



Heritage Novandie Foods Private Limited





TABLE OF CONTENTS

Corporate Information	01
Notice	02
Board's Report	05
Independent Auditor's Report	14
Balance Sheet	18
Statement of Profit and Loss	19
Cash Flow Statement	20
Statement of Changes In Equity	22
Significant Accounting Policies	23



CORPORATE INFORMATION

Board of Directors

Mrs. N. Brahmani (DIN: 02338940)	- Director
Mr. Srivishnu Raju Nandyala (DIN: 00025063)	- Director
Mr. Emilie Laure Lucie Moulard Anand (DIN: 08005149)	- Director
Mr. Serge Michel Lanskoy (DIN: 0858665)	- Director

Statutory Auditors

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

Registered Office:

#6-3-541/C, Panjagutta,
Hyderabad-500082, India
CIN : U74999TG2017PTC120860

Bankers

ICICI Bank Limited
Begumpet Branch,
Hyderabad, Telangana



NOTICE

NOTICE is hereby given that the Fourth (4th) Annual General Meeting (AGM) of the members of Heritage Novandie Foods Private Limited will be held on Friday, July 23, 2021 at 2.30 p.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, 2021, 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, 2021 and the reports of the Board of Directors and Auditors thereon, as circulated to the members be and are hereby considered and adopted."

SPECIAL BUSINESS

2. Approval of Related Party Transactions:

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

"RESOLVED THAT pursuant to provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactments thereof, approval of the members of the Company be and is hereby accorded for the Related Party Transactions with Heritage Foods Limited for FY 2021-22 based on the expected value of transactions of ₹ 30 Millions, which is exceeding 10% of the turnover of the Company for FY 2020-21.

"RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorized to do or cause to be done all such acts, matters, deeds and things and to settle any questions, difficulties or doubts that may arise with regard to any transactions with related parties and execute such agreements, documents and writings and to make such filings, as may be necessary or desirable for the purpose of giving effect to this resolution."

By Order of the Board
For **HERITAGE NOVANDIE FOODS PRIVATE LIMITED**

Sd/-
N. BRAHMANI
DIRECTOR
DIN: 02338940

Place: Hyderabad
Date: 12th May, 2021

Notes:

1. Considering the present Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular no: 02/2021 dated January 13, 2021 and Circular no. 20/2020 May 5, 2020 read together with all related circulars issued by MCA permitting 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 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.
5. 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 are requested to register as soon as possible.

6. M/s. Walker Chandiok & Co LLP, Chartered Accountants (FRN 001076N/500013), Chartered Accountants, Hyderabad, was appointed as the Statutory Auditor of the Company at the 3rd Annual General Meeting held on August 21, 2020, Friday in pursuant to section 139 of the Companies Act, 2013 read with Companies (Audit and Accounts) Rules, 2014 (including any statutory modification and amendment thereof) to hold the office till the conclusion of the 8th Annual General Meeting of the Company to be held in the Year 2025.

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 is empowered to fix the remuneration of the Statutory Auditor on yearly basis.

By Order of the Board
For **HERITAGE NOVANDIE FOODS PRIVATE LIMITED**

Sd/-
N. BRAHMANI
DIRECTOR
DIN: 02338940

Place: Hyderabad
Date: 12th May, 2021

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013:

Item No. 2:

Pursuant to the provisions of Section 188 of the Companies Act, 2013 ("the Act"), read with the Companies (Meetings of Board and its Powers) Rules, 2014 ("Rules"), the Company is required to obtain consent of the Board of Directors and prior approval of the members by way of ordinary resolution, in case of certain material transactions with related parties which exceeds such sum as is specified in the said Rules. For this purpose, a transaction is considered material, if the transaction/ transactions to be entered into individually or taken together with previous transactions during a Financial Year exceed 10% of the turnover of the Company, as per the last audited financial statements of the Company.

The Company is a 50:50 Joint Venture of Heritage Foods Limited and Novandie. The company has arrangements with Heritage Foods Limited for purchase of milk and other dairy products, the expected value of purchase transaction is ₹ 30 millions for the Financial Year 2021-22 and has taken the plant on lease from Heritage Foods Limited and it may have some other transactions during the year with Heritage Foods Limited, which is anticipated to exceed 10% of the turnover of the Company during the preceding financial year ended 31st March 2021 (i.e. ₹ 3 million). Thus, these transactions would require the approval of the Members by way of Ordinary Resolution.

Pursuant to the requirements prescribed under the Companies (Meetings of the Board and its Powers) Rules, 2014 as amended from time to time, the details in relation to the transactions with related parties, is as under:

Nature of Transactions as per Section 188 of the Companies Act, 2013: Purchase of Milk and other dairy products

Name of the Related Party: Heritage Foods Limited

Name of Director or Key Managerial Personnel who is related: Smt. N Brahmani and Sri.N.Sri Vishnu Raju

Nature, Material Terms, Monetary value and particulars of the contract or arrangement: The company Purchases Milk and other dairy products from Heritage Foods Limited of an expected value of transactions of ₹ 30 millions which is expected to exceed 10% of the turnover of the Company for the FY 2020-21.

Any Other Information relevant or important for the Members to take decision on the proposed resolution: The Purchase price for the purchase of milk and other dairy products shall be decided, based on the prevailing market rate.

No Shareholder of the Company except Heritage Foods Limited are related party or having interest in the Ordinary Resolution as set out at Item No. 2 of the Notice.

Except Smt. N. Brahmani and Sri. N. Vishnu Raju, who are also on the Board of Heritage Foods Limited and their relatives to the extent of their shareholding or directorship, none of the Directors and Key Managerial Personnel of the Company and their respective relatives are concerned or interested, financial or otherwise, in the resolution at Item No. 2

Your Directors recommend the resolution set forth in Item No. 2 as Ordinary Resolution for the approval of the members.

BOARD'S REPORT

Dear Members,

Your Directors have pleasure in presenting the Fourth (4th) Annual Report of the Company together with the Audited Accounts of the Company for the financial year ended March 31, 2021.

Financial Results

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

Particulars	(₹ in Millions)	
	Year ended 31st March 2021	Year ended 31st March 2020
Turnover	0.88	-
Profit/(Loss) before taxation	(44.16)	(14.00)
Less: Tax Expense	-	-
Profit/(Loss) after tax	(44.16)	(14.00)

Company's affairs and future outlook

The Board noted about the operational highlights specifying growth in terms of volume and value of the key products/ services of the Company which led to overall growth in operating profit. The Company had started its commercial production on February 16, 2021 and launched French Yoghurt brand 'Mamie Yova' in India. Various products launched by the company during the Financial Year 2020-21 includes: Stirred fruit yoghurts in Mango, Strawberry, Lychee and Blueberry flavor, "Yo Pop", drinkable yogurt, available in Banana, Vanilla, Pina Colada and Mango flavours.

