on 31 st March, 2019/ MSME FORM-1	30/05/2019	29/05/2019
7	Audited financial results for the Year ended 31 st March, 2019/MGT 14	13/06/2019	24/05/2019
8	Form DPT-3 for the financial year ending on 31 st March, 2019	29/06/2019	08/06/2019
9	Un-audited financial results for the quarter ended 30 th June, 2019/MGT14	23/08/2019	08/08/2019
10	Annual return for the year ended 31 st March, 2019/MGT 7	22/10/2019	18/09/2019
11	Annual Accounts for the year ended 31 st March, 2019/AOC 4 XBRL	30/10/2018	22/09/2019
12	Un-audited financial results for the quarter ended 30 th September, 2019/MGT 14	16/11/2019	25/10/2019
13	Submission of the Reconciliation of Share Capital Audit Report for the half year ended 30 th September, 2019 /GNL-2	30/11/2019	25/11/2019

Office Address: Vamsy Span Collective Homes, Mayuri Marg, Begumpet, Hyderabad-16

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14	Outstanding payments to Micro or Small Enterprises half year ended on 30 th September, 2019/ MSME FORM-1	30/10/2019	22/10/2019
15	Un-audited financial results for the quarter ended 31 st December, 2019/MGT 14	23/02/2020	03/02/2020

Place: Hyderabad

Date: 13th May, 2020



For K L B & ASSOCIATES

Khusboo
CS Khusboo Laxmi Bhagat

M No: 9376, CP No: 14703

UDIN# F009376B000233952

Office Address: Vamsy Span Collective Homes, Mayuri Marg, Begumpet, Hyderabad-16

Contact: 8790418875, email: klbcs.hyd@gmail.com, www.klbcs.in

Heritage Nutrivet Limited

Financial Statements and Independent Auditor's Report

31 March 2020

Contents

Independent Auditor's Report

Balance Sheet

Statement of Profit and Loss (including Other Comprehensive Income)

Cash Flow Statement

Statement of Changes in Equity

Summary of significant accounting policies and other explanatory information

Walker Chandio & Co LLP
7th Floor, Block III,
White House, Kundan Bagh,
Begumpet,
Hyderabad - 500 016
India

T +91 40 4859 7178
F +91 40 6630 8230

Independent Auditor's Report

To the Members of Heritage Nutrivet Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of Heritage Nutrivet Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2020, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Information other than the Financial Statements and Auditor's Report thereon

4. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandio & Co LLP is registered with limited liability with identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India

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

5. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
6. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
7. Those Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
9. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;



- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- 10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.


Report on Other Legal and Regulatory Requirements

11. Based on our audit, we report that the Company has not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable.
12. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
13. Further to our comments in Annexure A, as required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying financial statements;
 - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) the financial statements dealt with by this report are in agreement with the books of account;
 - d) in our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;
 - e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of section 164(2) of the Act;
 - f) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 21 May 2020 as per Annexure B expressed unmodified opinion; and
 - g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company does not have any pending litigations which would impact its financial position as at 31 March 2020;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2020;
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2020; and



- iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013


Sanjay Kumar Jain
Partner
Membership No.: 207660
UDIN: 20207660AAAABD1957

Place: Hyderabad
Date: 21 May 2020



Annexure A to the Independent Auditor's Report of even date to the members of Heritage Nutrivet Limited on the financial statements for the year ended 31 March 2020

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, plant and equipment.
- (b) The Property, plant and equipment have been physically verified by the management during the year by engaging the outside expert and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the Property, plant and equipment is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment') are held in the name of the Company except for the following property:

Nature of property	Total Number of Cases	Whether leasehold /freehold	Gross block as on 31 March 2020	Remarks
Land	1	Freehold	172.08	The Company is in the process of getting the sale deed executed and registered in its name.

- (ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit, and no material discrepancies between physical inventory and book records were noticed on physical verification.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii)(a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and services tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.
- (b) There are no dues in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.




Walker Chandiook & Co LLP

Annexure A to the Independent Auditor's Report of even date to the members of Heritage Nutrivet Limited, on the financial statements for the year ended 31 March 2020

- (viii) The Company has not defaulted in repayment of borrowings to any bank during the year. There are no loans or borrowings payable to financial institutions or government and no dues payable to debenture-holders.
- (ix) In our opinion, the Company has applied moneys raised by way of term loans for the purposes for which these were raised. The Company did not raise moneys by way of initial public offer/ further public offer (including debt instruments).
- (x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) The Company has not paid or provided for any managerial remuneration. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion, all transactions with the related parties are in compliance with Section 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements, as required by the applicable Ind AS. Further, in our opinion, the Company is not required to constitute audit committee under Section 177 of the Act.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Walker Chandiook & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013


Sanjay Kumar Jain
Partner
Membership No.: 207660
UDIN: 20207660AAAABD1957

Place: Hyderabad
Date: 21 May 2020



Annexure B to the Independent Auditor's Report of even date to the members of Heritage Nutrivet Limited on the financial statements for the year ended 31 March 2020

Independent Auditor's Report on the internal financial controls with reference to the financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the financial statements of Heritage Nutrivet Limited ('the Company') as at and for the year ended 31 March 2020, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of



Annexure B to the Independent Auditor's Report of even date to the members of Heritage Nutrivet Limited on the financial statements for the year ended 31 March 2020

financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.


Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013


Sanjay Kumar Jain
Partner
Membership No.: 207660
UDIN: 20207660AAAABD1957



Place: Hyderabad
Date: 21 May 2020

Heritage Nutrivet Limited
Balance Sheet as at 31 March 2020
(All amounts in ₹ lakhs, except share data and where otherwise stated)

	Notes	As at	
		31 March 2020	31 March 2019
ASSETS			
Non-current assets			
(a) Property, plant and equipment	6	4,235.15	2,188.75
(b) Capital work in progress		20.38	1,947.97
(c) Financial assets			
(i) Loans	11(a)	30.52	25.18
(ii) Others	11(b)	5.24	4.90
(d) Deferred tax assets (net)	17	45.34	39.47
(e) Other non-current assets	7	39.93	56.01
Total non-current assets		4,376.56	4,262.28
Current assets			
(a) Inventories	8	864.61	657.71
(b) Financial assets			
(i) Trade receivables	9	125.82	310.54
(ii) Cash and cash equivalents	10	240.48	25.48
(iii) Loans	11(a)	0.57	0.65
(c) Current tax assets (net)		14.56	15.89
(d) Other current assets	7	288.77	173.71
Total current assets		1,534.81	1,183.98
Total assets		5,911.37	5,446.26
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	12	371.01	295.25
(b) Other equity	13	2,739.52	1,992.66
Total equity		3,110.53	2,287.91
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	14	1,209.38	1,231.54
(b) Provisions	16	23.92	22.70
Total non-current liabilities		1,233.30	1,254.24
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	14	526.77	234.51
(ii) Trade payables	19		
- total outstanding dues of micro and small enterprises;		6.70	19.96
- total outstanding dues of creditors other than micro and small enterprises		349.01	634.21
(iii) Other financial liabilities	15	511.90	957.28
(b) Other current liabilities	18	148.54	42.64
(c) Provisions	16	24.62	15.51
Total current liabilities		1,567.54	1,904.11
Total equity and liabilities		5,911.37	5,446.26

The accompanying notes referred to above form an integral part of the financial statements.
This is the Balance sheet referred to in our report of even date.

