

Heritage Nutrivet Limited
16th Annual Report 2023-24



AN EMERGING LEADER IN ANIMAL HEALTH



Heritage Nutrivet Limited, a wholly-owned subsidiary of Heritage Foods Limited, is an emerging leader in animal health.

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Committed to Animal Health

With a pioneering focus on animal health, we at Heritage Nutrivet invest in cutting-edge R&D to improve our existing products and develop new ones to promote the health of milch animals.

We are committed to bridge the nutritional gaps in livestock through our products and solutions that protect livestock from nutritional deficiencies and diseases, thus ensuring animal health and production capability.

Livestock is the only source of livelihood for many dairy farmers. Considering this, we have designed a range of products to cater to the specific needs of livestock that would keep them healthy and nourished, thus ensuring livelihood continuity for farmers.

With our dedicated research team, innovation and ingenuity, our products are designed to fulfil our motto: "Healthy Milch Animal – Happy Farmer."



Our Products



Buffalo Feed



Dairy Bypass +



Dairy Supreme



Dairy Milk Rich



Dairy Power +



Milk Joy +



Gomitra Plus



Gomitra



Herita-Float



Milk Magic +



Milk Joy



Herita-Cal-I



Heritafen-Plus



Herita-Liv



Herita-Min

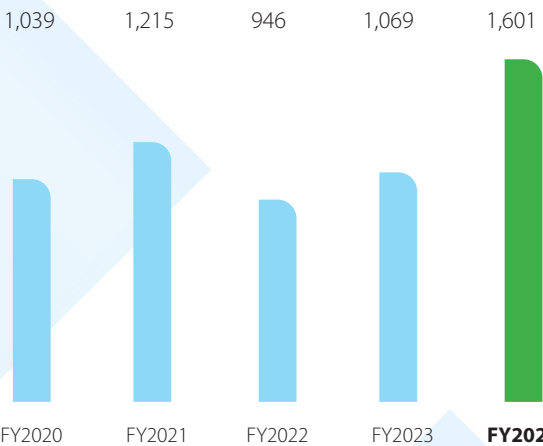


Herita-Vit

Financial Update

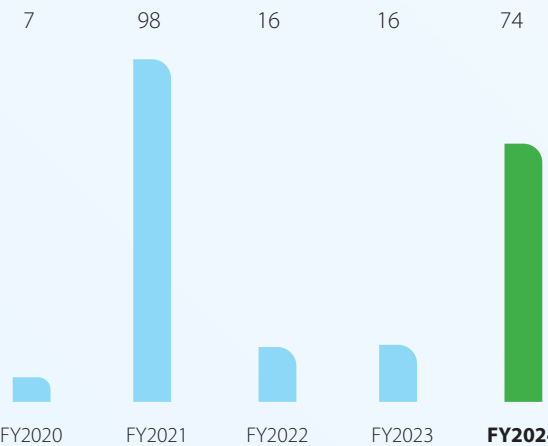
Turnover

₹ mn



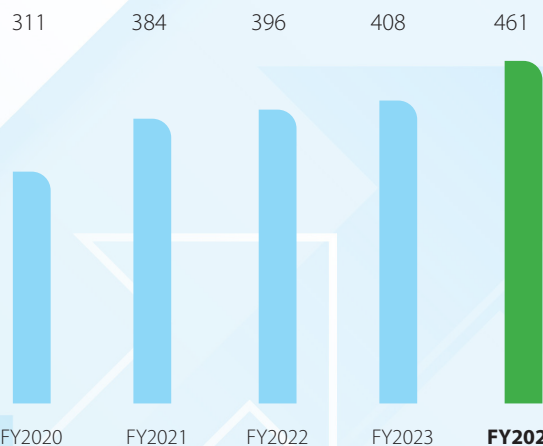
PBT

₹ mn



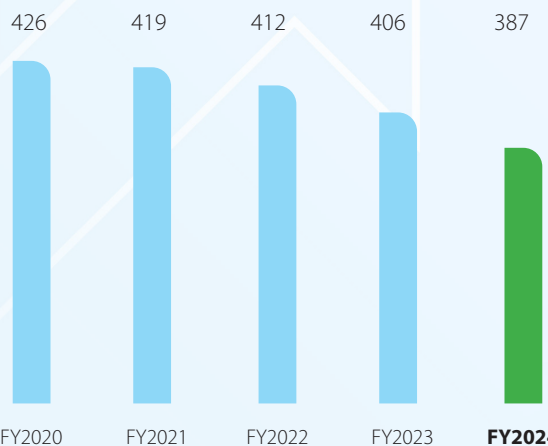
Networth

₹ mn



Fixed assets

₹ mn



Research and Development



We invest in cutting-edge Research & Development to improve our existing products and develop new products to promote the health of milch animals. We have well-established research facilities at Hindupur and Mallavali, run by a group of qualified and experienced lab technicians.

Through our extensive research, we have identified that the traditional feeding system does not fulfil all the nutritional requirements of the livestock. Our products are thus engineered and classified based on the type of feed, supplements and medication to improve animal health and production.

We conduct comprehensive animal trials that are corroborated with laboratory analysis. These include:

- Feeding trials that help eliminate deleterious materials and choose more performing elements for feed formulation

- Digestibility trials that define the quality of any raw material as well as finished feed
- Nutrient-specific trials that helps adjust the intake of minerals, vitamins, protein, energy and fats in the animal's diet

Overall, our interventions result in increased milk production in cattle that also enable livelihood security of the farmer.



Corporate Citizenship



We at Heritage Nutrivet are committed to practicing sustainability while upholding our social responsibility. Our CSR program is dedicated to promoting social harmony and improving the living standards of communities, thus also contributing to economic development.

In 2023-24, we catalysed a transformative educational journey for as many as 1,235 students across five distinguished institutions in Hindupur—KGBV School, ZPHS School (Demakethapalli, Sirivaram, and Pulakunta), and MPUP School (Nayanapalli). Our commitment comprises addressing students' diverse educational needs, which is an essential building block of the society.

Our innovative interventions, ranging from eco-friendly solar technology to cutting-edge IT solutions, enable a future-ready educational framework. Furthermore, we also outfitted the schools with state-of-the-art resources, such as computers, LED TVs, printers and solar heaters that embodies our commitment to support their day-to-day activities.



Corporate Information

Board of Directors

Mrs. N. Brahmani (DIN: 02338940)

Managing Director

Mrs. Aparna Surabhi (DIN: 01641633)

Non-Executive Independent Woman Director

Mr. Rajesh Thakur Ahuja (DIN: 00371406)

Non-Executive Independent Director

Mrs. N. Bhuvaneswari (DIN: 00003741)

Non-Executive Non-Independent Director

Dr. M. Sambasiva Rao (DIN: 01887410)

Non-Executive Non-Independent Director

Mr. Upendra Pandey

Chief Executive Officer

Board Committees

Audit Committee

Mrs. Aparna Surabhi, Chairperson

Mr. Rajesh Thakur Ahuja, Member

Mrs. N. Bhuvaneswari, Member

Nomination & Remuneration Committee

Mr. Rajesh Thakur Ahuja, Chairperson

Mrs. Aparna Surabhi, Member

Dr. M. Sambasiva Rao, Member

Statutory Auditors

M/s. Walker Chandiok & Co LLP

Unit No - 1, 10th Floor, My Home Twitza

APIIC, Hyderabad Knowledge City

Hyderabad - 500081, Telangana, India

Internal Auditor

Mr. G. Srinivasa Rao

M/s. Gattamaneni & Co.

Chartered Accountants

Flat No. 404, Hardik Anmol Road No. 10

Kakateeya Hills, Madhapur

Hyderabad - 500 081

Secreterial Auditor

Mrs. Khusboo Laxmi Bhagat

(M No: 9376, CP No:14703)

Practicing Company Secretary

Vamsy Span Collective Homes, Mayuri Marg

Begumpet, Hyderabad - 500016

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

Part-B of 3rd floor

H. No. 8-2-293/82/A/1286, Plot No. 1286

Road No. 1 & 65, Jubilee Hills, Hyderabad

Telangana 500033

Tel: +91-40-23391221/2

Plant 1

Hindupur

APIIC Industrial Estate Gollapuram

Hindupur, Ananthapur (Dist)

Andhra Pradesh

Plant 2

Mallavalli

APIIC Industrial Estate, Mallavalli (V)

Bapulapadu (M), Krishna (Dist)

Andhra Pradesh

Registrar and Share Transfer Agents

Kfin Technologies Limited

CIN: L72400TG2017PLC117649

Karvy Selenium Tower B

Plot No 31 & 32, Financial District

Gachibowli, Hyderabad 500032

Telangana

NOTICE

Members of Heritage Nutrivet Limited are hereby given notice of the 16th Annual General Meeting of the Company, scheduled to be held on Friday, August 16th, 2024 at 11:00A.M at the registered office of the company situated at Part -B of 3rd Floor, H. No.8-2-293/82/A/1286, Plot No.1286, Road No. 1 & 65, Jubilee Hills, Hyderabad – 500 033, to transact the business mentioned below:

ORDINARY BUSINESS

1. To receive, consider and adopt:

The Audited Financial Statements of the Company for the Financial Year ended March 31, 2024, 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 modifications, the following resolution as an Ordinary Resolution:

RESOLVED THAT the audited financial statement of the Company for the financial year ended March 31, 2024 and the reports of the Board of Directors and Auditors thereon, as circulated to the members be and are hereby considered and adopted.

2. Re-appointment of Director Retiring by Rotation:

To appoint a Director in place of Dr. M. Sambasiva Rao (DIN: 01887410), Non-executive and Non-Independent Director and offer himself for re-appointment of the Company, who retires by rotation, offers himself for re-appointment 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.

Registered Office:

Part-B of 3rd floor, H.No. 8-2-293/82/A/1286,
Plot No. 1286, Road No. 1 & 65,
Jubilee Hills, Hyderabad- 500033
Telangana, India
CIN : U15400TG2008PLC062054
Tel: +91-40-23391221/2
Fax: +91-40-23318090

Place : Hyderabad

Date : May 22, 2024

By Order of the Board

N. BRAHMANI

Managing Director

DIN: 02338940

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES TO BE EFFECTIVE, SHOULD BE DULY STAMPED, COMPLETED, SIGNED AND DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF MEETING.
2. MEMBERS / PROXIES SHOULD PRODUCE AT THE ENTRANCE OF THE VENUE DULY FILLED ATTENDANCE SLIP FOR ATTENDING THE MEETING.
3. Members are requested to notify immediately any change in their address to the Company.
4. Corporate Member(s) intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
5. All communication relating to shares are to be addressed to the Company
6. 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 of the Company, Dr. M. Sambasiva Rao (DIN: 01887410), Non-executive and Non-Independent Director of the Company liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

The Board of Directors of the Company recommend his re-appointment.

