



**TRANSCRIPT OF HERITAGE FOODS LIMITED – 29TH ANNUAL GENERAL MEETING HELD
AT 10:30 AM (IST) ON FRIDAY, JULY 30, 2021 THROUGH VIDEO CONFERENCING**

Management Participant:

Ms. N Bhuvaneswari	-	Vice Chairperson & Managing Director
Ms. Brahmani Nara	-	Executive Director
Dr. V Nagaraja Naidu	-	Non-Executive Director
Mr. N Srivishnu Raju	-	Independent Director
Mr. Rajesh Thakur Ahuja	-	Independent Director
Ms. Aparna Surabhi	-	Independent Director
Dr. M. Sambasiva Rao	-	President
Mr. A. Prabhakara Naidu	-	Chief Financial Officer
Mr. Umakanta Barik	-	Company Secretary
Mr. Sanjay Jain	-	Walker Chandiok & Co. LLP, (Statutory Auditor)
Ms. Savita Jyoti	-	Practicing Company Secretary and Partner, M/s. Savita Jyoti Associates (Secretarial Auditors and Scrutinizer)

Moderator:

Dear Shareholders, good morning, and a warm welcome to you all to the 29th Annual General Meeting of Heritage Foods Limited been held through video conferencing. The facility for attending the AGM through video conferencing is being provided to all the shareholders of Heritage Foods Limited. For the smooth and seamless conduct of the meeting, the Bridge of audio and video of members for interaction with the directors will be closed until they are allowed to speak at the AGM as per the pre-registration. Please note that as per the requirements of the law, the proceedings of the annual general meeting will be recorded, and the transcript will be uploaded on the website of the company.

I now invite Company Secretary Mr. Umakanta Barik, to initiate the proceedings. Over to you, sir

Mr. Umakanta Barik:

Good Morning everyone, welcome to the 29th AGM of Heritage Foods Limited. This is our second fully virtual AGM, held live from the broadcast venue i.e., the registered office of the Company. This is convened in a fully virtual manner to safeguard the well-being of the Members of the Company in view of the COVID-19 pandemic. Convening of this virtual meeting is in compliance with the circulars issued by the Ministry of Corporate Affairs, Government of India and the Securities Exchange Board of India. The Company has taken all the feasible steps to ensure that the Members are provided an opportunity to participate in this Annual General Meeting through Video Conferencing or other Audio-Visual Means on first-come-first-serve basis. All the Members who have joined this meeting are by default placed on mute by the host to avoid any disturbance arising from background noise and ensure smooth and seamless conduct of the Meeting. Once the Question-Answer session starts, the Moderator will announce the names of the Members who have registered their names as Speaker Members one by one. The Speaker Member will thereafter be unmuted by the host. To start speaking, the Members are requested to click the video ON button. While speaking, we would request the speakers to ensure that he or she is clearly audible, minimize any noise in the background and there is proper lighting to have a good video and audio experience. If there is a connectivity problem at the speaker's end, we would invite the next speaker to join. We would like to request the Members to kindly limit their speech or queries to the 3 minutes so that opportunity can be given to other members too. During the AGM, if a member faces any technical issue, he or she may contact the helpline number mentioned in the notice of the AGM. The Company has appointed K-Fin Technologies Private Limited as Registrar and Share Transfer Agents, to conduct the voting by way of remote e-voting. Since there is no physical attendance of the members, the requirement of appointing proxies is not applicable. The Members who have not

voted earlier through remote E-voting, can cast their vote during the meeting through E-voting facility.

Mr. Sambasiva Rao: Seems it's not audible on either side. Can we check?

Moderator: yes, sir your very much audible sir loud and clear? You can continue sir. Thank you.

Mr. Sambasiva Rao: Okay. I am getting feedback from some participants. It is not clear.

Mr. Umakanta Barik: As the requisite quorum being present, now I am requesting Smt. N Bhuvaneshwari madam, to chair the Meeting. Madam over to you.

Ms. Bhuvaneshwari: Thank you Mr. **Umakanta Barik**, Good morning a warm Welcome to the 29th AGM of the Company, It is 10:30 a.m there is requisite quorum, I now call the meeting to order. The notice to the AGM and the Annual report has been Sent to you electronically in time. Since the notice is already circulated to all members, I take the notice convening the meeting as read. The Auditors Report on the Standalone & Consolidated financial statements and the Secretarial Audit Report of the Company for the year ended March 31, 2021 do not contain any qualification, reservation, adverse remark or any disclaimer, Accordingly, the reports are not required to be read out, and with your permission, I thank all the members for joining this meeting. I wish all of you, and your loved ones are safe and in good health. I expected that we will be able to meet this year in person. But due to these unprecedented times of covid 19 second wave, as per the guidelines of ministry for corporate affairs, we are for the second time holding this AGM through VC and other audio-visual means. the company has facilitated for the members to participate in VC and other audio-visual methods to participate in the AGM. I request the directors attending this AGM to introduce themselves from their respective locations. Dr. V Nagaraja Naidu.

Moderator: He is on mute, the system is on mute sir.

Moderator: Mr. Naidu sir your system is on mute can you please unmute and speak. Yes ok.

Ms. Bhuvaneshwari: Dr. V Nagaraja Naidu

Dr. V Nagaraja Naidu: I am V Nagaraja Naidu, Non-Executive Director in Heritage Foods and attending this meeting from Hyderabad.

Ms. Bhuvaneshwari: Smt. Aparna Surabhi Garu

Smt. Aparna Surabhi Garu: Yeah, Good morning everyone. I am Aparna Surabhi, Non-Executive Independent Woman Director in Heritage Foods and attending this meeting from Hyderabad.

Ms. Bhuvanewari: Sri. N Srivishnu Raju.

Sri. N Srivishnu Raju: Yeah, I am N Srivishnu Raju, Non-Executive Independent Director in Heritage Foods and attending this meeting from Hyderabad.

Ms. Bhuvanewari: Sri. Rajesh Thakur Ahuja

Moderator: - Mr. Rajesh Thakur Ahuja has not switch on his camera ma'am. You can move on to the next director please. Thank you.

Ms. Bhuvanewari: Smt. N Brahmani

Moderator: - She is online but she is unable to participate it seems no signal. She is not able to hear us madam. She just messaged, she is trying to reconnect

Ms. Bhuvanewari: Ok sir yeah, thank you.

Now I request the key executives of the Company to introduce themselves.

Dr M Sambasiva Rao Garu: Good morning everyone. Sambasiva Rao speaking from head office.

Mr A Prabhakara Naidu Garu: Good morning Ma'am, Good morning to all, I am A Prabhakara Naidu, chief finance officer of the company, I am from corporate office.

