



Heritage Nutrivet Limited



14th Annual Report 2021-22

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For more information visit
www.heritagenutrivet.in
or scan the QR code



Product Portfolio

Cattle Feed Products



Feed Supplements & Veterinary Medicine



Veterinary Medicine



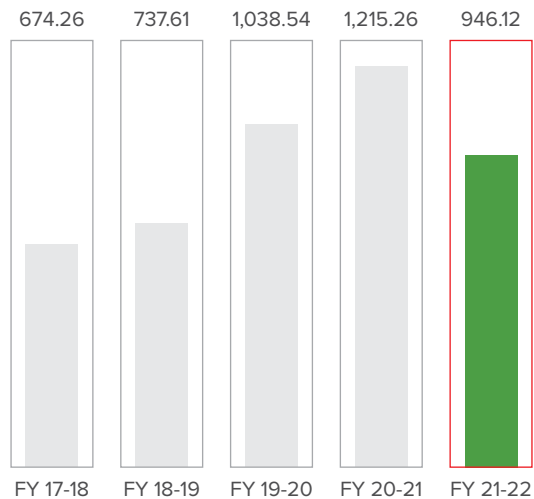
Fish Feed Products



Financial Results

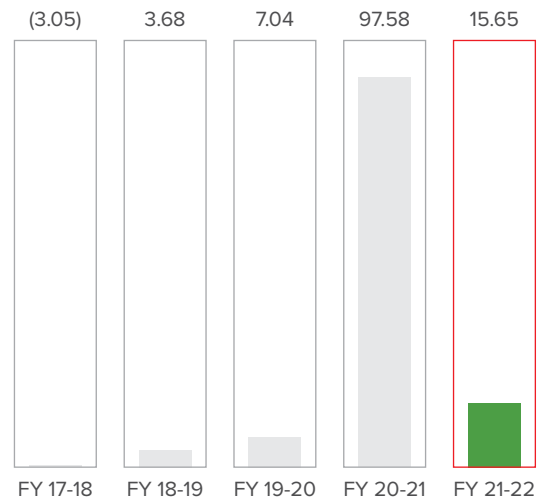
Turnover

₹ in Million



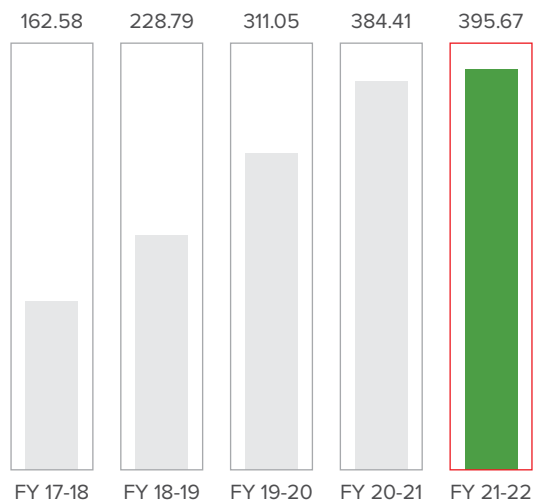
PBT

₹ in Million



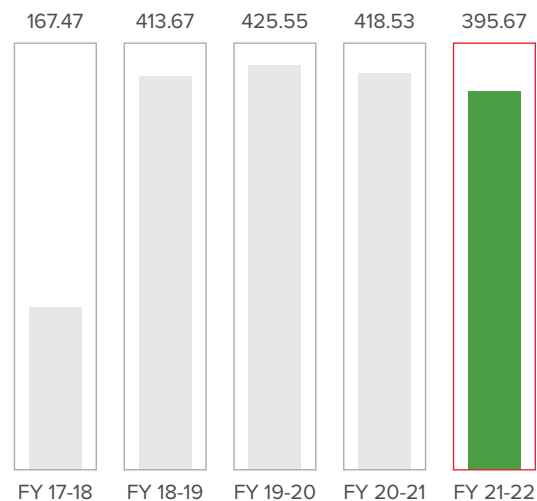
Networth

₹ in Million



Fixed Asset

₹ in Million



CSR activities

Company spent

Rs.0.92 million

on CSR activities towards promoting education.

As part of CSR activity, the Company was associated with five Zilla Parishad Schools in Hindupur and provided computers and projectors along with IT technical support so that the students can get access to online education to build their knowledge and skill set.

Amount of CSR spent (Rs. in million)	0.184	0.184	0.184	0.184	0.184
Name and Address of the School	N.S.R.Z.P. Oriental High School Lepakshi, Anantapuramu District	Z.P High School K. Basavanapalli, Hindupur Mandal, Ananthapur District	Z.P Girls High School Muddiredipalli, Hindupur Mandal, Ananthapur District	P.K.S.R Mpl Oriental High School Hindupur	Z.P.H School Chilamattur Mandal, Ananthapuramu District



Corporate Information

Board of Directors

Mrs. N. Brahmani (DIN: 02338940)	- Managing Director
Mrs. N. Bhuvanewari (DIN: 00003741)	- Director
Dr. M. Sambasiva Rao (DIN: 01887410)	- Director
Mrs. Aparna Surabhi (DIN: 01641633)	- Non-Executive Independent Woman Director
Mr. Rajesh Thakur Ahuja (DIN: 00371406)	- Non-Executive Independent Director

Board Committees:

Audit Committee

Smt. Aparna Surabhi, Chairperson
Sri. Rajesh Thakur Ahuja, Member
Smt. N. Bhuvanewari, Member

Nomination & Remuneration Committee

Sri. Rajesh Thakur Ahuja, Chairperson
Smt. Aparna Surabhi, Member
Dr. M. Sambasiva Rao, Member

Statutory Auditors

M/s. Walker Chandio & Co LLP,
Unit No - 1, 10th Floor, My Home Twitza,
APIIC, Hyderabad Knowledge City
Hyderabad - 500081, Telangana, India

Registrar and Share Transfer Agents:

Kfin Technologies Limited
CIN: U72400TG2017PLC117649
Karvy Selenium Tower B,
Plot No. 31 & 32, Financial District,
Gachibowli, Hyderabad 500 032,
Telangana

Bankers

Kotak Mahindra Bank

Somajiguda Branch,
Hyderabad, Telangana

State Bank of India

Punjagutta Branch
Hyderabad, Telangana

Union Bank of India

Gagan Mahal Road Branch
Hyderabad, Telangana

Registered Office

Heritage Nutrivet Limited
CIN: U15400TG2008PLC062054
#6-3-541/C, 4th Floor
Panjagutta, Hyderabad-500082
Tel: +91-40-23391221/2

Plant 1

Hindupur

APIIC Industrial Estate Gollapuram,
Hindupur, Ananthapur (Dist),
Andhra Pradesh

Plant 2

Mallavalli

APIIC Industrial Park, Mallavalli (V),
Bapulapadu (M), Krishna (Dist),
Andhra Pradesh



NOTICE

NOTICE is hereby given that the Fourteenth (14th) Annual General Meeting (AGM) of the members of Heritage Nutrivet Limited will be held on Monday, 25th July, 2022 at 11:00 AM (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, 2022 along with the Reports of the Board of Directors and Auditor’s 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, 2022 along with the reports of the Board of Directors and Auditors thereon, as circulated to the members be and are hereby considered and adopted.”

2. Re-appointment of Director Retiring by Rotation:

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

“**RESOLVED THAT** in accordance with the provisions of Section 152(6) of the Companies Act, 2013 read with the

Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable provisions of the Companies Act, 2013, Dr. M Sambasiva Rao (DIN:01887410), Non-executive and Non-Independent Director of the Company, who retires by rotation at this meeting and being eligible, offers himself for re-appointment, be and is hereby appointed as a Director of the Company.”

3. To re-appoint the Statutory Auditor of the Company:

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

“**RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. Walker Chandiook & co LLP, Chartered Accountants (FRN:001076N/N500013), be and is hereby re-appointed as the Statutory Auditors of the Company for a second and final term of five consecutive years to hold office from the conclusion of this 14th Annual General Meeting until the conclusion of 19th Annual General Meeting of the Company to be held in the year 2027 at such remuneration as may be mutually agreed between the Board of Directors and the Statutory Auditors.”

“**RESOLVED FURTHER THAT** the Board of Directors of the company be and are hereby authorized to decide and/or alter the terms and conditions of the appointment except tenure but including the remuneration for the subsequent financial years as may deem fit”.

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

N. BRAHMANI
Managing Director
DIN: 02338940

Place : Hyderabad
Date : May 13, 2022

Notes:

1. Considering the present Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular 02/2022 dated May 05, 2022, circular 02/2021 dated January 13, 2021 and circular no. 20/2020 dated May 5, 2020 read together with all the 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 terms of the provisions of Section 152(6) of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and as recommended by the Board of Directors, Dr. M Sambasiva Rao (DIN: 01887410), Non-Executive & Non-Independent Director, liable to retire by rotation at the Meeting hereby appointed as a Non-Executive & Non-Independent Director of the Company.
5. Pursuant to Section 160 of the Companies Act, 2013 and Secretarial Standards on General Meetings (SS- 2), details in respect of Directors seeking appointment / reappointment of Directorship at 14th AGM of the Company to be held on 25th July, 2022 is provided in Annexure-I of this Notice.
6. 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.
7. M/s. Walker Chandiook & Co LLP, Chartered Accountants (FRN 001076N/500013) was appointed as Statutory Auditor of the Company at the Extra-ordinary General Meeting held on October 31, 2017 to hold office till the conclusion of this 14th Annual General Meeting of the Company to be held in the Year 2022. As M/s. Walker Chandiook & Co LLP, Chartered Accountants (FRN 001076N/500013) are eligible for reappointment for a second and final term of 5 Consecutive years (i.e. from 1st April, 2022 to 31st March, 2027). Accordingly, a resolution for their re-appointment is proposed to the members in Item no. 3 of this notice of 14th AGM.

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

N. BRAHMANI
Managing Director
DIN: 02338940

Place : Hyderabad
Date : May 13, 2022



Annexure-I

A Brief resume of Dr. M. Sambasiva Rao:

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

BOARD'S REPORT

Dear Members,

Your Directors have pleasure in presenting the Fourteenth (14th) Board's Report of the Company together with the Audited Financial Statements of the Company for the financial year ended March 31, 2022.