For **Walker Chandio & Co LLP**
Chartered Accountants
Firm's Registration No: 001076N/N500013

Sanjay Kumar Jain
Partner
Membership No.: 207660

Place: Hyderabad
Date: 21 May 2020

For and on behalf of Board of Directors of
Heritage Nutrivet Limited

N Brahmani
Managing Director
DIN: 02338940

M Sambasiva Rao
Director
DIN: 01887410

Place: Hyderabad
Date: 21 May 2020

Heritage Nutrivet Limited

Statement of Profit and Loss for the year ended 31 March 2020

(All amounts in ₹ lakhs, except share data and where otherwise stated)

	Notes	For the year ended	
		31 March 2020	31 March 2019
Revenue from operations	20	10,385.41	7,376.06
Other income	21	73.22	27.76
Total income		10,458.63	7,403.82
Expenses			
Cost of materials consumed	22	7,583.63	3,965.69
Purchase of stock-in-trade		597.43	1,909.15
Changes in inventories of finished goods and stock-in-trade	23	(64.68)	(58.08)
Employee benefit expenses	24	624.53	449.29
Finance costs	25	206.02	82.92
Depreciation expense	6	203.17	87.21
Other expenses	26	1,238.16	930.85
Total expenses		10,388.26	7,367.03
Profit before tax		70.37	36.79
Tax expense	27		
Current tax expense		8.88	31.26
Deferred tax benefit		(5.87)	(89.58)
Profit for the year		67.36	95.11
Other comprehensive loss			
(i) Items that will not be reclassified subsequently to profit or loss			
Loss on remeasurement of defined benefit plan		(4.74)	(5.97)
Total Other comprehensive loss		(4.74)	(5.97)
Total comprehensive income for the year		62.62	89.14
Earnings per equity share (EPES) (in absolute ₹ terms)	28		
Basic and Diluted EPES		1.90	3.55

The accompanying notes form an integral part of the financial statements.
This is the Statement of Profit and Loss referred to in our report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No: 001076N/N500013

Sanjay Kumar Jain
Partner
Membership No.: 207660

Place: Hyderabad
Date: 21 May 2020



For and on behalf of Board of Directors of
Heritage Nutrivet Limited

N Brahmani
Managing Director
DIN: 02338940

Place: Hyderabad
Date: 21 May 2020

M Sambasiva Rao
Director
DIN: 01887410

Heritage Nutrivet Limited
Cash Flow Statement for the year ended 31 March 2020
(All amounts in ₹ lakhs, except share data and where otherwise stated)

	For the year ended	
	31 March 2020	31 March 2019
Cash flow from operating activities		
Profit before tax	70.37	36.79
Adjustments:		
Depreciation expense	203.17	87.21
Net gain on disposal of Property, plant and equipment	(0.02)	-
Finance costs	206.02	82.92
Provisions no longer required/ credit balances written back	(63.56)	(18.35)
Provision towards doubtful trade receivables	11.99	121.33
Bad debts written off	3.14	-
Interest income	(7.99)	(8.50)
Change in employee provisions, net	5.59	2.46
Operating profits before working capital changes	428.71	303.86
Changes in trade receivables	169.59	116.84
Changes in financial and other assets	(98.27)	(16.20)
Changes in financial and other liabilities	88.03	102.04
Changes in trade payables	(263.89)	305.67
Changes in inventories	(206.90)	(203.94)
Cash generated from operating activities	117.27	608.27
Income tax paid, net	(7.55)	(35.00)
Net cash generated from operating activities (A)	109.72	573.27
Cash flows from investing activities		
Purchase of Property, plant and equipment, including Capital work in progress	(895.45)	(1,961.84)
Proceeds from sale of Property, plant and equipment	3.09	-
Interest received	7.97	8.50
Net cash used in investing activities (B)	(884.39)	(1,953.34)
Cash flows from financing activities		
Proceeds from long-term borrowings	302.97	972.04
Repayment of long-term borrowings	(153.13)	(100.00)
Interest paid	(202.43)	(76.00)
Proceeds from issue of equity shares	750.00	550.00
Net cash generated from financing activities (C)	697.41	1,346.04
Net decrease in cash and cash equivalents during the year (A + B + C)	(77.26)	(34.03)
Cash and cash equivalents at the beginning of the year	(209.03)	(175.00)
Cash and cash equivalents at the end of the year (Note 1)	(286.29)	(209.03)

	As at	
	31 March 2020	31 March 2019
Note 1:		
Cash and cash equivalents include:		
Cash on hand (refer note 10)	0.57	0.24
Balances with banks in current accounts (refer note 10)	239.91	25.24
Short-term borrowings (refer note 14)	(526.77)	(234.51)
	(286.29)	(209.03)

This is the Cash Flow Statement referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No: 001076N/N500013

Sanjay Kumar Jain
Partner
Membership No.: 207660

Place: Hyderabad
Date: 21 May 2020

For and on behalf of Board of Directors of
Heritage Nutrivet Limited

N Brahmani
Managing Director
DIN: 02338940

M Sambasiva Rao
Director
DIN: 01887410

Place: Hyderabad
Date: 21 May 2020

Heritage Nutrivet Limited
Statement of Changes in Equity for the year ended 31 March 2020
 (All amounts in ₹ lakhs, except share data and where otherwise stated)

A. Equity Share Capital

	Notes	Number of shares	Amount
As at 1 April 2018		2,371,577	237.16
Changes in equity share capital	12	580,911	58.09
As at 31 March 2019		2,952,488	295.25
Changes in equity share capital	12	757,576	75.76
As at 31 March 2020		3,710,064	371.01

B. Other Equity (refer note 13)

	Securities premium	Reserves and Surplus			Retained earnings	Other comprehensive income	Total
		Capital reserve	Equity contribution from Holding Company				
Balance as at 1 April 2018	1,570.66	(271.54)	84.43		5.12	-	1,388.67
Profit for the year	-	-	-		95.11	-	95.11
Security premium on issue of equity shares	491.91	-	-		-	-	491.91
Other comprehensive loss	-	-	-		(5.97)	-	(5.97)
Equity contribution from Holding Company	-	-	22.94		-	-	22.94
Balance as at 31 March 2019	2,062.57	(271.54)	107.37		94.26	-	1,992.66
Profit for the year	-	-	-		67.36	-	67.36
Security premium on issue of equity shares	674.24	-	-		-	-	674.24
Other comprehensive loss	-	-	-		(4.74)	-	(4.74)
Equity contribution from Holding Company	-	-	10.00		-	-	10.00
Balance as at 31 March 2020	2,736.81	(271.54)	117.37		156.88	-	2,739.52


This is the Statement of Changes in Equity referred to in our report of even date.