7. The Ministry of Corporate Affairs has announced a "Green Initiative in Corporate Governance" thereby allowing paperless compliance through electronic mode. The Company supports this environment friendly initiative of the Government of India and proposes to send notices for General Meetings/Annual Reports/ Other Shareholders Communication through electronic mode to the e-mail addresses which are registered with the Company for this purpose from time to time. For members who have not registered their e-mail addresses, physical copies of Annual Report 2023-24 are being sent by the permitted mode.
8. M/s. Walker Chandiok & Co LLP, Chartered Accountants (FRN 001076N/500013) was appointed as Statutory Auditor of the Company at the Annual General Meeting held on 15th July, 2022 to hold office till the conclusion of the 19th Annual General Meeting of the Company to be held in the year 2027.

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

9. The Route Map of the Venue of the meeting is attached at the end of the Annual Report.

Registered Office:

Part-B of 3rd floor, H.No. 8-2-293/82/A/1286,
Plot No. 1286, Road No. 1 & 65,
Jubilee Hills, Hyderabad- 500033
Telangana, India
CIN : U15400TG2008PLC062054
Tel: +91-40-23391221/2
Fax: +91-40-23318090

Place : Hyderabad

Date : May 22, 2024

By Order of the Board

N. BRAHMANI

Managing Director

DIN: 02338940

Annexure-I

A Brief resume of Dr. M. Sambasiva Rao (DIN: 01887410):

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	Entitled to sitting fees and reimbursement of actual conveyance, travelling and other expenses for attending each Board and Committee Meetings of the Company as approved by the Board of Directors of the Company.
List of Directorships held in other companies	Public Company: Heritage Finlease Limited - (CIN:U65910TG1996PLC023310)
	Private Company: XL Marketing Consulting Private Limited - (CIN:U65910TG1996PLC023310)
Chairman/Member of the Committees of the Boards of other companies in which he is Director	Nil
Shareholding in the Company	100 (Holding 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 of the Company

Board's Report

Dear Members,

Your Directors have pleasure in presenting the Sixteenth (16th) Annual Report of the Company together with the Audited Financial Statements of the Company for the financial year ended March 31, 2024.

Financial Results

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

(₹ In Million)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Turnover	1601.43	1069.10
Profit/ (Loss) before tax	73.59	16.04
Tax expense		
Reversal of taxes of earlier years	-	-
Current tax expense	18.53	1.26
Deferred tax expense	2.91	3.69
Profit/ (loss) for the year	52.15	11.09

State of Company's affairs and future outlook

Your Company is involved in the process of manufacturing, processing and selling of animal 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 Established its presence in the market and delivering the animal nutrition and supplements regularly to its valuable customers.

You Company is one of the leading Live Stock Feed & Feed Supplements players in Southern and Western India, covering over three lakh farmers spread across Six states viz., Andhra Pradesh, Karnataka, Maharashtra, Odisha, Telangana and TamilNadu. 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 market share 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 ₹1608.68 million and Incurred expenses of ₹1535.09 Millions. The Net Profit after tax was ₹ 52.15 Millions.

Share Capital

The Authorised Share Capital of the Company as on March 31, 2024 was ₹150,000,000/- divided into 15,000,000 equity shares of ₹10/- each. The issued, subscribed and fully paid-up Equity Share Capital as on March 31, 2024 stood at ₹37,100,640/- divided into 3,710,064 equity shares face value of ₹10/- each. During the year under review, the Company has not issued any shares with differential voting rights, not granted any stock options and not issued any sweat equity share to its employee(s)/director(s). As on March 31, 2024, none of the Directors of the Company holds any instruments convertible into equity shares of the Company.

Particulars of Contracts 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, 2024 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 obtain 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 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. The details of the related party transactions during the year are part of the notes on Accounts forming part of the Annual Report.

Annual Return

The Annual Return as on March 31, 2024 as required under Section 92(3) and Section 134(3)(a) of the Companies Act, 2013, is available on the Company's website at www.heritagenutrivet.in.

Dividend

During the year under review, the Board of Directors of 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, 2024.

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 2023-24, Five (5) meetings of the Board of Directors of the Company were held on the following dates 18th May, 2023, 28th July, 2023, 17th October, 2023, 23rd January, 2024 and 15th March, 2024. The intervening gap between any two meetings was not exceeding the period as prescribed in the Companies Act, 2013 and Secretarial Standard-1.

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.

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/policies
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.	
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.	
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.	
Sexual Harassment Policy	The policy aims at providing a safe working environment for women at workplace.	
Code of Conduct & Ethics for Board & Senior Management	This Code helps the Directors and senior management to maintain good standards of business conduct, foster ethical and moral conduct and promote a culture of honesty and accountability, so as to set an example to others in the company.	

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, 2024. 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, 2024 and the following are the details of the same.

1. Audit Committee

a) Brief description and term of reference:

The Committee composition meets with requirements of Section 177 of the Companies Act, 2013 as amended from time to time. Members of the Audit Committee possess financial accounting expertise/exposure.

The brief terms of reference is as follows:

- The recommendation for appointment, remuneration and terms of appointment of auditors of the company
- Review and monitor the auditor's independence and performance, and effectiveness of audit process
- Examination of the financial statement and the auditors' report thereon
- Approval or any subsequent modification of transactions of the Company with related parties
- Scrutiny of inter-corporate loans and investments
- Valuation of undertakings or assets of the company, wherever it is necessary
- Evaluation of internal financial controls and risk management systems
- Monitoring the end use of funds raised through public offers and related matters

b) Composition, name of the members and chairperson:

Name	Designation	Category
Mrs. Aparna Surbhi	Chairperson	Non-Executive Independent Director
Mr. Rajesh Thakur Ahuja	Member	Non-Executive Independent Director
Mrs. N. Bhuvaneshwari	Member	Non-Executive Non-Independent Director

b) Meeting and attendance during the year:

During the year under review Five (5) meetings of the Audit Committee were held on May 18, 2023, July 28, 2023, October 17, 2023, January, 23, 2024 and March 15, 2024. The attendance details of the Committee Meetings are as follows:

Name	No. of Meetings	
	Held	Attended
Mrs. Aparna Surbhi	5	5
Mr. Rajesh Thakur Ahuja	5	5
Mrs. N. Bhuvaneshwari	5	5

2. Nomination and Remuneration Committee

a) Brief description and term of reference:

The terms of reference, constitution, powers and other matters in relation to the Nomination and Remuneration Committee are as per Section 178 of the Companies Act, 2013 as amended from time to time.

The brief terms of reference is as follows:

- Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down.
- Recommend to the Board their appointment and removal
- Carry out evaluation of every director's performance
- Formulate the criteria for determining qualifications, positive attributes and independence of a director
- Recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees
- Formulation of NRC policy

b) Composition, name of the members and chairperson:

Name	Designation	Category
Mr. Rajesh Thakur Ahuja	Chairperson	Non-Executive Independent Director
Mrs. Aparna Surbhi	Member	Non-Executive Independent Director
Dr M. Sambasiva Rao	Member	Non-Executive Non-Independent Director

c) Meeting and attendance during the year:

During the year under review one (2) meetings of the Nomination and Remuneration Committee was held on July 28, 2023 and October 17, 2023. The attendance details of the Committee Meetings are as follows:

Name	No. of Meetings	
	Held	Attended
Mrs. Aparna Surbhi	2	2
Mr. Rajesh Thakur Ahuja	2	2
Dr. M. Sambasiva Rao	2	2

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 ₹ 0.82 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 ₹69.74 million as on 31st March, 2024 and the CSR amount to spend during the FY 2024-25 shall be ₹0.55 million, being it was less than ₹5 million, the Board has not recommended to form the CSR Committee during the FY 2024-25.

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 2023-24. 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 14th Annual General Meeting held on 25th July, 2022, approved the appointment of M/s. Walker Chandiok & Co. LLP, Chartered Accountants (FRN 001076N/500013), as the Statutory Auditors of the Company for a term of 5 years till the conclusion of 19th Annual General Meeting of the Company to be held in the year 2027 for FY 2026-2027.

The Auditors' Report (UDIN: 24207660BKERHN3757) dated May 22, 2024 obtained from Mr. Sanjay Kumar Jain, (Membership No.: 207660) Partner, M/s. Walker Chandiok & Co. LLP, Chartered Accountants (FRN 001076N/500013), is unmodified and it does not contain any qualification, reservation or adverse remark or disclaimer.

Audit Trail

Your Company has used a SAP S/4HANA accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all relevant transactions recorded in the software, except that audit trail feature is not enabled at the database level in so far as it relates to the accounting software. Further, no instance of tampering was noted in respect of the software where audit trail has been enabled.

Secretarial Auditor:

Mrs. 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 2023-24 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 dated May 11, 2024 (UDIN: F009376F000353808) for financial year 2023-24 has been issued by Mrs. 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 Mrs. Khusboo Laxmi Bhagat, (M No: 9376, CP No: 14703), Practicing Company Secretary, as Secretarial Auditor of the Company for the financial year 2024-25 as per the provisions of the Companies Act, 2013.

Cost Auditors/Records

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 2023-24 and the Board of Directors have decided not to appoint Cost Auditors for Financial Year 2024-25.

Indian Accounting Standards (Ind AS):

The Company has adopted Indian Accounting Standards (Ind AS) with effect from April 1, 2017 pursuant to Ministry of Corporate Affairs' notification of the Companies (Indian Accounting Standards) Rules, 2015.

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

During the year, the auditors 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 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 M/s. Kapasi Bangad & Co., Chartered Accountants, Hyderabad for the Financial year 2023-24 to conduct the IFC testing. The testing report was received by the Company without any material weakness.