Financial Results

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

Particulars	(₹ in millions)	
	Year ended 31 st March 2022	Year ended 31 st March 2021
Revenue from operations	946.12	1215.26
Other income	13.85	3.30
Total income	959.97	1,218.56
Total expenses	944.32	1,120.98
Profit/ (Loss) before tax	15.65	97.58
Current tax expense	0.58	16.03
Deferred tax benefit	4.48	9.43
Profit/ (loss) for the year	10.59	72.12

State of Company's affairs and future outlook

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

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

You Company is one of the leading Live Stock Feed & Feed Supplements players in Southern and Western India, covering over 3 lakh farmers spread across five states viz., Andhra Pradesh, Telangana, Tamil Nadu, Karnataka and Maharashtra. The animal feed industry in India is largely unorganized and your Company is competing with multiple players in each geography in which it operates. Its strategy for its animal feed business is to focus on achieving cost leadership by improving the operational efficiency of its animal feed business through R&D as well as cost rationalization initiatives.

During the year under review, the Company earned total income of ₹ 959.97 millions and expenses of ₹ 944.32 millions. The Net Profit after tax was ₹10.59 millions. There has been no change in nature of business of the company during the year under review.

Share Capital

The authorised share capital of the Company as on March 31, 2022 was ₹ 15,00,00,000/- (Rupees Fifteen crores only) divided into 1,50,00,000 equity shares @ 10/- each and the paid up Equity Share Capital as on March 31, 2022 was ₹ 3,71,00,640/- (Rupees Three crores Seventy one Lakhs Six Hundred Forty only) divided into 37,10,064 Equity Shares of @10/- each. The company has not issued any shares with differential voting rights. The company has not issued any sweat equity shares to its directors/employee during the year under review.



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, 2022 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 being wholly owned subsidiary of Heritage Foods Limited, the provisions of section 188 of the Companies Act, 2013 is not applicable with respect to prior approval of shareholders for selling the products (exceeding 10% of turnover) to its holding company.

Apart from the above there were no materially significant related party transactions held during the period under review 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.

Annual Return

The Annual Return as on March 31, 2022 as required under Section 92(3) and Section 134(3)(a) of the Companies Act, 2013, is available on the Company's website <https://www.heritagefoods.in/hnl>.

Dividend

During the year under review, the company does not propose to declare any dividend.

Amount transferred to Reserve

Your Directors do not propose to transfer any amount to reserves from the balance in profit and loss account for the financial year ended on March 31, 2022.

Policies:

The Company has adopted the following policies as required under Companies Act, 2013 and other applicable laws, circular and notifications.

Name of the policy	Brief description	Web link
Related Party Transaction Policy	The policy regulates all transactions between the Company and its related parties	https://www.heritagenutrivet.in/static/images/nomination-and-remuneration-policy.pdf
Whistleblower Policy (Policy on vigil mechanism)	The Company has adopted the whistleblower mechanism for directors and employees to report concerns about unethical behaviour, actual or suspected fraud, or violation of the Company's code of conduct and ethics. It also provides for adequate safeguards against victimization of employees who availed the mechanism and also provides for direct access to Board of Directors.	https://www.heritagenutrivet.in/static/images/whistle-blower-policy.pdf

Composition of Board of Directors and changes, if any

The Board of Directors of the Company consists of 5 Directors out of which 2 are Non-executive Independent directors, 2 are Non-Executive & Non-Independent Directors and 1 is Executive Director.

There has been no change in the Composition of Board of Directors during the year under review.

In accordance with Articles of Association of the Company and provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013, Dr. M. Sambasiva Rao (DIN: 01887410), Non-Executive & Non-Independent Director of the Company who retires by rotation in the ensuing AGM and being eligible, offers himself for re-appointment.

Meetings of Board of Directors

During the Financial Year 2021-22, Five (5) meetings of the Board of Directors of the Company were held on the following dates 12th May, 2021, 20th July, 2021, 13th October, 2021, 19th January, 2022 and 14th March, 2022. The intervening gap between any two meetings was not exceeding the period as prescribed in the Companies Act, 2013 and Secretarial Standard-1.

Key Managerial Personnel

During the year under review, Mr. Viney Vatal, Chief Executive officer of the Company submitted his resignation on December 1, 2021, the Board of Directors in their meeting held on March 14, 2022 accepted his resignation and relieved him from the post of CEO w.e.f. 31.03.2022. In place of Mr. Viney Vatal, the Company appointed Mr. Upendra Pandey as Chief Executive Officer of the Company w.e.f 18.04.2022.

Declaration by Independent Directors

Your Company has received the necessary declarations from each independent director stating that they met the criteria prescribed for independence under Section 149(6) of the Companies Act, 2013 and the Board has confirmed its veracity and taken the same on record.

Name of the policy	Brief description	Web link
Nomination and Remuneration Policy	This policy formulates the criteria for determining qualifications, competencies, positive attributes and independence for the appointment of a director (executive / non-executive) and also the criteria for determining the remuneration of the directors and senior management of the Company.	https://www.heritagenutrivet.in/static/images/nomination-and-remuneration-policy.pdf
Corporate Social Responsibility Policy	The policy outlines the Company's strategy to bring about a positive impact on Society through programs relating to hunger, poverty, education, healthcare, environment, relief, disaster management etc., as per the provisions of the Companies Act, 2013.	https://www.heritagenutrivet.in/static/images/csr-policy.pdf
Sexual Harassment Policy	The policy aims at providing a safe working environment for women at workplace.	https://www.heritagenutrivet.in/static/images/sexual-harassment-policy.pdf

Code of Conduct:

The members of the Board and Senior Management Personnel have affirmed compliance with the Code of Conduct applicable to them during the year ended March 31, 2022. The Annual Report of the Company contains a certificate by the Managing Director, on the compliance declarations received from Independent Directors, Non-Executive Non-Independent Directors and Senior Management. The weblink is <https://www.heritagenutrivet.in/static/images/code-of-conduct.pdf>

Board Committees:

There are two statutory Board Committees as on 31st March, 2022 and the following are the details of the same.

a) Audit Committee

Chairperson : Smt. Aparna Surbhi
Members : Sri. Rajesh Thakur Ahuja
Smt. N. Bhuvaneshwari

During the year under review Five (5) meetings of the Audit Committee were held on May 12, 2021, July 20, 2021, October 13, 2021, January, 19, 2022 and March 14, 2022.

b) Nomination and Remuneration Committee

Chairperson : Sri. Rajesh Thakur Ahuja
Members : Smt. Aparna Surabhi
Dr. M Sambasiva Rao

During the year under review Two (2) meetings of the Nomination and Remuneration Committee were held on May 12, 2021 and October 13, 2021.

Corporate Social Responsibility (CSR)

Pursuant to the provisions of Section 135 of the Companies Act 2013, the Company has a CSR policy in place and available on

Company's website at <https://www.heritagenutrivet.in/static/images/csr-policy.pdf>. During the period under review, the Company spent ₹0.92 million on CSR activities towards promoting education. The details of which are covered in Annual Report on Corporate Social Responsibility Activities and provided in the **Annexure-II** of the Board's report.

As per Section 135 of the Companies Act 2013 the "average net profit" shall be calculated in accordance with the provisions of Section 198 of the Companies Act, 2013. The Board noted that the net profit as per Section 198 of the Companies Act, 2013 was ₹ 5.346 million as on 31st March, 2022 and the CSR amount to spend during the FY 2022-23 shall be ₹ 0.818 million, being it was less than ₹ 5 million, the Board has not constituted the CSR Committee during the FY 2022-23.

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 Financial Year 2021-22. However, the Company is the wholly-owned subsidiary of Heritage Foods Limited (CIN: L15209TG1992PLC014332).

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

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

Statutory Auditors:

As per Section 139 of the Companies Act, 2013 ('the Act'), read with the Companies (Audit and Auditors) Rules, 2014, the Members of the Company at the Extra Ordinary General Meeting held on 31st October, 2017, approved the appointment of M/s. Walker Chandiook & Co. LLP, Chartered Accountants (FRN 001076N/500013), as the



Statutory Auditors of the Company for a term of 5 years till the conclusion of ensuing 14th Annual General Meeting of the Company.

As M/s. Walker Chandiook & Co LLP, Chartered Accountants (FRN 001076N/500013) is eligible for reappointment for a second and final term of 5 Consecutive years. Accordingly, a resolution for their re-appointment from the conclusion of ensuing 14th AGM till the conclusion of 19th AGM (i.e. 1st April, 2022 to 31st March, 2027) to be held in the year 2027 is proposed to the members in Item no. 3 of this notice of 14th AGM.

The Auditors' Report (UDIN: 22207660AIXBPD3267) dated May 13, 2022, obtained from Sri Sanjay Kumar Jain, (Membership No.: 207660) Partner, M/s. Walker Chandiook & Co. LLP, Chartered Accountants (FRN 001076N/500013), is unmodified and it does not contain any qualification, reservation or adverse remark or disclaimer.

Secretarial Auditor:

Smt. Khusboo Laxmi Bhagat (M No: 9376, CP No:14703), Practicing Company Secretary, was appointed to conduct the Secretarial Audit of the Company for the financial year 2021-22 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:F009376D000277919) for financial year 2021-22 has been issued on May 06, 2022 by Smt. Khusboo Laxmi Bhagat (M No: 9376, CP No:14703), Practicing Company Secretary, Hyderabad in form MR-3 is provided in the **Annexure-III** of the Board's report.

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

The 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 2022-23 as per the provisions of the Companies Act, 2013.

During the period under review your Company has complied with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India, New Delhi and that such systems are adequate and operating effectively.

Cost Auditors

The MCA had notified the Companies (Cost records and Audit) Rules, 2014 and Companies (Cost records and Audit) Amendment Rules, 2014 specifying the Industry/Sector/Product/Service for maintaining and auditing of Cost Records. As the above Rules were not applicable to your Company, the audit of the Cost Records was not carried out for the Financial Year 2021-22.

Declaration as per Section 134(3)(ca) of the Companies Act, 2013

During the year, the statutory auditors and secretarial auditor have not reported any instances of frauds committed by or against the Company by its Directors/Officers/ Employees to the Audit Committee or Board under section 143(12) of the Companies Act, 2013 and rules made thereof. Therefore no detail is required to be disclosed under Section 134 (3)(ca) of the Act.

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

The Company has duly complied with the provision of Section 186 of the Companies Act, 2013 and the details in respect of Loans Given, Investments Made, Guarantees Given or Security provided by the Company are as follows:

Secured Loans	:	NIL
Unsecured Loans	:	NIL
Current/Non- Current Investments	:	NIL
Guarantees	:	NIL
Securities Extended	:	NIL

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

There are no material changes and commitments affecting the financial position of the company, which have occurred between the end of the financial year of the company to which the financial statements relate and the date of this report.