For Walker Chandiook & Co LLP
 Chartered Accountants
 Firm's Registration No: 001076N/N500013


Sanjay Kumar Jain
 Partner
 Membership No.: 207660

Place: Hyderabad
 Date: 21 May 2020

For and on behalf of Board of Directors of
 Heritage Nutrivet Limited


N Brahmani
 Managing Director
 DIN: 02338940


M Sambasiva Rao
 Director
 DIN: 01887410

Place: Hyderabad
 Date: 21 May 2020

Heritage Nutrivet Limited

Summary of the significant accounting policies and other explanatory information

1. Corporate information

The financial statements of "Heritage Nutrivet Limited" ("the Company" or "HNL") are for the year ended 31 March 2020. The Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The registered office of the Company is located at #6-3-541/C, Punjagutta, Hyderabad - 500082.

Heritage Nutrivet Limited is engaged in manufacturing, marketing and trading of feed business.

The financial statements were approved for issue in accordance with a resolution of the directors on 21 May 2020.

2. Significant accounting policies - Basis of preparation

The financial statements of the Company has been prepared and presented in accordance with all the material aspects of the Indian Accounting Standards ('Ind AS') as notified under section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standards) Rules 2015 (by Ministry of Corporate Affairs ('MCA')). The Company has uniformly applied the accounting policies during the periods presented.

The financial statements have been prepared on a going concern basis under historical cost, except for the following:

- certain financial assets and liabilities are measured at amortised cost depending on the classification; and
- employee defined benefit assets/ (liability) are recognised as the net total of the fair value of plan assets, plus actuarial losses, less actuarial gains and the present value of the defined benefit obligation.

The financial statements are presented in ₹ and all values are rounded to the nearest lakhs, except when otherwise indicated.

Accounting policies have been consistently applied except where a newly issued Accounting Standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use or for the purpose of better presentation of financial statements. Management evaluates all recently issued or revised Accounting Standards on an ongoing basis and accordingly changes the Accounting policies as applicable.

3. Summary of significant accounting policies

a. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

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

All other assets are classified as non-current.



Heritage Nutrivet Limited

Summary of the significant accounting policies and other explanatory information

A liability is current when:

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

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

b. Foreign currencies

The Company's financial statements are presented in INR, which is also its functional currency.

Transactions in foreign currency are initially recorded at exchange rates prevailing on the date of transactions. Monetary items denominated in foreign currencies (such as cash, receivables, payables etc.) outstanding at the end of reporting period, are translated at the functional currency spot rate of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively.

Any gains or losses arising due to differences in exchange rates at the time of translation or settlement are accounted for in the Statement of Profit and Loss either under the head foreign exchange fluctuation or interest cost, as the case may be, except those relating to long-term foreign currency monetary items.

c. Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date.

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

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.



Heritage Nutrivet Limited

Summary of the significant accounting policies and other explanatory information

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

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's management determines the policies and procedures for both recurring fair value measurement, and for non-recurring measurement.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

d. Revenue recognition

The Company derives revenues primarily from manufacturing, marketing and trading of feed products.

Effective 1 April 2018, the Company adopted Ind AS 115, Revenue from Contracts with Customers, using the modified retrospective application method. The effect on adoption of Ind AS 115 was insignificant.

Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services.

Revenue is measured on the basis of contracted price, after deduction of any discounts and any taxes or duties collected on behalf of the Government such as goods and services tax, etc. Discounts are recognised in accordance with the schemes implemented by the Company. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money.

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or
- The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Company's performance does not create an asset with an alternative use to the Company and an entity has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.



Heritage Nutrivet Limited

Summary of the significant accounting policies and other explanatory information

Revenue from sale of products is recognised at the time when performance obligation is satisfied.

Interest Income

For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included under other income in the statement of profit and loss.

e. Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the Balance Sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.



Heritage Nutrivet Limited

Summary of the significant accounting policies and other explanatory information

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

f. Property, plant and equipment (PPE)

Capital Work in progress, Plant and equipment are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price (net of discounts and rebates), the cost of replacing the part of plant and equipment and borrowing costs if capitalization criteria are met and any attributable cost of bringing the asset to its working condition and location for the intended use. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Spare parts are capitalized when they meet the definition of PPE, i.e., when the company intends to use these during more than a period of 12 months.

Depreciation is provided on the basis of straight line method at the useful life and in the manner prescribed in Schedule II of the Companies Act, 2013 except in respect of the following assets, based on technical assessment made by technical expert and management estimate, useful life is different from than those described in Schedule II. Management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

- i) Furniture and Fixtures: Depreciation on Furniture and Fixtures is provided on the basis of straight-line method based on the useful life of 5 years.
- ii) Office Equipment: Depreciation on Office Equipment is provided on the basis of straight-line method based on the useful life ranging from 3 to 5 years.
- iii) Plant and Machinery: Depreciation on Plant and Machinery is provided on the basis of straight-line method based on the useful life ranging from 9 to 20 years.

The useful life provided for different asset classes under schedule II of the Companies Act, 2013 are as follows:

Asset class	Useful life (years)
Furniture and Fixtures	10
Plant and machinery	15
Office Equipment	5

Depreciation on assets which are commissioned during the year is charged on pro -rata basis from the date of commissioning. The company depreciates general spares over the life of the spare from the date it is available for use.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from de-recognition of a tangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.



Heritage Nutrivet Limited

Summary of the significant accounting policies and other explanatory information

g. Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

h. Leases

The Company as a lessee

The Company's lease asset classes primarily consist of leases for buildings and plant & equipment. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rate. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease.

Refer note 34 to the financial statements for transition impact on adoption of Ind AS 116 by the Company.



Heritage Nutrivet Limited

Summary of the significant accounting policies and other explanatory information

i. Inventories

All inventories except for stores and spares and packing material, are valued at lower of cost and net realisable value.

- **Raw material** - Cost or net realisable value ("NRV") whichever is lower. However these items are considered to be realisable at cost if the finished products, in which they shall be used, are expected to be sold at or above cost. Cost has been ascertained on FIFO basis.
- **Finished goods** - Cost or NRV whichever is lower - Cost has been ascertained on weighted average cost method.
- **Stores and spares** - At cost - Cost has been ascertained on FIFO basis.
- **Stock-in-trade** - Cost or NRV whichever is lower - Cost has been ascertained on weighted average basis.
- **Packing material** - At Cost - Cost has been ascertained on FIFO basis.

Cost of inventories comprises following:

- **Raw material, stores and spares and packaging material:** Cost includes purchase price, import duties and other taxes excluding taxes those are subsequently recoverable from the concerned authorities, freight inwards and other expenditure incurred in bringing such inventories to their present location and condition.
- **Finished goods:** Cost comprises cost of direct material, direct labour and appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity, but excluding borrowing costs.
- **Stock-in-trade:** cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

j. Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses, including impairment on inventories, are recognised in the statement of profit and loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

k. Provision and contingencies

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.