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. Gattamaneni & Co., (FRN- ICAI: 009303S), Flat No.404, Hardhik Anmol, Avenue 4, Road No.10, Kakateeya Hills, Madhapur, Hyderabad, Telangana-500081 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. Gattamaneni & Co., (Registration No. of firm with ICAI: 009303S) as the Internal Auditor of your Company for the financial year 2024-25 in compliance with Section 138 of the Companies Act, 2013 read with Companies Accounting Rules 2014.

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

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

Sl no	Particulars	Status of the No. of complaints received and disposed of
1	Number of complaints on sexual harassment received	Nil
2	Number of complaints disposed off during the year	Nil
3	Number of cases pending for more than ninety days	Not Applicable
4	Number of workshops or awareness programmes against sexual harassment carried out	The Company regularly conducts necessary awareness programmes for its employees
5	Nature of action taken by the employer or district officer	Not Applicable

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, 2024. No personnel have been denied access to the Audit Committee during the Financial Year 2023-24.

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 2023-24 are as follows:

Sl no	Employee Name	Designation	Annual Gross Remuneration Received for FY 2023-24 (Rs. in Lakhs)	Qualification	Year of Total Experience	Date of Joining	Age (Yrs)	Last Employment before Joining the Company	No of Equity Shares held
1	Upendra Pandey	CEO	95.09	PG DIP	20	18-04-2022	44	Dr. Reddy's	NIL
2	Sanjeeb Kumar Samal	AGM	22.94	PGCHRM	19	08-12-2021	47	Zyduz Cadila Health Care Ltd	NIL
3	Srikanth Akkineni	AGM	12.59	DME	23	05-09-2018	43	Pattabhi Agro Foods	NIL
4	Kommuri Naga Venkata Pavan Kumar	Manager	17.31	CA	8	01-09-2022	30	IFB	NIL
5	Satish Avala	Dy. Manager	9.01	BSC	11	12-02-2020	33	Godrej Agrovet Limited	NIL
6	Anjaneyulu Naik Mode	Manager	10.52	MBA	12	21-11-2022	36	NCDEX E MARKETS	NIL
7	Narayana Reddy Tadi	AGM	13.60	MSC	24	20-07-2023	50	NAGA HANUMAN FEEDS	NIL
8	Basavaraju Burla	Manager	7.38	MSW	16	14-08-2023	42	CARGILL INDIA PVT LTD	NIL
9	Anil Kumar Bkkisam	Dy. Manager	5.36	ITI	17	13-07-2023	34	MULPURI FOODS AND FEEDS PVT LIMITED	NIL
10	Yuvaraja Derangula	Manager	6.88	BSC	15	02-12-2020	32	ELASTIC RUN	NIL

- The above employees are on the rolls as on 31-03-2024
- All the above employees are not relatives of any Director of the company. None of the employees are working outside of India.

Key Managerial Personnel

During the year under review, the Company is having the following persons as Key Managerial Personnel.

Name of the Official	DIN/M. No	Designation
Mrs. N. Brahmani	02338940	Managing Director
Mr. Upendra Pandey	-	Chief Executive Officer

Credit Rating:

The details of the credit rating are as follows:

- (a) Credit rating obtained in respect of debts: Heritage Nutrivet Limited
- (b) Name of the credit rating agency: Credit Rating Information Services of India Limited (CRISIL)
 - i. Long term Rating: CRISIL A/Stable
 - ii. Short term Rating: CRISIL A1
- (c) Date on which the credit rating was obtained: April 04, 2024

Public Deposits:

The Company has not accepted any deposits including deemed 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, 2024.

Cash Flow Statement

In conformity with the Companies Act, 2013 and Indian Accounting Standard (Ind AS) 7 under Section 129 of the Companies Act, 2013, the Cash Flow Statement for the year ended on March 31, 2024 is attached as a part of the Financial Statement of the Company.

Details under Insolvency and Bankruptcy Code, 2016:

No application is made, or any proceeding is pending against the Company under Insolvency and Bankruptcy Code, 2016 during or as at the end of the year under review.

Details of One Time Settlement:

The Company did not avail any One Time Settlement (OTS) from banks or Financial Institutions and hence giving disclosures on valuation of assets/securities at the time of borrowing and at the time of OTS do not become applicable.

Insurance

All properties and insurable interests of the Company have been fully insured. Your Company also insured all its employees and contract labour working across the Company.

Ind AS

The Company has adopted Indian Accounting Standards (Ind AS) with effect from April 1, 2017 pursuant to Ministry of Corporate Affairs' notification of the Companies (Indian Accounting Standards) Rules, 2015.

Directors Responsibility Statement:

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

- a) In the preparation of the annual accounts for the year ended March 31, 2024, 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, 2024 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, 2024.

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

Place : Hyderabad
Date : May 22, 2024

N. Brahmani
Managing Director
DIN: 02338940

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

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)

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

1. Details of contracts or arrangements or transactions not at arm's length basis: NIL

All the contracts or arrangements or transactions entered into during the year ended 31st March 2024 were at arm's length basis and in the ordinary course of business of the Company.

2. Details of contracts or arrangement or transactions at arm's length basis:

The Company has not entered into any material contracts or arrangement or transactions with any of the related parties during the FY 2023-24. However the details of non-material contracts or arrangement or transactions entered at arm's length basis and in the ordinary course of business of the company for FY 2023-24 are given below:

Sl 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	Equity contribution from Holding Company (Financial Guarantee)	1.18	One time transaction
			Sale of Feed, Feed supplements and veterinary Medicines	998.96	Purchase order/invoice
			Purchase of products	6.88	
			Financial guarantee expense	3.35	During the FY 2023-24
			Common Expenditure	1.87	As per agreement
			Brand Usage Charges	1.46	As per agreement
2	Mrs. N. Brahmani	Managing Director	Rental Expenditure	0.68	As per the Agreement
3	Master. N. Devaansh	Son of Managing Director	Rental Expenditure	0.68	As per the Agreement
4	Mr. Upendra Pandey	Key Managerial Personnel (CEO)	Short-term employee benefits	9.51	As per the term of appointment
			Post-employment benefits	0.65	
			Other long-term benefits	0.20	
5	Mrs. Aparna Surabhi	Director	Sitting fee	0.09	During the FY 2023-24
6	Mr. Rajesh Thakur Ahuja	Director	Sitting fee	0.09	
7	Mrs. N. Bhuvaneshwari	Non-Executive & Non Independent Director	Sitting fee	0.08	
8	Dr. M. Sambasiva Rao	Non-Executive & Non- Independent Director	Sitting fee	0.06	

Note:

- i) 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.
- ii) The Audit committee / Board approved all the tentative Related party transactions before the commencement of financial year 2023-24 and in every quarter committee/Board review and approved the above Related party transactions, that are mostly repetitive in nature.
- iii) Approval under section 188(1) from shareholders is not required for the above related party transactions during FY 2023-24.

By Order of the Board

Place : Hyderabad
Date : May 22, 2024

N. Brahmani
Managing Director
DIN: 02338940

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

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 are mentioned in the Schedule VII to the Companies Act, 2013. The CSR initiatives of the Company are mainly focused in education, healthcare, environment, rural development projects and disaster management etc. as permitted by the law. The projects undertaken during the Financial Year 2023-24 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/static/images/csr-policy.pdf>

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.

- (a) Average net profit of the company as per sub-section (5) of section 135: ₹40.80 million for FY 2022-23
- (b) Two percent of average net profit of the company as per sub-section (5) of section 135: ₹0.817 million
- (c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years: Nil
- (d) Amount required to be set-off for the financial year, if any: Nil
- (e) Total CSR obligation for the financial year [(b)+(c)-(d)]: ₹ 0.817 million

6. (a) (i) Details of CSR amount spent against ongoing projects for the financial year: Nil

7. a.(ii) Details of CSR amount spent against other than 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		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.	
				State	District						Name	CSR registration number
	Providing Solar Water Heater to KGB Vidyalayam, Lepakshi	Promoting Education	Yes	Andhra Pradesh	Anantapur	1Yr	0.3207	0.3207	-	Yes	NA	NA
	Providing Xerox cum Printer to ZPHS School, Demakethepalli, Hindupur	Promoting Education	Yes	Andhra Pradesh	Anantapur	1Yr	0.1074	0.1074	-	Yes	NA	NA
	Providing Computers to MPUP School, Nayanapalli, Hindupur	Promoting Education	Yes	Andhra Pradesh	Anantapur	1Yr	0.0774	0.0774	-	Yes	NA	NA
	Providing Computers to ZPHS School, Sirivaram, Hindupur	Promoting Education	Yes	Andhra Pradesh	Anantapur	1Yr	0.1975	0.1975	-	Yes	NA	NA
	Providing Computers to ZPHS School, Pulakunta Hindupur	Promoting Education	Yes	Andhra Pradesh	Anantapur	1Yr	0.1032	0.1032	-	Yes	NA	NA
	Providing Computers to ZPHS School, Demakethepalli, Hindupur	Promoting Education	Yes	Andhra Pradesh	Anantapur	1Yr	0.0115	0.0115	-	Yes	NA	NA
	Total						0.8177	0.8177				

Amount spent in Administrative Overheads: Nil

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

(d) Total amount spent for the Financial Year (a+b+c): ₹0.8177 million

(e) CSR amount spent or unspent for the Financial Year:

1	5		6	7	8
Total Amount Spent for the FY 2023-24 (₹ 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
0.8177	-	-	NA	Nil	NA

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

Sl. No.	Particular	Amount (₹ In Mn)
i.	Two percent of average net profit of the company as per section 135(5)	0.8170
ii.	Total amount spent for the Financial Year	0.8177
iii.	Excess amount spent for the financial year [(ii)-(i)]	0.0007
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
v.	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.0007

8. Details of Unspent CSR amount for the preceding three financial years:

Sl. 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.		
1	FY 22-23	0.062	0.062	-	-	-	-	NA
2	FY 21-22				Nil			
3	FY 20-21				Nil			

9. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Yes, The company has provided solar heater and computer to Schools. All the assets are in the name of the respective schools.