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

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

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

Your Company has adequate internal financial controls commensurate with the size of the business and nature of its operations, designed to provide reasonable assurance with regard to the accuracy and completeness of the accounting records and timely preparation and provision of reliable financial statements. Your Company appointed CA JSS Sivarama Prasad, Chartered Accountant, Hyderabad for the Financial Year 2021-22 to conduct the IFC testing. The testing report was received by the company with following suggestion, i.e. development comprehensive system of Budgeting, strengthen the areas vendor documentation, speedy

recovery of amounts/ debts. controls to be implemented to reduce the risk of eliminating sticky debtors etc.

Risk Management

The Board of Directors of the Company are overseeing the Risk assessment, Risk Identification & Risk Monitoring functions and taking the necessary actions wherever required.

Internal Auditors

During the period under review M/s. K.S. Rao & Co., Chartered Accountants Hyderabad was appointed as the internal auditor of the Company to review the internal controls and operating systems and procedures as per the scope of the audit.

The Internal Audit Reports of the company are reviewed by the

Audit Committee. The Internal Auditor sends the quarterly audit observation to the Audit committee of the Board of Director and the same were presented quarterly by the internal auditor of the Company. The Audit Committee along with Statutory Auditors and the management of the Company met the Internal Auditor of the Company once in a year to review the internal control and its adequacy.

The Board of Directors on recommendation of the Audit Committee appointed M/s Chaitanya V. & Associates, Chartered Accountants (FRN: 015651S) as the Internal Auditor of your Company for the financial year 2022-23 in compliance with Section 138 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014.

Vigil Mechanism policy

The Board of Directors of the Company had adopted the Whistle Blower Policy in compliance with the provisions of Section 177 of the Companies Act, 2013. A mechanism has been established for employees to report concerns about unethical behaviour, actual or suspected fraud, or violation of Code of Conduct and Ethics. It also provides for adequate safeguards against the victimization of employees who avail of the mechanism and allows direct access

to the Chairperson of the Audit Committee in exceptional cases. The Audit Committee reviews periodically the functioning of whistle blower mechanism. No complaint have been received during the Financial Year ended March 31, 2022. No personnel have been denied access to the Audit Committee during the Financial Year 2021-22.

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

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

Sl no	Particulars	Status of the No. of complaints received and disposed of
1	Number of complaints on sexual harassment received	Nil
2	Number of complaints disposed off during the year	Nil
3	Number of cases pending for more than ninety days	Nil
4	Nature of action taken by the employer or district officer	Nil

Training and Development

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

Particulars of Employees

None of the employees have received the remuneration of ₹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.



The details of top ten employees of the company in terms of remuneration drawn during the FY 2021-22 are as follows:

SI no	Employee Name	Designation	Annual Gross Remuneration Received for FY 21-22** ₹ in Lakhs	Qualification	Year of Total Experience	Date of Joining	Age (Yrs)	Last Employment before Joining the Company	No of Equity Shares held
1	Viney Vatal	C E O	87.53	PG DIP	25	12.04.2021	53	Godrej Agrovvet Ltd	NIL
2	Srinivasarao Yalamancali	Manager	10.73	CA	9	19.07.2018	35	Dukes Consumer Care	NIL
3	Srikanth Akkineni	Sr. Manager	9.31	DME	21	05.09.2018	41	Pattabhi Agro Foods	NIL
4	Kolla Ankamma Choudary	Sr. Manager	9.14	PG DIP	25	01.07.2019	48	Heritage Foods Ltd	NIL
5	Virendra Bahadur Singh	Manager	7.05	MVSC, Phd	4	17.08.2021	34	Skylark Feeds	NIL
6	Satish Avala	Asst. Manager	6.91	BSC	9	12.02.2020	31	Godrej Agrovvet Ltd	NIL
7	Gurunath Badiger	Manager	6.90	BSC	21	23.12.2020	45	CGR Collateral Management Limited	NIL
8	Sanjeeb Kumar Samal	A G M	6.58	PGCHRM	17	08.12.2021	45	Zydu Cadila Helath Care Ltd	NIL
9	Sanklesh Shetty Biradar	Asst. Manager	6.03	B Tech	13	22.01.2021	31	Quantaed Solutions	NIL
10	Kantipudi Varaprasad	Dy. Manager	6.01	MBA	13	01.03.2019	37	RAK Ceramics India Pvt Ltd	NIL

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

No employee received the remuneration in excess of One Crore and Two lakh rupees throughout the financial year.

Details of employee Employed for a part of the financial year was in receipt of remuneration for any part of that year at a rate which, in the aggregate, was not less than Eight Lakhs and Fifty Thousand rupees per month: Mr. Viney Vatal joined the Company on April, 12, 2021 and received a remuneration of ₹ 87.53 millions during the financial year under review,

Credit Rating:

The details of the credit rating are as follows:

- Credit rating obtained in respect of debts: Heritage Nutrivet Limited
- Name of the credit rating agency: Credit Rating Information Services of India Limited (CRISIL)
 - Long term Rating: CRISIL A-/Positive
 - Short term Rating: CRISIL A2+
- Date on which the credit rating was obtained: 07th April, 2022 and valid upto 31st March, 2023

Public Deposits:

The Company has not accepted any deposits covered under Chapter V of the Companies Act, 2013, i.e. within the meaning of Section 2(31) of the Companies Act, 2013 read with Rule 2(1)(c) of the Companies (Acceptance of Deposits) Rules, 2014 and as such there are no such overdue deposits outstanding as on 31st March, 2022.

Cash Flow Statement

In conformity with the Companies Act, 2013 and Accounting Standard – 3 under Section 129 of the Companies Act, 2013, the Cash Flow Statement for the year ended on March 31, 2022 is attached as a part of the Financial Statement of the Company.

Directors Responsibility Statement:

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

- a) In the preparation of the annual accounts for the year ended March 31, 2022, the applicable accounting standards have been followed and there are no material departures from the same;
- b) The Directors had in consultation with Statutory Auditors, selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2022 and of the profit & loss of the Company for the year ended on that date;
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and irregularities;

- d) The Directors have prepared the annual accounts on a going concern' basis; and
- e) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively throughout the Financial Year ended 31st March, 2022.

Compliance of Secretarial Standards

During the financial year under review, the Company has complied with applicable Secretarial Standards as specified by the Institute of Company Secretaries of India pursuant to Section 118 of the Companies Act, 2013.

Acknowledgment

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

By Order of the Board
For HERITAGE NUTRIVET LIMITED

Place : Hyderabad
Date : May 13, 2022

N. Brahmani
Managing Director
DIN: 02338940

N. Bhuvaneshwari
Non-Executive & Non
Independent Director
DIN: 00003741



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 arm's 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 : The Company has not entered into any material contracts or arrangements or transactions with any of the related parties during the FY 2021-22. However the details of non-material contracts or arrangements or transactions are given below:

SI no	Name 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	Holding company	Sales	557.73	Purchase order/invoice	
			Purchase of Property, plant and equipment	3.35		
			Purchase of products	0.35		
			Lease rental Expenses	0.54		As per agreement
			Purchase of Wind Power	4.46		On yearly basis
			SAP AMC	0.75		On yearly basis
			Other Equity - Corporate guarantee for working capital	1.00		One time transaction
			Corporate Guarantee Charges	2.05		During the FY 2021-22
			Brand Usage Charges	0.94		As per agreement
2	Heritage Finlease Limited	Enterprise over which two Directors of the Company exercise significant influence	Rental income	0.01	As per agreement	
3	Nirvana Holdings Private Limited	Enterprise over which two Directors of the Company exercise significant influence	Rental income	0.01	As per agreement	
4	Megabid Finance and Investment Private Limited	Enterprise over which two Directors of the Company exercise significant influence	Rental income	0.01	As per agreement	
5	Smt. Aparna Surabhi	Independent Director	Sitting fee	0.03	During the FY 2021-22	
6	Sri. Rajesh Thakur Ahuja	Independent Director	Sitting fee	0.03		
7	Smt. N. Bhuvanewari	Non-Executive & Non Independent Director	Sitting fee	0.03		
8	Smt. N. Brahmani	Managing Director	Sitting fee	0.03		
9	Dr. M. Sambasiva Rao	Non-Executive & Non-Independent Director	Sitting fee	0.01		

Note: Appropriate approvals has been taken from the Audit Committee and Board for the above related party transactions by the Company and no amount paid in advance for the above related party transactions.

By Order of the Board
For HERITAGE NUTRIVET LIMITED

Place : Hyderabad
Date : May 13, 2022

N. Brahmani
Managing Director
DIN: 02338940

N. Bhuvanewari
Non-Executive & Non
Independent Director
DIN: 00003741

Annexure - II

THE ANNUAL REPORT ON CSR INITIATIVES

1. Brief outline on CSR Policy of the Company

The Board of Directors has adopted a CSR policy to enable the Company to carry-out csr activities one or more than one of the activities prescribed in the Schedule VII to the Companies Act, 2013. The CSR initiatives of the Company are mainly focused in education, environment, rural development projects and disaster management etc. as permitted by the law. The projects undertaken during the Financial Year 2021-22 were within the broad framework of Schedule VII to the Companies Act, 2013. Details of the CSR policy of the Company is available on the website of the Company at <https://www.heritagenutrivet.in/static/images/csr-policy.pdf>.