Ms. Bhuvanewari: Thank you, we acknowledge the presence of Mr. Sanjay Kumar Jain, Partner, Walker Chandiook & Co LLP, Chartered Accountants, Statutory Auditors of the Company and Smt. Savita Jyoti, Partner Savita Jyoti Associates, Secretarial Auditor of the Company, who is also acting as Scrutinizer for the voting in the Meeting to verify and validate the voting results.

Good morning all shareholders. I am happy to see you safe and healthy. The last 18 months have been incredibly hard, mentally and emotionally, all of us were helpless in deep stress. The second wave has taken many lives. We at Heritage are saddened by the loss of loved ones. I request all the participating members to observe 1-minute silence to the departed souls.

As a sensitive corporate citizen to the surviving family members heritage has given out 3 crores. We at Heritage have done the following to ensure business continuity for the safety of our team. COVID-19 meticulous monitoring and prompt, timely support in the form of doctor consultation, testing, home care treatment, hospitalization whenever it is required. We also launched the nurturing wellness APP through “Health Plus App” on pilot basis. We assigned COVID-19 Warriors, Heritage Saviours, who volunteered to help the affected individuals. They provided assistance to the affected employees and families with medical resources, and coordinated with suppliers and hospitals.

We have ensured strict temperature monitoring and screening on a daily basis at our offices & units. A COVID-19 Medical Kit has been provided to symptomatic employees. Company ensured vaccination of all eligible employees. Heritage family has been told and has been working tirelessly to supply essentials to all our consumers and to protect income of farmers. Following all the guidelines of the health ministry, I salute all the front-line warriors. Talking about our Renewable Energy division, Our Company strongly recognizes the responsibilities towards protecting the environment. It is strongly committed to extending the green footprint. Lot of initiatives ARE taken for conservation of energy. Renewable energy is the major focus area in the last ten years. Company has set up 10.39 Mega Watts of solar and wind power for captive consumption. Your Company is continuously investing in latest technologies and efficiencies to conserve energy. Thank you. I now request the Executive Director Mrs. Brahmani to take make her comments and observations on FY 2020-2021 operations.

Ms. Brahmani: Good morning to everyone. First of all, my sincere apologies for the previous technical glitch, I am N.Brahmani and I am attending this meeting from Hyderabad. THE financial 2020-21 witnessed significant structural changes in the Indian and International economy that have altered the business paradigm in every sector, including the dairy sector in India, I am happy to convey that we performed quite positively despite these hindrance in the past financial year. As a result of our persistent belief in cooperative structure and unity, we have been able to achieve the desired progress during FY year 2020-21. Our performance in previous financial year was challenging with revenue growth from milk and value-added segments due to external factors mostly. We achieved a net turnover of Rs 24070 million, in FY 21 as against Rs 26811 million in the previous financial year. We handled 1.3 million Liters Per Day of Milk during the previous FY. The operational profit was Rs.2010 million, which was 177.6% higher than Rs.724 million in the previous financial year. The Board of Directors has recommended a dividend of (100%) which is Rs 5/- per Equity Share of face value of Rs 5/- each for the Financial Year 2020-21.

Heritage Nutrivet Limited or HNL going forward is the Wholly Owned Subsidiary Company of your company and is one of the leading Live-Stock Feed & Feed Supplements players in existing markets of Heritage foods limited, more specifically the Southern markets. We achieved a net turnover of Rs.1,215.3 million in the previous financial year as against Rs.1038.5 million in the previous financial year.

HNL has been closely associated with the farmer community, which is about 3 lakh farmers of Heritage foods to provide technical support and to engage them in knowledge building activities. The cattle feed products are prepared with deep understanding of cattle feeding practices, breeding and milk production levels of cows and buffalos across the country. HERITAGE NOVANDIE FOODS PRIVATE LIMITED which is a 50:50 Joint Venture Company between HERITAGE FOODS LIMITED and NOVANIDE, France has also moved in a positive direction. The Company had started its commercial production on February 16, 2021 and launched French Yoghurt, yoghurt drinking products under the brand name of 'Mamie Yova' in India. Various products launched in fruit stirred yoghurts under the Mamie Yova plant as explained earlier, and also drinkable yogurts under the brand name of "Yo Pop". Turnover of the company stood at Rs. 0.88 million, the Company earned a total income of 1.17 Million in FY 21. Thank you so much.

Ms. Bhuvaneswari: Thank you Mrs. Brahmani for your Comments and observations. Now the floor is open to the members for questions. I request the members to be brief to maximum of 3 minutes. Please do not repeat the same queries already expressed.

Moderator : Thank you, madam, now I request the first speaker shareholder Mr. Arun Kumar Boppana to switch on the camera unmute the audio, and ask your question, please.

Mr. Arun: Hello.

Moderator: Yes sir. You are audible sir; you can speak sir. Thank you.

Mr. Arun: Is my video better?

Moderator: Yes sir, your video is also better sir, you can continue sir. Thank you.

Mr. Arun: Is it there? Not able to see anything here. This is a problem here in VC.

Moderator: Sir, you are on the spotlight's sir.

Mr. Arun: Good morning everybody. Thanks to company Secretary Umakanta Barik for arranging this VC, and compliments to the management for building digital and physical infrastructure. Robust supply chains. who is that? for acting and facing with boldness never freezing in coldness. Your mastery retreat gave you a real victory, never giving rewards to the tormentors, and for ignoring the destructive criticism for ignoring purposeless battles. I am reminded of nine words, which scared the US president Mr. Ronald Reagan. I am from the government and I am here to help, president Garu I hope you understand this. My questions president Garu, post COVID will you be reducing product complexity, with more flexible production with more inventory and cash, rebalancing value supply chains, risk mitigation, the silence for disruptions particularly deeper types of network with empty supermarket shells, the heritage strategy on an average every 3 3.7 years there are shutdowns for a month. The costs are not unforeseeable. They can arise majority of the profits of the decades heritage comments. Ironically, 80% of world trade now flows through countries with declining political stability, heritage comments. World will be more interconnected. Projections are about USD 4.5 trillion worth of goods will shifting to different countries in the next five years. Does heritage have any overseas plans? The new geographies we must have for marketers to fall in our lap. Remember, the best time to plant a tree was 10 years ago. The second best time is now. To deal with ease recession and finish with the new skills upscaling old ones to make a mark in the next decade. What is heritage budget for trading etc. net zero carbon and ESG. We may not see a drastic change immediately we surely can create hope of change. Heritage commitment. Madam I think your signature lines are answer to the above. Be graceful, Be useful, live life with dignity, madam I proud of you. You know the art of getting things done, you know the art of leaving things undone, which needs real wisdom. hence probably you are the only lady respected by the opposition, salute to you for never crossing the Laxman Rekha. In conclusion, I wish heritage all the best to remain the traditional company adapting to modernity. All the best, thank you, moderator. and Madam, I would like to attend another meeting. I hope you will be able to answer my questions now.