10. 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

Place : Hyderabad
Date : May 22, 2024

N. Brahmani
Managing Director
DIN: 02338940

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

FORM No. MR-3

SECRETARIAL AUDIT REPORT

For the Financial year ended 31st March, 2024

[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
Part-B of 3rd floor, H.No. 8-2-293/82/A/1286,
Plot No. 1286, Road No. 1 & 65,
Jubilee Hills, Hyderabad, Telangana, 500033

I have conducted the secretarial audit in compliance of applicable statutory provisions and the adherence to good corporate practices by M/s Heritage Nutrivet Limited (herein after called the "Company"). Secretarial audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's, books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has during the audit period covering the financial year ended on 31st March, 2024 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, 2024 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 (Share Based employee Benefits and Sweat Equity) Regulations, 2021; Not Applicable
- e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities), Regulations, 2021; 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, 2021; Not Applicable
- h. The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; 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:

- The Andhra Pradesh Animal Feed (Regulation of Manufacture, Quality and rules there of Control, Sale and Distribution) Act, 2020 and rule made thereof.

I, have also examined compliance with the applicable clauses of the Secretarial Standards ("SS") as amended from time to time issued by The Institute of Company Secretaries of India ("ICSI").

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 was held on August 16, 2023.

- 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 May 18, 2023, July 28, 2023, October 17, 2023, January 23, 2024 and March 15, 2024. 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
SD/-

CS Khusboo Laxmi Bhagat

Place: Hyderabad

M. No:9376, CP No:14703

PR No:3403/2023

Date: May 11, 2024

UDIN: F009376F000353808

Annexure-A to Secretarial Audit Report

To,
The Members,
Heritage Nutrivet Limited
CIN: U15400TG2008PLC062054
Part-B of 3rd floor, H.No. 8-2-293/82/A/1286,
Plot No. 1286, Road No. 1 & 65,
Jubilee Hills, Hyderabad, Telangana, 500033

Auditor's Responsibility

Based on audit, our responsibility is to express an opinion on the compliance with the applicable laws and maintenance of records by the Company. We conducted our audit in accordance with the auditing standards CSAS 1 to CSAS 4 (CSAS) prescribed by the Institute of the Company Secretaries of India (ICSI). These standards require that the auditor complies with statutory and regulatory requirements and plans and performs the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Due to the inherent limitations of an audit including internal, financial and operating controls, there may be unavoidable risk that may some misstatements or non-compliance may not be detected, even though the audit is properly planned and performed in accordance with the CSAS. Our report of even date is to be read along with this letter.

- 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) We have followed the audit practices and processes as 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. We believe that the processes and practices we followed provide a reasonable basis for our opinion.

- c) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- d) Wherever required, we 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. Our 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 efficiency or effectiveness with which the management conducted the affairs of the Company.

For KLB & Associates
SD/-

CS Khusboo Laxmi Bhagat

Place: Hyderabad

M. No:9376, CP No:14703

PR No:3403/2023

Date: May 11, 2024

UDIN: FO09376F000353808

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.

The steps taken or impact on conservation of energy –

- Keeping a tab on the daily water, electricity and coal utilization for future optimisation
- Plan to use solar power for factory lighting in future
- Production schedule planned with energy optimization.
- ii. The steps taken by the company for utilising alternate sources of energy
- Keeping a tab on the daily water, electricity and coal utilization for future optimisation
- Plan to use solar power for factory lighting in future

- Production schedule planned with energy optimization.

- iii. The capital investment on energy conservation equipment's - Nil

B. Technology Absorption:

The efforts made by the Company towards technology absorption:

The company has not imported nor acquired any technology nor has any technical tie-ups with any person and therefore, the particulars required to be given for technology absorption are not applicable.

- ii. The benefits derived like product improvement, cost reduction, product development or import substitution – Nil

The Expenditure incurred on Research and Development: Nil

C. Foreign Exchange Earnings and Outgo: NIL

By Order of the Board

Place : Hyderabad
Date : May 22, 2024

N. Brahmani
Managing Director
DIN: 02338940

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

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 2024, the Statement of Profit and Loss (including Other Comprehensive Income / (Loss)), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including material accounting policy information 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 2024, 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 Boards' 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 is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
7. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
9. As part of an audit in accordance with Standards on Auditing, 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 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, except for the matters stated in paragraph 13(j)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);
 - 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 2024 from being appointed as a director in terms of Section 164(2) of the Act;
 - f) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 13(b) above on reporting under Section 143(3)(b) of the Act and paragraph 13(j)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);
 - g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2024 and the operating effectiveness of such controls, refer to our separate report in Annexure B wherein we have expressed an unmodified opinion; and
 - h) 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 which would impact its financial position as at 31 March 2024;
 - 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 2024;
 - 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 2024.
 - 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 person(s) or entity(ies), 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 person(s) or entity(ies), 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 notice that has caused 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 2024.
- vi. Based on our examination which included test checks, the Company, in respect of financial year commencing

on 1 April 2023, has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that, the audit trail feature was not enabled at the database level to log any direct data changes, as described in note 36 to the accompanying financial statements. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of the accounting software where such feature is enabled.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Sanjay Kumar Jain

Partner

Place: Hyderabad

Membership No.: 207660

Date: 22 May 2024

UDIN: 24207660BKERHN3757

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 2024

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 and relevant details of right-of-use assets.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The property, plant and equipment and relevant details of right-of-use assets 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 programme 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 (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in Note 6 to the financial statements, are held in the name of the Company.
- (d) The Company has not revalued its property, plant and equipment including right-of-use assets 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 Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit. 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 as compared to book records. In respect of goods-in-transit, these have been confirmed from corresponding receipt and/or dispatch inventory records.
- (b) As disclosed in Note 14(d) to the financial statements, the Company has been sanctioned a working capital limit in excess of ₹5 crores by banks based on the 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 are no amounts which have been deemed to be deposits 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. 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 previously 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 government or any government authority.
- (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, prima facie, 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 and on the basis of our examination of the records of the Company, 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 no material fraud on the Company has been noticed or reported during the period covered by our audit.
- (b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report

under sub-section 12 of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014, 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 as per the provisions of 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 its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of Section 192 of the Act are not applicable to the Company.

- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi) (a), (b) and (c) of the Order are not applicable to the Company.
- (d) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.
- (xvii) The Company has not incurred any cash losses in the current financial year 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, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information in the financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not 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 amounts towards Corporate Social Responsibility in respect of any ongoing or other than ongoing project as at the end of the financial year. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.

- (xi) The reporting under clause 3(xxi) of the Order 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

Place: Hyderabad

Membership No.: 207660

Date: 22 May 2024

UDIN: 24207660BKERHN3757

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 2024

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 2024, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

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

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on 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 issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

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

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over

Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

Meaning of Internal Financial Controls with Reference to Financial Statements

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

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2024, 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 issued by the ICAI.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Sanjay Kumar Jain

Partner

Place: Hyderabad

Membership No.: 207660

Date: 22 May 2024

UDIN: 24207660BKERHN3757

Balance Sheet

as at 31 March 2024

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

	Notes	As at	
		31 March 2024	31 March 2023
Assets			
Non-current assets			
(a) Property, plant and equipment	6	368.53	385.70
(b) Right-of-use assets	6	13.85	14.86
(c) Intangible assets	6(a)	4.39	5.34
(d) Financial assets			
(i) Other financial assets	11	3.05	3.67
(e) Other non-current assets	7	-	0.70
Total non-current assets		389.82	410.27
Current assets			
(a) Inventories	8	139.57	141.94
(b) Financial assets			
(i) Investments	8(a)	91.75	-
(ii) Trade receivables	9	20.46	27.29
(iii) Cash and cash equivalents	10(a)	4.57	0.16
(iv) Bank balances other than (ii) above	10(b)	-	0.01
(v) Other financial assets	11	0.74	0.73
(c) Current tax assets (net)		0.52	1.06
(d) Other current assets	7	4.36	5.69
Total current assets		261.97	176.88
Total assets		651.79	587.15
Equity and Liabilities			
Equity			
(a) Equity share capital	12	37.10	37.10
(b) Other equity	13	423.97	370.84
Total equity		461.07	407.94
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	14	15.94	37.19
(ia) Lease liabilities	14(e)	14.78	15.10
(b) Provisions	19	2.66	2.59
(c) Deferred tax liabilities (net)	15	23.35	13.12
Total non-current liabilities		56.73	68.00
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	14	21.25	41.63
(ia) Lease liabilities	14(e)	0.45	0.20
(ii) Trade payables	16		
- total outstanding dues of micro and small enterprises;		8.00	2.54
- total outstanding dues of creditors other than micro and small enterprises		81.56	56.74
(iii) Other financial liabilities	17	15.10	3.65
(b) Other current liabilities	18	3.81	3.83
(c) Provisions	19	3.82	2.62
Total current liabilities		133.99	111.21
Total equity and liabilities		651.79	587.15

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 Chandiok & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Sanjay Kumar Jain

Partner

Membership No: 207660

Place: Hyderabad

Date: 22 May 2024

For and on behalf of the Board of Directors

Heritage Nutrivet Limited

N Brahmani

Managing Director

DIN: 02338940

Place: Hyderabad

Date: 22 May 2024

Dr. M Sambasiva Rao

Non-Executive Non-Independent Director

DIN: 01887410

Upendra Pandey

Chief Executive Officer

Statement of Profit and Loss

for the year ended 31 March 2024

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

	Notes	For the year ended	
		31 March 2024	31 March 2023
Income			
Revenue from operations	20	1,601.43	1,069.10
Other income	21	7.25	11.82
Total income		1,608.68	1,080.92
Expenses			
Cost of materials consumed	22	924.18	665.80
Purchase of stock-in-trade		320.54	164.29
Changes in inventories of finished goods and stock-in-trade	23	(6.68)	6.16
Employee benefit expenses	24	95.51	75.70
Finance costs	25	12.31	9.39
Depreciation and amortisation expense	6 & 6(a)	23.87	22.95
Other expenses	26	165.36	120.59
Total expenses		1,535.09	1,064.88
Profit before tax		73.59	16.04
Tax expense	27		
Current tax expense		18.53	1.26
Deferred tax expense		2.91	3.69
Total tax expense		21.44	4.95
Profit for the year		52.15	11.09
Other comprehensive income/(loss)			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plan, net of tax		(0.20)	0.18
Total Other comprehensive income / (loss)		(0.20)	0.18
Total comprehensive income for the year		51.95	11.27
Earnings per equity share (EPES)			
Basic and Diluted EPES (in ₹ terms)		14.06	2.99
Weighted average number of equity shares outstanding during the year		37,10,064	37,10,064
Nominal value per equity share (in ₹ 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 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