During the year under review, the Company earned a total income of ₹ 1.17 Million and expenses of ₹ 45.33 Million. The Net Profit/ (Loss) after tax was (44.16) Million.

The Company has not changed its nature of business during the year under review.

Share Capital

The Authorised Share Capital of the company as on 31st March, 2021 was Rs. 7,00,00,000/- (Rupees seven crores only) divided into 7,00,000 equity shares @10/- each and Paid-up Equity Share Capital as on March 31, 2021 was ₹ 6,97,11,580/- (Rupees Six Crore Ninety Seven Lakh Eleven Thousand Five Hundred Eighty Only) divided into 69,71,158 equity shares of ₹ 10/- each.

During the year under review, there is no changes in the Authorised share capital of the company and the paid up share capital of the Company increased from ₹ 4,56,05,980/- to ₹ 6,97,11,580/-

In pursuant to the provisions of Section 62(1) (a) of the Companies Act 2013 and relevant rules made thereunder, during the Financial Year 2020-21, the following allotments were made to the shareholders of the Company on right issue basis.

Allotment No.	Board Meeting	Name of the Shareholders	Allotment Price(Rs.)	Shares Alloted
1	16.06.2020	Heritage Food Limited	10/- (Face Value) + 45.00/- (Premium)	7,27,272
		Novandie		7,27,272
2	23.02.2021	Heritage Food Limited	10/- (Face Value) + 45.02/- (Premium)	4,78,008
		Novandie		4,78,008

Compliance with the provisions of Secretarial Standard-1 and Secretarial Standard-2

The applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings' respectively, have been duly complied by the Company.

Transfer to General Reserves

Your Directors do not propose to transfer any amount to General Reserves for the financial year ended March 31, 2021.

Change in Nature of Business

There has been no change in the nature of business of the Company.

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, 2021 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**). The Company had entered into a arrangement with Heritage Foods Limited for purchase of milk and other dairy products apart from taking the premises on lease, expected transaction value of Rs.30 Millions for the Financial Year ended 2021-22. Further there were no materially significant related party transactions held during the FY 2020-21 with Promoters, Directors, Key Managerial Personnel and their relatives, or any other related parties 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.

Annual Return

Pursuant to section 92(3), 134(3)(a) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, as amended from time to time, the Annual Return for FY 2020-21 is uploaded on the website of the Company and the same is available at <https://www.heritagefoods.in/jv/hnfppl-annualreturn>

Dividend

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

Board Meetings and Annual General Meeting

During the Financial Year 2020-21, Ten (10) Meetings of the Board of Directors of the Company were held on 20th May, 2020, 27th May, 2020, 16th June, 2020, 24th July, 2020, 23rd October, 2020 16th November, 2020, 19th January, 2021, 8th February, 2021, 23rd February, 2021 and 26th March, 2021. The Annual General Meeting of the Company was held on 21st August, 2020.

Directors

During the period under Review, there was no change in the Directorship of the Company.

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, Company is the 50:50 Joint Venture of M/s. Heritage Foods Limited, Hyderabad, India and M/s. Novandie, France.

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

Pursuant to the provision of 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 3rd Annual General Meeting held on 21st August, 2020, approved the appointment of M/s. Walker Chandiok & Co LLP (Firm's Registration No : 001076N/N500013), Hyderabad, as the Statutory Auditors of the Company for a continuing period of 5 years till the conclusion of 8th Annual General Meeting of the Company to be held in the year 2025.

They have submitted the Auditors' Report (UDIN: 21207660AAAACV9689) dated May 12, 2021, for Financial Year 2020-21 The Auditors Report is unmodified and it does not contain any qualification, reservation or adverse remark or disclaimer.

Secretarial Auditor:

Smt. Khusboo Laxmi Agrawal (M No: 9376, CP No:14703) , Practicing Company Secretary, was appointed to conduct the Secretarial Audit of the Company for the financial year 2020-21 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:F009376C000157700) for financial year 2020-21 issued by Smt. Khusboo Laxmi Agrawal (M No: 9376, CP No:14703), Practicing Company Secretary in form MR-3 is provided in the **Annexure-II** of the Board's report.

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

The Board has appointed Smt. Khusboo Laxmi Bhagat, (M No: 9376, CP No:14703), Practicing Company Secretary, as Secretarial Auditor of the Company for the financial year 2021-22 as per the provisions of the Companies Act, 2013.

Particulars of Loan, Guarantees and Investments under Section 186

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

Secured Loans: ₹ 120.22 Millions

Unsecured Loans: NIL

Current/Non- Current Investments: NIL

Guarantees: NIL

Securities Extended: NIL

However the parent companies i.e. Heritage Foods Limited and Novandie (as per their 50:50 shareholding) has extended a guarantee amounting to ₹ 17 Crs. long term loan and ₹ 5 Crs. working capital Loan sanctioned by ICICI bank.

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

There are no material changes since 31st March 2021 and till the date of this report.

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

Your Company has in place an Anti-Sexual Harassment Policy as per the requirements of the Sexual Harassment of Women

at Workplace (Prevention, Prohibition and Redressal) Act, 2013('POSH Act'). 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

Particulars of Employees

None of the employees have received the remuneration of ₹ 1.02 Crore in whole year or ₹ 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.