2. Composition of CSR Committee: Not Applicable**3. The web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:**

Composition of CSR Committee: Not Applicable

CSR Policy: <https://www.heritagenutrivet.in/policies>

CSR Projects: <https://www.heritagenutrivet.in/csr-activities>

4. The details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable: (attach the report): Not Applicable**5. The amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:**

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (₹ In Mn)	Amount required to be set-off for the financial year, if any (₹ In Mn)
		Not Applicable	

6. Average net profit of the company as per section 135(5): ₹44.39 million for FY 2020-21**7.**

Particulars	Amount (₹ in Mn)
Two percent of average net profit of the company as per section 135(5) [A]	0.888
Surplus arising out of the CSR projects or programmes or activities of the previous financial years [B]	-
Amount required to be set off for the financial year, if any [C]	-
Total CSR obligation for the financial year [A]+[B]+[C]	0.888

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year 2021-22 (₹ In Mn)	Amount Unspent (₹ In Mn)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
0.922	Nil	NA	NA	Nil	NA

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the List of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project State District		Project duration	Amount allocated for the project (₹ In Mn).	Amount spent in the current financial Year (₹ In Mn).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ In Mn).	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency. Name CSR registration number
							Nil				
	Total										

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
Sl. No.	Name Of the Project.	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project State District		Amount spent for the project (₹ in Mn).	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing Agency Name CSR registration number
1	Provide Computers and Projectors along with IT technical support to five Zilla Parishad Schools in Hindupur namely:							
	a) N.S.R.Z.P. Oriental High School	Promoting Education	Yes	Andhra Pradesh	Anantapur	0.922	Yes	NA NA
	b) Z.P High School							
	c) Z.P Girls High School							
	d) P.K.S.R Mpl Oriental High School							
	e) Z.P.H School							
	Total					0.922		

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: Nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) : ₹ 0.92 million

(g) Excess amount for set off, if any:

Sl no	Particular	Amount (₹ In Mn)
1.	Two percent of average net profit of the company as per section 135(5)	0.888
2.	Total amount spent for the Financial Year	0.922
3.	Excess amount spent for the financial year [(ii)-(i)]	0.034
4.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
5.	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.034

9. (a) Details of Unspent CSR amount for the preceding three financial years:

SI no	Preceding Financial Year	Amount Transferred to Unspent CSR Account under Section 135 (6) (₹ In Mn)	Amount spent In the reporting Financial Year (₹ In Mn)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount Remaining to Be spent in succeeding Financial years (₹ In Mn)
				Name of the Fund	Amount (₹ In Mn).	Date of transfer.	
				Nil			
Total							

- (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
SI. No.	Project ID	Name of the Project.	Financial Year in Which the Project was commenced	Project duration	Total amount allocated for the project (in ₹ In Mn)	Amount spent on the project in the reporting Financial Year (₹ In Mn)	Cumulative amount spent at the end of reporting Financial Year. (₹ In Mn)	Status of the project - Completed /Ongoing.
Nil								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year:

Date of creation or acquisition of the capital asset(s)	Amount of CSR spent for creation or acquisition of capital asset – Fiscal 2022 (₹ in million)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Details of the capital asset(s) created or acquired (including complete address and location of the capital asset)
28/10/2021	0.184	N.S.R.Z.P. Oriental High School Lepakshi, Anantapuramu District	Office Equipment's
	0.184	Z.P High School K. Basavanapalli, Hindupur Mandal, Ananthapur District	Office Equipment's
	0.184	Z.P Girls High School Muddiredipalli, Hindupur Mandal, Ananthapur District	Office Equipment's
	0.184	P.K.S.R Mpl Oriental High School Hindupur	Office Equipment's
	0.184	Z.P.H School Chilamattur Mandal, Ananthapuramu District	Office Equipment's

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): NA

By Order of the Board
For HERITAGE NUTRIVET LIMITED

Place : Hyderabad
Date : May 13, 2022

N. Brahmani
Managing Director
DIN: 02338940

N. Bhuvaneswari
Non-Executive & Non
Independent Director
DIN: 00003741



Annexure - III

FORM No. MR-3

SECRETARIAL AUDIT REPORT

For the Financial year ended 31st March, 2022

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

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

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Heritage Nutrivet Limited** (herein after called the "Company"). Secretarial audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon. Based on my verification of the Company's, books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has during the audit period covering the financial year ended on 31st March, 2022 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, 2022 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 Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iii) 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
- (iv) The other laws, as informed and certified by the management of the Company which are specifically applicable to the Company are:
 1. Factories Act, 1948
 2. Payment of Wages Act, 1936, and rules made thereunder
 3. The Minimum Wages Act, 1948, and rules made thereunder
 4. Employee's State Insurance Act, 1948, and rules made thereunder

5. The Employee's Provident Fund and Miscellaneous Provisions Act, 1952, and rules made thereunder
6. The Payment of Bonus Act, 1965, and rules made thereunder
7. Payment of Gratuity Act, 1972, and rules made thereunder
8. The Water (Prevention & Control of Pollution) Act, 1974, read with Water (Prevention & Control of Pollution) Rules, 1975
9. Industrial Disputes Act, 1947
10. The Air (Prevention and Control of Pollution) Act, 1981
11. The Environment (Protection) Act, 1986
12. Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008
13. Contract Labour (Regulation and Abolition Act), 1970
14. Maternity Benefit Act, 1961
15. Child Labour (Prohibition and Regulation) Act, 1986
16. Industrial Employment (Standing Orders) Act, 1946
17. Employee's Compensation Act, 1976
18. Equal Remuneration Act, 1976
19. Employment Exchange (Compulsory Notification of Vacancies) Act, 1959
20. Food Safety And Standards Act, 2006 and the Rules made thereunder;
21. The Prevention of Food Adulteration Act, 1954 and the Rules made thereunder.

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 23rd July, 2021.
- 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.
- f) During the year under review the Board of Directors met 5 times, i.e 12th May, 2021, 20th July, 2021, 13th October, 2021, 19th January, 2022, 14 March, 2022. The time gap between the two Board meetings is within 120 days as per the Secretarial Standard-1.
- g) No Payment of remuneration was made to Directors including the Managing Director/Whole-time Directors except sitting fee.

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

Place: Hyderabad
Date: May 06, 2022

CS Khusboo Laxmi Bhagat
M. No:9376, CP No:14703
UDIN: F009376D000277919



ANNEXURE-A TO SECRETARIAL AUDIT REPORT

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

My report of even date is to be read 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: May 06, 2022

CS Khusboo Laxmi Bhagat
M. No:9376, CP No:14703
UDIN: F009376D000277919

Annexure - IV

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 of energy. Your Company continues to investigate the feasibility of technologies with the potential to reduce emissions and contribute to energy efficiency.”

- 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:
- II. The benefits derived like product Improvement, cost reduction, product development or import substitution: Energy saving & reduction of cost of products, improved product quality.
- IV. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) : Not Applicable
- V. The Expenditure incurred an Research and Development : Nil

C. Foreign Exchange Earnings and Outgo: NIL

By Order of the Board
For HERITAGE NUTRIVET LIMITED

Place : Hyderabad
Date : May 13, 2022

N. Brahmani
Managing Director
DIN: 02338940

N. Bhuvanewari
Non-Executive & Non
Independent Director
DIN: 00003741

Financial Statements



Independent Auditor's Report

To the Members of Heritage Nutrivet Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of Heritage Nutrivet Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow 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 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

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

4. The Company's Board of Directors are 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 are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation 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 Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. 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, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
 7. Those 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, specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system with reference to financial statements in place and the operating effectiveness of such controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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.

Report on Other Legal and Regulatory Requirements

11. Based on our audit, we report that the Company has not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable.
12. As required by the Companies (Auditor's Report) Order, 2020 ('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, to the extent applicable.
13. Further to our comments in Annexure A, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying financial statements;
 - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The financial statements dealt with by this report are in agreement with the books of account;
 - d) in our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;
 - e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of section 164(2) of the Act;
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2022 and the operating effectiveness of such controls, refer to our separate Report in Annexure B wherein we have expressed an unmodified opinion; and
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended),

in our opinion and to the best of our information and according to the explanations given to us:

- i. the Company does not have any pending litigation(s) which would impact its financial position as at 31 March 2022;
- 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 2022;
- 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 2022;
- iv. a) The management has represented that, to the best of its knowledge and belief, as disclosed in note 30(i) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any persons or entities, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

- b) The management has represented that, to the best of its knowledge and belief, as disclosed in note 30(ii) to the financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our attention that causes us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- v. The Company has not declared or paid any dividend during the year ended 31 March 2022.

For **Walker Chandiook & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Sanjay Kumar Jain

Partner

Membership No.: 207660

UDIN: 22207660AIXBPD3267

Place: Hyderabad

Date: 13 May 2022

Annexure A referred to in Paragraph 12 of the Independent Auditor's Report of even date to the members of Heritage Nutrivet Limited on the financial statements for the year ended 31 March 2022

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.

- (b) The property, plant and equipment have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification program adopted by the Company, is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The title deeds of all the immovable properties held by the Company disclosed in the financial statements are held in the name of the Company, except for the following properties, for which the Company's management is in the process of getting the registration in the name of the Company:

(₹ in millions)

Description of property	Gross carrying value	Held in name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in name of company
Land	17.21	Andhra Pradesh Industrial Infrastructure Corporation Limited	Not applicable	44 months	The Company is in the process of getting the sale deed executed and registered in its name.

- (d) The Company has not revalued its Property, Plant and Equipment or intangible assets during the year.
- (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, reporting under clause 3(i)(e) of the Order is not applicable to the Company.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed.
- (b) The Company has a working capital limit in excess of ₹ 5 crore, sanctioned by banks on the basis of security of current assets. The quarterly statements, in respect of the working capital limits have been filed by the Company with such banks and such statements are in agreement with the books of account of the Company for the respective periods, which were not subject to audit/review.
- (iii) The Company has not made any investment in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or any other parties during the year. Accordingly, reporting under clause 3(iii) of the Order is not applicable to the Company.
- (iv) The Company has not entered into any transaction covered under sections 185 and 186 of the Act. Accordingly, reporting under clause 3(iv) of the Order is not applicable to the Company.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there is no amount which has been considered as deemed deposit within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of Company's products/business activity. Accordingly, reporting under clause 3(vi) of the Order is not applicable.
- (vii) (a) In our opinion, and according to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax and other material statutory dues, as applicable, with 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 became payable.
- (b) According to the information and explanations given to us, there are no statutory dues referred to in subclause (a) above that have not been deposited with the appropriate authorities on account of any dispute.

- (viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of accounts.
- (ix) (a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or other lender.
- (c) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of term loans during the year and there has been no utilisation during the current year of the term loans obtained by the Company during any previous years. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.
- (d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have not been utilised for long term purposes.
- (e) According to the information and explanations given to us, the Company does not have any subsidiaries, associates or joint ventures. Accordingly, reporting under clause 3(ix)(e) and clause 3(ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully, partially or optionally convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit.
- (b) No report under section 143(12) of the Act has been filed with the Central Government for the period covered by our audit.
- (c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.
- (xiv) (a) According to the information and explanations given to us, the Company is not required to have an internal audit system under section 138 of the Act. However, the Company has an internal audit system which, in our opinion, is commensurate with the size and nature of its business.
- (b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.
- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them and accordingly, provisions of section 192 of the Act are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clause 3(xvi) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred any cash loss in the current as well as the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios and expected dates of realisation of financial assets and payment of financial



liabilities, other information accompanying the financial statements, our knowledge of the plans of the Board of Directors and management, we are of the opinion that no material uncertainty exists as on the date of the audit report that Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

(xx) According to the information and explanations given to us, the Company does not have any unspent amount in respect of any

ongoing or other than ongoing project as at the expiry of the financial year. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.