Dr. M Sambasiva Rao
Non-Executive Non-Independent Director
DIN: 01887410

Upendra Pandey
Chief Executive Officer

Place: Hyderabad
Date: 22 May 2024

Place: Hyderabad
Date: 22 May 2024

Statement of Cash Flow

for the year ended 31 March 2024

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

	For the year ended	
	31 March 2024	31 March 2023
Cash Flow from Operating Activities		
Profit before tax	73.59	16.04
Adjustments:		
Depreciation and amortisation expense	23.87	22.95
Finance costs	12.31	9.39
Net loss on disposal of property, plant and equipment ("PPE")	0.19	0.02
PPE written off	0.23	0.19
Lease rental income	-	(0.11)
Provisions no longer required / credit balances written back	(3.96)	(8.44)
Profit on sale of investment	(2.06)	(0.28)
Interest income	(1.16)	(1.64)
Operating profits before working capital changes	103.01	38.12
Changes in trade receivables	6.83	(7.59)
Changes in financial and other assets	(0.15)	5.79
Changes in financial and other liabilities	11.38	(0.88)
Changes in trade payables	30.28	(0.10)
Change in provisions	5.23	0.65
Changes in inventories	2.37	(34.22)
Net cash generated from operating activities	158.95	1.77
Income tax (paid) / refund, net	(10.67)	2.59
Net cash generated from operating activities (A)	148.28	4.36
Cash Flows from Investing Activities		
Purchase of PPE including intangible assets	(5.39)	(2.82)
Proceeds from sale of PPE	0.23	0.49
Purchase of investments	(160.00)	(40.00)
Proceeds from sale of investments	70.31	40.28
Movement in other bank balances, net	0.49	-
Lease rental received	-	0.11
Interest income received	1.30	1.61
Net cash used in investing activities (B)	(93.06)	(0.33)
Cash Flows from Financing Activities		
Repayment of long-term borrowings	(21.25)	(21.25)
Proceeds from / (Repayment of) short term borrowings, net	(20.38)	20.38
Interest paid	(9.11)	(9.34)
Lease rentals paid	(0.07)	(0.02)
Net cash used in financing activities (C)	(50.81)	(10.23)
Net change in cash and cash equivalents during the year (A + B + C)	4.41	(6.20)
Cash and cash equivalents at the beginning of the year	0.16	6.36
Cash and cash equivalents at the end of the year (Note 1)	4.57	0.16

Note 1:

Cash and cash equivalents includes		
Balances with banks in current accounts	4.57	0.16
	4.57	0.16

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

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

Sanjay Kumar Jain
Partner

N Brahmani
Managing Director

Dr. M Sambasiva Rao
Non-Executive Non-Independent Director
DIN: 01887410

Upendra Pandey
Chief Executive Officer

Membership No: 207660

DIN: 02338940

Place: Hyderabad
Date: 22 May 2024

Place: Hyderabad
Date: 22 May 2024

Statement of Changes in Equity

for the year ended 31 March 2024

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

A Equity Share Capital

	Notes	Number of shares	Amount
As at 1 April 2022		37,10,064	37.10
Changes in equity share capital	12	-	-
As at 31 March 2023		37,10,064	37.10
Changes in equity share capital	12	-	-
As at 31 March 2024		37,10,064	37.10

B Other Equity (refer note 13)

	Reserves and Surplus				Other comprehensive income	Total
	Securities premium	Capital reserve	Equity contribution from Holding Company	Retained earnings		
Balance as at 1 April 2022	273.68	(27.15)	13.74	98.30	-	358.57
Profit for the year	-	-	-	11.09	-	11.09
Other comprehensive income/(loss)	-	-	-	0.18	-	0.18
Equity contribution from Holding Company	-	-	1.00	-	-	1.00
Balance as at 31 March 2023	273.68	(27.15)	14.74	109.57	-	370.84
Profit for the year	-	-	-	52.15	-	52.15
Other comprehensive income/(loss)	-	-	-	(0.20)	-	(0.20)
Equity contribution from Holding Company	-	-	1.18	-	-	1.18
Balance as at 31 March 2024	273.68	(27.15)	15.92	161.52	-	423.97

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

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

For Walker Chandiok & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Sanjay Kumar Jain

Partner

Membership No: 207660

Place: Hyderabad

Date: 22 May 2024

For and on behalf of the Board of Directors

Heritage Nutrivet Limited

N Brahmani

Managing Director

DIN: 02338940

Place: Hyderabad

Date: 22 May 2024

Dr. M Sambasiva Rao

Non-Executive Non-Independent Director

DIN: 01887410

Upendra Pandey

Chief Executive Officer

Summary of the material accounting policies and other explanatory information

1. Corporate information

Heritage Nutrivet Limited ("HNL" or "the Company"), incorporated under the provisions of the erstwhile Companies Act, 1956 and having its registered office at #H.No.8-2-293/82/A/1286, Plot No: 1286, Road No. 1 & 65, Jubilee Hills, Hyderabad – 500033, Telangana, India is a wholly owned subsidiary of Heritage Foods Limited. The Company has its principal operational facilities, for manufacturing and trading of animal feed, located in the state of Andhra Pradesh, India.

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 2024. These financial statements were authorised for issuance by the Company's Board of Directors on 22 May 2024.

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

- (a) Financial assets are measured at either at fair value or at amortised cost depending upon the classification.
- (b) Employee defined benefits assets/(liability) are recognised as the net total of the fair value of plan assets, plus actuarial losses, less actuarial gains and the present value of the defined benefit obligations;

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

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

3. Summary of material 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

Summary of the material accounting policies and other explanatory information

- 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.

Summary of the material accounting policies and other explanatory information

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 ("transaction price").

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

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

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

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

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

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

d. Taxes

Current income tax

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

Current income tax is recognised in the statement of profit and loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

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

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

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are

Summary of the material accounting policies and other explanatory information

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)

Freehold land is carried at historical cost. 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 those described

Summary of the material accounting policies and other explanatory information

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.

Asset class	Useful life considered by management (in years)	Useful life prescribed under the Act (in years)
Buildings	10 – 30	30
Plant and machinery	5 – 15	15
Furniture and Fixtures	5 – 10	10
Vehicles	10	10
Office Equipment	3 – 5	5

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

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

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

Leases

The Company as a lessee

The Company's lease asset classes primarily consist of lease for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract

conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

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

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

Summary of the material accounting policies and other explanatory information

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the Right-of-use asset and Statement of Profit and Loss depending upon the nature of modification. Where the carrying amount of the Right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in the Statement of Profit and Loss.

f. 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:

- Rawmaterial, 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.

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.

g. 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.

h. 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".

i. 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 except trade receivables 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. Trade receivables that do not contain a significant financing component are measured at transaction price.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified into following categories:

- Debt instruments at amortised cost
- 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.

Equity instruments

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

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the

Company transfers the cumulative gain or loss within equity.

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., 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.

j. 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.

k. 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.

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.

l. 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.

4. Key accounting estimates, judgements and assumptions

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

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

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

The cost and present value of the defined benefit gratuity plan and leave encashment (other long-term benefit plan)

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

b. Useful lives of depreciable assets

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

c. Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain.

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

5. Standards and recent pronouncements issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31 March 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

Summary of the material accounting policies and other explanatory information

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

6. Property, plant and equipment and Right-of-use assets

	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Office Equipment	Vehicles	Total	Right-of-use assets
Gross Block								
Balance as at 1 April 2022	50.76	244.94	178.19	3.08	7.57	0.88	485.42	-
Additions during the year	1.24	-	1.32	-	0.04	-	2.60	15.20
Disposals/transfers during the year	-	-	(0.82)	(0.07)	(0.54)	-	(1.44)	-
Balance as at 31 March 2023	52.00	244.94	178.69	3.01	7.07	0.88	486.58	15.20
Additions during the year	-	-	4.67	-	0.59	-	5.26	-
Disposals/transfers during the year	-	-	(1.12)	(0.05)	-	(0.82)	(1.99)	-
Balance as at 31 March 2024	52.00	244.94	182.24	2.96	7.66	0.06	489.85	15.20
Accumulated depreciation								
Up to 1 April 2022	-	29.90	42.94	1.79	4.42	0.17	79.22	-
Depreciation charge for the year	-	8.98	11.59	0.47	0.92	0.45	22.41	0.34
Adjustment for disposals/transfers	-	-	(0.19)	(0.07)	(0.48)	-	(0.75)	-
Up to 31 March 2023	-	38.88	54.34	2.19	4.86	0.62	100.88	0.34
Depreciation charge for the year	-	8.98	11.70	0.33	0.67	0.10	21.78	1.01
Adjustment for disposals/transfers	-	-	(0.61)	(0.05)	-	(0.68)	(1.34)	-
Up to 31 March 2024	-	47.86	65.43	2.47	5.53	0.04	121.32	1.35
Net Carrying Value								
As at 31 March 2023	52.00	206.06	124.35	0.82	2.21	0.26	385.70	14.86
As at 31 March 2024	52.00	197.08	116.81	0.49	2.13	0.02	368.53	13.85

Notes:

- For details of assets pledged as security, refer Note 14.
- 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.
- The title deeds of all the immovable properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), are held in the name of the Company.