Statement of Particulars of Employees, pursuant to the provisions of Section 197 of the Companies Act, 2013, read with Rule 5(2) (Appointment and Remuneration of Managerial Personnel) Rules, 2014, no employees comes under these provisions during the year under review. However the top ten employees of the company in terms of remuneration drawn are as follows:

Sl No	Employee Name	Designation	Department	DOB	DOJ	Annual Gross Remuneration Received For FY20-21 (Rs in Million)	No of Equity Shares held in the Company
1	Avanti Dhar	Manager-S&M	Marketing	3/15/1990	5/16/2018	1.62	Nil
2	Chaitali Nitin Patil	Manager-QC and R&D	QC & R&D	12/08/1989	6/01/2018	1.62	Nil
3	Bhomle Rahul Rambhau	Manager-OPNS	Operations	4/23/1976	8/12/2019	2.13	Nil
4	M Vivek	General Manager	General	4/8/1982	10/3/2019	3.32	Nil
5	Akshay Krishna Mahadik	Manager - HR	HR	9/5/1989	3/11/2020	1.06	Nil
6	Vrushali Rajesh Nawathye	Manager - F&A	F&A	9/1/1989	6/4/2020	1.35	Nil
7	Dheeraj Radhelal Palewar	NSM	Sales	4/28/1979	9/7/2020	0.72	Nil
8	Rahul Pandey	ASM	Sales	3/9/1986	9/7/2020	0.39	Nil
9	Abhinav Chourasia	AGM Projects	Projects	4/21/1984	11/23/2020	0.60	Nil
10	Ajay Pawar	Sales Executive	Sales	5/19/1982	11/23/2020	0.16	Nil

All the above employees are permanent employees of the Company and they are not relatives of any Director of the company. None of the employees are working out side of India.

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

The information required to be given pursuant to Section 134 (3) (m) of the Companies Act, 2013, Particulars of Conservation of Energy/Technology absorption is attached in **Annexure-III**

Public Deposits

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

Cash Flow Statement

In conformity with the Companies Act, 2013 and Accounting Standard – III under Section 129 of the Companies Act, 2013, the Cash Flow Statement for the year ended on March 31, 2021 is attached as a part of the Financial Statement of the Company.

Directors Responsibility Statement

In conformity with the provisions under Section 134 (5) of the Companies Act, 2013 your directors confirm that:-

- a) In the preparation of the annual accounts for Financial Year ended March 31, 2021, the applicable accounting standards have been followed and there are no material departures.

- b) The Directors had 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, 2021 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 other 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 are adequate and operating effectively.

Acknowledgment

The Board take this opportunity to thank all stakeholders 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.

By Order of the Board
For **HERITAGE NOVANDIE FOODS PRIVATE LIMITED**

Sd/-
N. Brahmani
Director
DIN: 02338940

Sd/-
Emilie Laure Lucie Moulard Anand
Director
DIN: 08005149

Place: Hyderabad
Date: 12th May, 2021

Annexure-I

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

- Details of contracts or arrangements or transactions not at arm's length: Nil
- Details of contracts or arrangement or transactions at arm's length: contracts or arrangements or transactions at arm's length basis for the financial year ended 31st March, 2021 are as follows:

(Amt. ₹ in Millions)

Sr. No.	Name(s) of the related party	Nature of Relationship	Nature of contracts/ arrangements/ transactions	Value of contracts/ arrangements/ transactions during the Year (₹ in Millions)	Duration of contracts/ arrangements/ transactions
1.	Heritage Foods Limited	Parent Company	Investment Received	74.64	One time transaction
			Purchase of products	0.10	Case to case - purchase order/invoice
			Financial guarantee Expenses	1.23	During the financial year 2020-21
			Lease rental Expenses	0.95	On yearly basis
			Expenditure borne by HFL on behalf of Company	1.86	One time transaction

Note: Appropriate approvals have been taken from the Board for related party transactions by the Company and no amount is paid as advance for the above related party transactions..

For and on behalf of
HERITAGE NOVANDIE FOODS PRIVATE LIMITED

Sd/-
N. Brahmani
Director
DIN: 02338940

Sd/-
Emilie Laure Lucie Moulard Anand
Director
DIN: 08005149

Place: Hyderabad
Date: 12th May, 2021

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

For the Financial year ended 31st March, 2021

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

To,
The Members,
Heritage Novandie Foods Private Limited
CIN: U74999TG2017PTC120860
6-3-541/C, Irrum Manzil Colony
Punjabgutta, 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 Novandie Foods Private 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, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021 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;
- (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.

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.
- c) The Annual General Meeting held on 21st August, 2020.
- 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. During the year under review the Company has appointed one Director in the Board.
- f) During the year under review the Board of Directors met 10 times, i.e. 20th May, 2020, 27th May, 2020, 16th June, 2020, 24th July, 2020, 23rd October, 2020, 16th November, 2020, 19th January, 2021, 8th February, 2021, 23rd February, 2021 and 26th March, 2021. The time gap between the two Board meetings is within 120 days.

- g) During the year under review, no payment of remuneration was made to Directors.

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 KLB & Associates

CS Khusboo Laxmi Bhagat
M. No:9376, CP No:14703
UDIN: F009376C000157700

Place: Hyderabad

Date: 22nd April, 2021



ANNEXURE-A TO SECRETARIAL AUDIT REPORT

To,
The Members,
Heritage Novandie Foods Private Limited
CIN: U74999TG2017PTC120860
6-3-541/C, Punjagutta, 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.

For KLB & Associates

Place: Hyderabad
Date: 22nd April, 2021

CS Khusboo Laxmi Bhagat
M. No:9376, CP No:14703
UDIN: F009376C000157700

Annexure - III

Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo required under the Companies (Accounts) Rules, 2014**A. Conservation of Energy**

"Your Company is committed to looking for innovative ways to optimize the energy mix towards cleaner, more efficient forms of energy increasing share of renewable energy sources, while continuing to reduce consumption.

- i. The steps taken or impact on conservation of energy - Nil
- ii. The steps taken by the company for utilising alternate sources of energy - Nil
- iii. The capital investment on energy conservation equipments - Nil

B. Technology Absorption

- i. The efforts made by the Company towards technology absorption during the year under review are:
 - Keeping a tab on the daily water, electricity and coal utilization for future optimisation
 - Plan to use solar power for factory lighting in future
 - Production schedule planned with energy optimization.
- ii. The benefits derived like product improvement, cost reduction, product development or import substitution - Nil
- iii. The Expenditure incurred on Research and Development : Nil

- C. Foreign Exchange Earnings and Outgo:** During the FY 2020-21 the Company has received an amount of INR 46.30 Million as equity share capital from one of its shareholder viz. Novandie, France and the outgo is Nil

For and on behalf of
HERITAGE NOVANDIE FOODS PRIVATE LIMITED

Place: Hyderabad
Date: 12th May, 2021

Sd/-
N. Brahmani
Director
DIN: 02338940

Sd/-
Emilie Laure Lucie Moulard Anand
Director
DIN: 08005149

INDEPENDENT AUDITOR'S REPORT

To the Members of Heritage Novandie Foods Private Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of Heritage Novandie Foods Private Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2021, 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 2021, and its loss (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.