Heritage Nutrivet Limited

Summary of the significant accounting policies and other explanatory information

When the Company expects some or all of a provision to be reimbursed, reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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

Contingencies

Contingent liabilities are identified and disclosed with respect to following:

- a possible obligation that arises 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 recognised 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.

Contingent assets are neither recognized nor disclosed, unless inflow of economic benefits is probable. However, when realization of income is virtually certain, related asset is recognized.

I. Employee benefits

Short term benefits

Short term employee benefits are accounted for in the period during which the services have been rendered.

Post-employment benefits and other long-term employee benefits

Provident Fund: Retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to the provident fund administered by the Central Government under the Provident Fund Act, 1952, are charged to the statement of profit and loss for the year in which the contributions are due. The company has no obligation, other than the contribution payable to the provident fund. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to a reduction in future payment.

Gratuity: The Company operates a defined benefit gratuity plan, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising mainly of actuarial gains and losses, are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to the statement of profit and loss in subsequent periods.

Leave Encashment: The Company operates a long-term leave encashment plan. Accrued liability for leave encashment including sick leave is determined on actuarial valuation basis using Projected Unit Credit (PUC) Method at the end of the year and provided completely in profit and loss account as per Ind AS - 19 "Employee Benefits".

m. Financial instruments

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



Heritage Nutrivet Limited
Summary of the significant accounting policies and other explanatory information

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

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

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at FVTOCI and FVTPL

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss.

De-recognition

A financial asset is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognise the transferred asset to the extent of the company's continuing involvement. In that case, the company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, deposits, trade receivables and bank balances.



Heritage Nutrivet Limited

Summary of the significant accounting policies and other explanatory information

- Financial guarantee contracts which are not measured as at FVTPL

The company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables that do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

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

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the company does not reduce impairment allowance from the gross carrying amount.
- Financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables, as appropriate.

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

The Company's financial liabilities include trade and other payables and borrowings.



Summary of the significant accounting policies and other explanatory information

Subsequent measurement

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

Borrowings

After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid as per agreed terms. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

De-recognition

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

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

n. Earnings per share

Basic earnings per share are 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.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

o. Cash flow statement

The cash flow statement is prepared as per the Indirect Method. Cash Flow Statements present the cash flows by operating, financing and investing activities of the Company. Operating cash flows are arrived by adjusting profit or loss before tax for the effects of transactions of a non- cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows.

p. **Cash and cash equivalents**

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



Heritage Nutrivet Limited

Summary of the significant accounting policies and other explanatory information

For the purpose of the cash flow statement, cash and cash equivalents consist of cash at banks and on hand and deposits, as defined above, net of outstanding short-term borrowings from banks as they are considered an integral part of the Company's cash management.

4. Key accounting estimates, judgements and assumptions

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

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

a. Defined benefit plans and other long-term benefit plan

The cost and present value of the defined benefit gratuity plan and leave encashment (other long-term benefit plan) are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation and other long-term benefits are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

b. Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets to the Company.

c. Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives.

5. Standards issued but not effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1 April 2020.



Heritage Nutrivet Limited

Summary of the significant accounting policies and other explanatory information
(All amounts in ₹ lakhs, except share data and where otherwise stated)

6. Property, plant and equipment

	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Office Equipment	Vehicles	Total
Gross Block							
Balance as at 1 April 2018	174.63	793.29	742.50	13.67	27.67	0.63	1,752.39
Additions during the year	332.95	206.12	52.97	2.59	6.65	-	601.28
Balance as at 31 March 2019	507.58	999.41	795.47	16.26	34.32	0.63	2,353.67
Additions during the year	-	1,261.96	958.70	9.17	22.92	-	2,252.75
Disposals during the year	-	-	(3.30)	-	-	(0.01)	(3.31)
Balance as at 31 March 2020	507.58	2,261.37	1,750.87	25.43	57.24	0.62	4,603.11
Accumulated depreciation							
Up to 1 April 2018	-	25.86	46.61	1.23	3.93	0.08	77.71
Charge for the year	-	25.82	51.79	2.50	7.04	0.06	87.21
Up to 31 March 2019	-	51.68	98.40	3.73	10.97	0.14	164.92
Charge for the year	-	79.48	109.75	3.41	10.47	0.06	203.17
Adjustment for disposals	-	-	(0.23)	0.05	0.05	-	(0.13)
Up to 31 March 2020	-	131.16	207.92	7.19	21.49	0.20	367.96
Net book value as at 31 March 2019	507.58	947.73	697.07	12.53	23.35	0.49	2,188.75
Net book value as at 31 March 2020	507.58	2,130.21	1,542.95	18.24	35.75	0.42	4,235.15

Notes:

- (i) For details of assets pledged as security, refer note 14(a).
(ii) Freehold land includes land valued at ₹172.08 (31 March 2019: ₹172.08) pending execution of sale deed in the name of the Company. The management is in the process of getting the sale deed executed and registered in the Company's name.



Heritage Nutrivet Limited

Summary of the significant accounting policies and other explanatory information

(All amounts in ₹ lakhs, except share data and where otherwise stated)

7. Other assets

Non-current

Unsecured, considered good

Capital advances

Prepaid expenses

Current

Unsecured, considered good

Advances to material and service providers

Prepaid expenses

Others

As at	
31 March 2020	31 March 2019
-	3.69
39.93	52.32
39.93	56.01
235.70	127.52
25.97	22.61
27.10	23.58
288.77	173.71

No advances are due from directors or other officers of the Company either severally or jointly with any other person or amounts due by firms or private companies respectively in which any director is a partner or a director or a member. Refer note 32 for dues from related parties.

8. Inventories

Raw materials

Finished goods (including goods in transit of ₹7.71 (31 March 2019: ₹37.75))

Stock-in-trade

Packing materials

Stores and spares

As at	
31 March 2020	31 March 2019
531.39	425.30
176.07	123.21
35.77	23.95
52.08	41.09
69.30	44.16
864.61	657.71

9. Trade receivables

Unsecured

- Considered good

- Significant increase in credit risk

Less: Allowance for receivables with significant increase in credit risk

As at	
31 March 2020	31 March 2019
125.82	310.54
473.34	487.20
599.16	797.74
(473.34)	(487.20)
125.82	310.54

The movement in the allowance for trade receivables with significant increase in the credit risk for the year ended 31 March 2020 and 31 March 2019 is as follows:

Opening balance at beginning of the year

Provision made during the year

Bad debts written off during the year

Closing balance at end of the year

For the year ended	
31 March 2020	31 March 2019
487.20	365.87
11.99	121.33
25.85	-
473.34	487.20

No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person or amounts due by firms or private companies respectively in which any director is a partner or a director or a member. Refer note 32 for dues from related parties.