6. (a) Intangible assets

	Software
Gross Block	
Balance as at 1 April 2022	0.32
Additions during the year	5.31
Balance as at 31 March 2023	5.63
Additions during the year	0.13
Balance as at 31 March 2024	5.76
Accumulated amortisation	
Up to 1 April 2022	0.08
Amortization charge for the year	0.21
Up to 31 March 2023	0.29
Amortization charge for the year	1.08
Up to 31 March 2024	1.37
Net Carrying Value	
As at 31 March 2023	5.34
As at 31 March 2024	4.39

Summary of the material accounting policies and other explanatory information

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

7. Other assets

	As at	
	31 March 2024	31 March 2023
Non-current		
Unsecured, considered good		
Prepaid expenses	-	0.70
	-	0.70
Current		
Unsecured, considered good		
Advances to suppliers and others	0.46	0.82
Prepaid expenses	2.09	2.84
Others	1.81	2.03
	4.36	5.69
Unsecured, considered doubtful		
Advances to suppliers and others	7.63	7.63
Less: Provision for doubtful advances	(7.63)	(7.63)
	-	-
	4.36	5.69

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

8. Inventories

	As at	
	31 March 2024	31 March 2023
Raw materials	105.48	117.20
Finished goods (including goods in transit of ₹0.42 (31 March 2023: ₹0.26))	11.03	5.32
Stock-in-trade	6.10	5.13
Packing materials	8.59	6.40
Stores and spares	8.37	7.89
	139.57	141.94

8. (a) Investments

	As at	
	31 March 2024	31 March 2023
Current		
Investment in mutual fund (measured at FVTPL)		
2,674,526 units held in Kotak Equity Arbitrage Fund Regular Plan Growth	91.75	-
	91.75	-
Aggregate market value of quoted investments	91.75	-
Aggregate value of unquoted investments	-	-

9. Trade receivables

	As at	
	31 March 2024	31 March 2023
Unsecured		
- Considered good	20.46	27.29
- Significant increase in credit risk	-	3.80
- Credit impaired	10.63	14.20
	31.09	45.29
Less: Allowance for credit loss	(10.63)	(18.00)
	20.46	27.29

Summary of the material accounting policies and other explanatory information

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

The movement in the allowance for credit loss for the year ended 31 March 2024 and 31 March 2023 is as follows:

	As at	
	31 March 2024	31 March 2023
Opening balance at beginning of the year	18.00	23.04
Add: Provision made during the year	-	-
Less: Amount recovered during the year	(3.85)	(4.97)
Less: Bad debts written off during the year	(3.52)	(0.07)
Closing balance at end of the year	10.63	18.00

Trade receivables ageing schedule as at 31 March 2024:

	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	20.46	-	-	-	-	20.46
Credit impaired	-	-	-	-	-	-
Disputed						
Considered good	-	-	-	-	-	-
Significant increase in credit risk	-	-	-	-	-	-
Credit impaired	-	-	-	-	10.63	10.63

Trade receivables ageing schedule as at 31 March 2023:

	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	27.29	-	-	-	-	27.29
Credit impaired	-	-	-	-	-	-
Disputed						
Considered good	-	-	-	-	-	-
Significant increase in credit risk	-	-	-	-	3.80	3.80
Credit impaired	-	-	-	-	14.20	14.20

No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person or amounts due by firms or private companies respectively in which any director is a partner or a director or a member. Refer note 34 for dues from the related parties.

10. Cash and Bank balances

	As at	
	31 March 2024	31 March 2023
(a) Cash and cash equivalents		
Balances with banks in current accounts	4.57	0.16
	4.57	0.16
(b) Other bank balances		
Margin money deposits with banks	-	0.01
	-	0.01

Summary of the material accounting policies and other explanatory information

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

11 Other financial assets

	As at	
	31 March 2024	31 March 2023
Non-current		
Unsecured, considered good		
Security deposits	3.05	3.05
Interest accrued but not due on bank deposits	-	0.14
Margin money deposits with banks	-	0.48
	3.05	3.67
Current		
Unsecured, considered good		
Security deposits	0.74	0.73
	0.74	0.73

12. Equity share capital

	As at 31 March 2024		As at 31 March 2023	
	Number	Amount	Number	Amount
i. Authorised share capital				
Equity shares of ₹10 each	1,50,00,000	150.00	1,50,00,000	150.00
ii. Issued, subscribed and fully paid up				
Equity shares of ₹10 each	37,10,064	37.10	37,10,064	37.10
	37,10,064	37.10	37,10,064	37.10

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

	As at 31 March 2024		As at 31 March 2023	
	Number	Amount	Number	Amount
Equity shares				
At the beginning of the year	37,10,064	37.10	37,10,064	37.10
Add: Issued during the year	-	-	-	-
At the end of the year	37,10,064	37.10	37,10,064	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^{\$}

	31 March 2024		31 March 2023	
	Number	% holding	Number	% holding
Name of the equity shareholders				
Heritage Foods Limited (Holding Company)*	37,10,064	100.00%	37,10,064	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 2024 and year ended 31 March 2023.

Summary of the material accounting policies and other explanatory information

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

- vi. The Company has not issued any equity shares pursuant to contract without payment being received in cash or by way of bonus shares or bought back any equity shares during the last five years preceding the balance sheet date.

13. Other equity

	As at	
	31 March 2024	31 March 2023
Reserve and surplus		
Securities premium	273.68	273.68
Capital reserve	(27.15)	(27.15)
Equity contribution from Holding Company	15.92	14.74
Retained earnings	161.52	109.57
Items of Other comprehensive income ("OCI")	-	-
	423.97	370.84

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 contribution received from 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

	As at	
	31 March 2024	31 March 2023
Non-current		
Secured		
Term loans from banks [refer note (a) below]	15.94	37.19
	15.94	37.19
Current		
Secured		
Cash credit facility from a bank [refer note (b) below]	-	20.38
Current maturities of term loans from banks [refer note (a) below]	21.25	21.25
	21.25	41.63

(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. This loan was guaranteed by the Holding Company upto 29th March, 2024.

Summary of the material accounting policies and other explanatory information

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

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

Cash credit facility from a bank is secured by first charge on entire current assets of the Company, both future and present. The interest rate is equivalent to 6 months MCLR + spread per annum, as agreed from time to time. This loan was guaranteed by the Holding Company upto 29th March, 2024.

(c) Reconciliation of liabilities arising from financial activities*

	Principal		Interest accrued	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
Balance at beginning of the year	58.44	79.69	0.49	0.56
Proceeds from long term borrowings / Interest expense for the year	-	-	4.93	6.21
Repayment of long term borrowings / Interest paid during the year	(21.25)	(21.25)	(5.08)	(6.28)
Balance at end of the year	37.19	58.44	0.34	0.49

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

- (d) The Company has been sanctioned working capital limits in excess of ₹5 crores by banks based on the security of certain assets, including current assets. As required under the respective arrangements, the Company has filed quarterly statements, in respect of the working capital limits with such banks and such statements are in agreement with the unaudited books of account of the Company for the respective periods.

(e) Leases

The Company has lease arrangements for its office premises located in Hyderabad, for a period of 15 years and contain multiyear renewal options. The agreements entered into by the Company have, rent escalation upto 5%. There are no residual value guarantees provided by the third parties. The carrying amount for such right-of-use assets as at 31 March 2024 amounts to ₹13.85 (31 March 2023: ₹14.86).

The movement in lease liabilities is as follows:

	As at	
	31 March 2024	31 March 2023
Balance at the beginning of the year	15.30	-
Additions during the year	-	15.20
Finance Cost accrued during the year	1.29	0.43
Payment of interest on lease liabilities	(1.29)	(0.31)
Payment of principal portion on lease liabilities	(0.07)	(0.02)
Lease liabilities at the end of the year	15.23	15.30
Current lease liabilities	0.45	0.20
Non-current lease liabilities	14.78	15.10

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

	31 March 2024	31 March 2023
Less than one year	1.44	1.37
One to five years	8.34	7.95
More than five years	17.47	19.31
Total	27.25	28.63

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

Summary of the material accounting policies and other explanatory information

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

Rental expense recorded for short-term leases for the year ended 31 March 2024 was ₹ Nil (31 March 2023: ₹0.48). Leases not yet commenced to which the Company is committed aggregated to ₹Nil as on 31 March 2024.

Depreciation expenses and Lease rentals paid for the year ended 31 March 2024 are ₹1.01 and ₹1.36 (31 March 2023: ₹0.34 and ₹0.33) respectively.

15. Deferred tax liabilities, net

	As at	
	31 March 2024	31 March 2023
Deferred tax liabilities, net	23.35	13.12
	23.35	13.12

Movement in deferred tax liabilities, net

	As at 1 April 2022	Recognised in SPL	Recognised in OCI	As at 31 March 2023	Recognised in SPL	MAT credit utilisation	Recognised in OCI	As at 31 March 2024
Deferred tax liabilities arising on account of:								
Property, plant and equipment	31.96	1.71	-	33.67	1.48	-	-	35.15
Total (A)	31.96	1.71	-	33.67	1.48	-	-	35.15
Deferred tax assets arising on account of:								
Employee benefits	1.27	0.25	(0.07)	1.45	0.36	-	-	1.81
Provision for trade receivables	6.41	(1.40)	-	5.01	(2.05)	-	-	2.96
Provision for doubtful advances	3.06	(0.94)	-	2.12	-	-	-	2.12
Unabsorbed tax depreciation	1.02	(1.02)	-	-	-	-	-	-
Right-of-use assets	-	0.12	-	0.12	0.26	-	-	0.38
MAT Credit	10.84	1.01	-	11.85	-	(7.32)	-	4.53
Total (B)	22.60	(1.99)	(0.07)	20.55	(1.43)	(7.32)	-	11.80
Total (A) - (B)	9.36	3.70	0.07	13.12	2.91	7.32	-	23.35

* SPL - Statement of Profit and Loss

16. Trade payables

	As at	
	31 March 2024	31 March 2023
total outstanding dues of micro and small enterprises ("MSME")	8.00	2.54
total outstanding dues of creditors other than micro and small enterprises	81.56	56.74
	89.56	59.28

(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:

	As at	
	31 March 2024	31 March 2023
(i) The principal amount remaining unpaid as at the end of the year	8.00	2.54
(ii) The amount of interest accrued and remaining unpaid on (i) above	-	-

Summary of the material accounting policies and other explanatory information

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

	As at	
	31 March 2024	31 March 2023
(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 2024

Particulars	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	8.00	-	-	-	8.00
ii) Others	81.56	-	-	-	81.56
iii) Disputed dues - MSME	-	-	-	-	-
iv) Disputed dues - others	-	-	-	-	-

(c) Trade payables ageing schedule as on 31 March 2023

Particulars	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	2.54	-	-	-	2.54
ii) Others	56.74	-	-	-	56.74
iii) Disputed dues - MSME	-	-	-	-	-
iv) Disputed dues - others	-	-	-	-	-

17. Other current financial liabilities

	As at	
	31 March 2024	31 March 2023
Employee related payables	14.76	3.16
Interest accrued but not due on borrowings	0.34	0.49
	15.10	3.65

18. Other current liabilities

	As at	
	31 March 2024	31 March 2023
Advances from customers	1.32	1.34
Statutory dues payable	2.49	2.49
	3.81	3.83

Summary of the material accounting policies and other explanatory information

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

19. Provisions

	As at	
	31 March 2024	31 March 2023
Non-current		
Compensated absences	2.66	2.59
	2.66	2.59
Current		
Gratuity (refer note (a) below)	-	-
Compensated absences	3.82	2.62
	3.82	2.62

(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, in accordance with Payment of Gratuity Act, 1972. The Company maintains its investments with Life Insurance Corporation of India, to fund its gratuity plan.