(xxi) The reporting under clause 3(xxi) is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Sanjay Kumar Jain

Partner

Membership No.: 207660

UDIN: 22207660AIXBPD3267

Place: Hyderabad

Date: 13 May 2022

Annexure B to the Independent Auditor's Report of even date to the members of Heritage Nutrivet Limited on the financial statements for the year ended 31 March 2022

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

1. In conjunction with our audit of the financial statements of Heritage Nutrivet Limited ('the Company') as at and for the year ended 31 March 2022, we have audited the internal financial controls with reference to the financial statements of the Company as at that date.

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

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

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

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to the financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to the financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to the financial statements and their operating effectiveness. Our audit of internal financial controls with reference to the financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to the financial statements.

Meaning of Internal Financial Controls with Reference to the Financial Statements

6. A company's internal financial controls with reference to the financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to the financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of the financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to the Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to the financial statements, including the possibility of collusion or improper management override



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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to the financial statements and such controls were operating

effectively as at 31 March 2022, based on the internal financial controls with reference to the financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Sanjay Kumar Jain

Partner

Place: Hyderabad

Date: 13 May 2022

Membership No.: 207660

UDIN: 22207660AIXBPD3267

Balance Sheet

as at March 31, 2022

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

Particulars	Note	As at March 31, 2022	As at March 31, 2021
I Assets			
(1) Non-current assets			
(a) Property, plant and equipment	6	406.20	413.59
(b) Capital work-in-progress	6(a)	0.26	2.98
(c) Other Intangible assets	6(b)	0.24	0.30
(d) Intangible assets under development	6(c)	5.31	1.65
(e) Financial assets			
(i) Other financial assets	11	3.64	3.60
(f) Other non-current assets	7	1.75	3.71
Total non-current assets		417.40	425.83
(2) Current assets			
(a) Inventories	8	107.72	104.41
(b) Financial assets			
(i) Trade receivables	9	14.65	16.81
(ii) Cash and cash equivalents	10(a)	6.36	20.27
(iii) Bank balances other than (ii) above	10(b)	0.01	0.01
(iv) Other financial assets	11	0.08	0.22
(c) Current tax assets (net)		4.91	2.78
(d) Other current assets	7	6.70	7.12
Total current assets		140.43	151.62
Total assets		557.83	577.45
II Equity and Liabilities			
(1) Equity			
(a) Equity share capital	12	37.10	37.10
(b) Other equity	13	358.57	347.31
Total equity		395.67	384.41
Liabilities			
(2) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	14	58.44	79.69
(b) Provisions	19	1.70	3.21
(c) Deferred tax liabilities (net)	15	9.36	4.98
Total non-current liabilities		69.50	87.88
(3) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	14	21.25	35.92
(ii) Trade payables	16		
- total outstanding dues of micro and small enterprises;		-	0.25
- total outstanding dues of creditors other than micro and small enterprises		46.24	36.53
(iii) Other financial liabilities	17	18.68	24.27
(b) Other current liabilities	18	3.63	5.24
(c) Provisions	19	2.86	2.95
Total current liabilities		92.66	105.16
Total equity and liabilities		557.83	577.45

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

This is the Balance sheet referred to in our report of even date.

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

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

Sanjay Kumar Jain
Partner
Membership No: 207660

N Brahmani
Managing Director
DIN: 02338940

M Sambasiva Rao
Director
DIN: 01887410

Upendra Pandey
Chief Executive Officer

Place: Hyderabad
Date: 13 May 2022

Place: Hyderabad
Date: 13 May 2022

Statement of Profit and Loss

for the year ended March 31, 2022

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

Particulars	Note	For the year ended 31 March 2022	For the year ended 31 March 2021
Income			
Revenue from operations	20	946.12	1,215.26
Other income	21	13.85	3.30
Total income		959.97	1,218.56
Expenses			
Cost of materials consumed	22	558.49	624.69
Purchase of stock-in-trade		147.22	259.04
Changes in inventories of finished goods and stock-in-trade	23	6.56	(1.98)
Employee benefit expenses	24	74.75	70.39
Finance costs	25	10.11	15.70
Depreciation and amortisation expense	6 & 6(b)	22.18	21.39
Other expenses	26	125.01	131.75
Total expenses		944.32	1,120.98
Profit before tax		15.65	97.58
Tax expense	27		
Current tax expense		0.58	16.03
Deferred tax expense		4.48	9.43
Total tax expense		5.06	25.46
Profit for the year	A	10.59	72.12
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit plan, net of tax		(0.33)	0.23
Total Other comprehensive income/(loss)	B	(0.33)	0.23
Total comprehensive income for the year	(A+B)	10.26	72.35
Earnings per equity share (EPES)			
Basic and Diluted EPES (in absolute ₹ terms)		2.85	19.44
Weighted average number of equity shares		3,710,064	3,710,064
Face value of equity share (in absolute Regular terms)		10.00	10.00

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

This is the Statement of Profit and Loss referred to in our report of even date.

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

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

Sanjay Kumar Jain
Partner
Membership No: 207660

N Brahmani
Managing Director
DIN: 02338940

M Sambasiva Rao
Director
DIN: 01887410

Upendra Pandey
Chief Executive Officer

Place: Hyderabad
Date: 13 May 2022

Place: Hyderabad
Date: 13 May 2022

Cash Flow Statement

for the year ended March 31, 2022

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

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Cash flow from operating activities		
Profit before tax	15.65	97.58
Adjustments:		
Depreciation and amortisation expense	22.18	21.39
Finance costs	10.11	15.70
Net gain on disposal of property, plant and equipment	(0.03)	-
Lease rental income	(0.16)	(0.18)
Provision for doubtful advances	-	11.51
Reversal of provisions towards doubtful receivables	(9.62)	-
Profit on sale of investment	(0.64)	-
Interest income	(1.93)	(0.93)
Operating cash profits before working capital changes	35.56	145.07
Changes in trade receivables	11.78	(4.23)
Changes in financial and other assets	2.61	12.41
Changes in financial and other liabilities	(5.13)	(4.60)
Changes in trade payables	9.46	1.21
Change in provisions	(2.05)	1.63
Changes in inventories	(3.31)	(17.94)
Net cash generated from operating activities	48.92	133.55
Income-taxes paid	(2.71)	(17.35)
Net cash generated from operating activities (A)	46.21	116.20
Cash flows from investing activities		
Purchase of property, plant and equipment including intangible assets	(19.99)	(15.47)
Proceeds from sale of property, plant and equipment	3.36	-
Purchase of investments	(51.00)	-
Proceeds from sale of investments	51.64	-
Movement in other bank balances, net	-	(0.01)
Lease rental received	0.16	0.09
Interest income received	1.89	0.86
Net cash used in investing activities (B)	(13.94)	(14.53)
Cash flows from financing activities		
Repayment of long-term borrowings	(21.25)	(51.25)
Interest paid	(10.26)	(16.19)
Net cash used in financing activities (C)	(31.51)	(67.44)
Net change in cash and cash equivalents during the year (A + B + C)	0.76	34.23
Cash and cash equivalents at the beginning of the year	5.60	(28.63)
Cash and cash equivalents at the end of the year (Note 1)	6.36	5.60



Cash Flow Statement

for the year ended March 31, 2022 (Contd.)

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

Particulars	As at 31 March 2022	As at 31 March 2021
Note 1:		
Cash and cash equivalents includes		
Cash on hand	0.02	0.02
Balances with banks in current accounts	6.34	5.80
Deposits with original maturity up to 3 months	-	14.45
Short term borrowings	-	(14.67)
	6.36	5.60

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: 13 May 2022

For and on behalf of the Board of Directors

Heritage Nutrivet Limited

N Brahmani

Managing Director

DIN: 02338940

Place: Hyderabad

Date: 13 May 2022

M Sambasiva Rao

Director

DIN: 01887410

Upendra Pandey

Chief Executive Officer

Statement of Changes in Equity

for the year ended March 31, 2022

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

A Equity Share Capital

Particulars	Notes	Number of shares	Amount
As at 1 April 2020		3,710,064	37.10
Changes in equity share capital	12	-	-
As at 31 March 2021		3,710,064	37.10
Changes in equity share capital	12	-	-
As at 31 March 2022		3,710,064	37.10

B Other Equity (refer note 13)

Particulars	Reserves and Surplus				Other comprehensive income	Total
	Securities premium	Capital reserve	Equity contribution from Holding Company	Retained earnings		
Balance as at 1 April 2020	273.68	(27.15)	11.74	15.69	-	273.96
Profit for the year	-	-	-	72.12	-	72.12
Other comprehensive loss	-	-	-	0.23	-	0.23
Equity contribution from Holding Company	-	-	1.00	-	-	1.00
Balance as at 31 March 2021	273.68	(27.15)	12.74	88.04	-	347.31
Profit for the year	-	-	-	10.59	-	10.59
Other comprehensive income	-	-	-	(0.33)	-	(0.33)
Equity contribution from Holding Company	-	-	1.00	-	-	1.00
Balance as at 31 March 2022	273.68	(27.15)	13.74	98.30	-	358.57

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

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

Sanjay Kumar Jain
Partner
Membership No: 207660

N Brahmani
Managing Director
DIN: 02338940

M Sambasiva Rao
Director
DIN: 01887410

Upendra Pandey
Chief Executive Officer

Place: Hyderabad
Date: 13 May 2022

Place: Hyderabad
Date: 13 May 2022

Summary of the significant accounting policies and other explanatory information

1. Corporate information

Heritage Nutrivet Limited (“HNL” or “the Company”) is headquartered and having its registered office at #6-3-541/ C, Punjagutta, Hyderabad – 500082 Telangana, India. The Company operates through its animal feed facilities which are located in the state of Andhra Pradesh, India and is a wholly owned subsidiary of Heritage Foods Limited.

2. Basis of preparation of the financial statements

The financial statements of the Company have been prepared in accordance with accounting principles generally accepted in India, Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and presentation requirement of Division II of Schedule III to the Act, including the amendments to Schedule III notified by the Ministry of Corporate Affairs (“MCA”) vide its notification dated 24 March 2021. The Company has uniformly applied the accounting policies during the periods presented.