Ms. Bhuvanewari: Thank you, Dr. Arun Kumar for your keen interest in Heritage. We have noted your observation and will use them appropriately. Thanks again and look forward to your continuous support.

Moderator: Thank you, Mr. Boppana sir. Now I request all the speaker shareholders to be on mute unless their turn comes for speaking, please to avoid the disturbance background disturbance. Now I request the next speaker shareholder Mr. REDDEPPA GUNDLURU to unmute the audio to unmute audio, switch on the camera and ask the question. Mr. REDDEPPA GUNDLURU.

Mr. Reddeppa Gundluru: My voice is audible madam?

Moderator: yes, sir it is audible, you can continue sir, thank you.

Mr. Reddeppa Gundluru: Yeah, madam vice chairmen, managing director Smt. Bhuvanewari madam garu and executive director N. Brahmani Garu and independent director madam and other directors of the video conference, my fellow shareholders, good morning sir, Namaste. Sir My name is Reddeppa. I am from Hyderabad, sir as a shareholder, we are very happy and proud about the company performance of 2021. Sir, thank you for informative presentation and detail AGM reports has given us. excellent speech by Madam Chairman, vice chairman garu. Sir once again expressing deep condolence formal chairperson and his family sir, thank you. In 2019, physical AGM madam where we have expected two years back that has reality no. So, we have 100% faith on you, it was very delightful and a wonderful experience and nice memories on that AGM wonderful interaction with Bhuvanewari madam. Madam corporate government point of view. So, my company is excellent, like a legal integrity and transparency fairness, it was a very good panel. Thank you Please continue Sir, you are a wonderful leader containing quality company products, production of company products. Sir, I would like to convince my chairman board of the director for the return of the good shareholders details for the last three years. Financial point of view the concerned profit, net profit is growth is more than 193% so PPI and growth was 168% percent has grown. Thank you so much for these good financials. So, this financial performance good and revenue PAT growth numbers also good madam. So, we are serving more than 11 states in India. So, congratulations and you are doing a wonderful job for the empowering of farmers changing the lives of farmers Ma'am. It's a good thing. Please continue and also, I congratulate for the 10 years financial highlights you have given me an annual report. So, I have gone through this with the wonderful number's madam where CAGR also very wonderful. And also, our subsidy companies is performing very excellent madam congrats for that. And our operating cost control is fantastic. Cash Flow has also increased. Thank you for dividend payout madam 100% you are giving in this challenging financial year. Thank you, Madam and also, I am very happy for 15 new products we have launched madam like milk, nourish curd immunity and especially I am finding out the immunity milk was very good product in this the corona pandemic, pandemic where serving the people with immunity it's a good thing madam. Thank you so much madam. 15 number of new products you have launched madam, I am very proud and it was very tasty madam. Thank you so much and `also cool coffee is a fresh cream cater to the millions and healthier parts that helps build immunity madam. Thank you so much better. And also, I would like to congratulate and this awards point view madam, recognition awards point of view congratulations for the many Awards and honours. Heritage foods my company won the prestigious National Energy convention award NDC 2020 and a dairy sector for this year 2020 madam. So, first prize also we won for the Tirupati plant. It was the chandragiri and second prize was a Bayyavaram. It's a wonderful award. and certificate to the Meritor at the Bengaluru plant madam. So, thank you so

much for this financial assured for good recognitions madam and this my company is very quickly and with the fastest growing madam, I am very I would like to congratulate the chairman board of directors and CSR point of view madam under madam leadership of Bhuvaneshwari madam doing wonderful CSR towards the COVID-19 relief effort spent a good amount madam more than 21 crores my company

Moderator: Mr. REDDEPPA GUNDLURU can you please confine your question?

Mr. Reddeppa Gundluru: Please don't disturb me, madam. Please give me one minute, please. Thank you. Yeah, my company is dedicated to being responsible and good corporate citizens in this crisis, this covid 19 pandemic is taking tremendous toll on our society. So, it's a good thing. Madam. Thank you so much, you are doing good thing and as social responsibility. Mr. Chairman, my questions are a couple of questions. I have few question that is I would like to know what is the company's within couple of years and also, can you please throw some light on the products they reach madam all over India so I need some information. On the product reaching all over states of India and also please explain about the expansion of our plants madam? Any expansion of plans please explain madam. So and also I would like to know what is the safeguarding at our facilities to our taking care I would like to know madam. So lastly, I would like to thank and company secretarial department Mr. Umakanta he is a wonderful team leader and a wonderful he is there and his good services towards the company growth madam as especially thanking him and especial kudos to in this role, madam, HR. HR people also COVID-19 symptoms prevention salute the heritage saviours madam, I would like to recognize the COVID 19 symptoms presentation this Heritage saviours madam, I am saluting this person who is frontline workers madam. And lastly, I personally believe that the company will achieve higher awards and recognition and madam leadership I wish you board and good health, happiness continues to support the society and industry. Madam, thank you so much for giving opportunity. Special thanks to madam. Thank you.

Moderator: Now I request the next speaker share holder Mr. Bhaskar Raj to unmute the audio, switch on the camera and ask your questions please. Mr. Bhaskar Raj? BHARAT RAJ sorry. I think Mr. Bharat Raj is not available now. Now, I request the next speaker shareholder Mr. Suresh Chand Jain to unmute the audio and switch on camera and ask the question please.

Mr. Suresh Chand Jain: Hello आवाज आ रहा है सर?

Moderator: आवाज आ रहा है आप बात करिए. Thank you.

Mr. Suresh Chand Jain: आदरणीय chairman sir, chairman madam, उपस्थित सभी director गण और shareholder साथियों, मैं मैं कई सालों से इस company के अंदर shareholder हूँ और मैंने देखा है कंपनी के कई उतार-चढ़ाव देखते हुए कंपनी ने बरोबर ट्रैक के ऊपर अपना कार्य प्रारंभ किया है और हमें भी