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

5. The accompanying financial statements have been approved by the Company's Board of Directors. 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. The Board of Directors are 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 but not for the purpose of expressing an opinion on whether the Company has in place adequate internal financial controls with reference to financial statements 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; and
- 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.

Other Matter

11. The financial statements of the Company for the year ended 31 March 2020 were audited by the predecessor auditor, BSR & Associates LLP, who have expressed an unmodified opinion on those financial statements vide their audit report dated 20 May 2020.

Report on Other Legal and Regulatory Requirements

12. Based on our audit, we report that the provisions of section 197 read with Schedule V to the Act are not applicable to the Company since the Company is not a public company as defined under section 2(71) of the Act. Accordingly, reporting under section 197(16) is not applicable.
13. 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.
14. 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 2021 from being appointed as a director in terms of section 164(2) of the Act;
 - f) in our opinion and to the best of our information and according to the explanations given to us, the provisions of section 143(3)(i) for reporting on the

adequacy of internal financial controls with reference to financial statements and the operating effectiveness of such controls of the Company, are not applicable; 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 2021;
 - 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 2021;
 - 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 2021; 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: **21207660AAAACV9689**

Place: Hyderabad
Date: 12 May 2021

Annexure A to the Independent Auditor's Report

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) All Property, plant and equipment have not been physically verified by the management during the year, however, there is a regular program of verification once in three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The Company does not hold any immovable properties. In respect of an immovable property taken on lease and disclosed under Property, plant and equipment in the financial statements, the lease agreement is in the name of the Company.
- (ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year 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 services. 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, sales-tax, service tax, goods and services 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, goods and services tax, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.
- (viii) The Company has not defaulted in repayment of loans or 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 during the year.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loan was applied for the purpose for which the loan was obtained.
- (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 provisions of Section 197 of the Act read with Schedule V to the Act are not applicable to the Company since the Company is not a public company as defined under Section 2(71) of the Act. Accordingly, 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 Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Sanjay Kumar Jain

Partner

Membership No.: 207660

UDIN: **21207660AAAACV9689**

Place: Hyderabad

Date: 12 May 2021

BALANCE SHEET AS AT 31ST MARCH 2021

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

Particulars	Note	As at 31 March 2021	As at 31 March 2020
ASSETS			
Non-current assets			
(a) Property, plant and equipment	6	305.62	12.32
(b) Capital work-in-progress	33	53.90	158.92
(c) Other intangible assets		1.09	0.01
(d) Financial assets:			
(e) Other financial assets	7	0.96	0.95
(f) Other non-current assets	8	13.06	41.86
Total non-current assets		374.63	214.06
Current assets			
(a) Inventories	9	5.10	
(b) Financial assets			
(i) Trade Receivables		0.27	-
(ii) Cash and cash equivalents	10	39.78	14.01
(iii) Other financial assets	7	0.37	0.18
(c) Current tax assets(net)		0.01	0.11
(d) Other current assets	8	7.41	1.01
Total current assets		52.94	15.31
Total assets		427.57	229.37
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	11	69.71	45.61
(b) Other equity	12	179.80	107.12
Total equity		249.51	152.73
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	13	120.22	52.06
(ii) Other financial liabilities	14	12.26	11.89
(b) Provision	15	0.51	-
Total non-current liabilities		132.99	63.95
Current liabilities			
(a) Financial liabilities:			
(i) Borrowings	13	0.99	-
(ii) Trade payables			
total outstanding dues of micro enterprises and small enterprises	31	-	-
total outstanding dues of creditors other than micro enterprises and small enterprises		2.68	-
(iii) Other financial liabilities	14	40.33	12.31
(b) Other current liabilities	16	0.49	0.38
(c) Provision	15	0.58	-
Total current liabilities		45.07	12.69
Total equity and liabilities		427.57	229.37

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.

As per our report of even date attached.

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

Sanjay Kumar Jain
Partner
Membership No. 207660

Place: Hyderabad
Date: 12 May 2021

For and on behalf of Board of Directors of
Heritage Novandie Foods Private Limited

N Brahmani
Director
DIN: 02338940

Place: Hyderabad
Date: 12 May 2021

Emilie Laure Lucie Moulard Anand
Director
DIN: 08005149

Place: Gurugram
Date: 12 May 2021

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2021

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

Particulars	Note	For the year ended 31 March 2021	For the year ended 31 March 2020
Revenue from operations	17	0.88	-
Other income	18	0.29	1.15
Total income		1.17	1.15
Expenses			
Cost of materials consumed	19	1.26	-
Changes in inventories of finished goods	20	(0.27)	
Employee benefits expense	21	18.56	6.34
Finance costs	22	4.08	0.29
Depreciation and amortisation expense	6	3.38	0.12
Other expenses	23	18.32	8.41
Total expenses		45.33	15.16
Loss before tax		(44.16)	(14.01)
Tax Expenses		-	-
Loss for the year		(44.16)	(14.01)
Other comprehensive loss		-	-
Total comprehensive loss for the year		(44.16)	(14.01)
Earnings per equity share[EPES](in absolute ₹ terms)	24		
Per value per equity share		10.00	10.00
Basic and Diluted EPES		(7.60)	(3.07)

The accompanying notes referred to above form an integral part of the financial statements.

This is the statement of profit and loss referred to in our report of even date.

As per our report of even date attached.

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

For and on behalf of Board of Directors of
Heritage Novandie Foods Private Limited

Sanjay Kumar Jain
Partner
Membership No. 207660

N Brahmani
Director
DIN: 02338940

Emilie Laure Lucie Moulard Anand
Director
DIN: 08005149

Place: Hyderabad
Date: 12 May 2021

Place: Hyderabad
Date: 12 May 2021

Place: Gurugram
Date: 12 May 2021

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH 2021

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

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Cash flow from operating activities :		
Loss before tax	(44.16)	(14.01)
Adjustments for:		
Depreciation and amortisation expense	3.38	0.12
Interest income	(0.21)	(1.15)
Finance costs	4.08	0.29
Operating loss before working capital changes	(36.91)	(14.75)
Adjustments for:		
Changes in trade receivables	(0.27)	-
Changes in financial and other assets	(4.90)	(0.80)
Changes in financial and other liabilities	(0.05)	1.69
Changes in trade payables	2.68	-
Change in provisions	1.09	-
Changes in inventories	(7.20)	-
Cash used in operations Activities	(45.56)	(13.86)
Income taxes paid, net	0.10	(0.10)
Net cash used in operating activities (a)	(45.46)	(13.96)
Cash flow from investing activities		
Purchase of PPE and other intangible assets, including CWIP	(140.63)	(126.40)
Interest received	0.12	1.14
Movement in other bank balances, net	-	21.62
Net cash used in investing activities (b)	(140.51)	(103.64)
Cash flow from financing activities:		
Proceeds from issue of equity shares	132.60	-
Proceeds from long term borrowings	112.00	58.00
Repayment of long term borrowings	(19.97)	-
Interest paid	(12.98)	(2.62)
Lease rentals paid	(0.90)	(0.90)
Payment towards loan processing fee	-	(0.36)
Net cash generated from financing activities (c)	210.75	54.12
Net change in cash and cash equivalents during the year (a+b+c)	24.78	(63.48)
Cash and cash equivalents at the beginning of the year	14.01	77.49
Cash and cash equivalents at the end of the year (Note 1)	38.79	14.01