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 2022. These financial statements were authorised for issuance by the Company’s Board of Directors on 13 May 2022.

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; and
- (c) Long-term borrowings are measured at amortised cost using the effective interest rate method.

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 sale of animal feed products.

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.

Interest Income

For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension,

call and similar options) but does not consider the expected credit losses. Interest income is included under other income in the statement of profit and loss.

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.

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

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.

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

Depreciation is provided on the basis of straight line method at the useful life and in the manner prescribed in Schedule II of the Companies Act, 2013 except in respect

of the following assets, based on technical assessment made by technical expert and management estimate, useful life is different from than those described in Schedule II. Management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

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

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

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

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

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. Inventories

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

in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value. Costs for all categories of inventories have been ascertained using weighted average cost method.

Cost of inventories comprises following:

- Raw material, stock-in-trade, packaging materials and stores and spares: 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 and work in progress: 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.

h. Impairment of non-financial assets

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

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

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

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to

determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

i. Provision and contingencies

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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

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

Contingencies

Contingent liabilities are identified and disclosed with respect to following:

- a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- a present obligation that arises from past events but is not recognised because:
 - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - the amount of the obligation cannot be measured with sufficient reliability.

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

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.

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

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

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.

De-recognition

A financial asset is primarily derecognised when:

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

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

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

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

Impairment of financial assets

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

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, deposits, trade receivables and bank balances.
- Financial guarantee contracts which are not measured as at FVTPL

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

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

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

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

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

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

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

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

Financial liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement

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

Borrowings

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

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

Trade and other payables

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

De-recognition

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

Offsetting of financial instruments

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

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

MCA vide its notification dated 23 March 2022 has notified Companies (Indian Accounting Standards) Amendment Rules, 2022 to further amend the Companies (Indian Accounting Standards) Rules, 2015, as below, which are effective from 1 April 2022.

- a) **Ind AS 16 – Property Plant and equipment** – The amendment clarifies that an entity shall deduct from the cost of an item of property, plant and equipment any proceeds received from selling items produced while the entity is preparing the asset for its intended use.
- b) **Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets** – The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract or an allocation of other costs that relate directly to fulfilling contracts.
- c) **Ind AS 109 – Financial Instruments** – The amendment clarifies the nature of fees an entity should include when it applies the '10% test' in assessing whether to derecognize a financial liability. An entity shall include only fees paid or received between the entity and the lender, including the fees paid or received by either the entity or the lender on other's behalf.

The Company is in the process of evaluating the impact of these amendments on the financial statements.

6. Property, plant and equipment

	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Office Equipment	Vehicles	Total
Gross Block							
Balance as at 1 April 2020	50.76	226.14	175.09	2.55	5.72	0.06	460.32
Additions during the year	-	5.94	2.64	0.53	1.52	0.82	11.45
Balance as at 31 March 2021	50.76	232.08	177.73	3.08	7.24	0.88	471.77
Additions during the year	-	12.86	4.85	-	0.35	-	18.06
Disposals/retirements during the year	-	-	(4.39)	-	(0.02)	-	(4.41)
Balance as at 31 March 2022	50.76	244.94	178.19	3.08	7.57	0.88	485.42
Accumulated depreciation							
Up to 31 March 2020	-	13.12	20.81	0.71	2.15	0.02	36.81
Charge for the year	-	8.16	11.49	0.52	1.13	0.07	21.37
Up to 31 March 2021	-	21.28	32.30	1.23	3.28	0.09	58.18
Charge for the year	-	8.62	11.73	0.53	1.16	0.08	22.12
Adjustment for disposals/retirements	-	-	(1.09)	0.03	(0.02)	-	(1.08)
Up to 31 March 2022	-	29.90	42.94	1.79	4.42	0.17	79.22
Net book value as at 31 March 2021	50.76	210.80	145.43	1.85	3.96	0.79	413.59
Net book value as at 31 March 2022	50.76	215.04	135.25	1.29	3.15	0.71	406.20

Notes:

- For details of assets pledged as security, refer Note 14.
- Freehold land includes land valued at ₹ 17.21 (31 March 2021: ₹ 17.21) and currently held in the name of erstwhile owner of the land (Andhra Pradesh Industrial Infrastructure Corporation Limited). The management is in the process of getting the sale deed executed and registering the land in the Company's name.
- The Company does not hold any Benami property and no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

6 (a) Capital Work-in-Progress:

Particulars	As at March 31, 2022	As at March 31, 2021
i. Ageing schedule of capital work-in-progress (CWIP)		
Projects in progress	0.26	2.98
< 1 Year	-	-
1-2 Years	-	-
2-3 Years	-	-
>3 Years	-	-
Projects in progress (total)	0.26	2.98
Projects temporarily suspended	-	-

- The Company does not have any material CWIP which is overdue or has exceeded its cost compared to its original plan and hence the disclosure of CWIP completion schedule is not applicable.

6 (b) Intangible assets:

Particulars	Software
Gross Block	
Balance as at 1 April 2020	-
Additions during the year	0.32
Balance as at 31 March 2021	0.32
Additions during the year	-
Balance as at 31 March 2022	0.32
Accumulated depreciation	
Up to 31 March 2020	-
Charge for the year	0.02
Up to 31 March 2021	0.02
Charge for the year	0.06
Up to 31 March 2022	0.08
Net book value as at 31 March 2021	0.30
Net book value as at 31 March 2022	0.24

6 (c) Intangible assets under development:

Particulars	As at March 31, 2022	As at March 31, 2021
i. Ageing schedule of Intangible assets under development (IAUD)		
Projects in progress		
< 1 Year	3.66	1.65
1-2 Years	1.65	-
2-3 Years	-	-
>3 Years	-	-
Projects in progress (total)	5.31	1.65
Projects temporarily suspended	-	-

(ii) The Company does not have any material IAUD which has exceeded its cost compared to its original budget, however IAUD amounting to ₹ 5.31 (31 March 2021: Nil) is overdue for a period less than 1 year.

7. Other assets

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
Unsecured, considered good		
Capital advances	-	0.91
Prepaid expenses	1.75	2.80
	1.75	3.71
Current		
Unsecured, considered good		
Advances to material and service providers	0.31	0.47
Prepaid expenses	4.18	3.75
Others	2.21	2.90
	6.70	7.12
Unsecured, considered doubtful		
Advances to material and service providers	11.01	11.51
Less: Provision for doubtful advances	11.01	11.51
	-	-
	6.70	7.12

8. Inventories

Particulars	As at March 31, 2022	As at March 31, 2021
(refer note 3(g))		
Raw materials	76.43	69.89
Finished goods (including goods in transit of ₹ 0.31 (31 March 2021: ₹ 1.57))	11.53	17.39
Stock-in-trade (including goods in transit of ₹ 0.04 (31 March 2021: ₹ 0.09))	5.08	5.78
Packing materials	7.41	4.14
Stores and spares	7.27	7.21
	107.72	104.41

9. Trade receivables

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured		
- Considered good	14.65	16.81
- Significant increase in credit risk	23.04	34.15
	37.69	50.96
Less: Allowance for receivables with significant increase in credit risk	(23.04)	(34.15)
	14.65	16.81

The movement in the allowance for trade receivables with significant increase in the credit risk for the year ended 31 March 2022 and 31 March 2021 are as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance at beginning of the year	34.15	47.33
Provision made during the year	-	-
Amount recovered during the year	(9.62)	(1.83)
Bad debts written off during the year	(1.49)	(11.35)
Closing balance at end of the year	23.04	34.15

9. Trade receivables (Contd.)

Trade receivables ageing schedule as at 31 March 2022:

	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed							
Considered good	14.64	0.01	-	-	-	-	14.65
Credit impaired	-	-	-	-	-	-	-
Disputed							
Considered good	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	0.39	22.65	23.04

Trade receivables ageing schedule as at 31 March 2021:

	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed							
Considered good	16.76	0.05	-	-	-	-	16.81
Credit impaired	-	-	-	-	-	-	-
Disputed							
Considered good	-	-	-	-	-	-	-
Credit impaired	-	-	-	0.50	4.32	29.33	34.15

No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person or amounts due by firms or private companies respectively in which any director is a partner or a director or a member. Refer note 35 for dues from the related parties.

10. Cash and Bank balances

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Cash and cash equivalents		
Balances with banks in current accounts	6.34	5.80
Cash on hand	0.02	0.02
Deposits with original maturity up to 3 months	-	14.45
	6.36	20.27
(b) Other bank balances		
Margin money deposits with banks	0.01	0.01
	0.01	0.01

11. Other financial assets

Particulars	As at	
	March 31, 2022	March 31, 2021
Non-current		
Unsecured, considered good		
Security deposits	3.05	3.05
Interest accrued but not due on bank deposits	0.11	0.07
Margin money deposits with banks	0.48	0.48
	3.64	3.60
Current		
Unsecured, considered good		
Rent receivable	0.01	0.09
Security deposits	0.07	0.13
	0.08	0.22

12. Equity share capital

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number	Amount	Number	Amount
i. Authorised share capital				
Equity shares of ₹ 10 each	15,000,000	150.00	15,000,000	150.00
ii Issued, subscribed and fully paid up				
Equity shares of ₹ 10 each	3,710,064	37.10	3,710,064	37.10
	3,710,064	37.10	3,710,064	37.10

iii. Reconciliation of number of equity shares outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number	Amount	Number	Amount
Equity shares				
Balance at the beginning of the year	3,710,064	37.10	3,710,064	37.10
Add: Issued during the year	-	-	-	-
Balance at the end of the year	3,710,064	37.10	3,710,064	37.10

iv. Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting.

On winding up of the Company, the holders of equity shares shall be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts, in proportion to the number of equity shares held.

v. Details of shareholders holding more than 5% equity shares in the Company, details of the shares held by the Holding Company and details of shareholding of promoters[§]

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number	% holding	Number	% holding
Name of the equity shareholders				
Heritage Foods Limited (Holding Company) *	3,710,064	100.00%	3,710,064	100.00%

*Including 600 equity shares held by others as nominee shareholders.

[§] there was no change in the promoter's holding during the year ended 31 March 2022 and 31 March 2021.

13. Other equity

Particulars	As at March 31, 2022	As at March 31, 2021
Reserve and surplus		
Securities premium	273.68	273.68
Capital reserve	(27.15)	(27.15)
Equity contribution from Holding Company	13.74	12.74
Retained earnings	98.30	88.04
Items of Other comprehensive income ("OCI")	-	-
	358.57	347.31

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.