10. Cash and Bank balances

Cash and cash equivalents

Balances with banks in current accounts

Cash on hand

Deposits with original maturity up to 3 months

As at	
31 March 2020	31 March 2019
99.05	25.24
0.57	0.24
140.86	-
240.48	25.48



Heritage Nutrivet Limited

Summary of the significant accounting policies and other explanatory information

(All amounts in ₹ lakhs, except share data and where otherwise stated)

11(a) Loans

	As at	
	31 March 2020	31 March 2019
Non-current		
Unsecured, considered good		
Security deposits	30.52	25.18
	30.52	25.18
Current		
Unsecured, considered good		
Security deposits	0.55	0.50
Loans to employees	0.02	0.15
	0.57	0.65

11(b) Other financial assets

	As at	
	31 March 2020	31 March 2019
Non-current		
Unsecured, considered good		
Margin money deposits with banks	5.24	4.90
	5.24	4.90

12. Equity share capital

	As at 31 March 2020		As at 31 March 2019	
	Number	Amount	Number	Amount
i. Authorised share capital				
Equity shares of ₹10 each	15,000,000	1,500.00	15,000,000	1,500.00
ii. Issued, subscribed and fully paid up				
Equity shares of ₹10 each	3,710,064	371.01	2,952,488	295.25
	3,710,064	371.01	2,952,488	295.25
iii. Reconciliation of number of equity shares outstanding at the beginning and end of the year				
	As at 31 March 2020		As at 31 March 2019	
	Number	Amount	Number	Amount
Equity shares				
Balance at the beginning of the year	2,952,488	295.25	2,371,577	237.16
Add: Issued during the year	757,576	75.76	580,911	58.09
Balance at the end of the year	3,710,064	371.01	2,952,488	295.25

iv. 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. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting.

On winding up of the Company, the holders of equity shares shall 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 held.

v. Details of shareholders holding more than 5% equity shares in the Company

	As at 31 March 2020		As at 31 March 2019	
	Number	% holding	Number	% holding
Name of the equity shareholders				
Heritage Foods Limited (Holding Company)	3,709,464	99.98%	2,951,888	99.98%



Heritage Nutrivet Limited

Summary of the significant accounting policies and other explanatory information

(All amounts in ₹ lakhs, except share data and where otherwise stated)

13. Other equity

	As at	
	31 March 2020	31 March 2019
Reserve and surplus		
Securities premium	2,736.81	2,062.57
Capital reserve	(271.54)	(271.54)
Equity contribution from Holding Company	117.37	107.37
Retained earnings	156.88	94.26
Items of Other comprehensive income ("OCI")	-	-
	2,739.52	1,992.66

Nature and purpose of reserves

Securities premium

Securities premium is used to record the premium on issue of equity shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013 ("the Act").

Capital reserve

Capital reserve was created on sale of retail division to Future Retail Limited in accordance with the composite scheme of arrangement in the earlier years.

Equity contribution from Holding Company

Represents additional infusion by the Holding Company in form of guarantees given to the Company's bankers towards borrowing facilities extended to the Company.

14. Borrowings

	As at	
	31 March 2020	31 March 2019
Non-current		
Secured		
Term loans		
From banks	1,209.38	1,231.54
	1,209.38	1,231.54

(a) Terms and conditions of borrowings and nature of securities

- Term loan amounting to ₹300 (31 March 2019: ₹400) is secured by first pari passu charge on all fixed assets of Hindupur cattle feed plant and by second charge on all current assets of the Company. The interest rate is equivalent to one year MCLR+0.45% per annum. The loan is repayable in 24 equal quarterly installments commenced from June 2017 and ending in March 2023. The loan is guaranteed by the Holding Company (refer note 32 for details).
- Term loan amounting to ₹1,221.88 (31 March 2019: ₹972.04) is secured by equitable mortgage on the land & building located at Mallavalli village, Krishna district, by exclusive charge on movable fixed assets located at Mallavalli plant and by second charge on all current assets of the Company. The interest rate is fixed at three months MCLR+ spread per annum. The loan is repayable in 24 equal quarterly installments commenced from March 2020 and ending in December 2025. The loan is guaranteed by the Holding Company (refer note 32 for details).

	As at	
	31 March 2020	31 March 2019
Current		
Secured		
Working capital demand loan from bank	200.00	-
Cash credit facility from bank	326.77	234.51
	526.77	234.51

(b) Terms and conditions of borrowings and nature of securities

- Working capital demand loan from bank is secured by first charge on current assets of the Company, both present and future. The loan carry an interest rate of 9.05% per annum and it is repayable within 90 days. The loan is guaranteed by the Holding Company (refer note 32 for details).
- Cash credit facility from bank is secured by first charge on current assets of the Company, both present and future. The interest rate is equivalent to MCLR + spread per annum, as agreed from time to time. The loan is repayable on demand. The loan is guaranteed by the Holding Company (refer note 32 for details).



Heritage Nutrivet Limited

Summary of the significant accounting policies and other explanatory information

(All amounts in ₹ lakhs, except share data and where otherwise stated)

14. Borrowings (continued)

(c) Reconciliation of liabilities arising from financial activities*

Balance at beginning of the year
Proceeds from long term borrowings
Repayment of long term borrowings
Balance at end of the year

*Include current and non-current portions of term loans from banks.

For the year ended	
31 March 2020	31 March 2019
1,372.04	500.00
302.97	972.04
(153.13)	(100.00)
1,521.88	1,372.04

(d) Reconciliation of interest accrued on the above borrowings

Balance at beginning of the year
Interest expense for the year
Interest paid during the year
Balance at end of the year

For the year ended	
31 March 2020	31 March 2019
8.42	1.50
149.75	41.34
146.16	34.42
12.01	8.42

15. Other financial liabilities

Current

Current maturities of term loans from banks (refer note 14(a))
Capital creditors
Freight payables
Employee related payables
Interest accrued on borrowings
Retention money payable
Other payables

As at	
31 March 2020	31 March 2019
312.50	140.50
26.01	600.10
42.70	52.54
22.54	33.57
12.01	8.42
28.48	56.95
67.66	65.20
511.90	957.28

16. Provisions

Non-current

Compensated absences

Current

Gratuity (refer note (a) below)
Compensated absences

As at	
31 March 2020	31 March 2019
23.92	22.70
23.92	22.70
-	-
24.62	15.51
24.62	15.51

(a) Gratuity

The Company provides its employees with benefits under a defined benefit plan, referred to as the "Gratuity Plan". The Gratuity Plan entitles an employee, who has rendered at least five years of continuous service, to receive 15 days salary for each year of completed service (service of six months and above is rounded off as one year) at the time of retirement/exit, restricted to a sum of ₹20 in accordance with the Payment of Gratuity Act, 1972.