	As at 31 March 2021	As at 31 March 2020
Note 1:		
Cash and cash equivalents includes		
Balances with banks in current accounts	7.15	13.86
Deposits with original maturity up to 3 months	32.60	0.15
Cash on hand	0.03	-
Cash credit facility from a bank	(0.99)	-
	38.79	14.01

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: 12 May 2021

For and on behalf of Board of Directors of
Heritage Novandie Foods Private Limited

N Brahmani
Director
DIN: 02338940

Place: Hyderabad
Date: 12 May 2021

Emilie Laure Lucie Moulard Anand
Director
DIN: 08005149

Place: Gurugram
Date: 12 May 2021

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2021

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

A. Equity Share Capital

	Notes	Number of Shares	Amount
As at 1 April 2019		4,560,598	45.61
Equity shares issued during the year	11	-	-
As at 31 March 2020		4,560,598	45.61
Equity shares issued during the year	11	2,410,560	24.10
As at 31 March 2021		6,971,158	69.71

B. Other Equity (refer note 12)

	Reserves and Surplus			Total
	Securities premium	Equity contribution from Joint Venturers	Retained Earnings	
Balance as at 31 March 2019	126.39	-	(9.30)	117.09
Loss for the year	-	-	(14.01)	(14.01)
Impact on account of adoption of Ind AS 116	-	-	(0.02)	(0.02)
Equity contribution from Joint Venturers	-	4.06	-	4.06
Balance as at 31 March 2020	126.39	4.06	(23.33)	107.12
Issue of equity shares	108.50	-	-	108.50
Loss for the year	-	-	(44.16)	(44.16)
Equity contribution from Joint Venturers	-	8.34	-	8.34
Balance as at 31 March 2021	234.89	12.40	(67.49)	179.80

This is the Statement of Changes in Equity 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: 12 May 2021

For and on behalf of Board of Directors of
Heritage Novandie Foods Private Limited

N Brahmani
Director
DIN: 02338940

Place: Hyderabad
Date: 12 May 2021

Emilie Laure Lucie Moulard Anand
Director
DIN: 08005149

Place: Gurugram
Date: 12 May 2021

Summary of the significant accounting policies and other explanatory information`

1. Corporate information

Heritage Novandie Foods Private Limited (“HNFPL” or “the Company”) is a Private Limited Company incorporated in India having its registered office at #6-3-541/C, Punjagutta, Hyderabad – 500082 Telangana, India. The Company has been incorporated on 28 November 2017. The Company is a Joint Venture (JV) of Heritage Foods Limited, India and Novandie, France with 50:50 shareholding and equal Board composition. The principal activity of the Company is manufacturing and selling of fruit and flavoured yogurts. The Company operates through its factory located at Palghar, Maharashtra, India.

2. Basis of preparation of the financial statements

These financial statements as at and for the year ended 31 March 2021 comply in all material aspects with the Indian Accounting Standards (“Ind-AS”) notified under the Companies (Indian Accounting Standards) Rules, 2015.

These financial statements have been prepared by the Company as a going concern on the basis of relevant Ind-AS that are effective or elected for early adoption at the Company’s annual reporting date, 31 March 2021. These financial statements were authorised for issuance by the Company’s Board of Directors on 12 May 2021.

These financial statements have been prepared on historical cost convention, except for the following material items:

- (a) Financial assets are measured at either at fair value or at amortised cost depending upon the classification.
- (b) Employee defined benefits 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 obligations.
- (c) Long-term borrowings are measured at amortised cost using the effective interest rate method; and
- (d) Right-of-use assets are recognised at present value of lease payments, that are not paid at that date, adjusted for any lease payments made at or before the commencement date, lease incentives received and initial direct cost incurred, if any.

The financial statements are presented in Indian Rupees (₹) and all values are rounded to the nearest millions, except when otherwise indicated.

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.

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. 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.

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.

c. Revenue recognition

The Company derives revenues primarily from manufacturing and selling of fruit and flavoured yogurt.

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.

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

d. 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 is recognised in the Statement of profit and loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised 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 is recognised in the Statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the deferred tax is also recognised in other comprehensive income or directly in equity, respectively.

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.

e. Property, plant and equipment (PPE)

Property, plant and equipment are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, 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.

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.

Asset class	Useful life (years)
Building	30
Plant and machinery	15
Office Equipment	3 to 5
Furniture and Fixtures	10
Vehicles	10

f. 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.

g. Leases

The Company as a lessee

The Company's lease asset classes primarily consist of leases for factory land. 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 Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability,

reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised substance fixed lease payments. The Company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the Right-of-use asset and Statement of Profit and Loss depending upon the nature of modification. Where the carrying amount of the Right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in the Statement of Profit and Loss.

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.

h. Inventories

All inventories are ascertained on FIFO basis. Raw material and packing material are valued at cost, whereas Finished goods are valued at Cost or net realisable value ("NRV") whichever is lower.

Cost of inventories comprises following:

- Raw material 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.

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.

i. 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.

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.

j. 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.

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".

k. 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.

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.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other

comprehensive income (OCI). On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit and loss.

Equity instruments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

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.

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 borrowings and payables, net of directly attributable transaction costs.

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

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the Statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to the Statement of profit and loss. However, the company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of profit and loss. The company has not designated any financial liability as at fair value through profit and loss.

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.

I. 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.

m. Cash flow statement

The Cash flow statement is prepared as per the Indirect Method. Cash flow statement presents 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.

n. 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.

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.

5. Standards and recent pronouncements issued but not yet effective

On 24 March 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from 1 April 2021.

Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- a. Lease liabilities to be disclosed separately under the head 'financial liabilities', duly distinguished as current or non-current.
- b. Certain additional disclosures in the Statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- c. Specified format for disclosure of shareholding of promoters.

- d. Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- e. Disclosure of amounts borrowed and utilised for other than the specific purposes.
- f. Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- g. Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

6. Property, plant and equipment

	Buildings	Plant and equipment	Office Equipment	Furniture and fixtures	Vehicles	Right-of-use assets	Total
Gross Block							
Balance as at 1 April 2019	-	-	0.19	-	-	12.35	12.54
Additions during the year	-	-	0.20	0.14	-	-	0.34
Balance as at 31 March 2020	-	-	0.39	0.14	-	12.35	12.88
Additions during the year	100.38	186.10	7.80	2.43	0.09	-	296.80
Balance as at 31 March 2021	100.38	186.10	8.19	2.57	0.09	12.35	309.68
Accumulated depreciation							
Up to 1 April 2019	-	-	0.04	-	-	-	0.04
Charge for the year	-	-	0.10	0.01	-	0.41	0.52
Up to 31 March 2020	-	-	0.14	0.01	-	0.41	0.56
Charge for the year	0.55	2.03	0.46	0.05	-	0.41	3.50
Up to 31 March 2021	0.55	2.03	0.60	0.06	-	0.82	4.06
Net book value as at 31 March 2020	-	-	0.25	0.13	-	11.94	12.32
Net book value as at 31 March 2021	99.83	184.07	7.59	2.51	0.09	11.53	305.62

*Refer note 33 for costs capitalized.

7. Other financial assets

	As at	
	31 March 2021	31 March 2020
Non-current		
Unsecured, considered good		
Security deposits	0.46	0.45
Margin money deposits with banks	0.50	0.50
	0.96	0.95
Current		
Unsecured, considered good		
Security deposits	0.27	0.17
Interest accrued on bank deposits	0.10	0.01
	0.37	0.18

8. Other assets

	As at	
	31 March 2021	31 March 2020
Non-current		
Unsecured, considered good		
Capital advances	4.37	38.67
Prepaid expenses	8.69	3.19
	13.06	41.86
Current		
Unsecured, considered good		
Balance with statutory authorities	3.57	0.22
Prepaid expenses	3.08	0.61
Others	0.76	0.18
	7.41	1.01

9. Inventories

	As at	
	31 March 2021	31 March 2020
(Valued at lower of cost or net realisable value)		
Raw materials	2.57	-
Packing materials	2.26	-
Finished goods	0.27	-
	5.10	-

10. Cash and Bank balances

	As at	
	31 March 2021	31 March 2020
Cash and cash equivalents		
Balances with banks in current accounts	7.15	13.86
Cash on hand	0.03	-
Deposits with original maturity up to 3 months	32.60	0.15
	39.78	14.01

11. Equity share capital

	As at 31 March 2021		As at 31 March 2020	
	Number	Amount	Number	Amount
i. Authorised share capital				
Equity share capital	7,000,000	70.00	7,000,000	70.00
	As at 31 March 2021		As at 31 March 2020	
	Number	Amount	Number	Amount
ii. Issued, subscribed and fully paid up				
Equity shares of ₹ 10 each	6,971,158	69.71	4,560,598	45.61
	6,971,158	69.71	4,560,598	45.61

iii. Reconciliation of number of equity shares outstanding at the beginning and at the end of the year				
	As at 31 March 2021		As at 31 March 2020	
	Number	Amount	Number	Amount
Equity shares				
Balance at the beginning of the year	4,560,598	45.61	4,560,598	45.61
Add: Issued during the year	2,410,560	24.10	-	-
Balance at the end of the year	6,971,158	69.71	4,560,598	45.61

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 share in the Company

	As at 31 March 2021		As at 31 March 2020	
	Number	% holding	Number	% holding
Name of the equity shareholders				
Heritage Foods Limited, India	3,485,579	50%	2,280,299	50%
Novandie SNC, France	3,485,579	50%	2,280,299	50%
	6,971,158	100%	4,560,598	100%

- vi.** The Company has not issued any equity shares pursuant to contract without payment being received in cash or by way of bonus shares or bought back any equity shares during the last five years preceding the balance sheet date. The period of five years immediately preceding the reporting date has been considered from the date of incorporation of the Company i.e., 28 November 2017.

12. Other equity

	As at	
	31 March 2021	31 March 2020
Reserves and surplus		
Securities premium	234.89	126.39
Equity contribution from Joint Venturers	12.40	4.06
Retained earnings	(67.49)	(23.33)
	179.80	107.12

Nature and purpose of reserves

Securities premium

The amount received in excess of face value of the equity shares is recognised in securities premium. This reserve will be utilised in accordance with provisions of Section 52 of the Act.

Retained earnings

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

Equity contribution from Joint Venturers

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

13. Borrowings

	As at	
	31 March 2021	31 March 2020
Non-current		
Secured		
Term loan from a bank (refer note (a) below)	120.22	52.06
	120.22	52.06
Current		
Cash credit facility from a bank (refer note (b) below)	0.99	-
	0.99	-

- (a) Term loan amounting to ₹ 148.55 (31 March 2020: ₹ 56.52) is secured by first charge on all fixed assets and by second charge on all current assets of the Company. The interest rate is equivalent to one year MCLR + 1.7% per annum. The loan is repayable in 24 equal quarterly instalments commenced from August 2020 and ending in May 2026. The loan is guaranteed by Heritage Foods Limited in full and Novandie SNC to an extent of 50% of the sanctioned limit.
- (b) Cash credit facility from a bank is secured by first charge on the 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 Heritage Foods Limited in full and Novandie SNC to an extent of 50% of the sanctioned limit.
- (c) **Reconciliation of liabilities arising from financial activities***

	For the year ended	
	31 March 2021	31 March 2020
Balance at beginning of the year	56.52	-
Proceeds from long term borrowings	112.00	58.00
Repayment of long term borrowings	(19.97)	-
Other adjustments	-	(1.48)
Balance at end of the year	148.55	56.52

*Include current and non-current portions of a term loan from a bank.