dividend के रूप में बहुत अच्छा आपने हमें dividend दिया है, इसके लिए आपको तथा आपके टीम को मैं बहुत-बहुत धन्यवाद देता हूँ. Madam आपने आपने जो कार्य किया और जिस प्रकार chairman speech के अंदर बहुत कुछ वीडियो द्वारा आपने प्रसारित किया उसके यह कंपनी की पूरी रूप रूप रेखा की जानकारी दो हमने प्राप्त की उसके लिए भी मैं आपको फिर से एक बार धन्यवाद धन्यवाद देता हूँ और मैडम covid के वजह से हम आपसे मिल नहीं सकती इसलिए हमें खेद है और हम हर मीटिंग आपकी attend करते हैं चाहे किधर भी होने दो और हरि कलाभवन और बाल भारती विद्या भवन से लेकर अपने जिस प्रकार जिस प्रकार मीटिंग का कार्य सुचारू रूप से चलाया है उसके लिए मैं फिर से आपको एक बार धन्यवाद देते हुए madam कमल किशोर जी का फोन आ रहा है उन्होंने कहा है कि कुछ कारणवश हमें इस कंपनी का link नहीं मिल रहा है, इसलिए मेरी तरफ से भी आपको धन्यवाद दे दे. Madam आपने जो कंपनी के चारों तरफ जो shop लगाए हैं उसके अंदर भी हमें कम से कम discount coupon अगर आपकी तरफ से मिल जाता तो हमें हमें भी कई कंपनी के बारे में कंपनी के जो प्रोडक्ट है के बारे में थोड़ी बहुत जानकारी मिल जाती थी पर आपने जो बोलने का समय दिया उसके लिए मैं धन्यवाद देते हुए अपने विचारों को देते हुए मैं भगवान से यही प्रार्थना करता हूँ इसी तरह कंपनी दिन दूनी रात चौगुनी तरक्की करते हुए आप आगे की तरफ बढ़े और corporate office को भी धन्यवाद देता हूँ. धन्यवाद madam.

Moderator: धन्यवाद Mr.Jain जी, Now I request the next speaker shareholder Mr. Ramesh shanker Golla.

Mr. Suresh Chand Jain: आपने जो बोलने का मौका दिया उसके लिए फिर से धन्यवाद देता हूँ और आप आगे बढ़ते जाएं, कदम आगे की तरफ बढ़ाएं अभी और भारत को उन्नति को उन्नति की ओर ले कर जाने में आपका पूरा सहयोग रहे. धन्यवाद.

Moderator: धन्यवाद Mr. Suresh Jain जी. Mr. Ramesh Shanker Golla and you can speak please. Thank you.

Mr. Ramesh Shanker Golla: Hello.

Moderator: Yes sir, you are audible you can continue sir. Thank you.

Mr. Ramesh Shanker Golla: Hello.

Moderator: Hello. Ramesh, please speak. Mr. RAMESH SHANKER GOLLA, I think he has some issues and he has disconnected now I request the next speaker shareholder. Mr. Srikanth Jhawar to unmute the audio, switch on the camera and ask the questions please.

Mr. Srikanth Jhawar: Hello Hello

Moderator: Shrikant जी हां

Mr. Srikanth Jhawar: नमस्ते chairperson और board of director कि हमें second time जो कोविड-19 attend करने का मौका मिल रहा है और हम चाहेंगे यह meeting हमेशा ऐसे ही continue रहे तो अगर state से भी हमें कुछ enquiry मिल सकता है. और जो हमारा share price है बहुत अच्छा है madam और every year जो अपना results मैं जो improvement हो रहा है अच्छा है और Q2 Q1 ने, Q1 Q2 मैं अच्छा profit है जो उसमें interim dividend का proposal रखेंगे madam, sir मैं एक question है सर जो अभी new जो product जो launch हुए है. जो सर पनीर जो भी सब चीज launch हुए हैं उसका demand कौन सी

states मैं ज्यादा है और कैसा हो रहा है उसके बारे में थोड़ा जानकारी दीजिएगा मैडम और जैसा अभी जैसे अभी diesel और petroleum का rate बढ़ रहा है और logistics मैं कैसा हो रहा है और sales मैं हो रहा है या costing मैं थोड़ा जानकारी दीजिएगा. Thank you sir और All the best Ma'am

Moderator: Thank you, Mr. Srikanth Jhawar. Now I request the next speaker, shareholder Ramesh Shanker Golla to unmute the audio, switch on the camera and ask the question please.

Mr. Ramesh: Hi madam

Moderator: Mr. Ramesh, you are audible you can continue. Thank you

Mr. Ramesh: Hello madam.

Moderator: sir you are audible you can continue sir.

Mr. Ramesh: Video was not came coming Madam.

Moderator: Switch on your camera sir.

Mr. Ramesh: Very good morning. Vice chairman Bhuvanewari Garki , Executive director and Executive Director Brahmani Garki very Good morning. Telugu language.

Moderator: Can you please confine your questions please.

Mr. Ramesh: Telegu Language.

Thank you very much. Have a great day.

Moderator: Thank you Mr. Golla, now I request the next speaker shareholder Disha Ritvik Sheth from Mumbai to switch on the camera and unmute the audio and ask the question please. Disha Ritvik, Okay, I move on to the next speaker shareholder Mr. Govardhan Shri Gopal Maheshwari.

Mr. Govardhan: Thank you for the opportunity and good morning to all of you. First of all, I wish to congratulate you, the management for the community work done by the company, it's important to really give back to the society. My first question or comment is very important, which I would like to just highlight to the board is to recognize the difference between wealth and income. So, from the company, the two promoter executives took away a cumulatively an amount of around 20 crores when the company's profits last year were around 150 crores, the next top professional executive is Mr Rao of approximately three and a half crores. So, if we compare this with the peers like Hatsun when Mr. Chandramohan is being paid 88 lakhs or even Mr. Reddy of Dodla dairy is being paid 3.3 crores. My point here is that if we align the payouts in line with peers, and we reduce the salaries paid to the promoter executives, the profits of the firm will go up and the markets would reward the enhanced profits by nearly 30 to 40 times

which could be market cap of around 500 crores more. Heritage's market cap is at a significant discount to Hatsun Dairy even to the newly listed Dodla dairy. While these payouts are well within the company's acts, I think you may just want to review it for in the right spirit. I sincerely appreciate the move of the management to appoint a professional CEO in this regard. And I wish him all the best. If I may ask her what would be the annual salary of the new CEO and what would be his intent incentive structure based on in terms of what would be the key KPIs? I think our company is doing very well and brilliantly. These were one of the points which I wanted to highlight from a governance point of view. A few more points. So one is that in the last four years, the volume growth has been fairly anaemic. I understand that last year was COVID, where the horeca segment was impacted. But it seems like the Reliance dairy acquisition did not go as per planned. So what what are the plans to really enhance the growth in the next few years? If you could please more elaborate? The annual report mentions about achieving a target of around 6000 crores of revenues, but no timeline has been mentioned. So if you could just throw out how and when would you be able to achieve? It's heartening to know that there is a new leader also in the animal feed business which has come from Godrej Agrovet, it's a relatively small business for us. But if you could highlight that, what kind of targets are you aiming for the next three years and how do you plan to achieve given that this you already have a strong farmer connect and it would be an easy cross sell to the customer or the farmer in terms of the animal feed. Lastly, the lot of people have migrated to their hometowns, from our core markets due to the work from home culture and they have gone to their hometowns. Clearly this has impacted our business. Can you explain your strategy to expand into semi urban and rural areas to win back or cater to more customers and move beyond the core urban markets? Thank you and all the best and please stay safe. Thank you.