(i) Change in projected benefit obligation

Projected benefit obligation at the beginning of the year
Service cost
Interest cost
Actuarial loss/(gain)
Benefits paid
Projected benefit obligation at the end of the year

As at	
31 March 2020	31 March 2019
19.68	18.02
3.35	3.10
1.24	1.34
3.10	(1.23)
(1.90)	(1.55)
25.47	19.68



Heritage Nutrivet Limited

Summary of the significant accounting policies and other explanatory information

(All amounts in ₹ lakhs, except share data and where otherwise stated)

(a) Gratuity (continued)

(ii) Change in plan assets

	As at	
	31 March 2020	31 March 2019
Fair value of plan assets at the beginning of the year	42.53	14.78
Contributions made during the year	9.17	33.32
Interest income on plan assets	3.05	3.18
Actuarial loss	(1.64)	(7.20)
Benefits paid	(1.90)	(1.55)
Fair value of plan assets at the end of the year	51.21	42.53

(iii) Reconciliation of present value of projected benefit obligation and fair value of plan assets

Present value of projected benefit obligation at the end of the year	25.47	19.68
Funded status of the fair value of plan assets	(51.21)	(42.53)
Net asset recognised in the balance sheet	(25.74)	(22.85)

(iv) Expense recognized in the Statement of Profit and Loss

Interest cost	1.24	1.34
Service cost	3.35	3.10
Interest income on plan assets	(3.05)	(3.18)
	1.54	1.26

(v) Expense recognized in OCI

Actuarial loss, net	(4.74)	(5.97)
	(4.74)	(5.97)

(vi) Key actuarial assumptions

	As at	
	31 March 2020	31 March 2019
Discount rate	5.30%	6.60%
Salary escalation rate	8.00%	8.00%
Withdrawal rate	30.00%	30.00%
Retirement age	58 years	58 years

Note:

a) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(vii) Maturity profile of defined benefit obligation:

	As at	
	31 March 2020	31 March 2019
Within one year	7.09	5.79
Within two to five years	22.99	19.54
More than five years	20.00	16.90
	50.08	42.23

(viii) Sensitivity analysis

Reasonably possible changes as at 31 March 2020 and 31 March 2019 to one of the relevant actuarial assumptions, holding other assumptions constant, can affect the defined benefit obligation by the amounts shown below.

	As at	
	31 March 2020	31 March 2019
Discount rate (+ 1% movement)	(0.54)	(0.43)
Discount rate (- 1% movement)	0.57	0.45
Salary escalation (+ 1% movement)	0.33	0.26
Salary escalation (- 1% movement)	(0.32)	(0.28)



Heritage Nutrivet Limited

Summary of the significant accounting policies and other explanatory information

(All amounts in ₹ lakhs, except share data and where otherwise stated)

17. Deferred tax assets (net)

	As at	
	31 March 2020	31 March 2019
Deferred tax liability arising on account of: Property, plant and equipment	(238.43)	(143.16)
Deferred tax assets arising on account of: Minimum Alternate Tax (MAT) credit	45.34	36.46
Employee benefits	12.62	10.63
Provision for trade receivables	123.07	135.54
Unabsorbed tax depreciation (refer note (a) below)	102.74	-
Deferred tax assets (net)	45.34	39.47

Note:

(a) The Company has unrecognised deferred tax asset on account of unabsorbed tax depreciation aggregating to ₹37.36 as on 31 March 2020 (31 March 2019: ₹34.92) which have been not recognised on the grounds of prudence.

Movement in deferred tax assets (net)

	Unabsorbed tax depreciation	MAT credit	Others	Total
As at 1 April 2018	-	5.20	(55.31)	(50.11)
Charged/recognised - to Statement of Profit and Loss	-	31.26	58.32	89.58
As at 31 March 2019	-	36.46	3.01	39.47
Charged/recognised - to Statement of Profit and Loss	102.74	8.88	(105.75)	5.87
As at 31 March 2020	102.74	45.34	(102.74)	45.34

18. Other liabilities

	As at	
	31 March 2020	31 March 2019
Current		
Advances from customers	137.96	21.31
Payable to statutory authorities	10.58	21.33
	148.54	42.64

19. Trade payables

	As at	
	31 March 2020	31 March 2019
(a) total outstanding dues of micro and small enterprises;	6.70	19.96
(b) total outstanding dues of creditors other than micro and small enterprises	349.01	634.21
	355.71	654.17

Disclosure under Micro, Small and Medium Enterprises Development Act, 2006

The creditors covered by Micro, Small and Medium Enterprises Development Act, 2006 ("the MSMED Act, 2006") have been identified on the basis of information available with the Company. Disclosures in respect of the amounts payable to such parties are given below:

	As at	
	31 March 2020	31 March 2019
(i) The principal amount remaining unpaid as at the end of the year	6.70	19.96
(ii) The amount of interest accrued and remaining unpaid on (i) above.	-	-
(iii) Amount of interest paid by the Company in terms of Section 16, of the MSMED Act, 2006 along with the amounts of payments made beyond the appointed date during the year.	-	-
(iv) The amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid)	-	-
(v) The amount of further interest remaining due and payable in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006.	-	-



Heritage Nutrivet Limited

Summary of the significant accounting policies and other explanatory information
(All amounts in ₹ lakhs, except share data and where otherwise stated)

20. Revenue from operations

Sale of products
Other operating revenues
- Scrap sales

For the year ended	
31 March 2020	31 March 2019
10,368.97	7,365.50
16.44	10.56
10,385.41	7,376.06

Notes:

(a) Revenue disaggregation as per geography has been included in segment reporting (refer note 35).

(b) A receivable is a right to consideration that is unconditional upon passage of time. The Company sells goods on advance payment terms. In case of customers where credit is allowed, the same is disclosed under note 9 to the financial statements.

21. Other income

Interest income
Net gain on disposal of Property, plant and equipment
Lease rental income
Provisions no longer required/ credit balances written back

For the year ended	
31 March 2020	31 March 2019
7.99	8.50
0.02	-
1.65	0.91
63.56	18.35
73.22	27.76

22. Cost of materials consumed*

Raw materials and packing materials at the beginning of the year
Add: Purchases made during the year
Less: Raw materials and packing materials at the end of the year

For the year ended	
31 March 2020	31 March 2019
466.39	341.80
7,700.71	4,090.28
(583.47)	(466.39)
7,583.63	3,965.69

*Disclosed based on derived figures, rather than actual records of issue.

23. Changes in inventories of finished goods and stock-in-trade

Opening balance
- Finished goods
- Stock-in-trade

Closing balance
- Finished goods
- Stock-in-trade

For the year ended	
31 March 2020	31 March 2019
123.21	81.23
23.95	7.85
147.16	89.08
176.07	123.21
35.77	23.95
211.84	147.16
(64.68)	(58.08)

24. Employee benefit expenses

Salaries, wages and bonus
Contribution to provident and other funds (refer note a below)
Staff welfare expenses

For the year ended	
31 March 2020	31 March 2019
557.85	404.50
35.09	22.68
31.59	22.11
624.53	449.29

(a) The amount recognized as an expense towards contribution to provident fund and employee state insurance schemes for the year ended 31 March 2020 amounts to ₹33.55 (31 March 2019: ₹21.42).