Capital reserve

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

Equity contribution from Holding Company

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

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.

14. Borrowings

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
Term loans, secured		
From banks	58.44	79.69
	58.44	79.69

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

Outstanding term loan is secured by equitable mortgage on the land & building located at Mallavalli village, Krishna district, by exclusive charge on movable fixed assets located at Mallavalli plant and by second charge on all current assets of the Company. The interest rate is fixed at three months MCLR+ spread per annum. The loan is repayable in 24 equal quarterly instalments commenced from March 2020 and ending in December 2025. The loan is guaranteed by the Holding Company.

Particulars	As at March 31, 2022	As at March 31, 2021
Current		
Secured		
Cash credit facility from a bank	-	14.67
Current maturities of term loans from banks	21.25	21.25
	21.25	35.92

(b) Terms and conditions of loan and nature of security

Cash credit facility from a bank is secured by first charge on the assets of the Company, both future and present. The interest rate is equivalent to MCLR+ spread per annum, as agreed from time to time. The loan is guaranteed by the Holding Company.

(c) Reconciliation of liabilities arising from financial activities*

Particulars	As at	As at	As at	As at
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	Principal		Interest accrued	
Balance at beginning of the year	100.94	152.19	0.71	1.20
Proceeds from long term borrowings	-	-	7.42	11.52
Repayment of long term borrowings	(21.25)	(51.25)	(7.57)	(12.01)
Balance at end of the year	79.69	100.94	0.56	0.71

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

(d) Quarterly statements of current assets filed by the Company with banks in connection with the cash credit facility availed are in agreement with the books of accounts.

15 Deferred tax liabilities, net

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Deferred tax liabilities, net	9.36	4.98
	9.36	4.98

Movement in deferred tax liabilities and assets

	As at 1 April 2020	Recognised in SPL	Recognised in OCI	As at 31 March 2021	Recognised in SPL	Recognised in OCI	As at 31 March 2022
Deferred tax liabilities:							
Property, plant and equipment and other intangible assets	23.84	5.41	-	29.25	2.71	-	31.96
Total (A)	23.84	5.41	-	29.25	2.71	-	31.96
Deferred tax assets:							
Employee benefits	1.26	0.53	(0.08)	1.71	(0.55)	0.11	1.27
Provision for trade receivables	12.31	(2.81)	-	9.50	(3.09)	-	6.41
Provision for doubtful advances	-	3.20	-	3.20	(0.14)	-	3.06
Unabsorbed tax depreciation	10.27	(10.27)	-	-	1.02	-	1.02
MAT Credit	4.53	5.33	-	9.86	0.98	-	10.84
Total (B)	28.37	(4.02)	(0.08)	24.27	(1.77)	0.11	22.60
Total (A) - (B)	(4.53)	9.43	0.08	4.98	4.48	(0.11)	9.36

16. Trade payables

Particulars	As at	As at
	March 31, 2022	March 31, 2021
total outstanding dues of micro and small enterprises	-	0.25
total outstanding dues of creditors other than micro and small enterprises	46.24	36.53
	46.24	36.78

(a) Disclosure under Micro, Small and Medium Enterprises Development Act, 2006

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

Particulars	As at March 31, 2022	As at March 31, 2021
(i). The principal amount remaining unpaid as at the end of the year	0.00	0.25
(ii). The amount of interest accrued and remaining unpaid on (i) above	-	-
(iii). Amount of interest paid by the Company in terms of Section 16, of the MSMED Act, 2006 along with the amounts of payments made beyond the appointed date during the year.	-	-
(iv). The amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid)	-	-
(v). The amount of further interest remaining due and payable in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006.	-	-

(b) Trade payables ageing schedule as on 31 March 2022

	Not due	Outstanding for following periods from due date of payment					Total
		Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years		
i) Micro enterprises and small enterprises (MSME)	-	-	-	-	-	-	-
ii) Others	45.32	0.80	0.07	0.04	0.01	46.24	
iii) Disputed dues - MSME	-	-	-	-	-	-	
iv) Disputed dues - others	-	-	-	-	-	-	

(c) Trade payables ageing schedule as on 31 March 2021

	Not due	Outstanding for following periods from due date of payment					Total
		Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years		
i) MSME	0.25	-	-	-	-	0.25	
ii) Others	35.21	0.98	0.33	0.01	-	36.53	
iii) Disputed dues - MSME	-	-	-	-	-	-	
iv) Disputed dues - others	-	-	-	-	-	-	

17. Other current financial liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Capital creditors	0.49	2.40
Freight payables	6.58	5.62
Employee related payables	4.48	8.05
Interest accrued but not due on borrowings	0.56	0.71
Retention money payable	-	0.81
Other payables	6.57	6.68
	18.68	24.27

18. Other current liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Advances from customers	0.68	3.48
Payable to statutory authorities	2.95	1.76
	3.63	5.24

19. Provisions

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
Compensated absences	1.70	3.21
	1.70	3.21
Current		
Gratuity (refer note (a) below)	-	-
Compensated absences	2.86	2.95
	2.86	2.95

(a) Gratuity

The Company provides its employees with benefits under a defined benefit plan, referred to as the “Gratuity Plan”. The Gratuity Plan entitles an employee, who has rendered at least five years of continuous service, to receive 15 days salary for each year of completed service (service of six months and above is rounded off as one year) at the time of retirement/ exit, restricted to a sum of ₹ 2 in accordance with Payment of Gratuity Act, 1972.

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Change in projected benefit obligation		
Projected benefit obligation at the beginning of the year	2.63	2.55
Service cost	0.38	0.36
Interest cost	0.07	0.13
Actuarial (gain)/loss	0.45	(0.31)
Benefits paid	(2.19)	(0.10)
Projected benefit obligation at the end of the year	1.34	2.63
(ii) Change in plan assets		
Fair value of plan assets at the beginning of the year	5.53	5.13
Contribution made during the year	-	0.22
Interest income on plan assets	0.21	0.27
Actuarial gain(loss)	-	0.01
Benefits paid	(2.19)	(0.10)
Fair value of plan assets at the end of the year	3.55	5.53
(iii) Reconciliation of present value of projected benefit obligation and fair value of plan assets		
Present value of projected benefit obligation at the end of the year	(1.34)	(2.63)
Funded status of the fair value of plan assets	3.55	5.53
Net asset recognised in the balance sheet	2.21	2.90

Particulars	As at March 31, 2022	As at March 31, 2021
(iv) Expense recognized in the Statement of profit and loss		
Interest cost	0.07	0.13
Service cost	0.38	0.36
Interest income on plan assets	(0.21)	(0.27)
	0.24	0.22
(v) Income recognized in OCI		
Actuarial (gain)/loss, net	0.45	(0.31)
	0.45	(0.31)
(vi) Key actuarial assumptions		
Discount rate	5.60%	4.90%
Salary escalation rate	8.00%	8.00%
Withdrawal rate	30.00%	30.00%
Retirement age	58 - 60 years	58 - 60 years
Note:		
a) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.		
(vii) Maturity profile of defined benefit obligation:		
Within one year	0.16	0.73
Within two to five years	1.76	2.43
More than five years	2.92	2.12
	4.84	5.28

(viii) Sensitivity analysis

Reasonably possible changes as at 31 March 2022 and 31 March 2021 to one of the relevant actuarial assumptions, holding other assumptions constant, can affect the defined benefit obligation by the amounts shown below.

Particulars	As at March 31, 2022	As at March 31, 2021
Discount rate (+1% movement)	(0.05)	(0.06)
Discount rate (-1% movement)	(0.06)	0.07
Salary escalation (+ 1 movement)	0.06	0.03
Salary escalation (- 1% movement)	(0.05)	(0.03)

20. Revenue from operations

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Sale of products	943.70	1,213.40
Other operating income	2.42	1.86
	946.12	1,215.26

Reconciliation of revenue from sale of products with the contracted price

Particulars	As at March 31, 2022	As at March 31, 2021
Revenue as per contracted price	953.95	1,223.63
Adjusted for:		
Sales returns	(3.15)	(2.22)
Discounts	(7.10)	(8.01)
Total revenue from contracts with customers	943.70	1,213.40

21. Other income

Particulars	As at March 31, 2022	As at March 31, 2021
Interest income	1.93	0.93
Lease rental income	0.16	0.18
Reversal of provisions towards doubtful receivables	9.62	-
Net gain on disposal of property, plant and equipment	0.03	-
Profit on sale of investments	0.64	-
Other non-operating income	1.47	2.19
	13.85	3.30

22. Cost of materials consumed*

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Raw materials and packing materials at the beginning of the year	74.03	58.35
Add: Purchases made during the year	568.30	640.37
Less: Raw materials and packing materials at the end of the year	(83.84)	(74.03)
	558.49	624.69

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

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening balance		
- Finished goods	17.39	17.61
- Stock-in-trade	5.78	3.58
	23.17	21.19
Closing balance		
- Finished goods	11.53	17.39
- Stock-in-trade	5.08	5.78
	16.61	23.17
	6.56	(1.98)

24. Employee benefit expenses

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries, wages and bonus	63.17	59.34
Contribution to provident and other funds	4.54	3.40
Gratuity expense	0.24	0.22
Compensated absences expense	3.46	3.58
Staff welfare expenses	3.34	3.85
	74.75	70.39

25. Finance costs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest on borrowings measured at amortized cost	9.86	12.89
Other borrowing costs	0.25	2.81
	10.11	15.70

26. Other expenses

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Consumption of stores and spares	11.97	11.16
Power and fuel	14.13	19.20
Rent	1.12	1.27
Repairs and maintenance		
- Plant and equipment	0.55	0.23
- Others	2.40	2.31
Insurance	0.90	0.80
Rates and taxes, excluding taxes on income	1.23	1.20
Freight outwards	66.71	66.64
Communication	1.23	0.85
Office maintenance	0.32	0.21
Travelling and conveyance	2.90	2.37
Legal and professional fees	3.38	2.63
Payment to auditors (refer note (i) below)	1.02	0.96
Corporate Social Responsibility (CSR) (refer note (ii) below)	0.92	-
Bank charges	0.12	0.10
Sales promotion expenses, including sales commission	6.66	3.44
Security charges	1.51	1.35
Printing and stationery	0.40	0.62
Miscellaneous expenses	7.54	4.90
	125.01	131.75

26. Other expenses (Contd..)

(i) Details of payments to auditors:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
As auditor:		
- Statutory audit fee	0.60	0.60
- Tax audit fee	0.15	0.15
In other capacities:		
- Certification fees	0.19	0.19
- Reimbursement of expenses	0.08	0.02
	1.02	0.96