	As at	
	31 March 2024	31 March 2023
(i) Change in projected benefit obligation		
Projected benefit obligation at the beginning of the year	1.76	1.34
Service cost	0.56	0.57
Interest cost	0.11	0.07
Actuarial loss - experience	0.25	(0.18)
Actuarial gain - financial assumptions	0.02	(0.04)
Benefits paid	(0.48)	-
Projected benefit obligation at the end of the year	2.22	1.76
(ii) Change in plan assets		
Fair value of plan assets at the beginning of the year	3.78	3.55
Interest income on plan assets	0.25	0.23
Benefits paid	(0.48)	-
Fair value of plan assets at the end of the year	3.55	3.78
(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	(2.22)	(1.76)
Funded status of the fair value of plan assets	3.55	3.78
Net asset recognised in the balance sheet	1.33	2.02
(iv) Expense recognized in the Statement of profit and loss		
Interest cost	0.11	0.07
Service cost	0.56	0.57
Interest income on plan assets	(0.25)	(0.23)
	0.42	0.41
(v) Income recognized in OCI		
Actuarial (gain) / loss, net	0.27	(0.22)
	0.27	(0.22)
(vi) Key actuarial assumptions		
Discount rate	6.90%	7.10%

Summary of the material accounting policies and other explanatory information

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

	As at	
	31 March 2024	31 March 2023
Salary escalation rate	9.00%	9.00%
Withdrawal rate	30.00%	30.00%
Mortality rate	Indian Assured Lives Mortality (2006-08) Ult.	Indian Assured Lives Mortality (2006-08) Ult.
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.

	As at	
	31 March 2024	31 March 2023
(vii) Maturity profile of defined benefit obligation:		
Weighted average duration of the defined benefit obligation	5 Years	5 Years
Maximum gratuity contribution per person	2.00	2.00
Expected cash flows over the years (valued on undiscounted basis):		
Within one year	0.37	0.29
2 to 5 years	1.51	1.76
More than 5 years	0.88	2.92
	2.76	4.97

(viii) Sensitivity analysis

Reasonably possible changes as at 31 March 2024 to one of the relevant actuarial assumptions, holding other assumptions constant, can affect the defined benefit obligation by the amounts shown below.

	31 March 2024	31 March 2023
Discount rate (+1% movement)	(0.08)	(0.06)
Discount rate (-1% movement)	0.08	(0.07)
Salary escalation (+ 1% movement)	0.08	0.06
Salary escalation (- 1% movement)	(0.08)	(0.06)

- (ix) The Company expects to contribute ₹Nil as its contribution to gratuity within one year from the year ended 31 March 2024.

20. Revenue from operations

	For the year ended	
	31 March 2024	31 March 2023
Sale of products	1,599.56	1,067.38
Other operating income	1.87	1.72
	1,601.43	1,069.10

Reconciliation of revenue from sale of products with the contracted price

	For the year ended	
	31 March 2024	31 March 2023
Revenue as per contracted price	1,618.92	1,080.34
Adjusted for:		
Sales returns	(3.44)	(3.63)
Discounts	(15.92)	(9.33)
Total revenue from contracts with customers	1,599.56	1,067.38

Summary of the material accounting policies and other explanatory information

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

21. Other income

	For the year ended	
	31 March 2024	31 March 2023
Interest income	1.16	1.64
Lease rental income	-	0.11
Provisions no longer required / credit balances written back	3.96	8.44
Profit on sale of investments	2.06	0.28
Other non-operating income	0.07	1.35
	7.25	11.82

22. Cost of materials consumed*

	For the year ended	
	31 March 2024	31 March 2023
Raw materials and packing materials at the beginning of the year	123.60	83.84
Add: Purchases made during the year	914.65	705.56
Less: Raw materials and packing materials at the end of the year	(114.07)	(123.60)
	924.18	665.80

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

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

	For the year ended	
	31 March 2024	31 March 2023
Opening balance		
- Finished goods	5.32	11.53
- Stock-in-trade	5.13	5.08
	10.45	16.61
Closing balance		
- Finished goods	11.03	5.32
- Stock-in-trade	6.10	5.13
	17.13	10.45
	(6.68)	6.16

24. Employee benefit expenses

	For the year ended	
	31 March 2024	31 March 2023
Salaries and wages	85.25	64.94
Contribution to provident and other funds (refer note a below)	4.41	4.29
Gratuity expense (refer note 19(a)(iv))	0.42	0.41
Compensated absences expense	2.27	3.20
Staff welfare expenses	3.16	2.86
	95.51	75.70

(a) The amount recognized as an expense towards contribution to provident fund and employee state insurance schemes for the year ended 31 March 2024 amounts to ₹4.41 (31 March 2023: ₹4.29).

Summary of the material accounting policies and other explanatory information

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

25. Finance costs

	For the year ended	
	31 March 2024	31 March 2023
Interest on borrowings measured at amortized cost	11.02	8.72
Interest on lease liabilities	1.29	0.43
Other borrowing costs	-	0.24
	12.31	9.39

26. Other expenses

	For the year ended	
	31 March 2024	31 March 2023
Consumption of stores and spares	20.00	10.67
Power and fuel	18.81	14.97
Rent	-	0.48
Repairs and maintenance		
- Plant and equipment	0.81	0.40
- Others	2.73	2.04
Insurance	0.69	0.58
Rates and taxes, excluding taxes on income	2.12	1.25
Freight outwards	92.14	64.79
Communication	0.77	1.92
Office maintenance	0.11	0.21
Travelling and conveyance	3.87	4.05
Legal and professional fees	2.49	2.50
Payment to auditors (refer note (i) below)	1.14	0.89
Corporate Social Responsibility (CSR) (refer note (ii) below)	0.82	0.82
Bad debts written off	-	0.01
Bank charges	0.02	0.08
Sales promotion expenses, including sales commission	11.06	7.67
Security charges	2.65	2.39
Printing and stationery	0.91	0.69
Loss on Sale of assets	0.19	0.02
Assets written off / discarded	0.23	0.19
Miscellaneous expenses	3.80	3.97
	165.36	120.59

(i) Details of payments to auditors:

	For the year ended	
	31 March 2024	31 March 2023
As auditor:		
- Statutory audit fee	0.70	0.60
- Tax audit fee	0.39	0.29
In other capacities:		
- Reimbursement of expenses	0.05	-
	1.14	0.89

Amounts reported is inclusive of goods and service tax.

Summary of the material accounting policies and other explanatory information

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

(ii) Details of CSR expenditure:

	For the year ended	
	31 March 2024	31 March 2023
(a) Gross amount required to be spent during the year	0.82	0.82
(b) Amount spent during the year		
(i) Construction/ acquisition of asset	0.82	-
(ii) On purposes other than (i) above	-	0.76
(c) Shortfall at the end of the year	-	0.06
(d) Total of previous years shortfall	-	
(e) Reason for shortfall	-	Note 1
(f) Nature of CSR activities	Educational support	Educational support
(g) Details of related party transactions	-	-
(h) Movements in the provision during the year		
Opening provision (Refer Note: 1)	0.06	-
Add: Amount required to be spent during the year	0.82	0.82
Less: Amount spent during the year*	(0.88)	(0.76)
Closing provision	-	0.06

Note: 1

As the selected projects for CSR spent are long-term in nature, the balance amount of ₹0.06 pertains to the financial year 2022-23, which was spent during the financial year 2023-24. In accordance with the provisions of Section 135(6) of the Act, the Company had transferred the unspent amount to a separate bank account and the unspent amount had been provided in the accompanying financial statements.

27. Income tax expense

	For the year ended	
	31 March 2024	31 March 2023
Amounts Recognised in the Statement of Profit and Loss		
Tax expense comprises of:		
Current tax expense	18.53	1.26
Deferred tax expense	2.91	3.69
	21.44	4.95

The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Company at 27.82% (31 March 2023: 27.82%) and the reported tax expense in the Statement of Profit and Loss is as follows:

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

	For the year ended	
	31 March 2024	31 March 2023
Profit before tax	73.59	16.04
Expected tax expense at the Indian tax rate 27.82% (31 March 2023: 27.82%)	20.47	4.46
Tax effect of amounts which are not deductible/taxable in calculating taxable income:		
Effect of expenses not deductible under the IT Act, 1961	1.33	0.88
Others	(0.36)	(0.39)
Income tax expense	21.44	4.95

Summary of the material accounting policies and other explanatory information

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

28. Contingent liabilities and commitments

	For the year ended	
	31 March 2024	31 March 2023
(i) Contingent liabilities		
Guarantees excluding financial guarantees	-	0.48
(ii) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-

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 ₹998.96 (31 March 2023: ₹743.79).

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

- 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).
- 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

	As at 31 March 2024			As at 31 March 2023		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial Assets						
Trade receivables	-	-	20.46	-	-	27.29
Investment in mutual funds	91.75	-	-	-	-	-
Cash and cash equivalents	-	-	4.57	-	-	0.16
Other bank balances	-	-	-	-	-	0.01
Other financial assets	-	-	3.79	-	-	4.40
	91.75	-	28.82	-	-	31.86

Summary of the material accounting policies and other explanatory information

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

	As at 31 March 2024			As at 31 March 2023		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial Liabilities						
Borrowings	-	-	37.19	-	-	78.82
Lease liabilities	-	-	15.23	-	-	15.30
Trade payables	-	-	89.56	-	-	59.28
Other financial liabilities	-	-	15.10	-	-	3.65
	-	-	157.08	-	-	157.05

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 ₹120.57 and ₹31.86 as of 31 March 2024 and 31 March 2023 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 either past due or impaired as at 31 March 2024 and 31 March 2023. The Company has diversified its portfolio of investment in cash and cash equivalents with various banks which have secure credit ratings hence the risk is reduced. Concentration of exposures are actively monitored by the finance department of the Company.

Summary of the material accounting policies and other explanatory information

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

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.