25. Finance costs*

Interest on borrowings measured at amortized cost
Other borrowing costs

For the year ended	
31 March 2020	31 March 2019
178.42	53.11
27.60	29.81
206.02	82.92

*net of amount capitalised. Finance cost capitalised during the year ended 31 March 2020 aggregates to ₹Nil (31 March 2019: ₹16.19).



Heritage Nutrivet Limited

Summary of the significant accounting policies and other explanatory information
(All amounts in ₹ lakhs, except share data and where otherwise stated)

26. Other expenses

	For the year ended	
	31 March 2020	31 March 2019
Consumption of stores and spares	138.37	100.02
Power and fuel	210.23	93.35
Rent	24.57	23.12
Repairs and maintenance		
- Plant and equipment	2.13	2.50
- Others	10.28	6.54
Insurance	4.06	2.34
Rates and taxes, excluding taxes on income	19.01	10.23
Freight outwards	637.07	405.28
Communication	7.99	6.52
Office maintenance	1.37	2.33
Travelling and conveyance	38.58	39.08
Legal and professional fees	32.98	19.09
Payment to auditors (refer note (i) below)	6.05	5.50
Provision towards doubtful trade receivables	11.99	121.33
Bad debts written off	3.14	-
Bank charges	1.52	3.31
Sales promotion expenses, including sales commission	58.59	60.52
Security charges	16.06	13.84
Printing and stationery	4.50	5.58
Miscellaneous expenses	9.67	10.37
	1,238.16	930.85

(i) Details of payments to auditors :

As auditor:

- Audit fee, including tax audit

For the year ended	
31 March 2020	31 March 2019
6.05	5.50

27. Income tax

The major components of income tax expense/(benefit) and the reconciliation between expected tax expense based on the domestic effective tax rate of the Company at 26.00% (31 March 2019: 27.82%) and the reported tax expense/(benefit) in the Statement of Profit and Loss is as follows:

Income tax expense/ (benefit) reported in the Statement of Profit and Loss

Tax expense comprises of:

	For the year ended	
	31 March 2020	31 March 2019
Current tax expense	8.88	31.26
Deferred tax benefit	(5.87)	(89.58)
	3.01	(58.32)

Reconciliation of tax expense/(benefit) and the accounting profit multiplied by India's tax rate

Profit before tax

Expected tax expense at the Indian tax rate of 26.00% (31 March 2019: 27.82%)

Tax effect of amounts which are not deductible/taxable in calculating taxable income:

Other adjustments

For the year ended	
31 March 2020	31 March 2019
70.37	36.79
18.30	10.23
(15.29)	(68.55)
3.01	(58.32)



Heritage Nutrivet Limited

Summary of the significant accounting policies and other explanatory information
(All amounts in ₹ lakhs, except share data and where otherwise stated)

28. Earnings per equity share

	For the year ended	
	31 March 2020	31 March 2019
Profit for the year	67.36	95.11
Weighted average number of equity shares outstanding during the year	3,550,247	2,678,168
Earnings per equity share (in absolute ₹ terms):		
Nominal value per equity share	10.00	10.00
Basic and Diluted EPES	1.90	3.55

Note:

The Company did not have any potential dilutive equity shares as on 31 March 2020 and 31 March 2019.

29. Categories of Financial Instruments and their fair values

The carrying amount of all financial assets and financial liabilities appearing in the financial statements are reasonable approximation of their fair values.

Categories of financial instruments

	As at 31 March 2020			As at 31 March 2019		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets						
Trade receivables	-	-	125.82	-	-	310.54
Cash and cash equivalents	-	-	240.48	-	-	25.48
Loans	-	-	31.09	-	-	25.83
Others	-	-	5.24	-	-	4.90
	-	-	402.63	-	-	366.75

	As at 31 March 2020			As at 31 March 2019		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial liabilities						
Borrowings	-	-	2,048.65	-	-	1,606.55
Trade payables	-	-	355.71	-	-	654.17
Other financial liabilities	-	-	199.40	-	-	816.78
	-	-	2,603.76	-	-	3,077.50

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

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Heritage Nutrivet Limited

Summary of the significant accounting policies and other explanatory information
(All amounts in ₹ lakhs, except share data and where otherwise stated)

30. Financial risk management objectives and policies

Financial Risk Management Framework

The Board of Directors is responsible for developing and monitoring the Company's risk management policies.

The Company's principal financial liabilities comprises of borrowings, trade payables and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade receivables and cash and cash equivalents that the Company derives directly from its operations.

The Company is exposed primarily to Credit Risk, Liquidity Risk and Market risk (fluctuations in interest rates), which may adversely impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Company.

A. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk arises primarily from financial assets such as trade receivables, balances with banks and loans.

Credit risk is controlled by analyzing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, cash and cash equivalents and loans. None of the financial instruments of the Company result in material concentration of credit risk.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹402.63 and ₹366.75 as of 31 March 2020 and 31 March 2019 respectively, being the total of the carrying amount of financial assets.

Financial assets that are neither past due nor impaired

None of the Company's cash equivalents were impaired as at 31 March 2020 and 31 March 2019.

Financial assets that are past due but not impaired

The Company's credit period for customers generally ranges from 0 - 30 days. The aging of trade receivables, net of those provided for in the books of account, is given below:

	As at	
	31 March 2020	31 March 2019
Past due not impaired:		
0 - 180 days	125.82	310.54
More than 180 days	-	-
	125.82	310.54

Ind AS requires expected credit losses to be measured through a loss allowance. The Company assesses at each date of Balance Sheet whether a financial asset or a group of financial assets are impaired. Expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward-looking information.



Heritage Nutrivet Limited

Summary of the significant accounting policies and other explanatory information
(All amounts in ₹ lakhs, except share data and where otherwise stated)

30. Financial instruments risk management (continued)

B. Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use in accordance with the requirements. The Company manages liquidity risk by maintaining banking facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and financial liabilities.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

As at 31 March 2020	On demand	Up to 1 year	More than 1 year	Total
Borrowings	526.77	312.50	1,209.38	2,048.65
Trade payables	-	355.71	-	355.71
Other financial liabilities	-	199.40	-	199.40
	526.77	867.61	1,209.38	2,603.76

As at 31 March 2019	On demand	Up to 1 year	More than 1 year	Total
Borrowings	234.51	140.50	1,231.54	1,606.55
Trade payables	-	654.17	-	654.17
Other financial liabilities	-	816.78	-	816.78
	235.00	1,611.45	1,231.54	3,077.50

C. Market risk:

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments and all short-term and long-term borrowings. Market risk comprises three types of risk: interest rate risk, currency risk and other price risks.

i. Interest risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term obligations with floating interest rates.