Moderator: Thank you Mr. Govardhan. I now request the next speaker shareholder Mr. Abhishek Jain unmute the audio, switch on the camera and ask the question please. Mr. Abhishek?

Mr. Abhishek: Am I audible?

Moderator: Yes, sir you are audible sir. You can continue. Abhishek Ji you went on mute. Please unmute and speak. Thank you. Mr. Abhishek.

Mr. Abhishek: Just a second. Just a second Madam. Inaudible.

Moderator: Mr. Abhishek, your voice is breaking please. Mr. Abhishek, Mr. Abishek, आपका voice break हो रहा है, your voice is breaking.

Mr. Abhishek: Inaudible

Moderator: Sorry sir we are unable to get you.

Mr. Abhishek: अभी ठीक है?

Moderator: नहीं sir नहीं sir. I am sorry.

Moderator: Sir, we are not able to hear you sir, can you please logout and login?

Moderator: Okay sir, I will call you later sir, Thank you. Now I request I know the next speaker shareholder Mr. Kirti Shah to unmute the audio, switch on the camera and ask your question please.

Mr. Kirti Shah: Chairman Sir I am calling from Bombay Kirti Shah, chairman sir मैंने आपको email किया है मैं मेरा पूरा detail जरा देख लीजिए तो ज्यादा अच्छा रहेगा. Wish you all the best. Thank you very much.

Moderator: Thank you Mr. Kirti Shah. Now I request our next speaker shareholder Mr. ALOYSIUS PETER MASCARENHAS.

Mr. Aloysius: Hello Am I audible Sir?

Moderator: Yes, you are audible.

Moderator: Yes sir, Sir Shareholders have registered for speaking at the AGM. Mr. Bharat Raj, Mr. A.V. Mani Sundaram but as I could.

Moderator: Now I move on to the next speaker shareholder Mr. Mascarenhas. I think he is not available. Now I request the next speaker shareholder Mr. P. Jaichand.

Mr. Abhishek: He has not joined.

Moderator: You can speak sir, Mr. Abhishek you can speak. On my device, I think it is okay. You just allow the cameras Madam, allow the camera.

Moderator: Yes

Mr. Abhishek: Camera is not yet enabled Madam, trust all is well with you and your family in this challenging situation. Our company deserves much more respect than the current market cap after completing more than a decade of successful operations, profitability, dividend history and becoming one of the strongest brands in our respective industry segment. First of all, I congratulate the management on the eve of 29th annual general body meeting of Heritage Foods. Sir, I would like to know what's the impact of real impact of COVID in the past two years and how our company is being affected where you see the light in the end of the tunnel and what will be the growth because in the first half and the second half, and the Coronavirus and subsequent lockdowns have left virtually no industry untouched after the COVID. So, any employees we have sacked, hired, salary cut in percentage if any, what are the cost cutting initiative our management has taken during the pandemic time. How much salary cut was being taken during the pandemic time? What is the view of the management is going towards sustainability of the profit earning roles are going to remain challenging in the coming quarters and one of the management approaches to improve company waste investor relation exercise like con call, quarterly presentations and leading global investors? I would request you to finally have a Con call with regularly with investor fraternity and what are the management efforts to reduce the other expenses, legal professional charges and the audit fee. Sir myself and my team are running a legal firm in Chennai, so I would request you to kindly enrol in that

embattlement of the company. And we will be glad to extend our services if required any incentive. And I would also request the management to finally give discount coupons to the investor fraternity it will in fact, raise this give more business to the company I I would request the management to finally take a call in this 29th annual general body meeting by sending discount coupons along with a dividend to the fraternity and it will definitely increase 10% of the business in the company. So, I would request the management to finally take a call as other shareholders also requested to please look into and do the needful and whereas in the given total e- voting is being exercised and we shareholders get the opportunity to join this annual general body meeting. We are supposed to update the introduction of documents like register of members, register PNP, and register of contracts with your name but in fact it has not been updated. So, I would request you to kindly update the same. And for the verification of the investor, fraternity and nothing much to ask Sir Ma'am. I wish the company and the Board of Directors a great success and prosperity in the coming future. Thank you for giving the opportunity. Thank you very much.

Moderator: Thank you, Mr. Abhishek. Now I request the next speaker shareholder Mr. Vinod Motilal Agarwal to unmute the audio, switch on the camera and as the question please. Mr. Vinod Motilal?

Mr. Vinod: Yeah, I am here. Can you hear me?

Moderator: Yes, yes sir you are audible. Yes. You can continue. Sir.

Mr. Vinod: Can you hear me? No. I am switching on my camera. Is it going on or not? I don't know. Yep. Respected madam Bhuvaneswari Ji. Madam Brahmani Ji and Company Secretary Umakanta Ji. Sir I am going with the balance sheet. Last year the revenues over higher but this year the revenues are a little lower than the previous year, but our profits are higher. Last year we suffered a loss of narrow margins have increased over the past year. So that's a very good time you have going on the dividends. Last year was 50% this year 100%. So that was a very good sign you have done you got 18 plants with modern milk processing units and 13 bulk coolers and 78 chilling plants it's a very good sign sir. Now any more likely to go for any more plants or we like to set up a set of one curd processing plant at Palghar and now it's just catering to nearby towns of Mumbai, Pune, Surat and Ahmedabad. It will be a good sign with if done this plenty of setup along with some French company, you set up with a French company, good sign and Madam Brahmani many saw those that profile. She is done from Stanford. She's from an electrical engineer from Santa Clara and the thing is California Chaitnya Bharti Institute of Technology and she has got very high profile she is worked in Vortex Singapore. she has got a very high profile and she's been joined a company is a very good sign for our company. And last year the EPS was 31 rupees and cash EPS of 41 rupees. I am very happy with the performance of the company in 2021 though it was muted due to and the sales are muted due to COVID-19. I hope that company will keep on doing well and as the other speakers are saying that in some way discount coupons could be given to shareholders. So that you can have a look at the products of the company at a discount or if he is some non-perishable products could be sent a sample also it would be helpful because we are in Mumbai they are not in Hyderabad we

didn't hadn't been available in Mumbai, if would have been in Mumbai, would have gone out and purchased also, but sometimes some of the products are not available. Last year we launched flavoured milk of ginger, turmeric tulsii very good and even ready to eat and heat to eat Paneer Tikka. It is very good thing the good market may have taken good initiative. I don't think any other milk company that I know of has launched heat to eat Paneer and ready to eat Paneer Tikka, you are innovator in that sense, I am wishing the company all the best signing off from Mumbai. Vinod Agarwal.