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 2024	On demand	Up to 1 year	More than 1 year	Total
Borrowings	-	21.25	15.94	37.19
Lease liabilities	-	1.44	25.81	27.25
Trade payables	-	89.56	-	89.56
Other financial liabilities	-	15.10	-	15.10
	-	127.35	41.75	169.10

As at 31 March 2023	On demand	Up to 1 year	More than 1 year	Total
Borrowings	20.38	21.25	37.19	78.82
Lease liabilities	-	1.37	27.26	28.63
Trade payables	-	59.28	-	59.28
Other financial liabilities	-	3.65	-	3.65
	20.38	85.55	64.45	170.38

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 2024 and 31 March 2023.

Summary of the material accounting policies and other explanatory information

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

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.

	31 March 2024	31 March 2023
Borrowings from banks	37.19	78.82
Less: Cash and cash equivalents	(4.57)	(0.16)
Net debt (A)	32.62	78.66
Total equity (B)	461.07	407.94
Net debt and total equity (A) + (B)	493.69	486.60
Gearing ratio (%)	6.61%	16.17%

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 2024 and 31 March 2023.

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 Finlease Limited	Enterprise over which directors exercise significant influence
Nirvana Holdings Private Limited	
Megabid Finance & Investment Private Limited	Key Managerial Personnel ("KMP")
N Brahmani, Managing Director	
Upendra Pandey, Chief Executive Officer	Relative of Managing Director
N Devaansh	
Rajesh Thakur Ahuja	Non-Executive Independent Director
Aparna Surabhi	Non-Executive Independent Director
N Bhuvaneswari	Non-Executive Non-Independent Director
Dr. M Sambasiva Rao	Non-Executive Non-Independent Director

(b) Transactions with the related parties

Particulars	For the year ended	
	31 March 2024	31 March 2023
Heritage Foods Limited		
Equity contribution from Holding Company (including financial guarantee)	1.18	1.00
Purchase of products	6.88	5.52

Summary of the material accounting policies and other explanatory information

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

Particulars	For the year ended	
	31 March 2024	31 March 2023
Sale of Property, plant and equipment	-	0.45
Financial guarantee expense	3.35	2.05
Sale of products	998.96	743.79
Lease rental expense	-	0.41
Reimbursement of expenditure incurred	1.87	1.16
Brand usage expense	1.46	1.11
Heritage Finlease Limited		
Lease rental income	-	0.04
Nirvana Holdings Private Limited		
Lease rental income	-	0.04
Megabid Finance & Investment Private Limited		
Lease rental income	-	0.04
N Brahmani		
Lease rentals	0.68	0.22
Lease rent deposit	-	0.34
N Devaansh		
Lease rentals	0.68	0.22
Lease rent deposit	-	0.34
Upendra Pandey		
Short-term employee benefits	9.51	8.73
Post-employment benefits	0.65	0.57
Other long-term benefits	0.20	0.63
Sitting fee		
N Bhuvaneswari	0.08	0.09
Aparna Surabhi	0.09	0.09
Rajesh Thakur Rajesh	0.09	0.07
M Sambasiva Rao	0.06	0.06

(c) Balances receivable/(payable)

Particulars	As at	
	31 March 2024	31 March 2023
Heritage Foods Limited		
Trade receivables	20.21	26.32
N Brahmani		
Lease rent payable	(0.06)	(0.06)
Security deposit	0.34	0.34
N Devaansh		
Lease rent payable	(0.06)	(0.06)
Security deposit	0.34	0.34

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 2024, the Company has not recorded any impairment of receivables relating to amounts owed by the Holding Company (31 March 2023: ₹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.

Summary of the material accounting policies and other explanatory information

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

- (b) The Holding Company had given guarantee to bank towards the term loan facility and cash credit facility availed by the Company aggregating to ₹80.00 (31 March 2023: ₹80.00). This guarantee facility was discontinued w.e.f. 29 March 2024.

35. Key Ratios

	Notes	31 March 2024	31 March 2023	Change in %
a) Current ratio = Current assets / current liabilities		1.96	1.59	22.93%
b) Debt equity ratio = (Long-term borrowings + Short-term borrowings + Lease liabilities) / Equity	(i)	0.11	0.23	(50.72)%
c) Debt Service coverage ratio = (Net profit + depreciation + finance cost + gain on sale of PPE) / (finance cost + lease payments + principal repayments)	(ii)	2.63	1.42	85.42%
d) Return on equity ratio / return on investment ratio = net profit after tax / average equity	(ii)	12.00%	2.76%	334.85%
e) Inventory turnover ratio = cost of goods sold / average inventory @	(iii)	8.80	6.70	31.30%
f) Trade receivables turnover ratio = revenue from operations / average trade receivables	(iv)	67.08	50.98	31.57%
g) Trade payables turnover ratio = cost of goods sold / average trade payables		12.42	11.22	10.67%
h) Net capital turnover ratio = Revenue from operations / (current assets - current liabilities)		12.51	16.28	(23.14)%
i) Net Profit Margin (%) = (PAT / Revenue from operations)	(ii)	3.26%	1.04%	213.93%
j) Return on capital employed = (earnings before finance cost, other income and taxes) / average capital employed #	(ii)	15.83%	2.89%	447.28%

@ 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 more than 25% is as under:

- Principal reason for change in the debt equity ratio is attributed to the repayment of long-term and short-term borrowings during the year ended 31 March 2024.
- Principal reason for change in the debt service coverage ratio / return on equity ratio / return on investment ratio / net profit margin / return on capital employed, is attributed to the increase in revenue from operations resulting in increase in profits reported during the year ended 31 March 2024 compared to the year ended 31 March 2023.
- Principal reason for change in inventory turnover ratio is attributed to the decrease in purchases of raw material during the year ended 31 March 2024 when compared to the year ended 31 March 2023.
- Principal reason for change in trade receivables turnover ratio is attributed to faster recoverabilities from the Company's customers.

Summary of the material accounting policies and other explanatory information

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

36. The Ministry of Corporate Affairs (MCA) has prescribed a new requirement for companies under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 inserted by the Companies (Accounts) Amendment Rules 2021 requiring companies, which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

The Company has used an accounting software for maintaining its books of account, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the accounting software except that, the audit trail feature was not enabled at the database level to log any direct changes as the same consumes storage space on the disk and can impact database performance significantly.

37. Additional disclosures

- (a) The Company has not been declared wilful defaulter by any bank or financial Institution or other lender.
- (b) No transactions are carried out with companies struck off under section 248 of the Act or section 560 of Companies Act, 1956.
- (c) No charges or satisfaction yet to be registered with ROC beyond the statutory period.
- (d) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- (e) No Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Act.
- (f) There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- (g) There was no revaluation of Property, plant and equipment (including right-of-use assets) and Intangible assets carried out by the Company during the respective reporting periods.
- (h) The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

This is the summary of material 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

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

Dr. M Sambasiva Rao
Non-Executive Non-Independent Director
DIN: 01887410

Upendra Pandey
Chief Executive Officer

Place: Hyderabad
Date: 22 May 2024

Place: Hyderabad
Date: 22 May 2024

**HERITAGE NUTRIVET LIMITED****CIN: U15400TG2008PLC062054**# Part -B of 3rd Floor, H. No.8-2-293/82/A/1286, Plot No.1286, Road No. 1 & 65, Jubilee Hills,
Hyderabad – 500 033 Ph: +91-040-23391221/2, Fax: +91-040-30685458**[Pursuant Section 105(6) of the Companies Act 2013 and Rule 19(3) of Companies
(Management and Administration) Rules, 2014****FORM NO: MGT-11**

Name of the Member(s):	
Registered address:	
Folio No./Client Id:	DP ID:
E-mail Id:	

I/We, being the member(s) having..... Shares of the above named Company, hereby appoint:

1.	Name :	Address :
	E-mail Id :	Signature :
or failing him/her		
2.	Name :	Address:
	E-mail Id :	Signature :
or failing him/her		
3.	Name :	Address:
	E-mail Id :	Signature :

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 16th Annual General Meeting of the Company to be held on Friday, 16th August, 2024 at 11.00 a.m. at Part -B of 3rd Floor, H. No.8-2-293/82/A/1286, Plot No.1286, Road No. 1 & 65, Jubilee Hills, Hyderabad – 500 033 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution number	Resolutions	Vote	
		For	Against
Ordinary Business:			
1.	Adoption of Financial Statement: Adopt the Audited Balance Sheet as at 31st March, 2024, Statement of Profit and Loss, Cash Flow Statement & notes thereof for the year ended as on that date and the Reports of the Directors' and the Auditors' thereon.		
2.	To appoint a Director in place of Dr. Sambasiva Rao, who retires by rotation and being eligible, offers himself for re-appointment.		

Affix
Revenue
Stamp

Signed this.....day of.....2024

Signature of Shareholder

Signature of Proxy holder(s)

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
2. A Proxy holder need not be a member of the Company.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

Proxies in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the Meeting. A Proxy Form is attached herewith. Proxies submitted on behalf of the corporate, societies etc., must be supported by an appropriate resolution/authority, as applicable

4. This is only optional. Please put a '✓' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
5. Corporate Member(s) intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting
6. Appointing a proxy does not prevent a member from attending the meeting in person if he/she so wishes.
7. In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders.

**ATTENDANCE
SLIP**



HERITAGE NUTRIVET LIMITED

CIN: U15400TG2008PLC062054

Part -B of 3rd Floor, H. No.8-2-293/82/A/1286, Plot No.1286, Road No. 1 & 65, Jubilee Hills,
Hyderabad – 500 033 Ph: +91-040-23391221/2, Fax: +91-040-30685458

(Please fill this attendance slip and hand it over at the entrance of the Meeting Hall)

DP ID*	
Registered address:	

Folio Number	
No. of Shares	

Name & Address (in BLOCK letters):

I/we certify that I/we am/are a registered shareholder(s)/proxy(s) for the registered shareholder of the Company. I/we hereby record my/our presence at the 16th Annual General Meeting of the Company to be held at # Part -B of 3rd Floor, H. No.8-2-293/82/A/1286, Plot No.1286, Road No. 1 & 65, Jubilee Hills, Hyderabad – 500 033

Ph: +91-040-23391221/2, Fax: +91-040-30685458 on Friday, the 16th August, 2024 at 11.00 a.m.

.....
Signature of the Shareholder /Authorized Representative/Proxy **

* Applicable for investors holding shares in electronic form

**** Strike out whichever is not applicable**

The Route Map of the venue of Annual General Meeting