For the years ended 31 March 2020 and 31 March 2019, every 50 basis point decrease in the floating interest rate component applicable to the Company's borrowings would have increased the profit before tax by approximately ₹9.94 and ₹3.14 respectively. A 50 basis point increase in floating interest rate would have led to an equal but opposite effect.

ii. The Company is not exposed to any other type of market risk as on 31 March 2020 and 31 March 2019.

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Heritage Nutrivet Limited

Summary of the significant accounting policies and other explanatory information (All amounts in ₹ lakhs, except share data and where otherwise stated)

31. Capital risk management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder's value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payments to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total equity plus net debt. The Company's policy is to keep the gearing ratio between 30% and 45%. The Company includes within net debt, borrowings from banks less cash and cash equivalents.

Borrowings from banks (note 14)
Less: Cash and cash equivalents (note 10)
Net debt (A)
Total equity (B)
Net debt and total equity (A) + (B)
Gearing ratio (%)

As at	
31 March 2020	31 March 2019
2,048.65	1,606.55
(240.48)	(25.48)
1,808.17	1,581.07
3,110.53	2,287.91
4,918.70	3,868.98
36.76%	40.87%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the borrowings from banks that define capital structure requirements. Breaches in meeting the financial covenants would permit the bankers to immediately call back the borrowings. There is no impact on the financial statements for the year ended 31 March 2020 due to breach in a financial covenant attached to the borrowings of the Company. There was no breach in the financial covenants of any borrowings during the previous year ended 31 March 2019.

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Heritage Nutrivet Limited

Summary of the significant accounting policies and other explanatory information

(All amounts in ₹ lakhs, except share data and where otherwise stated)

32. Related party disclosures

(a) Names of the related parties and nature of relationship

Names of related parties	Nature of relationship
Heritage Foods Limited	Holding Company
Heritage Farmers Welfare Trust	Enterprises over which KMP exercise significant influence
Heritage Finlease Limited	
Nirvana Holdings Private Limited	
N Bhuvaneswari	Key Managerial Personnel ("KMP")
N Brahmani	
M Sambasiva Rao	

(b) Transactions with related parties

	For the year ended	
	31 March 2020	31 March 2019
(i) Heritage Foods Limited		
Issue of equity shares	750.00	550.00
Equity contribution from Holding Company	10.00	22.94
Purchases	23.54	48.41
Financial guarantee expense	23.39	22.07
Sale of products	5,453.37	4,425.34
Sale of Property, plant and equipment	3.65	-
Lease rental expense	18.27	6.64
Purchases of Property, plant and equipment	-	23.34
Expenditure incurred on behalf of the Company	7.69	-
(ii) N Bhuvaneswari		
Sitting fees	0.50	0.60
(iii) N Brahmani		
Sitting fees	0.50	0.40
(iv) M Sambasiva Rao		
Sitting fees	0.60	0.60
(v) Heritage Farmers Welfare Trust		
Sale of products	431.51	-
Lease rental income	0.54	-
(vi) Heritage Finlease Limited		
Lease rental income	0.54	-
(vii) Nirvana Holdings Private Limited		
Lease rental income	0.54	-

(c) Balances receivable/(payable)

	As at	
	31 March 2020	31 March 2019
(i) Heritage Foods Limited		
Other payables	(0.49)	(1.85)
Trade receivables	46.08	72.40
(ii) Heritage Farmers Welfare Trust		
Other receivables	0.05	-



Heritage Nutrivet Limited

Summary of the significant accounting policies and other explanatory information

(All amounts in ₹ lakhs, except share data and where otherwise stated)

32. Related party disclosures (continued)

(c) Balances receivable/(payable) (continued)

	As at	
	31 March 2020	31 March 2019
(iii) Heritage Finlease Limited		
Other receivables	0.05	-
(iv) Nirvana Holdings Private Limited		
Other receivables	0.76	-

Notes:

(a) The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2020, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2019: Nil). This assessment is undertaken each financial year through examining the financial position of the related parties and the market in which such parties operates.

(b) As at 31 March 2020 and 31 March 2019, the Holding Company has outstanding guarantees given to bankers towards loans availed by the Company. Amount outstanding to bankers by the Company as at 31 March 2020 is ₹2,048.65 (31 March 2019: ₹1,606.55).

33. Contingent liabilities and commitments

	As at	
	31 March 2020	31 March 2019
(i) Contingent liabilities		
Guarantees excluding financial guarantees	5.24	4.90
(ii) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for;	2.28	94.54

(iii) The Hon'ble Supreme Court (SC) has clarified in the case of Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal that various allowances like conveyance allowance, special allowance, education allowance, medical allowance etc., paid uniformly and universally by an employer to its employees shall form part of basic wages for computation of the provident fund contribution. On the basis of internal evaluation, supported by a legal opinion from an independent legal expert, the management has determined that there is no impact of the aforesaid ruling on the financial statements of the Company.

34. Leases

Transition to Ind AS 116

Effective 1 April 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on 1 April 2019 using the modified retrospective method and has taken the cumulative adjustment, if any, to retained earnings, on the date of initial application. Comparatives as at and for the year ended 31 March 2019 have been not retrospectively adjusted and therefore shall continue to be reported in accordance with the accounting policies included as part of the Annual Report for the year ended 31 March 2019.

On transition, the adoption of the new standard did not result in recognition of any 'Right of Use' assets and lease liabilities. Consequently, there was no impact on retained earnings of the Company.

The following is the summary of practical expedients elected on initial application:

1. Applied the exemption not to recognize ROU assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
2. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

Rental expense recorded for short-term leases was ₹24.57 for the year ended 31 March 2020.



Heritage Nutrivet Limited

Summary of the significant accounting policies and other explanatory information

(All amounts in ₹ lakhs, except share data and where otherwise stated)

35. Segment reporting

The management has assessed the identification of reportable segments in accordance with the requirements of In AS 108 'Operating Segment' and believes that the Company has only one reportable segment namely "Feed".

(a) Revenue from customers

The Company has one customer who has contributed more than 10% to the Company's revenue from operations during the current and previous year. The revenue from such major customer during the year ended 31 March 2020 is ₹5,453.37 (31 March 2019: ₹4,425.34). The entire revenue from operations is attributable to customers based out of India.

(b) Non-current assets

The entire non-current assets of the Company as at 31 March 2020 and 31 March 2019 are located in India. Non-current assets for this purpose consist of Property, plant and equipment and Capital work in progress.

This is the summary of the significant accounting policies and other explanatory information referred to in our report of even date.

For **Walker Chandio & Co LLP**

Chartered Accountants

Firm's Registration No: 001076N/N500013


Sanjay Kumar Jain

Partner

Membership No.: 207660

Place: Hyderabad

Date: 21 May 2020



For and on behalf of Board of Directors of

Heritage Nutrivet Limited



N Brahmani

Managing Director

DIN: 02338940

Place: Hyderabad

Date: 21 May 2020



M Sambasiva Rao

Director

DIN: 01887410