Moderator: Thank you Mr. Vinod Agarwal. Now my request Mr. Gopal P to unmute audio, switch on the camera and ask the question please. Mr. Gopal seems to have not joined the meeting. Now again, once again, I request Mr. Disha Rithvik Shethsh to unmute the audio, switch on the camera and ask the question please. Disha Ritvik Sheth. I am sorry, there is no feedback from this investor as well. With this we have completed with the speaker shareholders. Now I hand over back to the board, please. Thank you.

Ms. Bhuaneswari: Thank you. So executive director and president for your clarification. So I heard all your queries sorry I am sorry. Thank you, members, for all your questions, feedbacks and suggestions. I appreciate your interest in your company. Now I request President and Executive Director to clarify

Ms. Brahmani: Good morning once again. Brahmani here. I will take this opportunity to attempt to answer your questions and thank you so much for your feedback. First of all, I am quite proud to say that we have seen through quite positively and smoothly as a company, even during tough times, with always serviced our fellow stakeholders, which are our consumers as well as our farmers, in terms of procuring milk from our farmers in a timely manner. And continuously assuring marketability of milk they are supplying to us. And also continuing all the welfare activities that we are doing with them continuously as a result of which they are loyal to us. We have also serviced all our markets, without any disruption. So with the last two years of the current pandemic, through the different ways, so I am very proud to say that internally as well, we have taken several SOP's and precautions to make sure that our stakeholders, our employees stay safe. we have ensured that we have taken all kinds of sanitization practices into account and have left no stone unturned. We have also supported our milk distribution agents in this regard to keep them safe and to keep the product safe. We have also ensured that those who are impacted by COVID, were well taken care of through 24 by 7 doctor consultation services, as well as helping them when it comes to medications, etc. And our employee recovery rate also was very, very high for those of you who were affected. So, we have taken all precautions and move forward smoothly to understand this is the new normal. And we will continue to maintain the standards of hygiene and care for all of our stakeholders. Having said that, I would like to take the opportunity to answer some important questions.

There's a question on the complexity of the dairy business and how we are dealing with it as a company. Yes, right. The dairy value chain for decades, in a very, we are very decentralised on the procurement side and on the distribution side. On a daily basis, we go to two and a half three lakh farmers, through our agents in 13,000 villages. And on the distribution side, we reach

out to at least 15 lakh consumers or households. And we distribute our products through 1.2 million. But for two lakh retail stores, we also operate through close to eight to 10,000 distribution agents depending on the time of the year. So it's very complex in that sense. And what you do as a company is to have as much control over the value chain as possible. Most of our milk is procured by ourselves. We don't go through third parties, unless there is a need. We have our own processing facilities we have 18 of them. And we make sure that our products are hygienically and very freshly and purely serviced through our logistic channels. And we also have made sure that people embrace technology. We were the first dairy company to originally adopt SAP adopted SAP ERP system end to end. We have also been one of the first dairy companies to upgrade assets when it comes to SAP. Today we are using IOT's to better track our businesses, our logistics, etc. On a real time, basis, we have real time dashboards in place. So, data is available on a real time basis. Data is available on the sales side or on the procurement side and going forward on operations, finance etc. other sides when other aspects as well, we are also heavily focusing on value added dairy products because we believe that the consumer is moving towards more hygienically adds value added products that's where the market is growing. That's where there is a need with more nuclear families, double income households, etc. We are already a marketing leader when it comes to curd in the value-added product space and we will continuously strive to improve ourselves in terms of innovation and coming up with new products and adopting technology going forward. There was a question on disruptions, yes COVID has led to a lot of disruptive opportunities I would say as a result of which the channel which is also looking very interesting. We are embracing modern retail format channel and also e-commerce as a channel as of last financial year. We had seen a growth a significant growth in revenues in e-commerce. So therefore, it is to try and grow when it comes to newer channels of sale.

And there was a question on World Trade etc. and if we will be looking at international business, we are focused on domestic market. Inaudible huge opportunity as you must know, only 25 to 30% of dairy business in India or dairy industry in India is organised. So, the opportunity is much more and the extent to which it is organised specifically in value added dairy products such as curd, perishables, etc is much lower. So, we will continue to focus on B to C business and on the Indian market and domestic market itself in our existing markets to be more specific. There was a question on sustainability. Yes, we want to be a sustainable business. Hence, we work directly with the farmer and we strive to service our consumers. Our plants have won many awards for sustainability. We have won the National Energy Conservation awards for multiple plants many times as an effort of ourselves moving more and more towards being a clean and green company. We also have over 10 megawatts of renewable energy installed capacity for our own captive consumption. This is another step towards sustainability and going forward, this has been a huge area of focus for us and it's also become a consumer need. There was a there were questions from Mr. Reddepa on the vision of the company, the vision of the company is very clear. In the next five to six years, we want to grow our revenues by more than 20% year on year, and increase the contribution of value-added products to revenue from the current 29% in a normal year, to 45 to 50%, as we strive to become not just a dominant player in dairy but also in food and nutrition. And we will continue to delight our consumers through our fresh and healthy products, which are uncompromised in terms of quality by having closer and higher

control over our value chain. We also intend to continue to serve our farmers and in order to be able to reach our numbers, we need to double our presence across our farmers and in fact improve the services that we are also giving to our farmers continuously. Very recently, we have launched something called the VET+ app, which is an app to educate and empower farmers to know about better ways of looking after their cattle, to be able to identify diseases and to continuously update them when it comes to the health of their livestock. So, there was a question on products. Yes, innovation and especially value-added products is very important for us. The last year despite the last one and a half years despite several headwinds was spent in the product space. We have launched several products. Whole line of cheeses, spreadable, blocks, cubes, slices etc. We are also going to launch new products going forward in the cheeses case. Aside from that, we have also launched Probiotic curd which is very good for gut health and improving immunity. We have also launched a line of immunity milks in a very timely vein. And we are looking forward to taking off in terms of sales much more aggressively going forward. In line with consumers need for convenience. We have also launched Tikka Paneer very recently, we also launched cold coffee to delight our consumers with interesting refreshments, which are premium in nature, because this was launched in cans. Going forward in the next in the current quarter we will also be launching Shrikhand and Amarkhand in relevant markets and there are many other new products to be launched in the current financial year that will be delighting our farmers and not our consumers. Not only that we will, we also intend to improve upon the product offerings in our existing lines of products which are basically Beverages, fermented products. Ice creams launched many new flavours and interesting flavours of ice cream and Ghee as well. We are going through repackaging of Ghee and as one honour Shareholder had mentioned it is very important to focus on Ghee as a product or fat as a product category because it's a very important source of nutrition to consumers.