14. Other financial liabilities

	As at	
	31 March 2021	31 March 2020
Non-current		
Lease liabilities	12.26	11.89
	12.26	11.89
Current		
Current maturities of term loan from a bank (refer note 13(a))	28.33	4.46
Capital creditors	8.47	4.25
Employee related payables	1.93	0.63
Lease liabilities	0.99	0.90
Other payables	0.61	2.07
	40.33	12.31

■ 15. Provision

	As at	
	31 March 2021	31 March 2020
Non Current		
Compensated absences	0.51	-
	0.51	-
Current		
Gratuity	0.38	-
Compensated absences	0.20	-
	0.58	-

■ 16. Other current liabilities

	As at	
	31 March 2021	31 March 2020
Payable to statutory authorities	0.49	0.38
	0.49	0.38

■ 17. Revenue from operations

	For the year ended	
	31 March 2021	31 March 2020
Sales of products	0.70	-
Other operating income	0.18	-
	0.88	-

Notes:

- (a) The Company has four customers who have contributed more than 10% to the Company's revenue from operations during the current year. The revenue from such major customers during the year is ₹ 0.52 millions (31 March 2020: ₹ Nil).
- (b) A receivable is a right to consideration that is unconditional upon passage of time. The Company sells goods on cash on delivery payment terms. In case of customers where credit is allowed, the total receivables outstanding from such customers aggregates to ₹ 0.27 as at 31 March 2021 (31 March 2020: ₹ Nil).

(c) Reconciliation of revenue from sale of products with the contracted price

	For the year ended	
	31 March 2021	31 March 2020
Revenue as per contracted price	1.76	-
Adjusted for:		
Sales returns	1.03	-
Discounts	0.03	-
Total revenue from contracts with customers	0.70	-

■ 18. Other income

	For the year ended	
	31 March 2021	31 March 2020
Interest income	0.21	1.15
Other non-operating income	0.08	-
	0.29	1.15

■ 19. Cost of materials consumed*

	For the year ended	
	31 March 2021	31 March 2020
Raw materials and packing materials at the beginning of the year	-	-
Add: Purchases made during the year	8.19	-
Less: Capitalised cost during the year (refer note 33)	(2.10)	-
Less: Raw materials and packing materials at the end of the year	(4.83)	-
	1.26	-

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

■ 20. Changes in inventories of finished goods

	For the year ended	
	31 March 2021	31 March 2020
Opening balance of finished goods	-	-
Closing balance of finished goods	(0.27)	-
	(0.27)	-

■ 21. Employee benefits expense*

	For the year ended	
	31 March 2021	31 March 2020
Salaries and wages	16.58	6.27
Contribution to provident and other funds (refer note (a) below)	0.57	-
Gratuity expense	0.38	-
Compensated absence expense	0.71	-
Staff welfare expenses	0.32	0.07
	18.56	6.34

*net of amounts capitalized. Refer note 33 for details.

Note:

- (a) The amount recognized as an expense towards contribution to provident fund and employee state insurance schemes for the year ended 31 March 2021 amounts to ₹ 0.57 (31 March 2020: ₹ Nil).

■ 22. Finance costs*

	For the year ended	
	31 March 2021	31 March 2020
Interest on borrowings measured at amortized cost	2.62	-
Interest on lease liabilities	0.23	-
Other borrowing costs	1.23	0.29
	4.08	0.29

*net of amounts capitalized. Refer note 33 for details.

■ 23. Other expenses*

	For the year ended	
	31 March 2021	31 March 2020
Power and fuel	2.24	0.05
Rent	1.17	1.76
Repairs and maintenance		
- Others	2.08	0.87
Insurance	0.15	0.41
Rates and taxes, excluding taxes on income	0.83	1.64
Communication	0.07	0.07
Travelling and conveyance	1.14	0.82
Legal and professional fees	2.33	0.81
Payment to auditors (refer note (i) below)	0.59	1.24
Selling and distribution expenses	6.19	-
Lab testing charges	0.12	0.48
Bank charges	0.57	0.07
Printing and stationery	0.10	-
Miscellaneous expenses	0.32	0.15
	18.32	8.41

*net of amounts capitalized. Refer note 33 for details.

(i) Details of payments to auditors :

	For the year ended	
	31 March 2021	31 March 2020
As auditor:		
- Statutory audit fee	0.50	0.71
In other capacities:		
- Certification fees	0.09	0.47
- Reimbursement of expenses	-	0.06
	0.59	1.24

24. Earnings per equity share

	For the year ended	
	31 March 2021	31 March 2020
Loss for the year	(44.16)	(14.01)
Weighted average number of equity shares outstanding during the year	5,809,189	4,560,598
Earnings per equity share (EPES) (in absolute ₹ terms)		
Nominal value per equity share	10.00	10.00
Basic and Diluted EPES	(7.60)	(3.07)

The Company did not have any potential dilutive equity shares as on 31 March 2021 and 31 March 2020.

25. Deferred tax assets (net)

	For the year ended	
	31 March 2021	31 March 2020
Deferred tax liability arising on account of:		
Property, plant and equipment	(1.62)	-
Deferred tax asset arising on account of:		
Employee benefits	0.18	-
Brought forward business losses (refer note (a) below)	1.44	-
Deferred tax asset (net)	-	-

Note:

- (a) The Company has unrecognised deferred tax assets on account of brought forward business losses and unabsorbed depreciation aggregating to ₹ 19.31 as on 31 March 2021 (31 March 2020: ₹ 5.34) which have not been recognised on the grounds of prudence.

26. Financial instruments – Fair values and risk management

Accounting classification and fair values:

The management has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's principal financial assets include cash and cash equivalents and other financial assets. The Company's principal financial liabilities comprise borrowings and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's capital expenditure. The Company's primary focus is to foresee the unpredictability of the financial markets and seek to minimise potential adverse effects on its financial performance.

Carrying amounts and fair values of the financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

As at 31 March 2021:	Carrying amount		Fair value		
	Note	Amortised cost	Level 1	Level 2	Level 3
Assets:					
Cash and cash equivalents	10	39.78	39.78	-	-
Other financial assets	7	1.60	1.60	-	-
		41.38	41.38	-	-
Liabilities:					
Borrowings	13 & 14	149.54	149.54	-	-
Other financial liabilities	14	26.94	26.94	-	-
		176.48	176.48	-	-

As at 31 March 2020:	Carrying amount		Fair value		
	Note	Amortised cost	Level 1	Level 2	Level 3
Assets:					
Cash and cash equivalents	10	14.01	14.01	-	-
Other financial assets	7	1.13	1.13	-	-
		15.14	15.14	-	-
Borrowings	13 & 14	56.52	56.52	-	-
Other financial liabilities	14	19.74	19.74	-	-
		76.26	76.26	-	-

27. Financial risk management objectives and policies:

A. Credit risk

As the Company has started its commercial operations from January 2021, and as there are no material trade receivables outstanding as at 31 March 2021, therefore the Company is not exposed to any significant credit risk as on the reporting date.

B. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash and cash equivalents or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Exposure to liquidity risk

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

As at 31 March 2021:	On demand	Up to 1 year	More than 1 year	Total
Borrowings	0.99	28.33	120.22	149.54
Other financial liabilities	-	14.68	54.40	69.08
	0.99	43.01	174.62	218.62

As at 31 March 2020:	On demand	Up to 1 year	More than 1 year	Total
Borrowings	-	4.46	52.06	56.52
Other financial liabilities	-	7.85	55.39	63.24
	-	12.31	107.45	119.76

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 rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company'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 2021 and 31 March 2020, every 100 basis point decrease in the floating interest rate component applicable to the Company's borrowings would have decreased the loss by approximately ₹ 1.11 and ₹ 0.57 respectively. A 100 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 2021 and 31 March 2020.

28. 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 20% and 35%. The Company includes within net debt, borrowings from banks less cash and cash equivalents.

Particulars	As at	
	31 March 2021	31 March 2020
Borrowings from a bank (refer note 13 and 15)	149.54	56.52
Less: Cash and cash equivalents (refer note 10)	(39.78)	(14.01)
Net debt (A)	109.76	42.51
Total equity (B)	249.51	152.73
Net debt and total equity (A) + (B)	359.27	195.24
Gearing ratio	30.55%	21.77%

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. Breaches in meeting the financial covenants would permit the lenders to immediately call back the borrowings. There was no breach in the financial covenants of any borrowings during the year ended 31 March 2021 and 31 March 2020.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2021 and 31 March 2020.

29. Contingent liabilities and commitments (to the extent not provided for)

	As at	
	31 March 2021	31 March 2020
i. Contingent liabilities	-	-
ii. Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for;	1.72	118.08

30. Segment reporting

Ind AS 108 "Operating Segment" ("Ind AS 108") establishes standards for the way enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers. Based on the "management approach" as defined in Ind AS 108, Operating segments are to be reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM evaluates the Company's performance and allocates resources on an overall basis. The Company is in the business of manufacturing and selling of fruit and flavoured yogurts. This is the sole activity performed and thus the main source of risks and returns. The Company operates only in India and doesn't have operations in economic environments with different risks and returns. Accordingly, there are no additional disclosures to be provided under Ind AS 108, other than those already provided in the financial statements.

31. Disclosures under the Micro, Small and Medium Enterprises Act, 2006

The management has identified enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. As at 31 March 2021 and 31 March 2020, there are no amounts payable to such enterprises, based on information received and available with the Company. The Company has not received any claim for interest from any supplier under the said Act.

32. Leases

Movement in the lease liabilities is as follows:

Particulars	For the year ended	
	31 March 2021	31 March 2020
Balance at the beginning of the year	12.79	12.38
Additions during the year	-	-
Interest cost capitalized and expensed off during the year	1.36	1.31
Payment of lease liabilities	(0.90)	(0.90)
Lease liabilities at the end of the year	13.25	12.79
Current lease liabilities	0.99	0.90
Non-current lease liabilities	12.26	11.89

The details of the contractual maturities of lease liabilities on an undiscounted basis is as follows:

Particulars	As at	
	31 March 2021	31 March 2020
Less than one year	0.99	0.90
One to five years	4.37	4.16
More than five years	50.03	51.23
Total	55.39	56.29

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Rental expense recorded for short-term leases for the year ended 31 March 2021 was ₹ 1.17 (31 March 2020: ₹ 1.76). Leases not yet commenced to which the Company is committed aggregated to ₹ Nil as on 31 March 2021.

33. Capital work-in-progress

Particulars	As at 31 March 2019	Additions during the year	As at 31 March 2020	Additions during the year	Capitalised during the year	As at 31 March 2021
A. Asset under construction	13.17	139.14	152.31	176.00	274.41	53.90
B. Expenses capitalised						
Cost of materials consumed	-	-	-	2.10	2.10	-
Employee benefits expense	-	1.93	1.93	1.91	3.84	-
Finance costs	-	4.04	4.04	10.36	14.40	-
Depreciation expense	-	0.40	0.40	0.32	0.72	-
Other expenses	-	0.24	0.24	0.23	0.47	-
	13.17	145.75	158.92	190.92	295.94	53.90

■ 34. Related party disclosures

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

Name of the related party	Nature of relationship
Heritage Foods Limited ("HFL"), India	Entity having a Joint Control over the Company
Novandie SNC, France	Entity having a Joint Control over the Company
Emilie Laure Lucie Moulard Anand	Key Managerial Person ("KMP")

(b) Transactions with the related parties

	As at	
	31 March 2021	31 March 2020
(i) Heritage Foods Limited		
Equity contribution (including financial guarantee)	74.64	-
Purchase of dairy products	0.10	-
Financial guarantee expense	1.23	0.24
Lease rental expense	0.95	0.95
Rent deposit paid	-	0.45
Receipt of insurance proceeds received by HFL on behalf of the Company	-	0.02
Expenditure incurred on behalf of HNFPL	1.86	0.10
(ii) Novandie SNC		
Equity contribution (including financial guarantee)	74.64	-
(iii) Emilie Laure Lucie Moulard Anand		
Reimbursement of expenses	-	0.11

(c) Balances receivable/(payable)

	As at	
	31 March 2021	31 March 2020
(i) Heritage Foods Limited		
Security deposit receivable	0.45	0.45
Other payables	(0.36)	(0.18)

■ 35.

Additional information as required under paragraph 5 of the part II of the Schedule III to the Act to the extent either “Nil” or “Not Applicable” has not been furnished.

■ 36.

Corresponding previous period’s figures have been regrouped/reclassified wherever necessary.

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

As per our report of even date attached.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm’s Registration No: 001076N/N500013

Sanjay Kumar Jain

Partner

Membership No. 207660

Place: Hyderabad

Date: 12 May 2021

For and on behalf of Board of Directors of

Heritage Novandie Foods Private Limited

N Brahmani

Director

DIN: 02338940

Place: Hyderabad

Date: 12 May 2021

Emilie Laure Lucie Moulard Anand

Director

DIN: 08005149

Place: Gurugram

Date: 12 May 2021





Heritage Novandie Foods Pvt Ltd

CIN : U74999TG2017PTC120860

#6-3-541/C, Panjagutta,
Hyderabad-500082, India