(ii) Details of CSR expenditure:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Gross amount required to be spent during the year	0.88	-
(b) Amount spent during the year		
(i) Construction/ acquisition of asset	-	-
(ii) On purposes other than (i) above	0.92	-
(c) Shortfall at the end of the year	-	-
(d) Total of previous years shortfall	-	-
(e) Reason for shortfall	Not applicable	-
(f) Nature of CSR activities	Educational support	-
(g) Details of related party transactions	-	-
(h) Provision made during the year	-	-

27. Income tax expense

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Amounts recognised in the statement of profit and loss		
Tax expense comprises of:		
Current tax expense	0.58	16.03
Deferred tax expense	4.48	9.43
	5.06	25.46

Reconciliation of tax expense and the accounting profit multiplied by India's tax rate

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit before tax	15.65	97.58
Expected tax expense at the Indian tax rate of 27.82% (31 March 2021: 27.82%)	4.35	27.15
Tax effect of:		
Other adjustments	0.71	(1.69)
	5.06	25.46

28. Contingent liabilities and commitments

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(i) Contingent liabilities		
Guarantees excluding financial guarantees	0.58	0.58
(ii) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	-	5.41

29. Segment reporting

According to Ind AS 108, Segment Reporting, identification of operating segments is based on Chief Operating Decision Maker (CODM) approach for making decisions about allocating resources to the segment and assessing its performance. The business activity of the Company falls within one operating segment viz. "Feed" and the entire sales is attributable to customers located within the country. Hence, the disclosure requirement of Ind AS 108, Segment Reporting, is not considered applicable.

(a) Revenue from customers

The Company has one customer who has contributed more than 10% to the Company's revenue from operations during the current and previous year. The revenue from such major customer during the year amounted to ₹ 557.73 (31 March 2021: ₹ 549.24).

30. Disclosure pursuant to requirements of Rule 11(e) (i) & (ii) of the Companies (Audit and Auditors) Rules

- (i) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries).
- (ii) The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

31. Categories of Financial instruments and their fair values

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

Categories of financial instruments

Particulars	As at March 31, 2022			As at March 31, 2021		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets						
Trade receivables	-	-	14.65	-	-	16.81
Cash and cash equivalents	-	-	6.36	-	-	20.27
Other bank balances	-	-	0.01	-	-	0.01
Other financial assets	-	-	3.72	-	-	3.82
	-	-	24.74	-	-	40.91

Particulars	As at March 31, 2022			As at March 31, 2021		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial liabilities						
Borrowings	-	-	79.69	-	-	115.61
Trade payables	-	-	46.24	-	-	36.78
Other financial liabilities	-	-	18.68	-	-	24.27
	-	-	144.61	-	-	176.66

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

32. Financial risk management objectives and policies

Financial Risk Management Framework

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

The Company's principal financial liabilities comprises of borrowings, trade payables and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade receivables, cash and cash equivalents and other financial assets that the Company derives directly from its operations. The Company is exposed primarily to Credit Risk, Liquidity Risk and Market risk (fluctuations in interest rates), which may adversely impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Company.

A. Credit risk

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

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

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹ 24.74 and ₹ 40.91 as of 31 March 2022 and 31 March 2021 respectively, being the total of the carrying amount of financial assets.

Financial assets that are neither past due nor impaired

None of the Company's cash equivalents were impaired as at 31 March 2022 and 31 March 2021.

Financial assets that are past due but not impaired

The Company's credit period for customers generally ranges from 0 - 30 days. Refer Note:9 for ageing of trade receivables.

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

32. Financial risk management objectives and policies (Contd..)

B. Liquidity risk

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

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

As at 31 March 2022	On demand	Up to 1 year	More than 1 year	Total
Borrowings	-	21.25	58.44	79.69
Trade payables	-	46.24	-	46.24
Other financial liabilities	-	18.68	-	18.68
	-	86.17	58.44	144.61

As at 31 March 2021	On demand	Up to 1 year	More than 1 year	Total
Borrowings	14.67	21.25	79.69	115.61
Trade payables	-	36.78	-	36.78
Other financial liabilities	-	24.27	-	24.27
	14.67	82.30	79.69	176.66

C. Market risk:

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

i. Interest risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term obligations with floating interest rates. The impact on account of change in interest rate on the Company's long-term obligations is not considered as significant.

ii. The Company is not exposed to any other type of market risk as on 31 March 2022 and 31 March 2021.

33. 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 15% and 45%. The Company includes within net debt, borrowings from banks less cash and cash equivalents.

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Borrowings from banks	79.69	115.61
Less: Cash and cash equivalents	(6.36)	(20.27)
Net debt (A)	73.33	95.34
Total equity (B)	395.67	384.41
Net debt and total equity (A) + (B)	469.00	479.75
Gearing ratio (%)	15.64%	19.87%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the borrowings from banks that define capital structure requirements. Breaches in meeting the financial covenants would permit the bankers to immediately call back the borrowings. There was no breach in the financial covenants of any borrowings during the current and previous financial year ended 31 March 2022 and 31 March 2021.

34. Related party disclosures

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

Names of related parties	Nature of relationship
Heritage Foods Limited	Holding Company
Heritage Farmers Welfare Trust	
Heritage Finlease Limited	Enterprise over which two Directors of the Company exercise significant influence
Nirvana Holdings Private Limited	
Megabid Finance & Investment Private Limited	
N Brahmani	Key Managerial Personnel ("KMP")
Viney Vatal (from 12 April 2021 till 31 March 2022)	
N Bhuvanewari	Director
M Sambasiva Rao	

(b) Transactions with the related parties

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Heritage Foods Limited		
Equity contribution from Holding Company	1.00	1.00
Purchase of power	4.46	4.81
Purchase of dairy products	0.35	0.34
Purchase/(sale) of Property, plant and equipment	(3.35)	0.14
Financial guarantee expense	2.05	2.38
Sale of products	557.73	549.24
Lease rental expense	0.54	0.54
Expenditure incurred on behalf of HNL	0.75	0.75
Brand usage expense	0.94	3.46
Heritage Farmers Welfare Trust		
Sale of products	-	0.02
Lease rental income	-	0.05
Purchase of Property, plant and equipment	-	0.82
Heritage Finlease Limited		
Lease rental income	0.05	0.05
Nirvana Holdings Private Limited		
Lease rental income	0.05	0.05
Megabid Finance & Investment Private Limited		
Lease rental income	0.05	0.02
Viney Vatal		
Short-term employee benefits	8.75	-
Sitting fees paid to		
N Bhuvanewari	0.08	0.07
N Brahmani	0.01	0.05
M Sambasiva Rao	0.06	0.07

(c) Balances receivable/(payable)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Heritage Foods Limited	9.60	9.94
Heritage Farmers Trust	-	0.01
Heritage Finlease Limited	0.01	0.01
Nirvana Holdings Private Limited	-	0.05
Megabid Finance & Investment Private Limited	-	0.02

Notes:

- (a) Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2022, the Company has not recorded any impairment of receivables relating to amounts owed by the Holding Company (31 March 2021: Nil). This assessment is undertaken each financial year through examining the financial position of the related parties and the market in which such parties operates.
- (b) During the year ended 31 March 2022, the Holding Company has given guarantee to bank towards the cash credit facility availed by the Company aggregating to ₹ 80.00 (31 March 2021: ₹ 80.00) and the liability outstanding against the total borrowings (including such cash credit facility) as at 31 March 2022 aggregates to ₹ 79.69 (31 March 2021: ₹ 115.61).

35. Key Ratios

Particulars	Notes	As at March 31, 2022	As at March 31, 2021	Change in %
a) Current ratio = Current assets / current liabilities		1.52	1.44	5.11%
b) Debt equity ratio = Long-term borrowings / Equity		0.20	0.26	-23.30%
c) Debt Service coverage ratio (Net profit + depreciation + interest on long-term loans + gain on sale of PPE) / (interest on long-term loans + principal repayments of long-term loans)		1.40	1.67	-16.28%
d) Return on equity ratio / return on investment ratio = net profit after tax divided by average equity	(i)	2.72%	20.74%	-86.91%
e) Inventory turnover ratio = cost of goods sold divided by average inventory @	(ii)	6.72	9.24	-27.31%
f) Trade receivables turnover ratio = revenue from operations divided by average trade receivables	(iii)	60.15	82.70	-27.27%
g) Trade payables turnover ratio = cost of goods sold divided by average trade payables	(ii)	17.16	24.37	-29.60%
h) Net capital turnover ratio = revenue from operations divided by (current assets less current liabilities)		19.81	26.16	-24.28%
i) Net profit ratio = Net profit after tax divided by revenue from operations	(iv)	1.12%	5.93%	-81.14%
j) Return on capital employed = (earnings before finance cost, other income and taxes) divided by average capital employed #	(iv)	2.54%	24.26%	-89.53%

@ cost of goods sold includes cost of materials consumed, purchase of stock-in-trade and changes in inventories of finished goods and stock-in-trade

capital employed = total assets - current liabilities

Note: Reasons for change in % by more than 25% is as under

- (i) Principal reason for change in the return on equity ratio / return on investment ratio is attributed to the decrease in profits reported during the year ended 31 March 2022 compared to the year ended 31 March 2021.
- (ii) Principal reason for decrease in inventory turnover ratio and trade payables turnover ratio, is attributed to the decrease in cost of goods sold during the year ended 31 March 2022 compared to the year ended 31 March 2021.



(iii) Principal reason for decrease in trade receivables turnover ratio, is attributed to the decrease in revenue from operations during the year ended 31 March 2022 compared to the year ended 31 March 2021.

(iv) Principal reason for decrease in net profit ratio and return on capital employed, is attributed to the decrease in reported profit after tax during the year ended 31 March 2022 compared to the year ended 31 March 2021.

36. 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.

This is the summary of significant accounting policies and other explanatory information 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: 13 May 2022

For and on behalf of the Board of Directors

Heritage Nutrivet Limited

N Brahmani

Managing Director

DIN: 02338940

Place: Hyderabad

Date: 13 May 2022

M Sambasiva Rao

Director

DIN: 01887410

Upendra Pandey

Chief Executive Officer



Heritage Nutrivet Limited

CIN : U15400TG2008PLC062054
#6-3-541/C, 4th Floor, Panjagutta,
Hyderabad-500082
Phone No. +91-40-23391221/2