I am assuming the shareholder had referred to expansion in terms of markets as well as a number of processing facilities. Very recently, over the last one year, we had expanded our facilities in terms of milk as well as curd processing and packaging. This current financial year we don't see any significant expansions happening. We will just be spending more of our CapEx on maintenance, improving our existing facilities, freezers, maybe a little bit on the procurement side. however, the number of processing facilities will not increase in the current financial year. In terms of the market to focus we intend to penetrate our existing markets, not just with milk, but higher penetration of value-added products as well. There was a question on interim dividend. The dividend policy is already available on our website, depending on the fund requirement, etc. The board will take a decision on such matters. There was a question on Heritage Parlours Yes, heritage parlours is something that differentiates as its own franchising model for distribution of heritage dairy products exclusively and some other non-compete products which go hand in hand with dairy products, especially in the early morning consumption, time and occasion. We have 859 parlours as of the one of the current financial year, and the idea is to expand them and make our products and services more easily accessible to our consumers and markets where we are present, not just that, we are also exploring another model where we essentially look at bigger parlour setups that are not just over the counter sales model, but also a distribution model. So, these setups will call heritage distribution centres will also distribute our value-added products and not just sell milk to two

outlets in the market. There was a question on acquisitions. Currently, we are not considering any candidates for acquisition. And this new one that's sort of interesting to us at this point inaudible. has a question on products and their profits? You know, we've had we've been very transparently the numbers and the percentages in our investor presentations through our calls, etc. And, of course, the profitability of value-added products is higher than that of milk.

And as of last quarter, at the EBITDA level net profitability stood at 8.27% whereas that of value-added products to that 17.26%. There was a question of popularity of products yes, we do realise the importance of popularising our brand and products beyond milk itself. We have been backing upon our very strong distribution network now we see the need for focusing on customer centric approach for marketing, and hence, we have appointed a new CEO for the organisation. It's been approved by the board. Srideep Nair comes with a rich background in marketing. He is an ex-coke executive who's worked very deeply on important brands such as Mazza and millet meal, millet Meal and has extensive knowledge when it comes to understanding the consumer better and taking a consumer centric approach. So we are happy to help them welcome Mr. Srideep on board to help the company in this direction of popularising ourselves and focusing more on consumers. There is a question on plant visit, Yes, of course, our shareholders are more than welcome to once the COVID situation gets better we will organise for the same. There were questions by Mr. Govardhan about our new CEO and instrumentation those details will be published in the next annual report. Well, there we are allowed to make that public. There's a question on growth. Yes, as mentioned earlier, to be able to reach our vision and mission of increasing our value-added products to be at 40-50% of our revenues, we need to be growing at more than 50% when it comes to top-line while maintaining a healthy bottom line going forward and that is something that we are working on we have planned to plans towards in the same direction. There was a question on the growth vision for heritage nutrivet limited. Yes, the cattle feed and feed supplements business is a very attractive business for one because we need to service our own farmers through a cost-effective, high-quality subsidised feed that we are offering today. We have penetrated penetrated our captive farmer audience to a certain extent and the idea is to penetrate and make our services available in a very convenient fashion to them. Not just that we will look at beyond the Heritage farmer community as well. We have two dedicated facilities of our own and one compact facility as of today. And the idea is to grow the business to a revenue of 400 crores in the next five to six years. And the opportunity is really big in our existing markets. There was a question on the impact of COVID. COVID impacted dairy industry like many other industries, especially when it comes to value added products, out of home consumption, because a lot of products tend to be impulse purchase products. Having said that, I am happy to also share that the previous quarter Q1 of the current financial year is growing quite strongly in the value-added product space, our revenue growth was about 11 and a half percent compared to the previous year, Q1. So, the focus on value added products is there to be able to go forward and to move forward in this space through the various initiatives that I had mentioned earlier, there was a question on investor relationship and we have Dickinson as a new agency on board who's helping us reach out to more stakeholders to communicate ourselves more clearly and there was a question on investor con calls, etc. And who's regularly doing it on a quarterly basis, we will strive to reach out more to different stakeholders and interested parties going forward. I hope I have covered

most of the questions that were asked during the interaction, I would like to open up the Dais to my colleagues, presidents Sir and CFO to answer any questions, questions that I have missed out.

A Prabhakara Naidu: Myself A Prabhakara Naidu, Chief Financial Officer, there is 1% actually what are the management efforts to improve working capital ratios ROC and needed for marketing profits like that. So, then our working capital to sales ratio for the financial year 20-21 is at 80 times. normalcy is around 41 times and that heads up a level of 34.3 times and net debt to EBITDA 0.1. So, because we have prepaid prepaid later, only 47 of course was outstanding as on 31st march, operating profitability data is 98.9% and the historical level 9% data feeders tell us UK receivables maintaining and interest coverage is 13.4 times. So, when you want to improve actually then we have continuously because we generally follow profitable growth strategy, we give equal importance to the top line and bottom line. So on to working capital ratio capital in this year on the second half year we have not utilised data. So, our most capital because sales are affected relative to COVID home sales are affected in this financial theory. So, for improving your sales actually the market specific strategies were initiating action to a particular region Karnataka, Delhi and Maharashtra site actually to improve the sales. Once the sales are improved in automatically this ratio also number of times committed to different patterns will be increased then our CRM 41% across the industry actually, we are maintaining a reasonable considerably higher rate of return kept come back because actually what are the last three four years whatever the CapEx rates that we have incurred, this year actually we are consolidating minimum CapEx we are going to do the business. So, with that actually obviously is better than anybody else. Net debt to EBITA multiple is 0.1, normal debt is beginning zero by next quarter is going to be zero debt long term debt is going to be zero debt. So, EBITA it depends on mainly then we are focusing mostly on value or a product sale, sales the right value of product sale. Similarly, process optimization that is a continuous process were improving the process optimization then actually loss reduction on the extensive sample and fat loss reduction process not on sales leads and not decrease people that actually return if it is going to be improved then the caster okay. So, this is how actually we are going to this is a collector port actually to improve the all these ratios where better off actually all the ratios still actually it's a continuous process So we will improve. Logistics one day there was one last 6% was there actually is it by yourself increasing increasing and what is the impact on that how to mitigate that, this is actually is the continuous process actually been the last six. So, we have actually route optimization, there are four types of logistics subject to bring the vehicle to the centre to battle between the plants and plants to sales offices. So, it's such a continuously we are pursuing the route optimization actually further mitigating this section increasing the past six cluster apart from all other expenses control, then there is a question actually then details of RTS in other current and non-current liabilities. So, that is number 23 of page number 190 of the annual report. other other countries producing close to 73.8 5 million is outstanding as an additional 21 in that there are two major elements is one is actually 36.8 6 million parties to statutory to reduce which are mainly GST payable, the last month marks GST payable to the GST department and the tedious cable to the IT department. Then we have PF to the PF department. These are the major portions that are those are the parties and apart from that around 20 million 27.8 million are regulated to advances received from customers for suppliers

of medical products generally called customer service and some customers they pay in advance for the dairy products for butter and all. So, this is actually part of the product categories, there is actually noncurrent liabilities noncurrent liabilities is in December 19 183 page, there the total 659.74 million outstanding noncurrent liabilities are there as on 31st march 2021. In that category 223 million is related to long term borrowing of loans that is 22 crores which is payable beyond inaudible then deferred payment like sales tax payment of 37 million is related to that, then other legal lease obligations and financial guarantees the company has given financial guarantee to the subsea and joint venture lead to that there is a liability total together lease obligations and financial lease obligations is particularly 0.93 millions and compensated often says that is related to only what the implies that is payable as a person that is actually provision has been made, accumulated provision is 100.52 million service and government grants government grants for the monarch plant and plant and other subsist you have received from the government that is option is 26.889 million, there are deferred tax liabilities income tax total 6509.74 million are related to current liabilities, there is planning the liability there is one question on planning your liabilities, total current liabilities outstanding as there are various sensory bodies as on 31st march 2021, the liabilities is 34.85 million. In that sales tax related, GST related is 9.51 million which isn't at the next hearing date not as given so it is pending. Sales tax deferment related 4.69 million this is also in the related hypothesis; the case is pending then interest in the interest rate NPR group related is 10.34 million. So, this is Telangana, the case is pending. And this is related to 2011 related case and there is 1 milk related case cases the 10.31 million in Delhi High Court the Supreme Court is a Supreme Court. So, from June 6 2020 has been withdrawn. Earlier to that the case was pending. So total outstanding liabilities pending as of 31st. March 21 is 34.85 million. Thank you, sir. Thank you.

Mr. Rao: Thank you Ma'am. I will take a few more uncovered aspects in the past that was in session. One was related to Dr. Arun Kumar's question on overseas opportunity and modernising Heritage. Sir we have no overseas thoughts as of now, we are trying to address the domestic requirements of a dairy consumers and modernising Yes, we have adopted significantly useful. IT initiatives in the past two years, including end to end, PRP through SAP HANA, and business intelligence dashboard is almost done. Five important apps were launched for the benefit of channel, consumer and employees and continuing with certain IOT's for improving operational efficiencies, we being in the perishable products sector, we will be very alert and try to meet the consumer expectations by adopting modern practices in processing technology and listening to consumers through social media and also utilising the IT enabled services. The second aspect I would like to cover is from Mr. Abhishek question on COVID impact. Our executive director has covered significantly the COVID impact aspects. One thing I would like to mention, we haven't denied even a litre of milk from our farmers during the entire period of pandemic from March 24 night, not even one day we gave milk holiday or denied any milk from the farmers, we procured all the milk from our farmers supported their livelihoods and the surplus milk last year significant quantity we manufactured milk powder and butter and most of it has been disposed are being consumed internally. Operations wise, all the plants have operated all the shifts without a single break, single shift break during the entire period of pandemic and employees, there was no manpower shortage, we could continue our operations without any disruption because of the people. For consumers, we ensured uninterrupted

supplies, no consumer was denied of any supplies all through the period. So, impact was definitely there, adverse impact is definitely where on the sales front because of the fallen out of home consumption demand and closure of the establishments throughout the country for some period, and the demand is restoring now and we hope to achieve normalcy and start growing significantly. That's another aspect raised by Mr. Govardhan on the costs, HR costs remunerations etc. All the directors or key management personnel has been appointed here the terms of reference or remuneration, our responsibilities are well within the Companies Act 2013 or SEBI and ODR regulations 2015. Everything is being done and secondly, the remuneration levels are significantly based on the performance, if higher the performance better the remuneration, significant part of the remuneration being provided is based on the performance, if performance goes down the remuneration also goes down, the variable pay component is significantly higher in the company. So, the structure of remuneration is aimed at enhancing the performance of the company. I do appreciate your concern compared to the competition and they may have different sets of remunerations, which are not listed here.

The last year here under review was very turbulent, very challenging, but we anchored ourselves for the purpose and remain focused on the operations and reaching the consumers. With that the financial performance was so superior our credit rating for long term is CRISIL A positive for short term it is CRISIL A one, that's the kind of stability we have achieved during the pandemic period. And we also initiated fortification of milk with A and B vitamins. In all the variants in all the markets, I would say this is the only brand in the country which offers 100% vitamin fortified milk to the consumers. Such kind of solid initiatives have been taken. And I thank all the participants who have appreciated recognise the efforts of the team. And I take this opportunity to thank our VICE CHAIRPERSON, Managing Director Mrs. Bhuvaneshwari and executive director Brahmani and directors on the board for extending enormous support to our employees. During this period, hundreds of them got positive tested, many of them got hospitalised. Our directors used their personal network and helped us to get oxygen supplies, to get the beds to save our employees. So many have gone through difficult times, all have come out of it successfully, and they're determined to work for the brand. They're committed to the brand. They're all loyal to the brand. And I once again, thank all of you for supporting us through this pandemic period, where most of our employees have to be on the field, we can't work from home, we have to get milk from village, process pack, bring to market and deliver the consumer at home. So it's not a work from home business. It is on the ground. Throughout the difficult period of wave one, wave two, we withstood the pressures and we delivered the results. I thank all the participants for giving us encouragement and wonderful suggestions for us. And we will meet your expectations in the coming years. Thank you very much.

Ms. Bhuvaneshwari: Thank you executive your director, President and Prabhakara Naidu Garu for your clarifications. I hope all your queries are answered. Still, if you need you are welcome to email. Now the last leg of the meeting is e-voting. The remote e-voting is open from 9am on Tuesday, July 27 2021 to 5pm on Thursday, July 29 2021. For those who have not exercised their vote, we will open to voting now for another 15 minutes. It will be closed after 15 minutes. You can approach company Secretary Umakanta in case you need any assistance. The combined results of remotely E-voting and E-voting shall be placed at company's website that is

www.heritage.in as well as websites of the stock exchanges, where the share of the companies and companies listed and also would be uploaded on the website of K-Fin Technologies Private Limited by the end of the day. Now the vote of thanks by executive director.

Ms. Brahmani: Good afternoon once again. Honourable chairperson, directors, our most valued shareholders, ladies and gentlemen, it's my privilege to propose a vote of Thanks. On this occasion. I, on behalf of the entire team of Heritage Foods and on my own behalf, extend a very hearty vote of thanks to the chair, and all of you for sharing with us your findings and opinions today. We greatly value them. We are committed to delighting every home with fresh and healthy products and empowering the farmers. I wish all members a healthy and safe future and request all of you to be careful during this disturbing period. Thank you so very much.

Ms. Bhuvanewari: Thank you all members for your support, participation. With your permission now all the directors and I will log off. Please be safe and stay healthy. Your health and lives are important to us. Be graceful, be useful. Keep life simple. Live it pleasant. Thank you. Thank you one and all.

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